CITY COUNCIL Agenda

July 14, 2020, 3 p.m.

Council Chamber
1200 Carlsbad Village Drive
Carlsbad, CA 92008

Welcome to Your City Council Meeting

We welcome your interest and involvement in the city's legislative process. This agenda includes information about topics coming before the City Council and the action recommended by city staff. You can read about each topic in the staff reports, which are available on the city website and in the Office of the City Clerk. The City Clerk is also available to answer any questions you have about City Council meeting procedures.

How to watch

City cable channel
Charter Spectrum channel 24
AT&T U-verse channel 99.

City website
carlsbadca.gov/news/cityty.asp

Virtual meeting format

- Per California Executive Order N-29-20, and in the interest of public health and safety, we are temporarily taking actions to prevent and mitigate the effects of the COVID-19 pandemic by holding City Council and other public meetings online only.
- All public meetings will comply with public noticing requirements in the Brown Act and will be made accessible electronically to all members of the public seeking to observe and address the City Council.

How to participate

- **By phone:** Sign up at https://www.carlsbadca.gov/cityhall/clerk/meetings/default.asp by 2 p.m. the day of the meeting to provide comments live by phone. You will receive a confirmation email with instructions about how to call in.
- **In writing:** Email comments to clerk@carlsbadca.gov. Comments received by 2 p.m. the day of the meeting will be shared with the City Council prior to the meeting. When e-mailing comments, please identify in the subject line the agenda item to which your comments relate. All comments received will be included as part of the official record. **Written comments will not be read out loud.**
- These procedures shall remain in place during the period in which state or local health officials have imposed or recommended social distancing measures.

Reasonable accommodations

Persons with a disability may request an agenda packet in appropriate alternative formats as required by the Americans with Disabilities Act of 1990. Reasonable accommodations and auxiliary aids will be provided to effectively allow participation in the meeting. Please contact the City Manager's Office at 760-434-2821 (voice), 711 (free relay service for TTY users), 760-720-9461 (fax) or manager@carlsbadca.gov by noon on the Monday before the meeting to make arrangements.

More information about City Council meeting procedures can be found at the end of this agenda and in the Carlsbad Municipal Code chapter 1.20. *PLEASE NOTE: AS A RESULT OF THE WAIVERS IN EXECUTIVE ORDER N-29-20, THE BROWN ACT PERMITS FULL PARTICIPATION BY OFFICIALS IN MEETINGS THROUGH VIDEO OR AUDIO TELECONFERENCE.*

The City Council also sits as the Carlsbad Municipal Water District Board, Public Financing Authority Board, Community Development Commission and Successor Agency to the Redevelopment Agency. When considering items presented to the Carlsbad Municipal Water District Board, each member receives an additional $100 per meeting (max $300/month). When considering items presented to the Community Development Commission each member receives an additional $75 per meeting (max $150/month).

CALL TO ORDER:

ROLL CALL:

ANNOUNCEMENT OF CONCURRENT MEETINGS: City Council is serving as the Carlsbad Municipal Water District Board of Directors on Consent Calendar Item No. 11.

INVOCATION:

PLEDGE OF ALLEGIANCE:

APPROVAL OF MINUTES:
Minutes of the Special Meeting held June 2, 2020
Minutes of the Special Meeting held June 4, 2020

PRESENTATIONS:
Proclamation in recognition of Parks & Recreation Month.

PUBLIC REPORT OF ANY ACTION TAKEN IN CLOSED SESSION:

PUBLIC COMMENT: *In conformance with the Brown Act and California Executive Order No. N-29-20, a total of 15 minutes is provided so members of the public participate in the meeting by submitting comments as provided on the front page of this agenda. The City Council will receive comments as requested up to a total of 15 minutes. All other comments will trail until the end of the meeting. In conformance with the Brown Act, no Council action can occur on these items.*

CONSENT CALENDAR: *The items listed under Consent Calendar are considered routine and will be enacted by one motion as listed below. There will be no separate discussion on these items prior to the time the Council votes on the motion unless members of the Council, the City Manager or the public request specific items be discussed and/or removed from the Consent Calendar for separate action. A request from the public to discuss an item must be submitted to the City Clerk in writing prior to Council consideration of the Consent Calendar.*

WAIVER OF ORDINANCE TEXT READING:
This is a motion to waive the reading of the text of all ordinances and resolutions at this meeting.

1. REPORT ON CITY INVESTMENTS – Receive an update on City investments as of May 31, 2020. (Staff contact: Laura Rocha and Craig Lindholm, Administrative Services)

2. CARLSBAD TOURISM BUSINESS IMPROVEMENT DISTRICT RESOLUTION OF INTENTION – Adoption of a resolution declaring its intention to modify the assessment rate for the Carlsbad Tourism Business Improvement District, fixing the time and place of a public meeting and public hearing on the modification and giving notice of the public meeting and public hearing. (Staff contact: Cheryl Gerhardt, Administrative Services)

3. REVISIONS TO THE PART-TIME SALARY SCHEDULE AND PAY INCREASES FOR PART-TIME EMPLOYEES – Adoption of a resolution approving revisions to the City of Carlsbad Part-Time Salary Schedule and approving pay increases for part-time employees. (Staff contact: Judy von Kalinowski and Silvano Rodriguez, Administrative Services)

4. PURCHASE OF EXCESS WORKERS' COMPENSATION COVERAGE – Adoption of a resolution approving the purchase of excess workers' compensation coverage through Safety National Casualty Corporation for fiscal year 2020-21 in an amount not to exceed $226,170. (Staff contact: Donna Hernandez, Administrative Services)

5. ACCEPTANCE OF DONATION FROM THE CARLSBAD FRIENDS OF THE LIBRARY – Adoption of a resolution accepting a fiscal year 2020-21 donation of $88,200 and a pledge of $36,575 in additional support from the Friends of the Carlsbad Library to the City of Carlsbad Library & Cultural Arts Department. (Staff contact: Suzanne Smithson, Library & Cultural Arts)

6. FISCAL YEARS 2020-25 ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE FOR THE CITY'S COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM – Adoption of a resolution approving the fiscal years 2020-25 analysis of impediments to Fair Housing Choice for the City's Community Development Block Grant Program. (Staff contact: Nancy Melander, Community Development)

7. APPROVAL OF AGREEMENT WITH CENTRALSQUARE TECHNOLOGIES, LLC – Adoption of a resolution authorizing the city manager to execute an agreement to license the latest version of city's existing financial system, provide professional services to upgrade the financial system and provide ongoing hosting services from CentralSquare Technologies, LLC for a total not to exceed amount of $492,004 for a three-year period. (Staff contact: Maria Callander and Kevin Branca, Administrative Services)

8. ADVERTISE FOR BIDS FOR THE EL CAMINO REAL AND COLLEGE BOULEVARD INTERSECTION IMPROVEMENTS PROJECT – Adoption of a resolution approving plans and specifications and authorizing the city clerk to advertise for bids for the El Camino Real and College Boulevard Intersection Improvements, Capital Improvement Program Project No. 6071. (Staff contact: Brandon Miles, Public Works)

9. AMENDMENT TO AGREEMENT WITH MIKHAIL OGAWA ENGINEERING, INC. – Adoption of a resolution authorizing Amendment No. 1 to the agreement with Mikhail Ogawa Engineering, Inc., to provide professional services for the Carlsbad Watershed Management Area (CWMA) Program in an amount of $131,372. (Staff contact: James Wood, Public Works)

10. AGREEMENT WITH THE REGIONAL SOLID WASTE ASSOCIATION – Adoption of a resolution authorizing the city manager to execute an agreement with the Regional Solid Waste Association (RSWA) for residential household hazardous waste collection program services for a five-year term. (Staff contact: Avecita Jones, Public Works)

11. MASTER PURCHASE AGREEMENTS WITH ONESOURCE DISTRIBUTORS – Adoption of a City Council resolution authorizing execution of a five-year Master Purchase Agreement with OneSource Distributors for Supervisory Control and Data Acquisition (SCADA) Programmable Logic Controller equipment as part of Capital Improvement Program Project No. 5542-1 in an amount not to exceed $150,000; and,
    Adoption of a CMWD resolution authorizing execution of a five-year Master Purchase Agreement with OneSource Distributors for Supervisory Control and Data Acquisition (SCADA) Programmable Logic Controller equipment as part of Capital Improvement Program Project No. 5542-2 and 5542-3, in an amount not to exceed $400,000. (Staff contact: Stephanie Harrison, Public Works)

ORDINANCES FOR INTRODUCTION:

12. INTRODUCTION OF AN ORDINANCE TO DECREASE THE SPEED LIMIT ON AVENIDA ENCINAS FROM CANNON ROAD TO PALOMAR AIRPORT ROAD – Introduction of an ordinance amending Carlsbad Municipal Code Section 10.44.280 to decrease the speed limit on Avenida Encinas from Cannon Road to Palomar Airport Road to 35 miles per hour. (Staff contact: John Kim, Public Works)

    City Manager's Recommendation: Introduce the ordinance.

ORDINANCES FOR ADOPTION: None.

PUBLIC HEARINGS:

13. LIGHTING AND LANDSCAPING DISTRICT NO. 1 – Hold a public hearing and adopt a resolution confirming the diagram and assessment and providing for the levy of the annual assessment for fiscal year 2020-21 for Street Lighting and Landscaping District No. 1, a special assessment district. (Staff contact: Jason Rosado, Administrative Services).

    City Manager's Recommendation: Take public input, close the public hearing and adopt the resolution.

14. LIGHTING AND LANDSCAPING DISTRICT NO. 2 – Hold a public hearing and adopt a resolution confirming the diagram and assessment and providing for the levy of the annual assessment for fiscal year 2020-21 for Street Lighting and Landscaping District No. 2, a special assessment district. (Staff contact: Jason Rosado, Administrative Services).

    City Manager's Recommendation: Take public input, close the public hearing and adopt the resolution.

DEPARTMENTAL AND CITY MANAGER REPORTS:

15. COVID-19 ACTIONS AND EXPENDITURES REPORT – Receive a report on recent actions and expenditures related to the city's response to the COVID-19 pandemic and provide direction as appropriate. (Staff contact: Geoff Patnoe, City Manager Department)

    City Manager's Recommendation: Receive the report and provide direction as appropriate.

16. $2,250,000 GUARANTY FOR THE CLEAN ENERGY ALLIANCE AND FINANCING OPTIONS – Receive a report and 1) Consider adoption of a resolution authorizing the City of Carlsbad to provide up to a $2,250,000 guaranty for a $2,500,000 credit option for Clean Energy Alliance as proposed by River City Bank or a third party approved by the alliance board; and
    Authorizing the city manager to act on behalf of the city, in consultation with the city attorney, to negotiate and execute all agreements and amendments necessary for the guaranty; and
    2) Consider directing staff to develop and present an alternative credit option to fund the Clean Energy Alliance's fiscal year 2020-21 budget with a $4,450,000 loan from the city's General Fund, in consultation with the city attorney and city treasurer. (Staff contact: Jason Haber, City Manager Department)

    City Manager's Recommendation: Receive the report, adopt the resolution and provide direction as appropriate.

17. AMENDMENT NO. 1 TO THE CLIMATE ACTION PLAN – Adoption of a resolution approving an amendment to the Climate Action Plan to revise the greenhouse gas inventory and reduction targets and forecast, update reductions from existing measures and incorporate Community Choice Energy as a new reduction measure. (Staff contact: Michael Grim, Pubic Works)

    City Manager's Recommendation: Adopt the resolution.

18. CITY COUNCIL COMPENSATION AND BALLOT MEASURE DISCUSSION – 1) Discuss and provide direction on placing a ballot measure on the Nov. 3, 2020, General Municipal Election ballot relating to City Council compensation; and
    2) Discuss and provide direction on City Council compensation adjustments for 2019 and 2020. (Staff contact: Cindie McMahon, City Attorney Department and Sheila Cobian, City Clerk Services)

    City Manager's Recommendation: Receive the report and provide direction to staff.

COUNCIL COMMENTARY AND REQUESTS FOR CONSIDERATION OF MATTERS:

City Council Regional Assignments (Revised 4/7/20)

Matt Hall **Mayor**	North County Mayors and Managers City/School Committee Chamber of Commerce Liaison (primary) Clean Energy Alliance JPA (alternate) San Diego County Water Authority San Diego Regional Economic Development Corporation Board of Directors
Keith Blackburn **Mayor Pro Tem**	Buena Vista Lagoon JPC Encina Wastewater Authority/JAC Board of Directors North County Dispatch Joint Powers Authority Chamber of Commerce Liaison (alternate) SANDAG (1st alternate) North County Transit District (alternate)
Priya Bhat-Patel **Council Member – District 3**	SANDAG (2nd alternate) North County Transit District (primary) City/School Committee League of California Cities – SD Division Encina Wastewater Authority/JAC Board of Directors (alternate)
Cori Schumacher **Council Member – District 1**	SANDAG (primary) Buena Vista Lagoon JPC Clean Energy Alliance JPA (primary) Encina Wastewater Authority/JAC Board of Directors North County Dispatch Joint Powers Authority (alternate)
Vacant – At-Large **Council Member**	

PUBLIC COMMENT: Continuation of the Public Comments

This portion of the agenda is set aside for continuation of public comments, if necessary, due to exceeding the total time allotted in the first public comments section. In conformance with the Brown Act, no Council action can occur on these items.

ANNOUNCEMENTS:

This section of the Agenda is designated for announcements to advise the community regarding events that Members of the City Council have been invited to and may participate in.

CITY MANAGER COMMENTS:

CITY ATTORNEY COMMENTS:

ADJOURNMENT:

City Council Meeting Procedures (*continued from page 1*)

Written Materials

Written materials related to the agenda that are submitted to the City Council after the agenda packet has been published will be available for review prior to the meeting during normal business hours at the City Clerk's office, 1200 Carlsbad Village Drive and on the city website. To review these materials during the meeting, please see the City Clerk.

Visual Materials

Visual materials, such as pictures, charts, maps or slides, are allowed for comments on agenda items, not general public comment. Please contact the City Manager's Office at 760-434-2820 or manager@carlsbadca.gov to make arrangements in advance. All materials must be received by the City Manager's Office no later than noon the day before the meeting. The time spent presenting visual materials is included in the maximum time limit provided to speakers. All materials exhibited to the City Council during the meeting are part of the public record. **Please note that video presentations are not allowed.**

Decorum

All participants are expected to conduct themselves with mutual respect. Loud, boisterous and unruly behavior can interfere with the ability of the City Council to conduct the people's business. That's why it is illegal to disrupt a City Council meeting. Following a warning from the presiding officer, those engaging in disruptive behavior are subject to law enforcement action.

City Council Agenda

The City Council follows a regular order of business that is specified in the Carlsbad Municipal Code. The City Council may only make decisions about topics listed on the agenda.

Presentations

The City Council often recognizes individuals and groups for achievements and contributions to the community. Well-wishers often fill the chamber during presentations to show their support and perhaps get a photo. If you don't see an open seat when you arrive, there will likely be one once the presentations are over.

Consent Items

Consent items are considered routine and may be enacted together by one motion and vote. Any City Council member may remove or "pull" an item from the "consent calendar" for a separate vote. Members of the public may pull an item from the consent calendar by requesting to speak about that item. A speaker request form must be submitted to the clerk prior to the start of the consent portion of the agenda.

Public Comment

Members of the public may speak on any city related item that does not appear on the agenda. State law prohibits the City Council from taking action on items not listed on the agenda. Comments requiring follow up will be referred to staff and, if appropriate, considered at a future City Council meeting. Members of the public are also welcome to provide comments on agenda items during the portions of the meeting when those items are being discussed. In both cases, a request to speak form must be submitted to the clerk in advance of that portion of the meeting beginning.

Public Hearing

Certain actions by the City Council require a "public hearing," which is a time within the regular meeting that has been set aside and noticed according to different rules.

Departmental Reports

This part of the agenda is for items that are not considered routine and do not require a public hearing. These items are usually presented to the City Council by city staff and can be informational in nature or require action. The staff report about each item indicates the purpose of the item and whether or not action is requested.

Other Reports

At the end of each meeting, City Council members and the city manager, city attorney and city clerk are given an opportunity to share information. This usually includes reports about recent meetings, regional issues, and recent or upcoming meetings and events.

City Council Actions

Resolution

A resolution is an official statement of City Council policy that directs administrative or legal action or embodies a public City Council statement. A resolution may be introduced and adopted at the same meeting. Once adopted, it remains City Council policy until changed by subsequent City Council resolution.

Ordinance

Ordinances are city laws contained in the Carlsbad Municipal Code. Enacting a new city law or changing an existing one is a two-step process. First, the ordinance is “introduced” by city staff to the City Council. If the City Council votes in favor of the introduction, the ordinance will be placed on a subsequent City Council meeting agenda for “adoption.” If the City Council votes to adopt the ordinance, it will usually go into effect 30 days later.

Motion

A motion is used to propose City Council direction related to an item on the agenda. Any City Council member may make a motion. A motion must receive a “second” from another City Council member to be eligible for a City Council vote.

CITY COUNCIL
Special Meeting

Minutes

June 2, 2020, 3 P.M.

Council Chamber
1200 Carlsbad Village Drive
Carlsbad, CA 92008

CALL TO ORDER: 3 p.m.

ROLL CALL: Hall, Blackburn, Bhat-Patel, Schumacher.

ANNOUNCEMENT OF CONCURRENT MEETINGS: None.

PLEDGE OF ALLEGIANCE: Mayor Pro Tem Blackburn led the Pledge of Allegiance.

INVOCATION: None.

APPROVAL OF MINUTES: None.

PRESENTATIONS: None.

PUBLIC REPORT OF ANY ACTION TAKEN IN CLOSED SESSION: No reportable action.

PUBLIC COMMENT:

City Clerk Barbara Engleson read the following public comments:

David Garrett wrote about the beach parking restrictions. He advocated that parking spaces and lots near the beach be reopened.

Ronald Jensen wrote about various issues occurring on Carlsbad Boulevard and the beach including lack of social distancing, enforcement of mask wearing and loud cars.

An anonymous citizen wrote about the lack of proper cleaning of Carlsbad public restrooms in the parks.

Hope Nelson wrote about not receiving a response to a letter he wrote about issues at the McClellan-Palomar Airport.

Diane Young wrote about the need to reopen high school tennis courts for public use.

Dan Walsh wrote about various issues in the Terramar neighborhood including reckless behavior from beach goers and the streets being flooded with people trying to park near the beach. He stressed that beach parking be reopened.

Barbara Galko wrote about the lack of parking enforcement at the Batiquitos Lagoon North Bluff. She requested that a 2-hour parking limitation be placed in the area.

Bob Pritchard wrote about the need to reopen the beach parking lots.

Taila Redmond wrote about the need to reopen the beach parking lots. She also commented on the various issues neighborhoods near the beach have faced since the parking lots have been closed.

Rozanne Gooding wrote about the need to reopen the beach parking lots. She also commented that the Terramar neighborhood was being severely affected by the closure.

Natalie Shapiro wrote to thank Council Member Schumacher and Mayor Hall for their work in bringing the Buena Vista Lagoon Enhancement Project to fruition.

WAIVER OF ORDINANCE TEXT READING:

Motion by Mayor Pro Tem Blackburn, seconded by Council Member Bhat-Patel, to approve Consent Calendar Item Nos. 1 through 5. Motion carried unanimously, 4/0.

1. ANNUAL LEVY OF BENEFIT ASSESSMENTS FOR THE BUENA VISTA CHANNEL MAINTENANCE DISTRICT BENEFIT AREA NO. 1 – Adoption of Resolution No. 2020-092 authorizing the annual levy of benefit assessments for the Buena Vista Channel Maintenance District Benefit Area No. 1 for fiscal year 2020-21. (Staff contact: Ryan Green, Administrative Services)

2. MONTHLY REPORT ON CITY INVESTMENTS – Accept and file a Report on City Investments as of April 30, 2020. (Staff contact: Craig Lindholm and Laura Rocha, Administrative Services)

3. CARLSBAD TOURISM BUSINESS IMPROVEMENT DISTRICT ANNUAL REPORT – Adoption of Resolution No. 2020-093 approving the Carlsbad Tourism Business Improvement District (CTBID) Annual Report, declaring an intention to levy and collect an annual assessment and setting a public hearing date. (Staff contact: Cheryl Gerhardt, Administrative Services)

4. CARLSBAD GOLF LODGING BUSINESS IMPROVEMENT DISTRICT ANNUAL REPORT – Adoption of Resolution No. 2020-094 approving the Carlsbad Golf Lodging Business Improvement District (CGLBID) Annual Report, declaring an intention to levy and collect an annual assessment and setting a public hearing date. (Staff contact: Cheryl Gerhardt, Administrative Services)

5. ACCEPTANCE OF DONATION FROM THE FRANK S. SUTTON REVOCABLE LIVING TRUST – Adoption of Resolution No. 2020-095 accepting a $50,000 donation from the Frank S. Sutton Revocable Living Trust. (Staff contact: Heather Pizzuto, Library & Cultural Arts)

ORDINANCES FOR INTRODUCTION: None.

ORDINANCES FOR ADOPTION: None.
PUBLIC HEARING:

6. TRANSNET LOCAL STREET IMPROVEMENT PROGRAM OF PROJECTS FOR FISCAL YEARS 2020-21 THROUGH 2024-25 – Hold a public hearing and adopt Resolution No. 2020-096 approving the Carlsbad TransNet Local Street Improvement Program of Projects for fiscal years 2020-21 through 2024-25 for inclusion in the 2020 update to the TransNet Program of Projects, which will be programmed as Amendment No. 14 to the 2018 San Diego Association of Governments Regional Transportation Improvement Program. (Staff contact: Jonathan Schauble, Public Works)

   City Manager's Recommendation: Take public input, close the public hearing and adopt the resolution.

   Engineering Manager Hossein Ajideh and Senior Engineer Jonathan Schauble presented the report and reviewed a PowerPoint presentation (on file in the Office of the City Clerk).

   Mayor Hall opened the duly noticed Public Hearing at 3:24 p.m.

   Hearing no one wishing to speak, Mayor Hall closed the duly noticed Public Hearing at 3:24 p.m.

   Motion by Mayor Pro Tem Blackburn, seconded by Council Member Bhat-Patel, to adopt Resolution No. 2020-096. Motion carried unanimously, 4/0.

DEPARTMENTAL AND CITY MANAGER REPORTS:

7. COMPLIANCE REPORT FOR STATE-MANDATED ANNUAL FIRE INSPECTIONS – Adoption of Resolution No. 2020-097 accepting a report on the status of all state-mandated annual fire inspections in the City of Carlsbad in conjunction with the California Senate Bill 1205 and the California Health and Safety Code Section 13146.4. (Staff contact: Randy Metz, Fire)

   City Manager's Recommendation: Adopt the resolution.

   Fire Marshal Randy Metz presented the report.

   Motion by Mayor Pro Tem Blackburn, seconded by Council Member Bhat-Patel, to adopt Resolution No. 2020-097. Motion carried unanimously, 4/0.

8. FISCAL YEAR 2020-21 PRELIMINARY OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM – Accept report and set a public hearing of June 23, 2020, for adoption of the Fiscal Year 2020-21 Operating Budget and Capital Improvement Program and adoption of the changes to the Master Fee Schedule. (Staff contact: Laura Rocha and Roxanne Muhlmeister, Administrative Services)

   City Manager's Recommendation: Receive the report and set the public hearing date.

City Manager Scott Chadwick, Deputy City Manager of Administrative Services Laura Rocha, Finance Manager Roxanne Muhlmeister, Chief of Police Neil Gallucci, Fire Chief Michael Calderwood, Deputy City Manager of Public Works Paz Gomez, Deputy City Manager of Community Services Gary Barberio and Assistant City Manager Geoff Patnoe presented the report and reviewed a PowerPoint presentation (on file in the Office of the City Clerk).

Mayor Hall declared a recess at 5:15 p.m.

Mayor Hall reconvened the meeting at 5:25 p.m.

City Clerk Barbara Engleson read the following public comments:

David Garrett wrote about the beach parking restrictions. He advocated that parking spaces and lots near the beach should be reopened.

Mary Kent; Geoff and Jody White; Valerie and Dennis Cowan; Donna Greenberg; Michelle Turner; Todd Schaefer; Andrea Gattorna; Leandro Festino; Betsy Cleek; Donald Burton; Atsuko Suzuki; John Nylander; Andy Sybrandy; Paula Presenkowski; Linda Sinclair; Julee Vecchio; Frances Walters; Diane Bedrosian; Kristin Peters; Andy Palmer; Kelly Hendrickson; Jane Naskiewicz; George Tye and Mike Guerreiro, wrote about advising the City of Carlsbad to budget money in their capital improvement program to purchase Planning Area F and build a park at Ponto to serve residents and visitors.

Michael Sebahar wrote to request that the city budget include a Ponto Coastal park.

Lance Schulte wrote to request that Ponto Coastal Park be properly planned and to direct staff to provide a true community-based planning process.

Tom Hall wrote about the need to fund a park in the Ponto area.

Bridget and Tracy Sabin wrote to request that the City of Carlsbad budget money to purchase Planning Area F and build a park at Ponto.

Catherine Jain wrote about the rare opportunity to build Ponto Park and for the City of Carlsbad to purchase Planning Area F.

William Bradford wrote to request that the City of Carlsbad budget money to purchase Planning Area F and build a park at Ponto.

Fred Sandquist representing the Batiquitos Lagoon Foundation wrote to request that the City of Carlsbad budget money to purchase Planning Area F and build a park at Ponto.

Natalie Shapiro wrote in support of a park at Ponto and including it in the fiscal year 2020-2021 City of Carlsbad budget.

Lorraine Dix wrote in support of a park at Ponto and urged the City Council to not miss out on the opportunity to build it.

Charles Wick wrote to request that the City of Carlsbad budget money to purchase Planning Area F and build a park at Ponto.

Stacy and Chris King wrote to request that the City of Carlsbad budget money to purchase Planning Area F and build a park at Ponto.

Peter Lewis wrote to request that the City of Carlsbad budget money to purchase Planning Area F and build a park at Ponto.

Diane Nygaard on behalf of Preserve Calavera wrote to request additional funding for rangers at the trails, parks and beaches.

T. Owen Rassman wrote in support of building a park at Ponto and budgeting money for the project.

Bonnie Shaw wrote in support of a park in Ponto and stressed that there be no housing development in Planning Area F.

Jodie M. Jones wrote to request that the City of Carlsbad budget money to purchase Planning Area F and build a park at Ponto.

Barbara Kesten wrote to request that the City of Carlsbad budget money to purchase Planning Area F and build a park at Ponto.

Robert Hansen and Janelle Wilson wrote in support of a park in Ponto and stressed that there be no housing development in Planning Area F.

Motion by Mayor Pro Tem Blackburn, seconded by Council Member Bhat-Patel, to accept the report and set a public hearing for June 23, 2020. Motion carried unanimously, 4/0.

PUBLIC COMMENT (CONTINUED):

City Clerk Barbara Engleson read the following public comments:

Jennifer Arrogante wrote about the need to reopen the beach parking lots. She also commented on various issues neighborhoods near the beach have faced since the beach parking lots have been closed.

Brad Smith wrote about the need to reopen the beach parking lots. He also commented that the Terramar neighborhood was being severely affected by the closure.

Chris Nagle wrote about the need to reopen the beach parking lots. He also commented that the Terramar neighborhood was being severely affected by the closure.

Rob Coury wrote about the impact that the beach parking closures have had on the Terramar neighborhood. He urged the City Council to reopen the beach parking lots.

Greg Hallinan wrote about the need to reopen the beach parking lots since the beaches have now been opened.

Ray and Laura Green wrote about various issues in the Terramar neighborhood including reckless behavior from beach goers and that the streets have been flooded with people trying to park near the beach. They stressed that beach parking be reopened.

Paul Miller wrote about the need to reopen the beach parking lots. He also commented that the Terramar neighborhood was being severely affected by the closure.

Ray Stainback wrote about the effects the beach parking closures have had on neighborhoods near the beach. He urged the City Council to reopen the beach parking lots.

Diane and Mike Tindall wrote about the need to reopen the beach parking lots. They also commented that the Terramar neighborhood was being severely affected by the closure.

Kerry and Tom Siekmann wrote that keeping the beach parking lots closed causes people to unsafely gather in groups near the beach and in the neighborhoods nearby. They advised the City Council that the beach parking lots should be opened soon.

Christopher Olson wrote about the need to reopen the beach parking lots, so that all residents can enjoy the beach and not just those who live close by.

Catherine Miller wrote in support of reopening the beach parking lots.

John Foulk wrote about the lack of handicap parking at the beach. He urged the City Council to add more parking spots for handicap parking.

Phil Urbina wrote about the need to add COVID-19 updates to each City Council agenda. He also supported reopening the beach parking lots.

Hal Truax wrote about the need to remove restrictions on beach parking. He suggested issuing special permits to Carlsbad residents that would allow parking at the beach.

Diana Truax wrote that seniors and handicap people should be allowed to purchase special permits to park in the beach parking lots.

Joanie Berkwitz wrote about the need to reopen the beach parking lots. She also commented on various issues neighborhoods near the beach have faced since the beach parking lots have been closed.

Anthony Bona wrote about the need to stop increases in budget for the Carlsbad Police Homeless Outreach Team because they have become ineffective due to various state propositions and laws that restrict their actions.

Denise Reeves wrote about the lack of disabled parking at the beach. She urged the City Council to add more parking spots for disabled parking.

Jonnie Johnson wrote to urge the City Council to reopen the beach parking lots.

COUNCIL REPORTS AND COMMENTS:

Council Member Schumacher commented on the recent protests against gross structural violence in America. She reminded the community that they are still under stay at home orders and urged the community to not risk a significant health spreading event. She commented that the Carlsbad Police Department stands as one of the top police departments in the State of California according to the Campaign Zero organization which was formed during the Black Lives Matter movement. She also commented that she does not support looting or violence of any kind and that the City Council is looking at ways to maintain the high standards of policing in the City of Carlsbad.

Council Member Bhat-Patel commented that it is disheartening to witness how black people have been disproportionately affected by violence repeatedly and that there needs to be a nationwide shift addressing systemic racism. She commented that part of being an ally is learning that it is not enough to simply not be racist and we must actively condemn racism and take action to do so. She further commented that we are getting a glimpse of the realities of what is and has been happening to black people in this country and that it is our responsibility to defend their lives. She explained that she received e-mails from many members of the community including a black student from a Carlsbad school sharing how dismayed they are at what is going on and asking our city if we will take a stand to ensure that our community members know we stand with them.

Minute Motion by Council Member Bhat-Patel, seconded by Council Member Schumacher, to direct the City Manager to issue a statement on behalf of the City Council and the city denouncing racism, violence and all sorts of hate and to stand in solidarity with black lives. – 4/0

CITY MANAGER COMMENTS: City Manager Scott Chadwick announced that the City Council will be holding a special meeting at 4:30 p.m. on June 4, 2020 to discuss COVID-19 related parking impacts.

CITY ATTORNEY COMMENTS: None.

CITY CLERK COMMENTS: None.

ANNOUNCEMENTS: None.

ADJOURNMENT: Mayor Hall adjourned the duly noticed Special Meeting in remembrance of Bob Nielsen at 6:43 p.m.

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Hector Gomez
Deputy City Clerk

CITY COUNCIL
Special Meeting

Minutes

June 4, 2020, 4:30 P.M.

Council Chamber
1200 Carlsbad Village Drive
Carlsbad, CA 92008

CALL TO ORDER: 4:30 p.m.

ROLL CALL: Hall, Blackburn, Bhat-Patel, Schumacher.

ANNOUNCEMENT OF CONCURRENT MEETINGS: None.

PLEDGE OF ALLEGIANCE: Mayor Pro Tem Blackburn led the Pledge of Allegiance.

INVOCATION: None.

APPROVAL OF MINUTES: None.

PRESENTATIONS: None.

PUBLIC REPORT OF ANY ACTION TAKEN IN CLOSED SESSION: None.

PUBLIC COMMENT: None.

DEPARTMENTAL AND CITY MANAGER REPORTS:

1. REPEAL OF CARLSBAD MUNICIPAL CODE SECTION 10.40.300 AND ELIMINATING NO PARKING ZONES ON CARLSBAD BOULEVARD, PONTO DRIVE AND PONTO ROAD AND REOPENING PARKING LOTS IN CITY PARKS AND PUBLIC BEACHES – Introduce and adopt Urgency Ordinance No. CS-376 repealing Carlsbad Municipal Code Section 10.40.300 and eliminating the no parking zones on Carlsbad Boulevard from Pine Avenue and La Costa Avenue, on Ponto Drive from Ponto Road and the south terminus, and on Ponto Road; and
Adopt Resolution No. 2020-098 authorizing the Director of Emergency Services, or designee, to open all parking lots in city parks to full capacity effective Friday, June 5, 2020, no later than 2 p.m.; and Receive information on reopening parking lots in public beaches. (Staff contact: Paz Gomez, Public Works and Cindie McMahon, City Attorney Department)

   City Manager's Recommendation: Introduce and adopt the urgency ordinance, adopt the resolution and receive the information regarding opening parking lots in public beaches.

   Deputy City Manager of Public Works Paz Gomez presented the report and reviewed a PowerPoint presentation (on file in the Office of the City Clerk).

   City Clerk Barbara Engleson read the following public comments:

The following residents wrote in support of opening beach parking: Rick Lockman, Judith Simas, Rob Coury, Darcie & Jeremy Paul, Jan Freidman, Bryan Thunstrom, Dan Walsh, Athena Runner, Darcy Eaton, Brad Westcott.

The following residents wrote in support of keeping the beach parking closed: Jan Lewis, Pierre Cochet-Winot.

City Attorney Celia Brewer titled the urgency ordinance.

Motion by Council Member Schumacher, seconded by Council Member Bhat-Patel, to introduce and adopt Ordinance No. CS-376. Motion carried unanimously, 4/0.

Motion by Mayor Pro Tem Blackburn, seconded by Council Member Bhat-Patel, to adopt Resolution No. 2020-098. Motion carried unanimously, 4/0.

2. STATEMENT DENOUNCING RACISM, VIOLENCE AND HATE IN ALL FORMS – Consider approval of a statement, on behalf of the City of Carlsbad and Carlsbad City Council, denouncing racism, violence and all forms of hate to stand in solidarity with black lives. (Staff contact: Scott Chadwick, City Manager)

City Manager's Recommendation: Approve the statement.

City Manager Scott Chadwick explained that under the Brown Act, the City Council must draft the document in the public view to prevent any alterations. He then proceeded to read the drafted statement as stated: "The Carlsbad City Council stands united in denouncing racism and all forms of discrimination. The very fact that we, as local leaders, feel compelled to make a statement like this today, in the year 2020, is evidence that words alone are not enough. Words must be backed by meaningful changes, large and small, individually and collectively, until we truly live up to the core principles upon which this country was founded."

City Clerk Barbara Engleson read the following public comments:

The following residents wrote in support of Council Member Priya Bhat-Patel's motion to issue a statement on behalf of the City Council and the City denouncing racism, violence and all sorts of hate and to stand in solidarity with black lives.: Destini Perkins, Maureen Kern, Natalie Garcia, Rachel Murphy, John Paul Mendoza, Roxana Dominguez, Mara Waynick, Nandhini Ekambaram, Julia Girley, Tara Stanley. Aliana Aossey, Roxy Arreaga, Madeline Connelly, Elizabeth Hatton, Lela Buda, Laurie Haslam, Edith Jones.

Lori Wallace wrote about the lack of diversity in the City of Carlsbad and she advocated that a study might be needed to hire Social Justice Managers as part of city employment.

Susan Roberts wrote in support of the statement by the City of Carlsbad to denounce racism, violence, and all forms of hate but objected to the part about standing in solidarity with black

lives. She advocated that we should be standing in solidarity for all Lives and people of all colors.

Theresa Beauchamp wrote in support of the City of Carlsbad statement and she commented that it was vital to include "in solidarity with Black lives" to acknowledge the inequity that Black Lives have been targeted by law enforcement in the nation.

James and Nancy Hardwick wrote in support of the City of Carlsbad statement and they encouraged the City Council to make a statement denouncing racism and violence and to stand specifically in solidarity with Black Lives Matter.

Sam Ward wrote in support of the City of Carlsbad statement.

Nikki Faddick wrote that the City Council should release a statement in solidarity with Black lives and in support of the Black community.

Karin Brennan wrote in support of a statement that states that the City of Carlsbad is a solid ally with the black community and is standing up against all forms of systemic racial injustice and will not tolerate the unjust deaths of black and brown neighbors any longer.

Lela Penagides wrote in support of the City of Carlsbad statement and commented that we must stand in solidarity with black lives.

Sarah Hunter wrote to request that the City of Carlsbad use the term "Black Lives" when condemning the systemic racism, violence and hatred against Black human beings in their statement.

Stephanie Wells wrote to ask the City Council to release a statement denouncing racism, violence and all forms of hate, and to stand in solidarity with black lives. She commented that the current draft statement does not acknowledge the systemic racial injustices that the black community has been enduring.

Britta Kinney wrote that the City Council should release a public statement denouncing racism and violence and standing in solidarity with Black lives. They also commented the City of Carlsbad must take measures to ensure that the city is actively working towards solutions for systemic racism, including reviewing current police policies.

Donna Layden wrote to request that the City of Carlsbad statement to denounce racism and violence specifically include "in solidarity with Black Lives".

An anonymous speaker wrote in opposition to a statement stating solidarity with the Black Lives Movement. They commented that law enforcement deserves to have unwavering support and that they would support a statement denouncing all violence against all people.

Cinda Kemper wrote in support of the motion submitted by Council Member Bhat-Patel to make a statement on behalf of the City of Carlsbad to denounce racism and violence specifically in solidarity with Black Lives.

Valerie Tapia wrote urging the City Council to use the term "Black Lives" when making a statement on behalf of the City condemning racism, violence, and hatred.

Narima Lopes wrote in support of the City of Carlsbad statement.

Marcella Wilbur wrote to urge the City Council to make sure that the statement made by the City of Carlsbad regarding denouncing racism and violence include the words "in solidarity with Black Lives".

Timothy J. O'Healy wrote to urge the City Council to include "Black Lives Matter" in the City of Carlsbad statement.

Celia Taghdiri wrote to ask the City Council release a statement denouncing racism, violence and all forms of hate, and to stand in solidarity with black lives. She commented that the current draft statement does not acknowledge the systemic racial injustices that the black community has been enduring.

Council Member Bhat-Patel commented that after reviewing the City of Carlsbad draft statement, she found it was not specific enough and that it did not match what was discussed at the June 2, 2020, City Council meeting. She further commented that the City Council needs to listen to black voices during this conversation and that they must call out and stand against the violence that black lives have encountered. She commented that she has spoken to black students in the Carlsbad community and, they have stated that they do feel discrimination. She shared how they want to feel welcomed in the place that they call home and that they want a different future, and that this is a future that she will stand and fight for. She explained that the City Council has an opportunity to be united in their voices and that despite all of them having different viewpoints they can all agree that racism has not gone away, and that Black people are disproportionately victims of violence and suffer systemic racism. She further explained that the City Council has an opportunity to make a statement that condemns the discrimination and hatred that black people face especially the students in the Carlsbad community.

Mayor Pro Tem Blackburn commented that he agrees with Council Member Bhat-Patel but for him to agree with the suggested statement he needs for it to be more inclusive. He commented that he does not disagree at all that black people are discriminated against, but he wants the City Council to keep in mind that there are other people who are discriminated against as well because of their sexual or gender preferences, physical and mental disabilities, and their religion and it is not just people of color. He explained that there is a lot of good organizations to join with such as NAACP and the Anti-Defamation League in addition to Black Lives Matter. He further explained that he would support the statement, but it has to be more

inclusive and, it cannot call out one certain group of people who are discriminated against and, it cannot call out one group who helps fight that discrimination.

Council Member Bhat-Patel commented that she is disheartened to see a disagreement with the wording of the statement and that she agrees that all lives matter. She reiterated that they are not saying that other lives do not matter. She hopes that for our black siblings that this is a pivotal point in history and that we need to amplify their voices and allow for them to stand up in this moment. She explained that these issues disproportionately affect our black community members and that the City of Carlsbad statement is important to community members and students.

Mayor Hall commented that Council Bhat-Patel could suggest some language to add to the statement that would concur with Mayor Pro Tem Blackburn.

Council Member Bhat-Patel commented that the language she presented does not mention any specific movement and that it is saying that it is in support with black lives.

Mayor Pro Tem Blackburn commented that the statement needs to be more inclusive and that it cannot call out just one group or organization. He added that he thinks it is unfair to all the other people in the community who have been discriminated against.

Mayor Hall commented that his thoughts are similar to Council Member Blackburn's and that specifically for Carlsbad he would recognize the Hispanic community if they are recognizing different groups. Mayor Hall further commented that there is a much larger Hispanic community in Carlsbad than a Black community and, it is challenging to speak to just one.

Council Member Bhat-Patel commented that while speaking to black individuals that live in Carlsbad one of the things they pointed out to her was the question of why do you think there are not many of us that live in Carlsbad. She further commented that this is a moment for us to show them that we do stand alongside them and make them feel welcomed and allow for them to feel that they actually belong in the City of Carlsbad. She further added that there are students that do not feel like they belong, and she hopes that this is a very simple gesture for us to at the very least, allow for them to feel that this is a space that they can safely call home. She explained that we currently have that opportunity to stand with others verbally and around the United States to stand against racism and she thinks we need to call out "black lives" specifically. She added that it is not in regard to a specific movement and that it is just making sure that individuals that have been affected disproportionately, the black lives that have been lost throughout our history, are recognized.

City Manager Scott Chadwick commented that the City Council could add "black and brown lives" to the statement.

Council Member Blackburn commented that he could not support a statement that calls out certain groups. He reiterated that it has to be all-inclusive. He further commented that he

thinks all people are important whether they be people of color or a religion that is called out to have discrimination against and he asked that the City Council not misunderstand that he does not disagree with anything the other Council Members have previously said.

Council Member Schumacher commented that she wants to amplify the voice of Council Member Priya Bhat-Patel.

City Attorney Celia Brewer commented that the City Council could accomplish their goal by adding a few suggested words to the first sentence of the statement and suggested the following alteration "The Carlsbad City Council stands united in denouncing racism and all forms of discrimination in solidarity with black lives and all other groups that have experienced discrimination."

Mayor Pro Tem Blackburn commented that we are calling out one organization and if we say "with all organizations that denounce any types of racism or discrimination" then he would be okay with it.

Council Member Bhat-Patel commented that we are not calling out an organization and we are saying "black lives" and that those are individuals, not an organization.

Mayor Hall commented that they could add "and others" to Mayor Pro Tem Blackburn's suggested change in the statement.

Motion by Council Member Bhat-Patel, seconded by Council Member Schumacher, to specifically include the language of "in solidarity with black lives" in the statement. Motion failed, 2/2. (Hall, Blackburn – No)

Council Member Bhat-Patel commented that if the statement is not going to contain the language of "black lives" then she suggested it contain the language of "stand with our black community" instead.

Mayor Pro Tem Blackburn commented if Council Member Bhat-Patel would be open to a formation of a committee to find common ground in the statement and bring the item back at the next council meeting.

Council Member Bhat-Patel commented that she does not know why there needs to be more discussion around this. She further commented that we already have given up on "standing in solidarity with black lives" and now suggested that the statement could change to "stand with our Black community" and she hoped this would be agreeable to the rest of the City Council. She added that she understands Mayor Pro Tem Blackburn's concern with being inclusive and added that we are a very inclusive community. She commented that at this time our black community members have had to face a lot and that if local leaders such as themselves can make that change and show that we are willing to make that change, then she would hope that individuals would follow suit within our city. She commented that this

is her plea to the City Council on behalf of that community, to please stand with them and that they are waiting for us to make this decision and they have had to wait tirelessly for years for any sort of change to get even voting rights, to get the opportunity to sit alongside their white counterparts. She added that she thinks telling them that we are going to wait to make a statement in solidarity with them is another opportunity for us to just wait and sideline our conversation that has been sidelined for centuries and she would like to make sure we have a statement ready for them today.

Mayor Pro Tem Blackburn commented that he agrees with everything Council Member Bhat-Patel is saying but he feels that you could replace the wording “black residents” with “gay and lesbian”, “people with mental or physical disabilities”, or “people of their religion” and he feels that we are leaving them out, and if there is some way that they could word the statement to be more inclusive then he would absolutely support it.

Council Member Bhat-Patel commented that individuals who wrote in support of the inclusion of “in support of black lives” in the statement were of different backgrounds, faiths, races, abilities, sexual orientations and gender identities.

Motion by Council Member Bhat-Patel seconded by Council Member Schumacher, to include “we stand with our black community” in the statement. Motion failed, 2/2. (Hall, Blackburn – No)

Mayor Pro Tem Blackburn commented if Mayor Hall would be open to a formation of a committee and bring the item back at the next council meeting.

Mayor Hall commented that he would prefer the committee consist of Council Member Bhat-Patel and Mayor Pro Tem Blackburn.

Mayor Pro Tem Blackburn commented if Council Member Bhat-Patel would be open to a formation of a committee and bring the item back at the next council meeting.

Council Member Bhat-Patel commented that if that were the only way to make a statement then she would be open to it, but she recommended Mayor Pro Tem Blackburn reach out to the black community members and have a conversation with them and ask them for their input on tonight’s meeting and ask them what should be included in the statement.

Mayor Hall commented that we never said much about the Hispanic community and the Hispanic community has had far more discrimination, especially in this city than probably any other ethnic background. He added that they helped build this city and when we start to leave out groups, especially one that has a presence here since the very beginning of Carlsbad that sometimes creates the difference.

Motion by Mayor Pro Tem Blackburn, seconded by Council Member Bhat-Patel, to form a committee and bring the item back at the next City Council meeting. Motion carried unanimously, 4/0.

City Manager Scott Chadwick commented if the City Council would be willing to release the statement, they approved at the June 2, 2020, City Council meeting with the addition of "and to revisit this item at the next City Council meeting based off the direction of the committee made up of Mayor Pro Tem Blackburn and Council Member Bhat-Patel".

Mayor Pro Tem Blackburn commented that when he approved the Minute Motion at the last City Council meeting he wanted to see the wording of the final statement. He added that when we say "black lives" the inference is that we are joining with an organization called Black Lives Matter. He added if there was a wording change that could be included such as "black residents" or "black people".

Council Member Bhat-Patel commented that she had made a similar motion with the language change earlier that did not pass. She reiterated that Black Lives Matter is a movement, and the statement is referring to "black lives" individually.

Mayor Pro Tem Blackburn commented that he would agree with adding "black community" to the statement, but he does not want the statement to have the inference that we are only addressing black community members because there is a lot of people in the community and the neighboring communities that have to endure a lot of discrimination and he just does not want them to feel left out.

City Manager Scott Chadwick commented if the City Council would be willing to approve the following statement: "Based on recent events the Carlsbad City Council stands with our black community in denouncing racism and all forms of discrimination. The very fact that we, as local leaders, feel compelled to make a statement like this today, in the year 2020, is evidence that words alone are not enough. Words must be backed by meaningful changes, large and small, individually and collectively, until we truly live up to the core principles upon which this country was founded."

Mayor Pro Tem Blackburn commented that he would be willing to approve the statement.

Council Member Bhat-Patel commented that this is a compromise that has been made after two failed motions.

Motion by Mayor Pro Tem Blackburn seconded by Council Member Bhat-Patel, to approve the following statement: "Based on recent events, the Carlsbad City Council stands with our black community in denouncing racism and all forms of discrimination. The very fact that we, as local leaders, feel compelled to make a statement like this today, in the year 2020, is evidence that words alone are not enough. Words must be backed by meaningful changes, large and

small, individually and collectively, until we truly live up to the core principles upon which this country was founded." Motion carried unanimously, 4/0.

City Attorney Celia Brewer commented to confirm that there will be no committee created and this is the final City Council approved statement.

COUNCIL REPORTS AND COMMENTS:

Mayor Pro Tem Blackburn commented that the previous discussion sounded confrontational, but it was not. He added that he thinks it healthy that for all of us and he does not want anyone to think there was confrontation there and he appreciates the original motion and the opportunity to talk about it.

Mayor Hall commented that people have the right to assemble and protest and we need to honor that right as part of our constitution while at the same time we need to above all to try to keep our community safe, and that isn't a right or left or any other faction this is all about Carlsbad and each and every one of our own safety and businesses.

CITY MANAGER COMMENTS:

City Manager commented that the City of Carlsbad Police Department received one of the highest awards from Campaign Zero's, 8 Can't Wait program. The program evaluates police departments based on their use of force and the appropriate measures that are taken.

CITY ATTORNEY COMMENTS: None.

CITY CLERK COMMENTS: None.

ANNOUNCEMENTS: None.

ADJOURNMENT: Mayor Hall adjourned the duly noticed Special Meeting at 5:47 p.m.

_____

Hector Gomez
Deputy City Clerk

CITY COUNCIL
Staff Report

Meeting Date: July 14, 2020

To: Mayor and City Council

From: Scott Chadwick, City Manager

Staff Contact: Craig Lindholm, City Treasurer
craig.lindholm@carlsbadca.gov, 760-602-2473

Laura Rocha, Deputy City Manager, Administrative Services
laura.rocha@carlsbadca.gov, 760-602-2415

Subject: Report on City Investments as of May 31, 2020

Recommended Action
Accept and file Report on City Investments as of May 31, 2020.

Executive Summary
The city's Investment Policy requires the city treasurer to report the status of the city's pooled investment portfolio to the City Council each month.

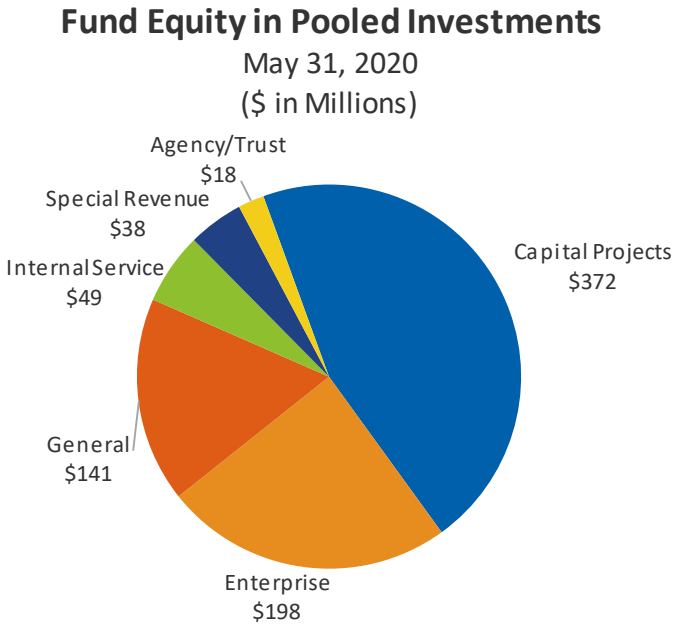
Discussion & Fiscal Analysis
The city's pooled investment portfolio as of the month ending May 31, 2020 is summarized below.

Pooled Investment Portfolio (Cash and Securities)

	Current Month	Prior Month
Par value[1]	$805,058,480	$808,184,899
Investment cost	$811,454,775	$811,482,526
Amortized cost[2]	$810,213,529	$812,329,241
Market value[3]	$824,621,827	$825,629,937

(1) The face value of the investments.
(2) The cost of investments adjusted for amortized premiums and discounts.
(3) The amount at which the investments could be sold. Source of market value is Wells Fargo Bank's custodial report, as of May 31, 2020.

The equity portion of the various funds in the total portfolio is summarized in the graph below. Fund balances are restricted for various purposes. (See Exhibit 7 for a more detailed breakdown.)



Pooled Investment Interest Income

	Year to Date*	Prior Month*	Current Month
Cash Income	$15,930,621	$14,773,361	$1,157,260

*The cash income received is adjusted for any accrued interest purchased.

Pooled Investment Performance

	Average Life (Years)	Yield to Maturity	Modified Duration
March 2020	1.86	1.94%	1.79
April 2020	1.85	1.84%	1.77
May 2020	1.85	1.77%	1.77

All pooled investments have been made in accordance with the city's Investment Policy, which was adopted Jan. 2, 1985, and last revised Dec. 17, 2019. All investments were initially made in accordance with the city's Investment Policy, however, events after the purchase might have resulted in non-compliance with the current policy. These events are typically a change in the credit rating after a purchase, a change in the city's Investment Policy or a temporary reduction in total portfolio assets.

Exhibit 8 shows that the investments out of compliance with the current policy had a subsequent change in credit rating. Ratings on five investments have dropped to less than the rating required by the Investment Policy. Corporate Notes require an AA or A rating while mortgage backed securities require an AA rating from one rating company. The city's

Investment Policy allows the city treasurer to determine the course of action that would correct exceptions to the policy. These investments are paying interest at the required times and their principal is considered secure. It is the intent of the city treasurer to hold these assets in the portfolio until maturity unless events indicate they should be sold.

The U.S. economy has been unmeasurably impacted by the continuing COVID-19 pandemic. The United States, and much of the rest of the world, is on a social lockdown in order to prevent the spread of the virus. Many businesses are suspended which, in general, reduces city revenues. However, the city treasurer is ensuring cash demands can be met during this time by continuing to make informed, sound and secure market decisions. Security and liquidity have always been at the forefront of decision-making, which enables the investment portfolio to continue to meet the needs of the city through this emergency. Additionally, the Local Agency Investment Fund and California Asset Management Program rates have reduced significantly. The yield of investment portfolio has also decreased. However, the investment portfolio continues to return a competitive yield.

Next Steps

The report on city investments will continue to be produced monthly by the city treasurer.

Environmental Evaluation (CEQA)

Pursuant to Public Resources Code section 21065, this action does not constitute a "project" within the meaning of the California Environmental Quality Act in that it has no potential to cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and therefore does not require environmental review.

Public Notification and Outreach

Public notice of this item was posted in accordance with the Ralph M. Brown Act and it was available for public viewing and review at least 72 hours prior to scheduled meeting date.

Exhibits

1. Investments by Cost, Market Value, Cash Income, and Average Yield by Class
2. Maturities by Classification and Length of Time at Market Value
3. Yield Comparison & Market Yield Curve
4. Cumulative Cash Income
5. Maturities, Purchases and Calls this Quarter
6. Detailed Investment Report
7. Fund Equity in Pooled Investments
8. Corporate Note and Mortgage Backed Security Ratings
9. Portfolio Allocation at Amortized Cost by Issuer

City of Carlsbad Investment Portfolio

As of May 31, 2020

Investments by Cost, Market Value, Cash Income, and Average Yield by Class

	Investment Cost		Market Value			Average Yield	
Class	**Current Month**	**Prior Month**	**Current Month**	**Prior Month**	**YTD Income**	**Current Month**	**Prior Month**
FA	$242,836,703	$245,678,217	$246,881,101	$251,749,855	$ 6,681,715	1.83%	1.90%
FN	2,750,760	2,750,760	2,997,420	2,995,590	-	1.75	1.75
SN	39,669,269	39,669,269	40,600,179	40,598,342	457,463	1.82	1.83
TR	81,974,169	81,974,169	83,671,040	83,770,192	1,335,977	1.75	1.75
CN	231,621,082	223,540,877	237,246,620	228,095,741	4,009,826	2.10	2.17
CD	18,327,034	17,035,034	18,902,976	17,541,228	590,618	2.06	2.18
MBS (Agency)	7,169,266	7,172,804	7,216,000	7,217,591	23,683	1.47	1.47
MBS (Non-agency)	-	-	-	-	-	0.00	0.00
Bank Account	3,079,242	3,264,997	3,079,242	3,264,997	-	0.10	0.30
Sweep	2,209,654	4,141,287	2,209,654	4,141,287	78,995	0.06	0.06
IRT	1,491,704	930,027	1,491,704	930,027	8,063	0.01	0.01
CAMP	1,003,846	1,003,039	1,003,846	1,003,039	3,846	0.57	0.85
LAIF	179,322,044	184,322,046	179,322,044	184,322,046	2,740,435	1.31	1.47
Total	$811,454,775	$811,482,526	$824,621,827	$825,629,937	$15,930,621	1.77%	1.84%

FA - Federal Agency Notes
FN - Federal Discount Notes
SN - Supranational
TR - US Treasury
CN - Corporate Notes
CD - Certificate of Deposit

MBS - Passthrough/Mortgage Backed Securities
Bank Account - General Fund Cash account
Sweep - General Fund Overnight Cash account
IRT - Investment Cash account
CAMP - California Asset Management Program
LAIF - Local Area Investment Fund

City of Carlsbad Investment Portfolio

As of May 31, 2020

Maturities by Classification and Length of Time at Market Value

Class	Within 6 Months	7 Months to 1 Year	1 to 5 Years	Total	% Total	
FA	$24,294,021	$19,892,254	$202,694,826	$246,881,101	29.94%	
FN	2,997,420	-	-	2,997,420	0.36	
SN	4,615,764	-	35,984,415	40,600,179	4.92	
TR	12,145,844	16,806,183	54,719,014	83,671,040	10.15	
CN	17,582,970	22,081,063	197,582,587	237,246,620	28.77	(2)
CD	1,744,516	756,667	16,401,793	18,902,976	2.29	
MBS (Agency)	20,400	20,400	7,175,200	7,216,000	0.88	(3)
MBS (Non-agency)	-	-	-	-	0.00	(4)
Bank Account	3,079,242	-	-	3,079,242	0.37	
Sweep	2,209,654	-	-	2,209,654	0.27	
IRT	1,491,704	-	-	1,491,704	0.18	
CAMP	1,003,846	-	-	1,003,846	0.12	
LAIF	179,322,044	-	-	179,322,044	21.75	
Totals	$250,507,425	$59,556,566	$514,557,835	$824,621,827	100.0%	
% Totals	30.4%	7.2%	62.4%	100.0%		

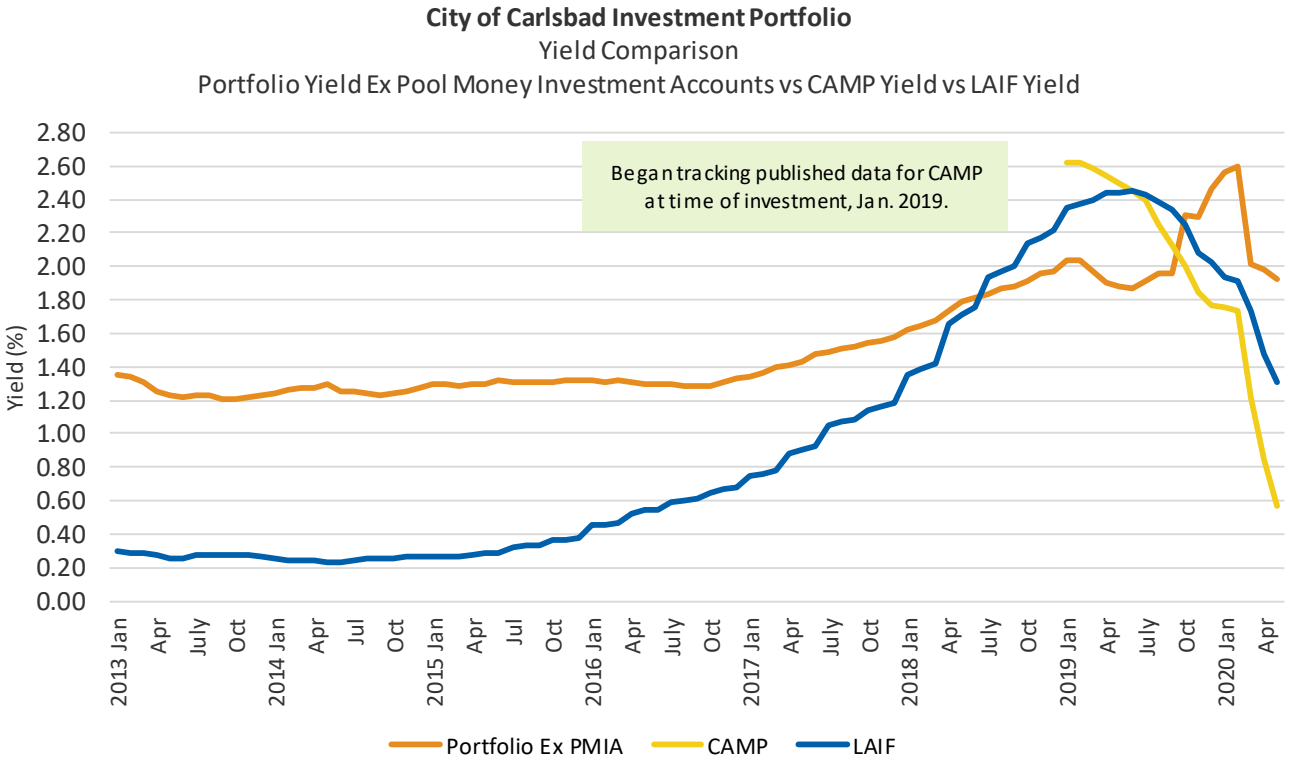
Total within One Year $310,063,991 (1)
37.6%

Policy: (1) Not less than $198,032,000 to mature within one year, two-thirds of current year operating budget $297,048,458.

(2) Policy states that not more than 30% of portfolio is to be invested in corporate notes at time of purchase.

(3) Policy states that not more than 20% of portfolio is to be invested in mortgage backed securities at time of purchase.

(4) Total non-agency mortgage backed securities shall be limited to 5% of the city's portfolio.


City of Carlsbad Investment Portfolio
Yield Comparison
Portfolio Yield Ex Pool Money Investment Accounts vs CAMP Yield vs LAIF Yield
Began tracking published data for CAMP at time of investment, Jan. 2019.
Yield (%)
2.80
2.60
2.40
2.20
2.00
1.80
1.60
1.40
1.20
1.00
0.80
0.60
0.40
0.20
0.00
2013 Jan
Apr
July
Oct
2014 Jan
Apr
Jul
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2015 Jan
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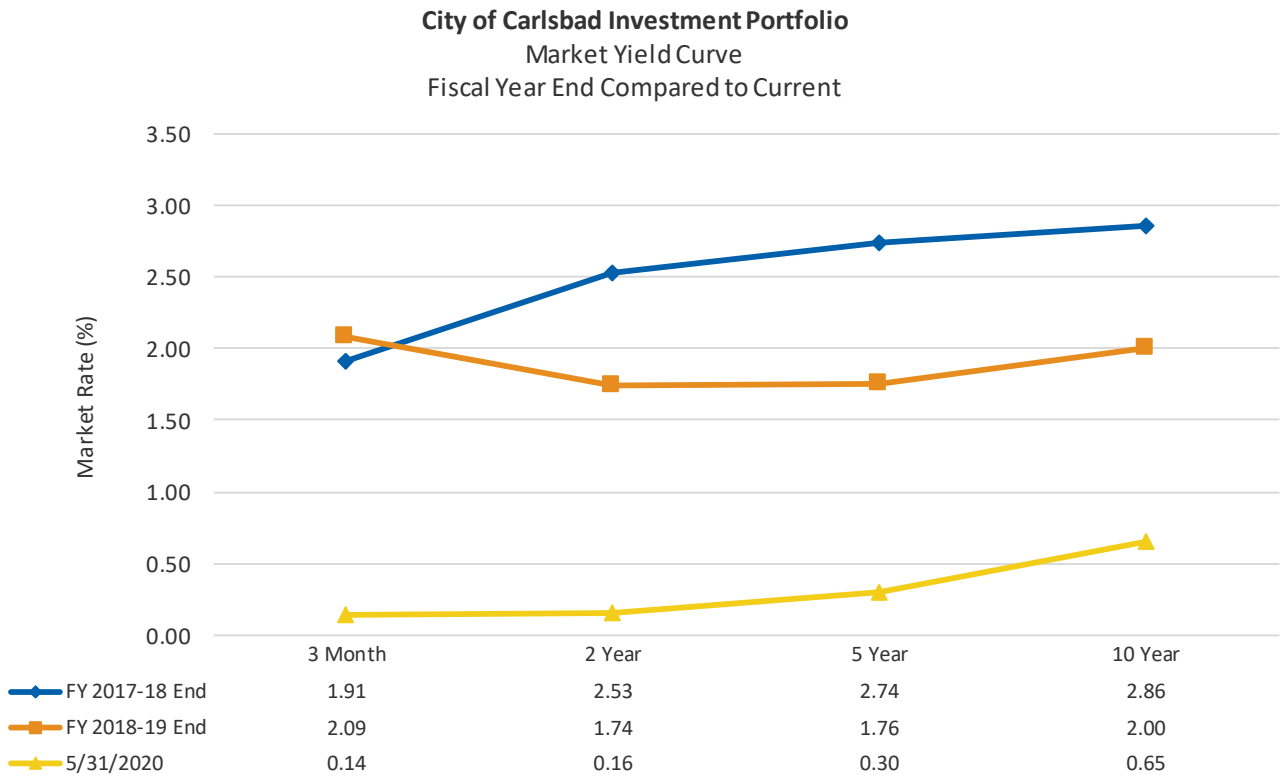
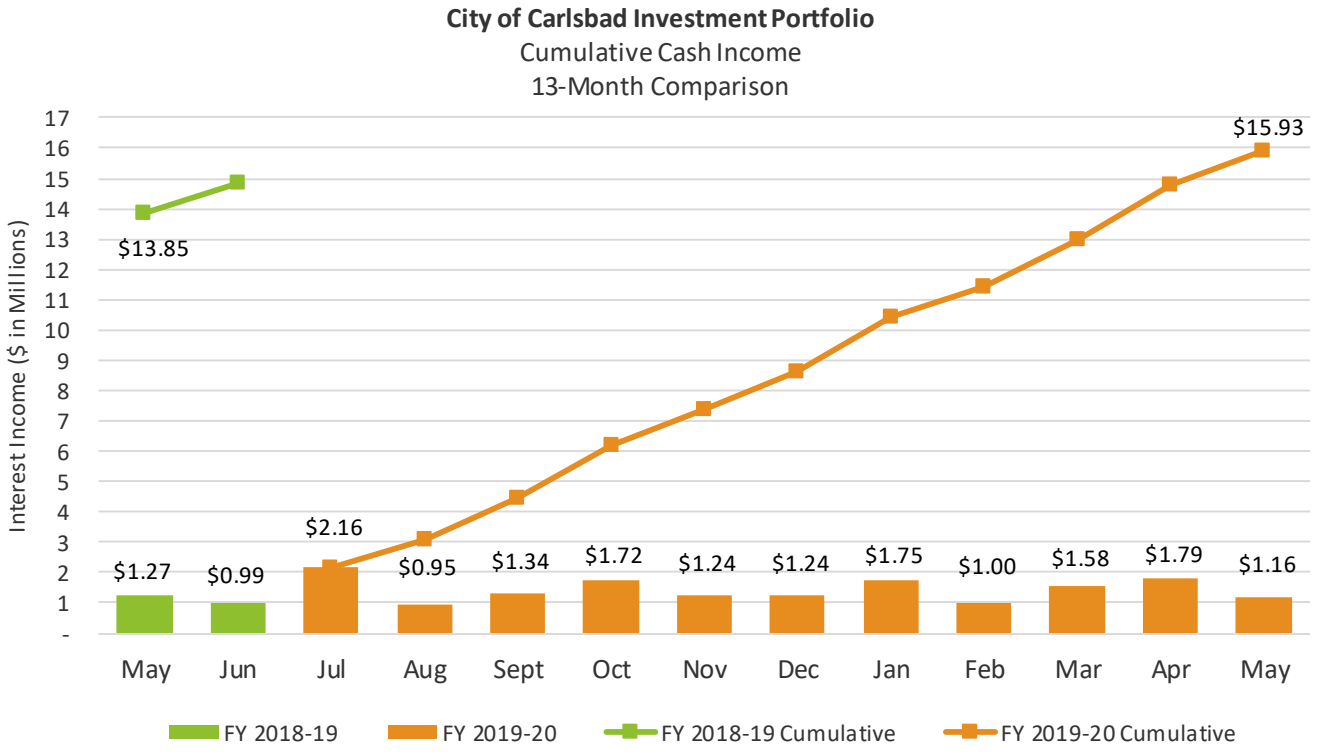
2020 Jan
Apr
Portfolio Ex PMIA
CAMP
LAIF


City of Carlsbad Investment Portfolio
Market Yield Curve
Fiscal Year End Compared to Current
Market Rate (%)
3.50
3.00
2.50
2.00
1.50
1.00
0.50
0.00
3 Month
2 Year
5 Year
10 Year
FY 2017-18 End 1.91 2.53 2.74 2.86
FY 2018-19 End 2.09 1.74 1.76 2.00
5/31/2020 0.14 0.16 0.30 0.65


City of Carlsbad Investment Portfolio
Cumulative Cash Income
13-Month Comparison
Interest Income ($ in Millions)
17
16
15
14
13
12
11
10
9
8
7
6
5
4
3
2
1
-
$13.85
$15.93
$2.16
$1.27
$0.99
$0.95
$1.34
$1.72
$1.24
$1.24
$1.75
$1.00
$1.58
$1.79
$1.16
May
Jun
Jul
Aug
Sept
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
FY 2018-19
FY 2019-20
FY 2018-19 Cumulative
FY 2019-20 Cumulative

City of Carlsbad Investment Portfolio
Maturities, Purchases, and Calls this Quarter

Maturities

CUSIP	Issuer	Settled	Maturity	Par Value	Book Value	Interest	Total
3136G3UG8	FNMA	7/13/2016	4/13/2020	5,000,000	5,000,000	31,250	5,031,250
3132X0SA0	FAMCA	12/15/2017	4/17/2020	1,500,000	1,500,000	12,300	1,512,300
57116AJP4	Marlin Bank	4/22/2015	4/22/2020	247,000	247,000	1,981	248,981
3136G3Q40	FNMA	7/28/2016	4/28/2020	3,750,000	3,750,000	23,438	3,773,438
912828K58	US Treasury	5/24/2016	4/30/2020	2,300,000	2,300,000	15,813	2,315,813
3138L14F3	FNMA AM1721	12/26/2019	4/27/2020	3,329	3,352	3,719	7,071
037833BD1	Apple	11/3/2015	5/6/2020	4,000,000	4,000,000	38,444	4,038,444
981571BD3	World Fist Bank	5/13/2015	5/13/2020	200,000	200,000	329	200,329
3130ACN83	FHLB	11/3/2017	5/15/2020	1,650,000	1,650,000	14,025	1,664,025
459200HM6	IBM	5/24/2016	5/15/2020	1,500,000	1,500,000	12,188	1,512,188
3134GBLL4	FHLMC	5/22/2017	5/22/2020	1,200,000	1,200,000	9,750	1,209,750
3138L14F3	FNMA AM1721	12/26/2019	5/27/2020	3,513	3,538	3,592	7,130
3134GBNK4	FHLMC	5/30/2017	5/29/2020	2,250,000	2,250,000	18,281	2,268,281
3134GBNK4	FHLMC	6/27/2017	5/29/2020	1,600,000	1,600,000	13,000	1,613,000
				25,203,843	25,203,890	198,110	25,401,999

Purchases

CUSIP	Issuer	Settled	Maturity	Payment	Rate	Par Value	Dollar Price	Book Value
3133ELTP9	FFCB	4/3/2020	6/16/2021	6/16/2020	0.30%	2,000,000	100.240	2,004,800
90331HPJ6	US Bank	4/3/2020	1/21/2022	7/21/2020	1.30%	2,000,000	100.846	2,016,916
478160CJ1	Johnson & Johnson	4/8/2020	1/15/2025	7/15/2020	0.91%	3,000,000	107.732	3,231,960
14042TDD6	Capital One	4/8/2020	4/8/2025	10/8/2020	1.60%	248,000	100.000	248,000
3130A4CH3	FHLB	4/9/2020	3/14/2025	9/14/2020	0.78%	3,000,000	107.710	3,231,300
3133ELWC4	FFCB	4/9/2020	4/9/2025	10/9/2020	1.15%	2,000,000	100.000	2,000,000
3133ELWC4	FFCB	4/9/2020	4/9/2025	10/9/2020	1.17%	2,500,000	99.925	2,498,125
66989HAP3	Novartis Capital Corp	4/13/2020	2/14/2025	8/14/2020	1.30%	3,310,000	102.102	3,379,576
3137F32A1	FHMS KHG1 A1	4/15/2020	11/25/2024	4/25/2020	1.00%	3,000,000	107.188	3,215,625
3133ELXC3	FFCB	4/22/2020	4/22/2024	10/22/2020	0.80%	3,000,000	100.000	3,000,000
931142DP5	Walmart	4/24/2020	4/22/2024	10/22/2020	0.88%	2,500,000	109.499	2,737,468
931142DP5	Walmart	4/24/2020	4/22/2024	10/22/2020	0.70%	2,000,000	109.593	2,191,860
3136G4VE0	FNMA	4/27/2020	4/27/2023	10/27/2020	0.55%	2,000,000	100.000	2,000,000
19416QDZ0	Colgate-Palmolive	5/7/2020	5/3/2022	11/3/2020	0.42%	3,500,000	103.699	3,629,465
3133ELYV0	FFCB	5/11/2020	8/11/2023	8/11/2020	0.50%	2,250,000	100.000	2,250,000
341081FZ53	Florida Power & Light	5/13/2020	4/1/2025	10/1/2020	1.02%	3,667,000	108.551	3,980,565
3134GVQC5	FHLMC	5/13/2020	1/30/2024	10/30/2020	0.55%	2,000,000	100.000	2,000,000
3130A0F70	FHLB	5/13/2020	12/8/2023	6/8/2020	0.34%	1,000,000	110.763	1,107,630
74456QBW5	Public Service Electric	5/14/2020	9/1/2023	9/1/2020	0.72%	2,500,000	108.023	2,700,575
0947XAL5	Blackrock Inc	5/14/2020	3/18/2024	9/18/2020	0.85%	3,000,000	110.020	3,300,600
33847E3H8	Flagstar Bank	5/15/2020	5/15/2025	11/15/2020	0.85%	248,000	100.000	248,000
29260MBF1	Encore Bank	5/15/2020	5/15/2025	6/15/2020	0.80%	249,000	100.000	249,000
3135G0T78	FNMA	5/20/2020	10/5/2022	10/5/2020	0.19%	1,923,000	104.287	2,005,439
3133ELXW9	FFCB	5/20/2020	4/27/2022	10/27/2020	0.21%	2,000,000	100.174	2,003,480
404730CR2	Haddon Savings Bank	5/26/2020	5/27/2025	11/26/2020	0.75%	248,000	100.000	248,000
43719LAE5	Home Loan Inv Bank	5/29/2020	5/29/2025	7/1/2020	0.80%	249,000	100.000	249,000
69506YRT8	Pacific Western Bank	5/29/2020	5/29/2025	11/29/2020	0.70%	249,000	100.000	249,000
56102AAJ5	Malaga Bank	5/29/2020	5/29/2025	6/29/2020	0.70%	249,000	100.000	249,000
						53,890,000	103.227	56,225,384

Calls

CUSIP	Issuer	Settled	Maturity	Redeemed	Par Value	Book Value	Interest	Total
3133EGSA4	FFCB	09/07/2016	08/24/2020	04/01/2020	3,000,000	2,999,827	4,070	3,004,070
3133EGLB9	FFCB	07/13/2016	07/13/2020	04/06/2020	4,250,000	4,250,000	11,660	4,261,660
3134GTEW9	FHLMC	04/23/2019	04/08/2022	04/08/2020	1,500,000	1,500,000	18,750	1,518,750
3130AGAA3	FHLB	04/15/2019	04/15/2024	04/15/2020	2,000,000	2,000,000	24,500	2,024,500
3134GTGZ0	FHLMC	04/15/2019	04/15/2024	04/15/2020	1,000,000	1,000,000	12,500	1,012,500
3134GTGZ0	FHLMC	04/15/2019	04/15/2024	04/15/2020	2,000,000	2,000,000	25,000	2,025,000
3134GUKY5	FHLMC	11/15/2019	10/21/2022	04/21/2020	2,000,000	2,001,691	18,600	2,018,600
48125LRN4	JP Morgan	11/18/2019	04/26/2021	04/27/2020	1,500,000	1,505,287	129	1,500,129
3134GTNE9	FHLMC	05/22/2019	04/28/2023	04/28/2020	5,000,000	5,000,000	65,625	5,065,625
3132X0GH8	FAMCA	01/03/2018	10/29/2021	04/29/2020	2,000,000	1,981,100	16,250	2,016,250
3133ELMH4	FFCB	02/07/2020	05/06/2024	05/06/2020	2,000,000	1,999,057	8,850	2,008,850
3130AHJQ7	FHLB	11/19/2019	11/19/2024	05/19/2020	3,000,000	3,000,000	31,050	3,031,050
3134GTMR1	FHLMC	05/20/2019	05/20/2024	05/20/2020	2,500,000	2,500,000	33,750	2,533,750
					31,750,000	31,736,962	270,734	32,020,734

City of Carlsbad Investment Summary

As of April 30, 2020

Settlement	Maturity	Type	Issuer	Par	Invested	Yield	Interest Expected	Return
Federal Investments								
06/12/15	06/12/20	FA	FHLB	3,000,000.00	3,000,000.00	1.750%	262,500.00	3,262,500.00
02/23/16	06/12/20	FA	FHLB	2,000,000.00	2,039,980.00	1.271%	110,617.22	2,150,597.22
04/15/16	06/26/20	FA	FNMA	2,150,000.00	2,159,632.00	1.240%	112,192.37	2,271,824.37
04/27/17	07/27/20	FA	FHLMC	1,600,000.00	1,600,000.00	1.700%	88,400.00	1,688,400.00
01/21/16	07/29/20	FA	FHLB	2,500,000.00	2,549,375.00	1.378%	157,516.67	2,706,891.67
04/19/16	08/28/20	FA	FHLMC	1,000,000.00	1,017,760.00	1.230%	54,152.50	1,071,912.50
06/08/16	09/11/20	FA	FHLB	3,000,000.00	3,206,160.00	1.214%	161,121.25	3,367,281.25
10/12/16	09/11/20	FA	FHLB	1,800,000.00	1,808,975.18	1.244%	87,893.57	1,896,868.75
04/26/17	10/16/20	FA	FNMA	1,300,000.00	1,332,019.00	1.618%	74,057.39	1,406,076.39
07/22/16	11/27/20	FA	FNMA	3,250,000.00	3,316,612.00	1.165%	166,507.79	3,483,119.79
11/27/17	11/27/20	FA	FHLMC	1,500,000.00	1,500,000.00	1.875%	84,375.00	1,584,375.00
06/15/17	11/30/20	FA	FNMA	1,100,000.00	1,113,618.00	1.630%	62,404.22	1,176,022.22
03/10/17	01/15/21	FA	FAMCA	1,580,000.00	1,576,287.00	2.063%	125,285.22	1,701,572.22
09/09/16	01/25/21	FA	FAMCA	2,000,000.00	2,018,640.00	1.550%	117,071.11	2,135,711.11
10/12/16	02/15/21	FA	TENN	3,000,000.00	3,315,660.00	1.370%	189,058.75	3,504,718.75
08/16/17	02/16/21	FA	FNMA	2,000,000.00	2,000,000.00	1.750%	122,500.00	2,122,500.00
01/10/19	02/23/21	FA	FFCB	1,500,000.00	1,502,895.00	2.605%	82,942.50	1,585,837.50
12/12/18	02/24/21	FA	FHLB	1,000,000.00	977,940.00	2.790%	60,560.00	1,038,500.00
02/14/18	03/12/21	FA	FHLB	1,500,000.00	1,500,768.00	2.357%	108,778.87	1,609,546.87
06/12/18	03/12/21	FA	FHLB	1,000,000.00	976,760.00	2.631%	71,365.00	1,048,125.00
09/29/17	03/26/21	FA	FHLMC	2,535,000.00	2,531,197.50	1.794%	158,701.56	2,689,899.06
01/08/19	04/09/21	FA	FFCB	1,500,000.00	1,504,860.00	2.550%	86,377.50	1,591,237.50
10/26/17	04/26/21	FA	FHLMC	1,975,000.00	1,974,012.50	1.865%	128,868.75	2,102,881.25
10/12/16	06/11/21	FA	FHLB	1,500,000.00	1,559,427.00	1.370%	97,979.25	1,657,406.25
06/15/17	06/15/21	FA	FHLMC	1,400,000.00	1,400,000.00	1.800%	100,800.00	1,500,800.00
04/03/20	06/16/21	FA	FFCB	2,000,000.00	2,004,800.00	0.300%	7,227.78	2,012,027.78
10/26/16	07/14/21	FA	FHLB	2,500,000.00	2,476,850.00	1.328%	155,806.25	2,632,656.25
02/16/17	07/26/21	FA	FHLMC	1,400,000.00	1,392,580.00	2.000%	124,086.67	1,516,666.67
12/19/17	08/12/21	FA	FHLMC	1,000,000.00	967,646.98	2.050%	73,384.27	1,041,031.25
10/28/16	10/07/21	FA	FNMA	2,500,000.00	2,491,075.00	1.450%	178,794.79	2,669,869.79
11/29/16	11/29/21	FA	FFCB	3,000,000.00	3,000,000.00	1.760%	264,000.00	3,264,000.00
04/12/17	12/10/21	FA	FHLB	2,000,000.00	2,003,620.00	1.834%	171,171.67	2,174,791.67
09/10/19	12/13/21	FA	FFCB	2,000,000.00	2,017,240.00	1.490%	67,673.33	2,084,913.33
11/04/19	01/03/22	FA	FAMCA	2,000,000.00	2,002,035.34	2.169%	91,697.67	2,093,733.01
11/12/19	01/13/22	FA	FHLMC	1,000,000.00	1,015,200.00	1.658%	36,324.31	1,051,524.31
03/25/19	02/03/22	FA	FFCB	2,500,000.00	2,483,900.00	2.264%	161,019.44	2,644,919.44
02/23/17	02/23/22	FA	FAMCA	2,600,000.00	2,609,204.00	2.025%	263,796.00	2,873,000.00
03/01/19	03/01/22	FA	FFCB	2,000,000.00	2,000,000.00	2.550%	153,000.00	2,153,000.00
03/29/17	03/29/22	FA	FHLMC	1,500,000.00	1,500,000.00	2.265%	170,625.00	1,670,625.00
05/25/17	04/05/22	FA	FNMA	1,600,000.00	1,600,581.01	1.867%	145,252.32	1,745,833.33
01/09/20	04/05/22	FA	FNMA	2,500,000.00	2,517,775.00	1.550%	87,172.92	2,604,947.92
04/27/17	04/27/22	FA	FHLMC	3,500,000.00	3,545,920.00	2.345%	413,455.00	3,959,375.00
05/19/20	04/27/22	FA	FFCB	2,000,000.00	2,003,480.00	0.210%	8,136.67	2,011,616.67
01/09/20	06/10/22	FA	FHLB	3,000,000.00	3,297,270.00	1.560%	120,084.17	3,417,354.17
12/23/19	06/23/22	FA	FHLB	1,500,000.00	1,500,000.00	1.730%	64,875.00	1,564,875.00
01/08/18	07/01/22	FA	FHLMC	1,500,000.00	1,500,000.00	2.220%	149,202.50	1,649,202.50
07/03/19	07/01/22	FA	FHLMC	2,500,000.00	2,500,000.00	2.000%	149,722.22	2,649,722.22
01/15/20	07/15/22	FA	FHLMC	1,500,000.00	1,500,510.00	1.586%	59,490.00	1,560,000.00
08/28/19	08/26/22	FA	FFCB	1,500,000.00	1,499,565.00	1.860%	83,530.83	1,583,095.83
12/01/17	09/09/22	FA	FHLB	1,750,000.00	1,739,692.50	2.130%	177,335.28	1,917,027.78
07/05/19	09/09/22	FA	FHLB	1,800,000.00	1,874,106.00	1.786%	104,644.00	1,978,750.00
01/15/20	09/09/22	FA	FHLB	2,000,000.00	2,021,180.00	1.590%	84,820.00	2,106,000.00
03/09/20	09/09/22	FA	FFCB	1,000,000.00	1,000,000.00	1.500%	37,500.00	1,037,500.00
09/28/17	09/28/22	FA	FNMA	2,500,000.00	2,500,000.00	2.000%	249,861.11	2,749,861.11
03/09/18	10/05/22	FA	FNMA	1,000,000.00	971,120.00	2.000%	120,324.44	1,091,444.44
05/20/20	10/05/22	FA	FNMA	1,923,000.00	2,005,439.01	0.190%	8,903.49	2,014,342.50
10/05/18	10/05/22	FA	FNMA	1,000,000.00	962,570.00	3.000%	117,430.00	1,080,000.00
09/10/19	12/09/22	FA	FHLB	1,500,000.00	1,670,736.00	1.630%	84,545.25	1,755,281.25
04/24/18	12/09/22	FA	FHLB	2,250,000.00	2,215,102.50	2.500%	295,053.75	2,510,156.25
07/05/19	12/23/22	FA	FHLMC	1,500,000.00	1,500,000.00	2.000%	104,416.67	1,604,416.67
01/06/20	01/06/23	FA	FAMCA	2,000,000.00	2,000,000.00	1.750%	105,000.00	2,105,000.00
03/22/19	03/10/23	FA	FHLB	2,000,000.00	2,028,220.00	2.375%	189,946.67	2,218,166.67
03/16/20	03/16/23	FA	FFCB	2,500,000.00	2,500,000.00	1.050%	78,750.00	2,578,750.00
04/27/20	04/27/23	FA	FNMA	2,000,000.00	2,000,000.00	0.550%	33,000.00	2,033,000.00
06/04/18	06/26/23	FA	FHLMC	1,250,000.00	1,250,000.00	3.050%	190,625.00	1,440,625.00
06/28/19	06/26/23	FA	FHLMC	3,000,000.00	3,000,000.00	2.050%	246,000.00	3,246,000.00
07/24/18	06/29/23	FA	FHLMC	1,000,000.00	1,000,000.00	3.100%	152,847.22	1,152,847.22
07/30/18	07/28/23	FA	FHLMC	2,500,000.00	2,500,000.00	3.070%	383,323.61	2,883,323.61

Settlement	Maturity	Type	Issuer	Par	Invested	Yield	Interest Expected	Return
05/11/20	08/11/23	FA	FFCB	2,250,000.00	2,250,000.00	0.500%	36,562.50	2,286,562.50
09/13/19	08/14/23	FA	FFCB	1,800,000.00	1,796,580.00	1.650%	116,300.00	1,912,880.00
09/13/19	08/28/23	FA	FFCB	1,000,000.00	997,650.00	1.982%	78,350.00	1,076,000.00
08/24/18	08/24/23	FA	FHLB	1,750,000.00	1,750,000.00	3.125%	273,437.50	2,023,437.50
09/18/18	09/05/23	FA	FFCB	1,000,000.00	991,290.00	2.990%	147,698.89	1,138,988.89
10/10/18	09/05/23	FA	FFCB	2,300,000.00	2,266,190.00	3.125%	349,548.89	2,615,738.89
09/03/19	09/08/23	FA	FHLB	2,000,000.00	2,069,108.00	1.485%	121,551.72	2,190,659.72
02/27/19	09/12/23	FA	FNMA	1,000,000.00	1,016,210.00	2.495%	114,362.92	1,130,572.92
04/16/19	09/12/23	FA	FNMA	1,750,000.00	1,783,757.50	2.410%	187,617.50	1,971,375.00
09/18/18	09/18/23	FA	FHLB	1,000,000.00	999,250.00	3.076%	153,750.00	1,153,000.00
09/28/18	09/28/23	FA	FHLB	1,250,000.00	1,250,000.00	3.200%	200,000.00	1,450,000.00
10/17/18	10/02/23	FA	FFCB	2,500,000.00	2,493,150.00	3.050%	384,922.92	2,878,072.92
02/07/19	10/23/23	FA	FFCB	1,000,000.00	1,017,530.00	2.602%	123,803.33	1,141,333.33
05/09/19	11/08/23	FA	FFCB	2,000,000.00	2,001,700.00	2.280%	205,172.22	2,206,872.22
11/27/18	11/27/23	FA	FHLB	1,800,000.00	1,800,000.00	3.350%	301,500.00	2,101,500.00
12/13/19	11/27/23	FA	FHLMC	1,965,000.00	1,964,017.50	1.788%	138,947.33	2,102,964.83
06/28/19	12/05/23	FA	FFCB	1,500,000.00	1,569,280.50	1.870%	127,682.83	1,696,963.33
05/13/20	12/08/23	FA	FHLB	1,000,000.00	1,107,630.00	0.339%	12,838.75	1,120,468.75
12/18/19	12/18/23	FA	FHLMC	1,500,000.00	1,500,000.00	1.850%	111,000.00	1,611,000.00
05/09/19	12/20/23	FA	FFCB	1,000,000.00	1,052,900.00	3.500%	108,586.11	1,161,486.11
12/28/18	12/28/23	FA	FHLB	2,000,000.00	2,000,000.00	3.100%	310,000.00	2,310,000.00
01/29/19	01/29/24	FA	FHLB	1,500,000.00	1,501,125.00	2.859%	214,500.00	1,715,625.00
05/13/20	01/30/24	FA	FHLMC	2,000,000.00	2,000,000.00	0.550%	40,852.78	2,040,852.78
02/26/19	02/26/24	FA	FHLB	2,500,000.00	2,500,000.00	2.800%	350,000.00	2,850,000.00
03/06/19	02/27/24	FA	FFCB	1,500,000.00	1,498,950.00	2.610%	195,821.25	1,694,771.25
02/28/20	02/28/24	FA	FFCB	2,500,000.00	2,500,000.00	1.550%	155,000.00	2,655,000.00
03/08/19	03/08/24	FA	FHLB	3,000,000.00	3,100,851.00	2.530%	386,649.00	3,487,500.00
03/12/20	03/12/24	FA	FFCB	3,000,000.00	3,000,000.00	1.050%	126,000.00	3,126,000.00
04/09/19	04/05/24	FA	FFCB	2,000,000.00	1,994,380.00	2.360%	234,725.56	2,229,105.56
04/22/20	04/22/24	FA	FFCB	3,000,000.00	3,000,000.00	0.800%	96,000.00	3,096,000.00
05/09/19	05/07/24	FA	FHLB	1,000,000.00	1,005,320.00	2.287%	114,546.67	1,119,866.67
12/19/19	06/03/24	FA	FFCB	3,000,000.00	2,997,750.00	1.830%	246,860.00	3,244,610.00
03/03/20	06/03/24	FA	FFCB	1,500,000.00	1,500,000.00	1.670%	106,462.50	1,606,462.50
08/28/19	06/30/24	FA	FFCB	1,470,000.00	1,517,378.10	1.457%	103,884.90	1,621,263.00
08/28/19	06/25/24	FA	FFCB	1,183,000.00	1,237,524.47	1.457%	85,320.92	1,322,845.39
07/30/19	06/26/24	FA	FHLMC	2,000,000.00	2,004,000.00	2.150%	229,013.89	2,233,013.89
07/02/19	07/02/24	FA	FHLMC	2,500,000.00	2,500,000.00	2.000%	250,000.00	2,750,000.00
06/27/19	07/15/24	FA	PEFCO	2,500,000.00	2,565,850.00	1.900%	243,292.36	2,809,142.36
08/08/19	07/26/24	FA	FFCB	2,500,000.00	2,532,125.00	1.582%	197,583.33	2,729,708.33
02/12/20	08/12/24	FA	FHLMC	2,000,000.00	2,000,000.00	1.800%	162,000.00	2,162,000.00
09/03/19	09/03/24	FA	FFCB	4,000,000.00	4,000,000.00	2.000%	400,000.00	4,400,000.00
08/30/19	09/10/24	FA	FFCB	2,500,000.00	2,572,420.00	1.480%	189,024.44	2,761,444.44
09/23/19	09/23/24	FA	FHLMC	1,000,000.00	1,000,000.00	2.100%	10,500.00	1,010,500.00
10/15/19	10/15/24	FA	FFCB	2,000,000.00	2,000,000.00	1.920%	192,000.00	2,192,000.00
10/28/19	10/15/24	FA	FHLMC	2,500,000.00	2,496,692.71	1.917%	235,989.58	2,732,682.29
10/18/19	10/16/24	FA	FHLB	2,250,000.00	2,250,250.00	2.000%	224,500.00	2,474,750.00
11/15/19	11/01/24	FA	FAMCA	2,000,000.00	1,999,720.00	1.793%	177,887.78	2,177,607.78
01/10/20	01/10/25	FA	FHLMC	2,000,000.00	2,000,000.00	1.800%	180,000.00	2,180,000.00
01/15/20	01/15/25	FA	FHLMC	2,000,000.00	2,000,000.00	1.900%	190,000.00	2,190,000.00
02/10/20	02/10/25	FA	FHLB	2,500,000.00	2,496,875.00	1.866%	233,125.00	2,730,000.00
02/12/20	02/12/25	FA	FHLMC	1,500,000.00	1,500,000.00	1.800%	680,000.00	2,180,000.00
02/14/20	02/14/25	FA	FHLMC	2,500,000.00	2,500,000.00	1.850%	231,250.00	2,731,250.00
03/06/20	02/21/25	FA	FHLB	2,000,000.00	2,009,827.00	1.050%	183,548.00	2,193,375.00
04/09/20	03/14/25	FA	FHLB	3,000,000.00	3,231,300.00	0.778%	120,002.08	3,351,302.08
04/09/20	04/09/25	FA	FFCB	2,000,000.00	2,000,000.00	1.150%	115,000.00	2,115,000.00
04/09/20	04/09/25	FA	FFCB	2,500,000.00	2,498,125.00	1.165%	145,625.00	2,643,750.00
			Sub Total FA	**240,531,000.00**	**242,836,703.30**	**1.830%**	**19,486,480.24**	**262,323,183.54**
10/23/15	10/15/20	FN	RFCSP	3,000,000.00	2,750,760.00	1.750%	249,240.00	3,000,000.00
			Sub Total FN	**3,000,000.00**	**2,750,760.00**	**1.750%**	**249,240.00**	**3,000,000.00**
			Federal Investments	**243,531,000.00**	**245,587,463.30**		**19,735,720.24**	**265,323,183.54**
Supranationals								
08/03/17	08/10/20	SN	IBRD	2,000,000.00	1,972,100.00	1.600%	95,837.50	2,067,937.50
11/08/18	09/04/20	SN	IBRD	1,100,000.00	1,074,711.00	2.930%	57,859.27	1,132,570.27
01/08/18	10/05/20	SN	IBRD	1,500,000.00	1,486,500.00	2.164%	88,765.62	1,575,265.62
01/08/18	01/18/22	SN	IADB	2,000,000.00	1,988,880.00	2.270%	182,300.56	2,171,180.56
12/18/17	01/26/22	SN	IBRD	2,500,000.00	2,485,325.00	2.150%	219,952.78	2,705,277.78
10/10/17	10/07/22	SN	IBRD	1,300,000.00	1,290,907.89	2.024%	130,763.88	1,421,671.77
02/08/19	10/24/22	SN	IFC	1,500,000.00	1,470,780.00	2.553%	140,553.33	1,611,333.33
05/09/19	10/24/23	SN	IADB	2,000,000.00	2,058,280.00	2.300%	205,886.67	2,264,166.67
01/18/18	01/18/23	SN	IADB	1,700,000.00	1,702,652.00	2.467%	209,848.00	1,912,500.00

Settlement	Maturity	Type	Issuer	Par	Invested	Yield	Interest Expected	Return
01/24/18	01/18/23	SN	IADB	1,000,000.00	997,670.00	2.550%	126,913.33	1,124,583.33
02/19/20	01/27/23	SN	IBRD	1,170,000.00	1,170,538.20	1.734%	59,635.55	1,230,173.75
10/25/19	10/25/23	SN	IBRD	3,000,000.00	3,000,000.00	1.700%	204,000.00	3,204,000.00
02/15/19	02/15/24	SN	IBRD	3,000,000.00	3,000,000.00	2.625%	468,750.00	3,468,750.00
08/29/19	08/28/24	SN	IBRD	2,000,000.00	2,006,920.00	1.428%	142,996.67	2,149,916.67
10/10/19	09/23/24	SN	IBRD	3,500,000.00	3,510,500.00	2.136%	370,863.89	3,881,363.89
12/10/19	09/23/24	SN	IBRD	3,000,000.00	3,006,000.00	1.941%	310,066.67	3,316,066.67
11/13/19	11/13/24	SN	IBRD	1,500,000.00	1,500,000.00	2.050%	153,750.00	1,653,750.00
03/26/20	12/12/24	SN	IBRD	3,500,000.00	3,522,505.00	1.096%	329,777.78	3,829,777.78
01/08/20	12/15/24	SN	IBRD	1,425,000.00	1,425,000.00	1.700%	119,577.30	1,544,577.30
01/27/20	01/15/25	SN	IFC	1,000,000.00	1,000,000.00	1.625%	80,708.33	1,080,708.33
			Supranationals	**39,695,000.00**	**39,669,269.09**	**1.824%**	**3,698,807.13**	**43,345,571.22**
US Treasury								
12/19/16	06/30/20	TR	US Treasury 1.625%	1,350,000.00	1,345,570.31	1.721%	81,926.29	1,427,496.60
12/02/16	07/31/20	TR	US Treasury 1.625%	1,500,000.00	1,500,000.00	1.625%	89,286.68	1,589,286.68
06/07/17	07/31/20	TR	US Treasury 1.625%	2,000,000.00	2,011,320.00	1.440%	91,028.07	2,102,348.07
09/22/15	08/31/20	TR	US Treasury 2.125%	3,000,000.00	3,085,500.00	2.097%	229,396.98	3,314,896.98
10/28/16	10/31/20	TR	US Treasury 1.375%	1,750,000.00	1,759,570.31	1.235%	86,875.85	1,846,446.16
12/02/16	10/31/20	TR	US Treasury 1.375%	1,200,000.00	1,186,200.00	1.680%	78,341.44	1,264,541.44
01/13/17	10/31/20	TR	US Treasury 1.375%	1,300,000.00	1,289,234.38	1.601%	78,611.61	1,367,845.99
01/05/16	12/31/20	TR	US Treasury 2.375%	4,000,000.00	4,127,500.00	1.705%	346,195.00	4,473,695.00
05/05/16	12/31/20	TR	US Treasury 1.75%	2,000,000.00	2,049,174.00	1.205%	113,710.62	2,162,884.62
01/20/17	02/28/21	TR	US Treasury 1.125%	2,750,000.00	2,673,515.63	1.831%	203,567.42	2,877,083.05
02/17/17	02/28/21	TR	US Treasury 1.125%	1,225,000.00	1,194,853.52	1.760%	85,690.25	1,280,543.77
05/09/17	03/31/21	TR	US Treasury 1.25%	1,400,000.00	1,374,786.00	1.730%	93,349.25	1,468,135.25
08/19/16	04/30/21	TR	US Treasury 1.375%	3,000,000.00	3,037,662.00	1.100%	156,145.74	3,193,807.74
12/16/16	05/31/21	TR	US Treasury 2.000%	2,250,000.00	2,250,000.00	2.000%	200,521.98	2,450,521.98
10/28/16	06/30/21	TR	US Treasury 1.125%	2,500,000.00	2,477,400.00	1.325%	154,053.80	2,631,453.80
12/16/16	06/30/21	TR	US Treasury 1.125%	2,650,000.00	2,547,312.50	2.022%	238,058.93	2,785,371.43
02/06/20	07/15/21	TR	US Treasury 2.625%	3,000,000.00	3,048,960.00	1.475%	64,405.38	3,113,365.38
01/20/17	07/31/21	TR	US Treasury 1.125%	1,500,000.00	1,448,203.13	1.925%	145,113.79	1,593,316.92
02/20/18	08/31/21	TR	US Treasury 1.125%	2,000,000.00	1,911,080.00	2.450%	168,167.24	2,079,247.24
12/02/16	09/30/21	TR	US Treasury 2.125%	1,600,000.00	1,615,500.00	1.913%	148,615.38	1,764,115.38
03/10/17	09/30/21	TR	US Treasury 1.125%	1,200,000.00	1,150,500.00	2.078%	111,028.85	1,261,528.85
05/19/17	09/30/21	TR	US Treasury 1.125%	1,500,000.00	1,464,375.00	1.691%	109,303.28	1,573,678.28
02/14/18	09/30/21	TR	US Treasury 2.125%	1,500,000.00	1,486,406.25	2.387%	129,096.84	1,615,503.09
11/17/16	10/31/21	TR	US Treasury 2.00%	2,000,000.00	2,030,000.00	1.683%	168,121.55	2,198,121.55
11/18/16	10/31/21	TR	US Treasury 2.00%	2,000,000.00	2,028,360.00	1.700%	169,651.15	2,198,011.15
11/22/16	11/15/21	TR	US Treasury 2.00%	2,000,000.00	2,016,562.50	1.825%	182,664.02	2,199,226.52
01/06/17	12/31/21	TR	US Treasury 2.125%	4,000,000.00	4,052,128.00	1.850%	371,463.16	4,423,591.16
02/03/17	12/31/21	TR	US Treasury 2.125%	1,850,000.00	1,867,632.81	1.920%	175,237.36	2,042,870.17
11/27/19	12/31/21	TR	US Treasury 2.125%	2,000,000.00	2,022,656.25	1.572%	66,270.38	2,088,926.63
01/20/17	01/31/22	TR	US Treasury 1.50%	3,000,000.00	2,928,555.00	2.000%	297,790.11	3,226,345.11
04/23/19	02/28/22	TR	US Treasury 1.875%	1,500,000.00	1,481,015.63	1.875%	99,232.33	1,580,247.96
03/02/17	03/31/22	TR	US Treasury 1.750%	3,000,000.00	2,963,925.00	2.000%	302,757.69	3,266,682.69
11/20/19	04/15/22	TR	US Treasury 2.25%	1,200,000.00	1,219,125.00	1.571%	45,719.26	1,264,844.26
05/15/17	05/15/22	TR	US Treasury 1.750%	2,000,000.00	1,985,625.00	1.901%	189,375.00	2,175,000.00
08/25/17	07/31/22	TR	US Treasury 1.875%	1,250,000.00	1,257,346.25	1.750%	108,249.03	1,365,595.28
08/31/17	08/31/22	TR	US Treasury 1.875%	3,000,000.00	3,019,290.00	1.740%	261,960.00	3,281,250.00
11/20/19	10/15/22	TR	US Treasury 1.375%	1,500,000.00	1,491,720.00	1.570%	68,126.31	1,559,846.31
02/27/20	10/15/22	TR	US Treasury 1.375%	1,500,000.00	1,509,082.03	1.141%	45,185.39	1,554,267.42
11/28/17	11/15/22	TR	US Treasury 1.625%	1,000,000.00	980,950.00	2.030%	99,716.44	1,080,666.44
07/30/19	02/28/23	TR	US Treasury 2.625%	3,000,000.00	3,085,572.00	1.800%	275,650.83	3,361,222.83
			US Treasury	**81,975,000.00**	**81,974,168.50**	**1.746%**	**6,129,660.68**	**88,103,829.18**
Corporate Notes								
11/03/15	08/07/20	CN	3M Company	3,500,000.00	3,554,215.00	1.660%	279,062.78	3,833,277.78
09/25/15	09/01/20	CN	Johnson & Johnson	1,000,000.00	1,058,028.49	1.718%	87,504.84	1,145,533.33
09/24/15	09/15/20	CN	Automatic Data Processing	4,000,000.00	4,029,600.00	2.090%	418,150.00	4,447,750.00
11/10/15	11/03/20	CN	Microsoft	5,000,000.00	5,018,550.00	1.920%	479,505.56	5,498,055.56
06/10/16	11/03/20	CN	Microsoft	1,500,000.00	1,539,450.00	1.370%	92,466.67	1,631,916.67
11/13/17	11/13/20	CN	Apple Inc.	2,500,000.00	2,497,900.00	2.000%	152,100.00	2,650,000.00
01/07/19	12/15/20	CN	Wal-Mart	1,500,000.00	1,481,805.00	2.545%	73,453.33	1,555,258.33
06/29/17	12/29/20	CN	Toyota	3,000,000.00	3,000,000.00	2.000%	210,000.00	3,210,000.00
02/26/18	01/15/21	CN	Wells Fargo Bank NA	2,000,000.00	1,982,700.00	2.914%	167,377.77	2,150,077.77
04/28/16	03/01/21	CN	Exxon Mobil	2,000,000.00	2,042,900.00	1.750%	172,263.67	2,215,163.67
07/26/16	03/01/21	CN	Exxon Mobil	1,000,000.00	1,034,050.00	1.440%	68,038.55	1,102,088.55
09/16/16	04/08/21	CN	Toyota	3,000,000.00	3,031,680.00	1.659%	228,303.33	3,259,983.33
11/18/19	04/26/21	CN	US Bank NA	1,000,000.00	1,019,220.00	1.710%	26,105.00	1,045,325.00
06/13/18	05/16/21	CN	Chevron	3,250,000.00	3,175,770.00	2.920%	273,861.25	3,449,631.25
05/26/16	05/19/21	CN	Alphabet Inc.	1,000,000.00	1,094,000.00	1.651%	86,545.14	1,180,545.14
04/17/17	05/19/21	CN	Alphabet Inc.	2,000,000.00	2,136,700.00	1.883%	159,744.44	2,296,444.44
05/14/17	05/19/21	CN	Alphabet Inc.	2,000,000.00	2,133,400.00	1.900%	159,620.83	2,293,020.83

Settlement	Maturity	Type	Issuer	Par	Invested	Yield	Interest Expected	Return
02/06/20	07/23/21	CN	Wells Fargo Bank NA	3,500,000.00	3,507,848.93	1.741%	110,314.37	3,618,163.30
09/13/16	08/08/21	CN	Microsoft	6,000,000.00	5,995,740.00	1.565%	460,218.33	6,455,958.33
02/07/17	08/08/21	CN	Microsoft	2,000,000.00	1,947,120.00	2.170%	192,466.11	2,139,586.11
02/22/18	08/08/21	CN	Microsoft	1,500,000.00	1,441,912.50	2.730%	138,558.33	1,580,470.83
10/14/16	09/01/21	CN	Coca Cola Company	3,600,000.00	3,581,496.00	1.660%	290,839.00	3,872,335.00
01/10/18	09/01/21	CN	Coca Cola Company	1,500,000.00	1,549,740.00	2.344%	130,522.50	1,680,262.50
12/19/19	10/22/21	CN	Wells Fargo Bank	4,000,000.00	4,122,000.00	1.851%	145,041.67	4,267,041.67
10/10/17	11/03/21	CN	Procter & Gamble	2,000,000.00	1,982,100.00	1.930%	156,072.22	2,138,172.22
12/04/17	11/15/21	CN	Colgate-Palmolive	2,250,000.00	2,271,141.00	2.200%	196,449.62	2,467,590.62
12/23/19	11/16/21	CN	US Bank NA	3,000,000.00	3,091,620.00	1.730%	104,742.50	3,196,362.50
04/03/20	01/21/22	CN	US Bank NA	2,000,000.00	2,016,916.00	1.300%	47,884.00	2,064,800.00
12/20/17	02/06/22	CN	Microsoft	1,250,000.00	1,254,025.00	2.316%	119,808.33	1,373,833.33
11/29/19	02/09/22	CN	Apple Inc.	2,000,000.00	2,017,980.00	1.730%	76,381.11	2,094,361.11
03/07/19	03/03/22	CN	Johnson & Johnson	1,250,000.00	1,236,787.50	2.620%	97,275.00	1,334,062.50
02/24/20	03/03/22	CN	Johnson & Johnson	2,000,000.00	2,029,760.00	1.470%	61,365.00	2,091,125.00
05/07/20	05/03/22	CN	Colgate-Palmolive	3,500,000.00	3,629,465.00	0.420%	894.44	3,630,359.44
03/06/17	03/06/22	CN	Exxon Mobil	2,000,000.00	2,003,380.00	2.360%	236,320.00	2,239,700.00
05/23/17	05/11/22	CN	Apple Inc.	3,300,000.00	3,318,150.00	2.181%	358,820.00	3,676,970.00
12/06/17	05/15/22	CN	Berkshire Hathaway	1,503,000.00	1,540,770.39	2.400%	162,504.36	1,703,274.75
01/08/18	05/15/22	CN	Berkshire Hathaway	1,000,000.00	1,023,300.00	2.432%	107,283.33	1,130,583.33
10/09/18	05/15/22	CN	Berkshire Hathaway	1,100,000.00	1,091,810.50	3.220%	126,989.50	1,218,800.00
02/19/19	05/17/22	CN	Toyota	2,000,000.00	2,000,000.00	3.083%	200,044.66	2,200,044.66
01/06/20	05/27/22	CN	Wells Fargo Bank NA	3,000,000.00	3,040,020.00	1.920%	167,839.75	3,207,859.75
08/09/18	06/01/22	CN	Blackrock Inc.	1,000,000.00	1,011,600.00	3.050%	117,306.25	1,128,906.25
12/11/19	06/15/22	CN	Cisco Systems Inc	500,000.00	515,230.00	1.755%	22,436.67	537,666.67
02/20/20	06/20/22	CN	JP Morgan Chase Bank	3,000,000.00	3,000,000.00	1.775%	124,250.00	3,124,250.00
12/19/19	06/26/22	CN	3M Company	2,000,000.00	2,010,920.00	1.777%	89,857.78	2,100,777.78
08/24/17	07/13/22	CN	Toyota	1,500,000.00	1,547,160.00	2.119%	158,056.67	1,705,216.67
01/16/19	07/13/22	CN	Toyota	1,500,000.00	1,483,770.00	3.129%	162,880.00	1,646,650.00
07/01/19	07/13/22	CN	Toyota	2,500,000.00	2,551,875.00	2.090%	160,458.33	2,712,333.33
11/06/17	08/11/22	CN	Procter & Gamble	1,800,000.00	1,799,161.20	2.160%	185,201.30	1,984,362.50
11/09/18	08/11/22	CN	Procter & Gamble	1,900,000.00	1,826,627.70	3.250%	226,786.74	2,053,414.44
05/02/19	08/11/22	CN	Procter & Gamble	2,000,000.00	1,986,800.00	2.150%	154,025.00	2,140,825.00
01/18/18	09/21/22	CN	Novartis Capital Corp	1,500,000.00	1,489,500.00	2.560%	178,400.00	1,667,900.00
10/10/19	11/03/22	CN	Microsoft	2,000,000.00	2,087,293.89	1.514%	75,092.22	2,162,386.11
01/04/18	11/15/22	CN	Colgate-Palmolive	2,000,000.00	1,982,400.00	2.443%	236,475.00	2,218,875.00
09/17/18	11/15/22	CN	Colgate-Palmolive	2,000,000.00	1,935,820.00	3.077%	251,430.00	2,187,250.00
11/18/19	11/18/22	CN	JP Morgan Chase Bank	3,000,000.00	3,000,000.00	3.077%	189,000.00	3,189,000.00
12/06/17	11/29/22	CN	Toyota	2,250,000.00	2,250,000.00	2.125%	238,132.81	2,488,132.81
01/14/19	12/15/22	CN	Wal-Mart	2,720,000.00	2,653,088.00	3.020%	317,442.89	2,970,530.89
12/23/19	12/15/22	CN	Wal-Mart	2,000,000.00	2,032,580.00	1.770%	107,375.56	2,139,955.56
01/24/18	01/26/23	CN	Toyota	3,000,000.00	3,000,000.00	2.750%	412,500.00	3,412,500.00
08/29/19	02/01/23	CN	Colgate-Palmolive	1,000,000.00	1,011,600.00	1.600%	55,133.33	1,066,733.33
09/12/19	02/11/23	CN	Berkshire Hathaway	1,250,000.00	1,296,137.50	1.878%	81,883.33	1,378,020.83
07/31/19	02/23/23	CN	Apple Inc.	3,500,000.00	3,592,680.00	2.039%	262,540.83	3,855,220.83
10/04/19	03/15/23	CN	3M Company	1,762,000.00	1,800,613.35	1.620%	97,611.27	1,898,224.62
03/20/18	03/15/23	CN	Berkshire Hathaway	1,000,000.00	983,890.00	3.101%	153,228.06	1,137,118.06
04/18/18	03/15/23	CN	Berkshire Hathaway	1,750,000.00	1,719,130.00	3.140%	267,083.54	1,986,213.54
04/25/18	03/15/23	CN	Berkshire Hathaway	2,000,000.00	1,953,300.00	3.270%	315,588.89	2,268,888.89
05/07/18	04/11/23	CN	Wal-Mart	1,000,000.00	974,100.00	3.121%	151,558.33	1,125,658.33
12/18/18	04/11/23	CN	Wal-Mart	1,000,000.00	969,800.00	3.301%	141,054.17	1,110,854.17
05/16/19	04/28/23	CN	Bank of New York Mellon	2,000,000.00	2,061,800.00	2.670%	214,700.00	2,276,500.00
05/02/18	05/01/23	CN	Colgate-Palmolive	4,666,000.00	4,443,179.84	3.140%	712,477.98	5,155,657.82
05/09/18	05/03/23	CN	Apple Inc.	4,000,000.00	3,862,600.00	3.150%	615,800.00	4,478,400.00
08/06/16	06/26/23	CN	Wal-Mart	1,750,000.00	1,763,895.00	3.220%	276,993.89	2,040,888.89
07/25/18	06/26/23	CN	Wal-Mart	1,500,000.00	1,512,000.00	3.220%	238,891.66	1,750,891.66
02/19/19	06/26/23	CN	Wal-Mart	1,000,000.00	1,025,140.00	2.770%	122,665.56	1,147,805.56
07/24/18	07/24/23	CN	US Bank NA	1,250,000.00	1,251,625.00	3.371%	210,756.94	1,462,381.94
01/24/19	07/24/23	CN	US Bank NA	1,000,000.00	1,010,000.00	3.156%	143,000.00	1,153,000.00
02/28/19	07/24/23	CN	US Bank NA	1,800,000.00	1,835,100.00	2.916%	234,520.00	2,069,620.00
12/11/18	07/24/23	CN	US Bank NA	2,500,000.00	2,489,250.00	3.400%	32,347.22	2,521,597.22
02/28/19	08/14/23	CN	Wells Fargo Bank NA	2,000,000.00	2,040,700.00	3.050%	276,038.89	2,316,738.89
10/01/18	08/14/23	CN	Wells Fargo Bank NA	1,500,000.00	1,500,000.00	3.550%	259,297.92	1,759,297.92
05/14/20	09/01/23	CN	Public Service Electric	2,500,000.00	2,700,575.00	0.720%	67,324.31	2,767,899.31
12/23/19	11/20/23	CN	State Street Corporation	2,000,000.00	2,130,440.00	1.958%	158,776.67	2,289,216.67
01/28/19	12/05/23	CN	Johnson & Johnson	1,500,000.00	1,541,250.00	2.765%	204,421.87	1,745,671.87
03/07/19	01/08/24	CN	Toyota	1,000,000.00	1,017,865.00	2.950%	144,144.72	1,162,009.72
01/16/20	01/15/24	CN	Wal-Mart	2,000,000.00	2,067,790.00	1.900%	192,646.11	2,260,436.11
05/16/19	01/23/24	CN	Citibank	1,000,000.00	1,034,870.00	2.836%	136,173.06	1,171,043.06
02/13/20	01/23/24	CN	Citibank	2,500,000.00	2,674,670.00	1.770%	185,260.56	2,859,930.56
02/13/20	01/23/24	CN	Citibank	2,000,000.00	2,142,600.00	1.733%	145,344.44	2,287,944.44

Settlement	Maturity	Type	Issuer	Par	Invested	Yield	Interest Expected	Return
02/20/20	01/23/24	CN	Citibank	1,500,000.00	1,603,710.00	1.780%	111,183.75	1,714,893.75
10/11/19	02/01/24	CN	JP Morgan Chase Bank	1,765,000.00	1,914,133.18	2.000%	145,339.92	2,059,473.10
10/08/19	03/07/24	CN	Microsoft	1,500,000.00	1,584,745.83	1.604%	103,633.34	1,688,379.17
08/29/19	03/18/24	CN	Blackrock Inc.	2,000,000.00	2,162,500.00	1.640%	156,194.44	2,318,694.44
10/28/19	03/18/24	CN	Blackrock Inc.	1,000,000.00	1,071,360.00	1.801%	82,251.11	1,153,611.11
11/14/19	03/18/24	CN	Blackrock Inc.	1,000,000.00	1,070,864.44	1.923%	81,191.12	1,152,055.56
05/14/20	03/18/24	CN	Blackrock Inc.	3,000,000.00	3,300,600.00	0.845%	103,066.67	3,403,666.67
04/24/20	04/22/24	CN	Wal-Mart	2,500,000.00	2,737,467.50	0.875%	92,074.17	2,829,541.67
04/24/20	04/22/24	CN	Wal-Mart	2,000,000.00	2,191,860.00	0.700%	71,773.33	2,263,633.33
07/31/19	05/13/24	CN	JP Morgan Chase Bank	2,000,000.00	2,119,320.00	2.300%	227,471.67	2,346,791.67
10/17/19	08/22/24	CN	Amazon.com Inc.	2,500,000.00	2,615,544.44	1.860%	223,761.12	2,839,305.56
08/22/19	08/22/24	CN	Amazon.com Inc.	2,000,000.00	2,087,280.00	2.800%	192,097.78	2,279,377.78
02/18/20	10/24/24	CN	Bank of NY Mellon	3,055,000.00	3,093,737.40	1.816%	261,721.85	3,355,459.25
12/23/19	12/23/24	CN	JP Morgan Chase Bank	3,500,000.00	3,500,000.00	2.200%	390,775.03	3,890,775.03
01/15/20	01/15/25	CN	Johnson & Johnson	1,820,000.00	1,882,380.50	1.586%	176,494.50	2,058,875.00
04/08/20	01/15/25	CN	Johnson & Johnson	3,000,000.00	3,231,960.00	0.906%	143,633.75	3,375,593.75
04/13/20	02/14/25	CN	Novartis Capital Corp	3,310,000.00	3,379,576.20	1.300%	210,555.54	3,590,131.74
05/13/20	04/01/25	CN	Florida Power & Light	3,667,000.00	3,980,565.17	1.020%	195,628.34	4,176,193.51
			Corporate Notes	**227,518,000.00**	**231,621,082.45**	**2.096%**	**19,295,955.49**	**250,917,037.94**
Certificate of Deposit								
06/29/15	06/29/20	CD	First Source Bank	247,000.00	246,382.50	1.904%	23,465.00	269,847.50
07/31/15	07/31/20	CD	Institution For Savings	249,000.00	249,000.00	2.050%	25,522.50	274,522.50
08/02/17	08/03/20	CD	Wex Bank	247,000.00	247,000.00	1.850%	13,721.19	260,721.19
08/11/15	08/25/20	CD	Investor Bank	247,000.00	247,000.00	2.000%	24,700.00	271,700.00
09/10/15	09/10/20	CD	Merrick Bank	249,000.00	248,377.50	1.910%	23,655.00	272,032.50
09/22/15	09/16/20	CD	Barclays Bank	248,000.00	248,000.00	2.200%	27,190.31	275,190.31
10/19/15	10/13/20	CD	Comenity Cap Bank	249,000.00	249,000.00	2.000%	24,818.14	273,818.14
12/14/17	12/14/20	CD	Ally Bank	247,000.00	247,000.00	2.100%	15,561.00	262,561.00
01/15/16	01/15/21	CD	Investors Cmnty Bank	249,000.00	249,000.00	1.850%	23,032.50	272,032.50
05/09/18	05/10/21	CD	Connectone Bank	249,000.00	249,000.00	2.850%	21,309.21	270,309.21
06/10/16	06/07/21	CD	Ubs Bank Usa	249,000.00	249,000.00	1.650%	20,508.73	269,508.73
06/21/18	06/21/21	CD	Mercantil Bank	246,000.00	246,000.00	3.000%	22,140.00	268,140.00
06/22/17	06/22/21	CD	Lakeside Bank	249,000.00	249,000.00	1.900%	18,924.00	267,924.00
06/23/16	06/23/21	CD	East Boston Saving	248,000.00	248,000.00	1.500%	18,600.00	266,600.00
06/24/16	06/24/21	CD	First Business Bk	248,000.00	248,000.00	1.500%	18,600.00	266,600.00
06/30/16	06/30/21	CD	First Technology Federal	248,000.00	248,000.00	1.750%	21,700.00	269,700.00
09/21/17	09/21/21	CD	Pinacle Bank Tn	249,000.00	249,000.00	2.000%	19,920.00	268,920.00
01/12/18	01/12/22	CD	LCA Bank Corporation	246,000.00	246,000.00	2.300%	22,632.00	268,632.00
01/18/17	01/18/22	CD	Mb Financial Bank	249,000.00	249,000.00	2.050%	25,522.50	274,522.50
01/20/17	01/20/22	CD	First Natl Bank	249,000.00	249,000.00	2.050%	25,522.50	274,522.50
01/24/19	01/24/22	CD	Dollar Bank	246,000.00	246,000.00	2.850%	21,033.00	267,033.00
02/12/20	02/14/22	CD	Sallie Mae Bank	247,000.00	247,000.00	1.700%	8,432.52	255,432.52
06/07/17	06/07/22	CD	Mechantile Bank Of	247,000.00	247,000.00	2.100%	25,935.00	272,935.00
07/31/17	07/29/22	CD	KS State Bank	245,000.00	245,000.00	2.100%	25,710.71	270,710.71
08/16/17	08/16/22	CD	Everbank	247,000.00	247,000.00	2.200%	27,170.00	274,170.00
08/30/17	08/30/22	CD	Willamette Valley Bank	249,000.00	249,000.00	2.100%	26,145.00	275,145.00
09/29/17	09/29/22	CD	Allegiane Bank Texs	249,000.00	249,000.00	2.150%	26,767.50	275,767.50
09/14/17	09/14/22	CD	First Bank Of	247,000.00	247,000.00	2.150%	26,552.50	273,552.50
10/18/17	10/18/22	CD	Beneficial Bank	247,000.00	247,000.00	2.150%	26,552.50	273,552.50
10/23/19	10/11/22	CD	Goldman Sachs Bank USA	247,000.00	247,180.01	1.900%	13,718.98	260,898.99
12/22/17	12/22/22	CD	Industrial & Coml Bak China	249,000.00	249,000.00	2.500%	31,125.00	280,125.00
01/11/19	01/11/23	CD	Sterling Bank	246,000.00	246,000.00	3.100%	30,504.00	276,504.00
01/29/18	01/30/23	CD	Suntrust Bank	246,000.00	245,508.00	2.792%	34,547.50	280,055.50
02/07/20	02/07/23	CD	BMW Bank	247,000.00	247,000.00	1.650%	12,237.67	259,237.67
02/21/20	02/21/23	CD	Wells Fargo Bank	249,000.00	249,000.00	1.750%	13,084.44	262,084.44
04/24/18	04/24/23	CD	Citibank	246,000.00	246,000.00	3.000%	36,900.00	282,900.00
05/08/19	05/08/23	CD	Bank3	249,000.00	249,000.00	2.336%	24,900.00	273,900.00
05/16/18	05/16/23	CD	Belmont Savings Bank	245,000.00	245,000.00	3.050%	37,362.50	282,362.50
06/20/18	06/20/23	CD	RBC Bank	249,000.00	249,000.00	3.150%	39,217.50	288,217.50
07/31/18	07/31/23	CD	Bank Of New England	249,000.00	249,000.00	3.250%	40,462.50	289,462.50
07/31/18	07/31/23	CD	Medallion Bank Utah	249,000.00	249,000.00	3.150%	40,462.50	289,462.50
02/13/19	08/14/23	CD	First Missouri State Bank	246,000.00	246,000.00	2.850%	31,549.50	277,549.50
09/26/18	09/26/23	CD	Bank Midwest	245,000.00	245,000.00	3.150%	38,587.50	283,587.50
09/28/18	09/28/23	CD	Bank Of Baroda	245,000.00	245,000.00	3.300%	40,425.00	285,425.00
11/15/18	10/30/23	CD	National Cooperative Bank	245,000.00	245,000.00	3.450%	41,891.98	286,891.98
11/14/18	11/14/23	CD	Bank Hapoalim Bm	245,000.00	245,000.00	3.500%	42,875.00	287,875.00
11/15/18	11/15/23	CD	Morgan Stanley Pvt Bank	245,000.00	245,000.00	3.550%	43,487.50	288,487.50
11/19/18	11/29/23	CD	State Bank Of India	245,000.00	245,000.00	3.600%	44,100.00	289,100.00
05/16/19	05/16/24	CD	Enterprise Bank	246,000.00	246,000.00	2.600%	31,980.00	277,980.00
05/24/19	05/24/24	CD	Eagle Bank	249,000.00	249,000.00	2.500%	31,125.00	280,125.00
06/28/19	06/28/24	CD	First State Bank Dequeen	249,000.00	249,000.00	2.300%	28,635.00	277,635.00
07/31/19	07/31/24	CD	Capital One	247,000.00	247,000.00	2.250%	27,787.50	274,787.50

Settlement	Maturity	Type	Issuer	Par	Invested	Yield	Interest Expected	Return
08/13/19	08/13/24	CD	HSBC Bank	246,000.00	246,000.00	2.300%	28,290.00	274,290.00
08/30/19	08/30/24	CD	Washington Federal	249,000.00	249,000.00	2.000%	24,900.00	273,900.00
09/13/19	09/13/24	CD	Enerbank Usa	249,000.00	249,000.00	1.750%	21,787.50	270,787.50
09/18/19	09/30/24	CD	Celtic Bank	249,000.00	249,208.75	1.700%	20,747.50	269,956.25
11/26/19	11/26/24	CD	Raymond James Bank NA	247,000.00	247,000.00	1.850%	22,872.54	269,872.54
01/09/20	01/09/25	CD	Morgan Stanley Bank NA	247,000.00	247,000.00	1.900%	23,490.72	270,490.72
02/27/20	02/27/25	CD	Bell Bank Corp	249,000.00	249,000.00	1.600%	19,941.88	268,941.88
02/28/20	02/28/25	CD	Congressional Bank	249,000.00	248,377.50	1.750%	22,433.88	270,811.38
03/13/20	03/13/25	CD	Choice Financial Group	248,000.00	248,000.00	1.100%	13,647.47	261,647.47
03/13/20	03/13/25	CD	American Eagle bank	249,000.00	249,000.00	1.100%	13,702.54	262,702.54
03/18/20	03/18/25	CD	Poppy Bank	249,000.00	249,000.00	1.100%	13,702.54	262,702.54
03/19/20	03/19/25	CD	Somerset Trust	249,000.00	249,000.00	1.000%	12,456.88	261,456.88
03/20/20	03/20/25	CD	Iberia Bank	248,000.00	248,000.00	1.000%	12,406.79	260,406.79
03/27/20	03/27/25	CD	Baycoast Bank	248,000.00	248,000.00	0.950%	11,786.45	259,786.45
03/27/20	03/27/25	CD	American Commerce Bank	249,000.00	249,000.00	0.950%	11,834.03	260,834.03
04/08/20	04/08/25	CD	Capital One	248,000.00	248,000.00	1.600%	19,850.88	267,850.88
05/15/20	05/15/25	CD	Flagstar Bank	248,000.00	248,000.00	0.850%	10,545.77	258,545.77
05/15/20	05/15/25	CD	Encore Bank	249,000.00	249,000.00	0.800%	9,965.41	258,965.41
05/26/20	05/27/25	CD	Haddon Savings Bank	248,000.00	248,000.00	0.750%	9,310.19	257,310.19
05/29/20	05/29/25	CD	Home Loan Inv Bank	249,000.00	249,000.00	0.800%	9,965.41	258,965.41
05/29/20	05/29/25	CD	Pacific Western Bank	249,000.00	249,000.00	0.700%	8,719.77	257,719.77
05/29/20	05/29/25	CD	Malaga Bank	249,000.00	249,000.00	0.700%	8,719.87	257,719.87
			Certificate of Deposit	**18,329,000.00**	**18,327,034.26**	**2.063%**	**1,759,387.90**	**20,086,422.16**
Mortgage Backed Securities (Agency)								
12/26/19	12/01/22	NM	FNMA AM1721	1,903,988.86	1,917,078.77	2.001%	64,774.84	1,981,853.61
02/04/20	11/01/22	NM	FNMA AM0982	2,000,000.00	2,036,562.50	1.704%	27,844.88	2,064,407.38
04/15/20	11/25/24	NM	FHMS KHG1 A1	3,000,000.00	3,215,625.00	0.999%	1,505.28	3,217,130.28
			Mortgage Backed Securities (Agency)	**6,903,988.86**	**7,169,266.27**	**1.467%**	**94,125.00**	**7,263,391.27**
Cash								
		Cash	Wells Fargo Bank - General	3,079,242.00	3,079,242.00	0.100%	253.09	3,079,495.09
		Cash	Sweep Account	2,209,654.40	2,209,654.40	0.060%	108.97	2,209,763.37
		Cash	Wells Fargo Bank - Custody	1,491,704.48	1,491,704.48	0.010%	12.43	1,491,716.91
		Cash	CAMP	1,003,845.67	1,003,845.67	0.570%	470.29	1,004,315.96
		Cash	LAIF City	71,206,246.51	71,206,246.51	1.310%	77,733.49	71,283,980.00
		Cash	LAIF CMWD	71,076,058.80	71,076,058.80	1.310%	77,591.36	71,153,650.16
		Cash	LAIF CPFA	37,039,738.87	37,039,738.87	1.310%	40,435.05	37,080,173.92
		Cash	LAIF CPIC	-	-	1.310%	-	-
			Cash	**187,106,490.73**	**187,106,490.73**	**1.261%**	**196,604.68**	**187,303,095.41**
			GRAND TOTAL	**805,058,479.59**	**811,454,774.60**	**1.768%**	**50,910,261.12**	**862,342,530.72**

City of Carlsbad Investment Portfolio
Fund Equity in Pooled Investments
As of May 31, 2020

Cash Balance by Fund:		
General		140,982,598
Special Revenue		37,829,484
Capital Projects:		
General Capital Construction	43,156,993	
Traffic Impact Fees	24,771,986	
Public Facilities Fees	28,814,251	
Park Development	12,497,820	
Transnet Taxes	7,927,957	
Drainage Fees	5,746,540	
Special Districts	111,139,644	
Infrastructure Replacement	122,070,771	
Gas Tax	15,867,697	
Capital Project Subtotal		371,993,659
Enterprise:		
Carlsbad Municipal Water District	135,038,009	
Sewer Fund	47,623,699	
Solid Waste	6,301,988	
Storm Water	8,210,467	
Golf Course	1,239,714	
Enterprise Subtotal		198,413,877
Internal Service		49,383,975
Trust and Agency		17,505,920
Total General Ledger Balance **		**816,109,513**
Reconciling Adjustments (1)		(5,895,984)
Total Treasurer's Investment Portfolio at Amortized Cost		**810,213,529**

**Figures based on best estimate at the time report run on 6/4/2020.

(1) The reconciling adjustments consist of differences between the general ledger which is prepared on an accrual basis and the treasurer's report which is prepared on the cash basis. Accrued interest, amortized premium or discounts and outstanding checks and deposits in transit are not included in the treasurer's summary. Differences between the time journal entries are posted and the time this report is produced may also be a component of the adjustment.

City of Carlsbad Investment Portfolio

Corporate Note and Mortgage Baked Security Ratings

As of May 31, 2020

EXHIBIT 8

Corporate Notes	Moody's	S&P	Fitch	Outlook
3M Company	A1	A+		Negative/Negative
Alphabet Inc.	Aa2	AA+		Stable
Amazon.com Inc.	A2	AA-	A+	Positive/Stable/Positive
Apple Inc.	Aa1	AA+		Stable
Automatic Data Processing	Aa3	AA		Negative/Stable
Bank of New York Mellon	A1	A	AA-	Stable
Berkshire Hathaway	Aa2	AA	AA-	Stable
Blackrock Inc.	Aa3	AA-		Stable
Chevron	Aa2	AA		Stable/Negative
Cisco Systems Inc.	A1	AA-		Stable
Citibank	A3	BBB+	A	Stable/Stable/Negative
Coca Cola Company	A1	A+	A	Stable/Negative/Stable
Colgate-Palmolive	Aa3	AA-		Stable
Exxon Mobil	Aa1	AA		Negative
Florida Power & Light	Aa2	A+	AA-	Stable
Johnson & Johnson	Aaa	AAA		Negative/Stable
JP Morgan Chase Bank	A2	A-	AA-	Stable/Stable/Negative
Merck & Co	A1	AA-	A+	Stable/Negative/Stable
Microsoft	Aaa	AAA	AA+	Stable
New York Life	Aaa	AA+	AAA	Negative/Stable/Stable
Novartis Capital Corp	A1	AA-	AA-	Stable
Procter & Gamble	Aa3	AA-		Stable
Public Service Electric	Aa3	A		Stable
State Street Corporation	A1	A	AA-	Stable
Toyota	A1	A+	A+	Negative
US Bank NA	A1	A+	AA-	Stable/Stable/Negative
Wal-Mart	Aa2	AA	AA	Stable
Wells Fargo Bank NA	A2	A-	A+	Stable/Negative/Negative

Mortgage Backed Securities	Moody's	S&P	Fitch	Outlook
FHLMC (KHG1 A1)	Aaa	AAA		Stable
FNMA (AM0982)	Aaa	AAA		Stable
FNMA (AM1721)	Aaa	AAA		Stable

Ratings of corporate notes must be AA or better by one and A or better another of the three: Moody's, S&P, or Fitch.
Ratings of mortgage backed securities must be AA or better by one of the three: Moody's, S&P, or Fitch.

Investments with Subsequent Changes in Credit Rating *

Corporate Notes	Moody's	S&P	Fitch	Maturity Date	Purchased	Book Value
3M Company	A1	A+		03/07/24	12/19/19	$ 8,871,464
Citibank	A3	BBB+	A	01/23/24	02/20/20	$ 7,416,555
Coca Cola Company	A1	A+	A	09/01/21	01/10/18	$ 5,112,334
Toyota	A1	A+	A+	01/08/24	07/01/19	$ 19,816,022
Wells Fargo Bank NA	A2	A-	A+	02/06/20	08/14/23	$ 16,157,097

* All investments were in compliance with the city's investment policy when initially purchased.
The city's investment policy allows the city treasurer to determine the course of action that would correct exceptions to the policy. All current exceptions are paying interest at the required times. The principal of all investments are considered secure. It is the intent of the city treasurer to hold these assets in the portfolio until maturity unless events indicate they should be sold.

City of Carlsbad Investment Portfolio
Portfolio Allocation at Amortized Cost by Issuer
As of May 31, 2020

Corporate Notes	Amortized Cost	Portfolio Allocation*
3M Company	$ 8,871,464	1.09%
Alphabet Inc.	5,082,468	0.63%
Amazon.com Inc.	4,665,307	0.58%
Apple Inc.	15,311,049	1.89%
Automatic Data Processing	4,001,719	0.49%
Bank of New York Mellon	5,136,873	0.63%
Berkshire Hathaway	9,608,872	1.19%
Blackrock Inc.	8,557,434	1.06%
Chevron	3,225,680	0.40%
Cisco Systems Inc.	512,366	0.06%
Citibank	7,416,555	0.92%
Coca Cola Company	5,112,334	0.63%
Colgate-Palmolive	15,381,150	1.90%
Exxon Mobil	5,013,393	0.62%
Florida Power & Light	3,977,355	0.49%
Johnson & Johnson	10,903,293	1.35%
JP Morgan Chase Bank	13,479,211	1.66%
Microsoft	19,272,872	2.38%
Novartis Capital Corp	4,872,467	0.60%
Procter & Gamble	7,641,632	0.94%
Public Service Electric	2,697,702	0.33%
State Street Corporation	2,115,792	0.26%
Toyota	19,816,022	2.45%
US Bank NA	12,673,654	1.56%
Wal-Mart	19,429,323	2.40%
Wells Fargo Bank NA	16,157,097	1.99%

Mortgage Backed Securities (Agency)	Amortized Cost	Portfolio Allocation*
FHLMC	3,215,625	0.40%
FNMA	3,953,640	0.49%

Federal Agencies	Amortized Cost	Portfolio Allocation**
Federal Agricultural Mortgage Corp.	12,183,762	1.50%
Federal Farm Credit Bank	74,253,051	9.16%
Federal Home Loan Bank	67,082,154	8.28%
Federal Home Loan Mortgage Corp.	55,139,168	6.81%
Federal National Mortgage Assoc.	27,680,003	3.42%
Private Export Funding Corp.	2,553,782	0.32%
RFCO STRIPS	2,981,365	0.37%
Tennessee Valley Authority	3,051,297	0.38%

Other	Amortized Cost	Portfolio Allocation
Supranational	39,741,326	4.91%
US Treasury	82,010,678	10.12%
Certificate of Deposits	18,328,103	2.26%
Cash	187,106,491	23.09%

Total Portfolio Amortized Cost	**$**	**810,213,529**

* No more than 5% may be invested with a single issuer.

**There are no percentage limits on federal agency issuers.

CITY COUNCIL
Staff Report

Meeting Date:	July 14, 2020
To:	Mayor and City Council
From:	Scott Chadwick, City Manager
Staff Contact:	Cheryl Gerhardt, Finance Manager cheryl.gerhardt@carlsbadca.gov, 760-602-2468
Subject:	Resolution of Intention to Modify the Carlsbad Tourism Business Improvement District's Assessment Rate

Recommended Action

Adopt a resolution declaring an intention to modify the Carlsbad Tourism Business Improvement District's assessment rate.

Executive Summary/Discussion

The Carlsbad Tourism Business Improvement District[1] generates funds for marketing and visitor programs to promote Carlsbad as a tourism visitor destination and to fund projects, programs and activities, including appropriate administrative charges, that benefit hotels within the District's boundaries. The District's advisory board implements the planned activities.

The City Council may modify the District's assessment rate by following the process in California Streets and Highway Code Sections 36540-36542. As the first step in the process, the District's advisory board has submited a written recommendation that the City Council modify the District's assessment rate (Exihbit 2). The current assessment rate, which is specified in Carlsbad Municipal Code Section 3.37.050, is $1 "per occupied room per night for all transient occupancies." The District's advisory board is proposing the City Council modify the assessment rate to be 2% "of gross short-term room rental revenue for all transient occupancies" (Exhibit 3). The modified assessment will generate increased revenue for the District, which will enable the District to provide improved services and activities to the assessed businesses within the District.

The City Council may make the recommended modification by introducing and adopting an ordinance amending Carlsbad Municipal Code Section 3.37.050. Before doing so, the City Council must first adopt a resolution of intention to make the recommended modification, provide notice to affected business owners, hold both a public meeting and a public hearing on the proposed modification, and determine there is no majority protest that would prevent the modification.

[1] The City of Carlsbad established the district in 2005 under the Parking and Business Improvement Area Law of 1989, California Streets and Highway Code Section 36500 et seq.

Fiscal Analysis

The $1 per room night assessment rate is estimated to generate $800,000 in revenues in fiscal year 2020-21 for the District's activities. Modifying the assessment to 2% of the gross short-term room rental revenue would generate an estimated $3.5 million in annual revenue for the District's activities.

Next Steps

With the City Council's approval, staff will mail a copy of a public meeting/public hearing notice (Exhibit 4) and the resolution of intention to modify the District's assessment rate to the business owners within the District. Mailing the notice begins a mandatory 45-day period during which the owners may protest the modification. As indicated in the notice, a public meeting on the proposed modification will be scheduled for August 25, 2020 at 3 p.m., at which the City Council will hear public comments and testimony on the modification and may choose to introduce an ordinance amending Carlsbad Municipal Code Section 3.37.050. A public hearing on the proposed modification will then be scheduled for September 1, 2020 at 3 p.m., at which the City Council will determine if there is a majority protest and, if there is not, the City Council may adopt the ordinance amending Carlsbad Municipal Code Section 3.37.050. The ordinance would become effective 30 days after adoption, but would provide for the modified assessment to become effective Nov. 1, 2020.

Environmental Evaluation (CEQA)

This action does not constitute a "project" within the meaning of the California Environmental Quality Act under California Public Resources Code Section 21065 in that it has no potential to cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and therefore does not require environmental review.

Public Notification

Public notice of this item was posted in accordance with the Ralph M. Brown Act and it was available for public viewing and review at least 72 hours prior to the scheduled meeting date.

Exhibits

1. City Council resolution
2. Letter from Carlsbad Tourism Business improvement District Advisory Board
3. Redline of proposed revision to Carlsbad Municipal Code Section 3.37.050
4. Notice of public meeting and public hearing

EXHIBIT 1

RESOLUTION NO._____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, DECLARING ITS INTENTION TO MODIFY THE ASSESSMENT RATE FOR THE CARLSBAD TOURISM BUSINESS IMPROVEMENT DISTRICT, FIXING THE TIME AND PLACE OF A PUBLIC MEETING AND PUBLIC HEARING ON THE MODIFICATION, AND GIVING NOTICE OF THE PUBLIC MEETING AND PUBLIC HEARING

WHEREAS, pursuant to the Parking and Business Improvement Area Law of 1989 (California Streets and Highway Code § 36500 et seq.) (the "89 Law"), the City Council has established the Carlsbad Tourism Business Improvement District ("District"); and

WHEREAS, the 89 Law authorizes the District's advisory board at any time to recommend the City Council modify the basis and method of levying the assessment rate of the District; and

WHEREAS, the District's advisory board submitted a written recommendation that the City Council modify the District assessment rate from $1 per occupied room night for all transient occupancies to 2% of gross short-term room rental for all transient occupancies; and

WHEREAS, the 89 Law establishes the procedure to modify the assessment rate which includes adopting a Resolution of Intention, providing notice to affected business owners, holding a public meeting, holding a public hearing, and adopting an ordinance modifying the assessment rate.

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

1. The above recitations are true and correct.
2. The City Council declares its intention to modify the District assessment rate from $1 per occupied-room per night for all transient occupancies to 2% of gross short-term room rental revenue for all transient occupancies.
3. As with the current assessment, the modified assessment would be levied on all hotel businesses, existing and in the future, within the District boundaries.
4. The District boundaries continue to be consistent with the boundaries of the City of Carlsbad.
5. The modified assessment rate would go into effect on November 1, 2020.
6. The improvements and activities proposed for the District that shall be funded by the levy of assessments on businesses within the District boundaries include:
    a. General promotion of business activities within the District;
    b. Promotion of public events which benefit businesses in the District and which take place on or in public places within the District;
    c. Decoration of any public place within the District; and

d. Acquisition, construction, installation or maintenance of improvements identified in Section 36510 of the 89 Law.

7. Funds remaining at the end of any District term may be used in subsequent years in which the District assessments are levied as long as they are used consistent with the requirements of Carlsbad Municipal Code Section 3.27.070.
8. The CTBID Advisory Board will continue to serve as the advisory board of the District.
9. The District advisory board shall submit an annual report, which shall include a budget for operations and activities to be undertaken by the District for the ensuing calendar year, to the City Council pursuant to Section 36533 of the 89 Law.
10. The time and place for a public meeting for comments on the modification of the District assessment rate is set for 3 p.m. on Aug. 25, 2020 at City Hall, 1200 Carlsbad Village Drive, Carlsbad, CA 92008.
11. The time and place for the public hearing on the modification of the District assessment rate is set for 3 p.m. on Sept. 1, 2020 at City Hall, 1200 Carlsbad Village Drive, Carlsbad, CA 92008.
12. At the public meeting and public hearing, the testimony of all interested persons for or against modifying the District will be heard.
13. A protest against modifying the District, as provided in Section 36524 of the 89 Law, must be made in writing. A written protest may be withdrawn, in writing, at any time before the conclusion of the public hearing. Each written protest shall contain a description of the business in which the person signing the protest is interested, sufficient to identify the business and its address. If the person signing the protest is not shown on the official records of the City of Carlsbad as the owner of the business, then the protest shall contain or be accompanied by written evidence that the person is the owner of the business, or the authorized representative. Any protest as to the regularity or evidence of the proceedings shall be in writing and clearly state the irregularity or defect to which objection is made. Written protests must be received by the City Clerk's Office before the close of the public hearing, and may be delivered to the City Clerk Office at 1200 Carlsbad Village Drive, Carlsbad, CA 92008.
14. If, at the conclusion of the public hearing, there are of record written protests by the owners of businesses within the District that will collectively pay 50% or more of the proposed modified District assessment rate, no further proceedings to modify the assessment rate shall occur for a period of one year from the date of the finding of a majority protest.
15. Further information regarding the proposed modified District assessment rate may be obtained from the City Clerk, at 1200 Carlsbad Village Drive, Carlsbad, CA 92008 or by contacting Cheryl Gerhardt, staff for the Carlsbad Tourism Business Improvement District, at (760) 602-2468.

16. The City Clerk is instructed to provide notice of the public meeting and public hearing by mailing notice and a complete copy of this Resolution of Intention to each and every business owner in the District on or before July 17, 2020.

PASSED, APPROVED AND ADOPTED at a Meeting of the City Council of the City of Carlsbad on the __ day of _____, 2020, by the following vote, to wit:

AYES:

NAYS:

ABSENT:

_____
MATT HALL, Mayor

_____
BARBARA ENGLESON, City Clerk

(SEAL)

-

June 26, 2020

Honorable Mayor and Councilmembers
City of Carlsbad
1200 Carlsbad Village Drive
Carlsbad, CA 92008

Re: Carlsbad Tourism Business Improvement District Assessment Modification

Honorable Mayor and Councilmembers:

As the Carlsbad Tourism Business Improvement District ("District") advisory board, we hereby recommend that the City Council modify the District.

Specifically, we request that the assessment rate of the district be modified. The current assessment rate is $1.00 per paid-occupied-room per night. We request modifying the assessment rate to two percent (2%) of gross short-term room rental revenue.

We ask that you consider this item at your July 14, 2020 meeting. If you have any questions or comments, please contact me at 760-419-7788.

Thank you,

Tim Stripe
Chair, CTBID Advisory Board

Cc: Cheryl Gerhardt

REDLINE OF PROPOSED AMENDMENTS TO
CARLSBAD MUNICIPAL CODE SECTION 3.37.050

3.37.050 Levy and collection of assessments.

The CTBID will include all hotel businesses located within the CTBID boundaries. ~~The~~ An assessment shall be levied on all hotel businesses, existing and future, within the City of Carlsbad ~~based upon a flat fee~~ of two percent (2%) of gross short-term room rental revenue ~~one dollar per occupied room per night~~ for all transient occupancies as defined in Section 3.12.020 of the Carlsbad Municipal Code. The amount of the assessment shall be separately stated from the amount of the rent and other taxes charged, and each transient shall receive a receipt for payment from the operator. The assessment will be collected monthly, based on two percent (2%) of gross short-term room rental revenue ~~on one dollar per occupied room per night in revenues~~ for the previous month. New hotel businesses within the boundaries will not be exempt from the levy of assessment authorized by Section 36531. Assessments pursuant to the CTBID shall not be included in gross room rental revenue for purpose of determining the amount of the transient occupancy tax. No assessment shall be imposed upon occupancies of any federal or State of California officer or employee when on official business nor on occupancies of any officer or employee of a foreign government who is exempt by reason of express provision of federal law or international treaty. (Ord. NS-778 § 1, 2005)

NOTICE OF PUBLIC MEETING AND PUBLIC HEARING CONCERNING THE MODIFICATION OF THE CARLSBAD TOURISM BUSINESS IMPROVEMENT DISTRICT ASSESSMENT RATE

NOTICE IS HEREBY GIVEN that on July 14, 2020, the City Council of the City of Carlsbad adopted a Resolution of Intention to modify the Carlsbad Tourism Business Improvement District (the "CTBID") assessment rate as set forth in the Resolution of Intention.

NOTICE IS HEREBY FURTHER GIVEN that at 3:00 PM on August 25, 2020, at City Hall, 1200 Carlsbad Village Drive, Carlsbad, CA 92008, a public meeting shall be held to allow public testimony regarding the modification of the CTBID assessment rate as set forth in the Resolution of Intention.

NOTICE IS HEREBY FURTHER GIVEN that 3:00 PM on September 1, 2020, at City Hall, 1200 Carlsbad Village Drive, Carlsbad, CA 92008, has been set as the time and place for a public hearing at which time the City Council proposes to modify the CTBID assessment rate as set forth in the Resolution of Intention.

Location: The CTBID includes all hotel businesses located within the boundaries of the City of Carlsbad.

Services: The CTBID is designed to provide specific benefits to payors by increasing demand for overnight visitation to hotels within the CTBID boundaries. Revenues collected shall be used for the following:

- General promotion of business activities within the CTBID;
- Promotion of public events which benefit businesses in the CTBID and which take place on or in public places within the CTBID;
- Decoration of any public place within the CTBID; and
- Acquisition, construction, installation or maintenance of improvements identified in California Streets and Highways Code Section 36510.

Cost: The proposed assessment modification would increase the current assessment rate of $1 per occupied room per night for all transient occupancies to 2% of gross short-term room rental revenue for all transient occupancies.

Protest: Any owner of a lodging business within the CTBID that will be subject to the assessment may protest the modification of the CTBID assessment rate. Written protests must be received by the City Clerk of the City of Carlsbad before the close of the scheduled public hearing. If written protests are received from the owners of lodging businesses in the CTBID who 50% or more of the estimated annual assessments to be levied, the CTBID assessment rate shall not be modified.

You may mail a written protest to: Office of the City Clerk, City of Carlsbad, 1200 Carlsbad Village Drive, Carlsbad, CA 92008

COVID-19 pandemic related public health orders may prevent your personal appearance at the public meeting or the public hearing. If your personal appearance is permitted, you may appear at the public meeting or the public hearing and submit a written protest at that time.

Information: Should you desire additional information about the proposed CTBID assessment rate modification contact: Cheryl Gerhardt, Carlsbad Tourism Business Improvement District Staff, 1635 Faraday Ave., Carlsbad, CA 92008

CITY COUNCIL
Staff Report

Meeting Date: July 14, 2020

To: Mayor and City Council

From: Scott Chadwick, City Manager

Staff Contact: Silvano Rodriguez, Management Analyst
silvano.rodriguez@carlsbadca.gov, 760-602-2439

Judy von Kalinowski, Human Resources Director
Judy.vonkalinowski@carlsbadca.gov, 760-473-4670

Subject: Approval of Revisions to the City of Carlsbad Part-Time Salary Schedule and Pay Increases for Part-Time Employees

Recommended Action
Adopt a resolution revising the City of Carlsbad Part-Time Salary Schedule by increasing the ranges by 3% and approving pay increases of 3% for part-time employees.

Executive Summary/Discussion
This report recommends increasing the Part-Time Salary Schedule ranges and approving pay increases for part-time employees by 3%, effective July 1, 2020, to maintain consistency with other employment groups.

This does not impact the city's compensation philosophy, because salary comparisons to the market are based on the maximum of a salary range. The city will continue to monitor the market and adjust salary range maximums as necessary.

Exhibit 2 shows the proposed revisions to the Part-Time Salary Schedule.

Fiscal Analysis
The fiscal impact of $221,800 for the Part-Time Salary Schedule changes and increases for part-time employees was included in the fiscal year 2020-21 operating budget.

Next Steps
Given the approval of the City Council, staff will amend the City of Carlsbad Part-Time Salary Schedule.

Environmental Evaluation (CEQA)
This action does not constitute a "project" within the meaning of the California Environmental Quality Act under Public Resources Code section 21065 in that it has no potential to cause

either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and therefore does not require environmental review.

Public Notification and Outreach

Public notice of this item was posted in accordance with the Ralph M. Brown Act and it was available for public viewing and review at least 72 hours prior to the scheduled meeting date.

Exhibits

1. City Council resolution
2. Revisions to the Part-Time Salary Schedule

Exhibit 1

RESOLUTION NO._____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, APPROVING REVISIONS TO THE CITY OF CARLSBAD PART-TIME SALARY SCHEDULE AND APPROVING PAY INCREASES FOR PART-TIME EMPLOYEES

WHEREAS, the City Council of the City of Carlsbad has determined the need to revise the Part-Time Salary Schedule

WHEREAS, the City Council of the City of Carlsbad has authorized pay increases for part-time employees.

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

1. That the above recitations are true and correct.
2. That the Part-Time Salary Schedule (Attachment A) is adopted by the City Council and the city manager is directed to execute it.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the __ day of _____, 2020, by the following vote, to wit:

AYES:

NAYS:

ABSENT:

_____
MATT HALL, Mayor

_____
BARBARA ENGLESON, City Clerk

(SEAL)

City of Carlsbad Part-Time Salary Schedule
Effective July 1, 2020

Classification Categories	Minimum	Maximum
Office		
Office Aide	$ 13.39	$ 16.45
Office Assistant	$ 14.16	$ 21.75
Accounting Assistant	$ 16.74	$ 23.34
Graphic Artist	$ 20.34	$ 26.52
Technical/Paraprofessional		
Technical Aide	$ 13.39	$ 15.12
Technical Assistant	$ 15.97	$ 23.34
Service		
Custodian Aide	$ 13.39	$ 14.85
Grounds Aide	$ 13.39	$ 14.85
Maintenance Assistant	$ 13.91	$ 19.63
Senior Maintenance Assistant	$ 18.80	$ 23.88
Administrative		
Administrative Aide/Intern	$ 13.39	$ 18.04
Administrative Assistant	$ 13.39	$ 28.64
Legal Intern	$ 15.45	$ 26.52
Library		
Library Page	$ 13.39	$ 13.79
Library Clerk	$ 14.68	$ 19.62
Library Technician	$ 17.00	$ 23.07
Reference Librarian	$ 23.18	$ 31.03
Arts Aide	$ 13.91	$ 18.83
Arts Instructor	$ 23.18	$ 33.16
Recreation		
Recreation Aide	$ 13.39	$ 13.39
Recreation Leader	$ 13.39	$ 16.97
Senior Recreation Leader	$ 14.42	$ 19.63
Recreation Program/Services Coordinator	$ 17.25	$ 22.28
Lifeguard	$ 13.39	$ 16.45

Aquatics Instructor	$ 13.65	$ 17.51
Senior Aquatics Instructor/Lifeguard	$ 16.22	$ 20.16
Aquatics Program Instructor	$ 19.31	$ 27.58
Preschool Instructor	$ 14.94	$ 20.95
Bus Driver	$ 13.39	$ 14.33
Kitchen Aide	$ 13.39	$ 13.39
Kitchen Assistant	$ 13.39	$ 13.79
Concessions Aide	$ 13.39	$ 13.39
Concessions Leader	$ 13.65	$ 18.57

Safety

Open Water Lifeguard I	$ 14.42	$ 18.57
Open Water Lifeguard II	$ 19.06	$ 23.88
Retired Annuitant Police Officer	Equal to top step pay rate of Police Officer classification as reflected on current Carlsbad Police Officers' Association salary schedule	
Hourly Professional	Hourly rate determined by Human Resources	

City of Carlsbad Part-Time Salary Schedule
Effective July~~anuary~~ 1, 2020

Classification Categories	Minimum	Maximum
Office		
Office Aide	$ 13.39~~00~~	$ 16.45~~15.97~~
Office Assistant	$ 14.16~~13.75~~	$ 21.75~~12~~
Accounting Assistant	$ 16.74~~25~~	$ 23.34~~2.66~~
Graphic Artist	$ 20.34~~19.75~~	$ 26.52~~5.75~~
Technical/Paraprofessional		
Technical Aide	$ 13.39~~00~~	$ 15.12~~4.68~~
Technical Assistant	$ 15.97~~50~~	$ 23.34~~2.66~~
Service		
Custodian Aide	$ 13.39~~00~~	$ 14.85~~42~~
Grounds Aide	$ 13.39~~00~~	$ 14.85~~42~~
Maintenance Assistant	$ 13.91~~50~~	$ 19.63~~06~~
Senior Maintenance Assistant	$ 18.80~~25~~	$ 23.88~~18~~
Administrative		
Administrative Aide/Intern	$ 13.39~~00~~	$ 18.04~~7.51~~
Administrative Assistant	$ 13.39~~00~~	$ 28.64~~7.81~~
Legal Intern	$ 15.45~~00~~	$ 26.52~~5.75~~
Library		
Library Page	$ 13.39~~00~~	$ 13.79~~39~~
Library Clerk	$ 14.68~~25~~	$ 19.62~~05~~
Library Technician	$ 17.00~~6.50~~	$ 23.07~~2.40~~
Reference Librarian	$ 23.18~~2.50~~	$ 31.03~~0.13~~
Arts Aide	$ 13.91~~50~~	$ 18.83~~28~~
Arts Instructor	$ 23.18~~2.50~~	$ 33.16~~2.19~~
Recreation		
Recreation Aide	$ 13.39~~00~~	$ 13.39~~00~~
Recreation Leader	$ 13.39~~00~~	$ 16.97~~48~~
Senior Recreation Leader	$ 14.42~~00~~	$ 19.63~~06~~
Recreation Program/Services Coordinator	$ 17.25~~6.75~~	$ 22.28~~1.63~~
Lifeguard	$ 13.39~~00~~	$ 16.45~~5.97~~

Aquatics Instructor	$ 13.65~~25~~	$ 17.51~~00~~
Senior Aquatics Instructor/Lifeguard	$ 16.22~~5.75~~	$ 20.16~~19.57~~
Aquatics Program Instructor	$ 19.31~~8.75~~	$ 27.58~~6.78~~
Preschool Instructor	$ 14.94~~.50~~	$ 20.95~~34~~
Bus Driver	$ 13.39~~00~~	$ 14.33~~3.91~~
Kitchen Aide	$ 13.39~~00~~	$ 13.39~~00~~
Kitchen Assistant	$ 13.39~~00~~	$ 13.79~~39~~
Concessions Aide	$ 13.39~~00~~	$ 13.39~~00~~
Concessions Leader	$ 13.65~~25~~	$ 18.57~~03~~

Safety

Open Water Lifeguard I	$ 14.42~~00~~	$ 18.57~~03~~
Open Water Lifeguard II	$ 19.06~~8.50~~	$ 23.88~~18~~
Retired Annuitant Police Officer	Equal to top step pay rate of Police Officer classification as reflected on current Carlsbad Police Officers' Association salary schedule	
Hourly Professional	Hourly rate determined by Human Resources	

CITY COUNCIL
Staff Report

Meeting Date: July 14, 2020

To: Mayor and City Council

From: Scott Chadwick, City Manager

Staff Contact: Donna Hernandez, Human Resources Manager
Donna.hernandez@carlsbadca.gov, 760-602-7533

Subject: Purchase of Excess Workers' Compensation Coverage through Safety National Casualty Corporation for Fiscal Year 2020-2021 in the Amount of $226,170

Recommended Action
Adopt a resolution authorizing the purchase of excess workers' compensation coverage through Safety National Casualty Corporation for fiscal year 2020-21 in the amount of $226,170.

Executive Summary
The city is renewing annual excess workers' compensation insurance through Safety National Casualty Corporation for fiscal year 2020-21 in the amount of $226,170. This renewal must be approved by the City Council because the cost exceeds $100,000 per agreement year. (See Carlsbad Municipal Code Section 3.28.040 (D)(1).)

Discussion
Safety National Casualty Corporation has been the incumbent insurance carrier since fiscal year 2007-08. The self-insured retention level is $1.25 million for all safety and non-safety employees per claim.

Based on our successful history with this carrier and the acceptable quote, staff recommends renewing its policy. The policy period will run from August 1, 2020, to July 31, 2021, and the annual premium will not exceed $226,170.

Fiscal Analysis
The fy 2019-20 rate was $0.292 per $100 payroll. The fy 2020-21 rate is $0.302 per $100 payroll. The overall rate increase is 3.4 percent. Current workers' compensation market overall rate increases are between 3 percent and 5 percent for policies renewing on or after July 1, 2020. Sufficient funds have been requested in the fiscal year 2020-21 budget to cover this premium.

Next Steps

With the City Council's approval, staff will complete all necessary administrative actions necessary to renew the insurance.

Environmental Evaluation (CEQA)

This action does not constitute a "project" within the meaning of the California Environmental Quality Act under California Public Resources Code Section 21065 in that it has no potential to cause either direct physical change to the environment, or a reasonably foreseeable indirect change in the environment, and does not require environmental review.

Public Notification and Outreach

Public notice of this item was posted in accordance with the Ralph M. Brown Act and it was available for public viewing and review at least 72 hours prior to scheduled meeting date.

Exhibits

1. Resolution

RESOLUTION NO._____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, APPROVING THE PURCHASE OF EXCESS WORKERS' COMPENSATION COVERAGE THROUGH SAFETY NATIONAL CASUALTY CORPORATION FOR FISCAL YEAR 2020-2021 IN AN AMOUNT NOT TO EXCEED $226,170.

WHEREAS, the City Council of the City of Carlsbad, California has determined that it has a desire to purchase excess workers' compensation coverage through Safety National Casualty Corporation; and

WHEREAS, HUB International has negotiated the purchase of excess workers' compensation coverage through Safety National Casualty Corporation for the period beginning on August 1, 2020 and concluding on July 31, 2021.

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

1. That the above recitations are true and correct.
2. That the purchase of excess workers' compensation coverage through Safety National Casualty Corporation effective August 1, 2020 to July 31, 2021, is approved and the Deputy City Manager, Administrative Services is authorized to issue a warrant in an amount not to exceed $226,170 for payment of the premium to Safety National Casualty Corporation.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the __ day of _____, 2020, by the following vote, to wit:

AYES:

NAYS:

ABSENT:

_____
MATT HALL, Mayor

_____
BARBARA ENGLESON, City Clerk

(SEAL)

CITY COUNCIL
Staff Report

Meeting Date: July 14, 2020

To: Mayor and City Council

From: Scott Chadwick, City Manager

Staff Contact: Suzanne Smithson, Library & Cultural Arts Department Director
suzanne.smithson@carlsbadca.gov, 760-434-2876

Subject: Donation of $88,200 and pledge of $36,575 from the Carlsbad Friends of the Library

Recommended Action
Adopt a resolution accepting a donation of $88,200 and a pledge of $36,575 in additional support from the Friends of the Carlsbad Library for fiscal year 2020-21.

Executive Summary
The Friends of the Carlsbad Library has generously donated $88,200 to the library for the purchase of library materials for the collection and support of a wide range of programs for adults and children. In addition to these funds, the group has pledged an additional $36,575 in direct support of library programs for the current fiscal year.

The City Council's approval is required for the city to accept this donation under Carlsbad Municipal Code 2.08.100 because the amount exceeds $5,000.

Discussion
The Friends of the Carlsbad Library is a non-profit, community-based organization, founded in 1957 with the mission to support Carlsbad City Library programs and activities. It raises funds through the sale of books at book stores in both the Carlsbad City Library on Dove Lane and the Georgina Cole Library, as well as online. This donation will help pay for Carlsbad Reads Together and Summer Reading program materials, supplies for the Exploration HUB and library materials. The additional amount the Friends of the Carlsbad Library has pledged will provide supplies for children, teens and technology programming, reimbursement for performers, materials for the ongoing mindfulness series and support of the Carlsbad Reads Together author talk.

If the donation is approved by City Council, a letter of appreciation will be sent on behalf of the City of Carlsbad and the Library & Cultural Arts Department to acknowledge the Friends of the Carlsbad Library's ongoing support for library programming.

Fiscal Analysis

Donations from the Friends of the Carlsbad Library augment the operating budget for the library allowing the purchase of materials and the continuation of programs for the community that otherwise might not be possible. Appropriation of these funds is included in the adopted fy 2020-21 budget.

Next Steps

The Library & Cultural Arts Department will apply these funds as appropriated in the fy 2020-21 budget to deliver the identified programs and services.

Environmental Evaluation (CEQA)

This action does not constitute a "project" within the meaning of the California Environmental Quality Act under Public Resources Code section 21065 in that it has no potential to cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and therefore does not require environmental review.

Public Notification and Outreach

Public notice of this item was posted in accordance with the Ralph M. Brown Act and it was available for public viewing and review at least 72 hours prior to the scheduled meeting date.

Exhibits

1. City Council resolution

RESOLUTION NO._____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, ACCEPTING A FISCAL YEAR 2020-21 DONATION OF $88,200 AND A PLEDGE OF $36,575 IN ADDITIONAL SUPPORT FROM THE FRIENDS OF THE CARLSBAD LIBRARY TO THE CITY OF CARLSBAD LIBRARY & CULTURAL ARTS DEPARTMENT

WHEREAS, the City Council of the City of Carlsbad, California has determined that the Friends of the Carlsbad Library have generously offered to donate $88,200 to the City of Carlsbad's Library & Cultural Arts department; and

WHEREAS, the Friends of the Carlsbad Library have pledged an additional $36,575 in direct support for library programs during the fiscal year; and

WHEREAS, the donation from the Friends of the Carlsbad Library augments the operating budget for the Library allowing the purchase of materials and the continuation of programs for the community that otherwise might not have been possible.

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

1. That the above recitations are true and correct.
2. That the City Council accepts with thanks the donation of $88,200 and an additional pledge of $36,575 from the Friends of the Carlsbad Library.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the __ day of _____, 2020, by the following vote, to wit:

AYES:

NAYS:

ABSENT:

_____
MATT HALL, Mayor

_____
BARBARA ENGLESON, City Clerk

(SEAL)

CITY COUNCIL
Staff Report

Meeting Date: July 14, 2020

To: Mayor and City Council

From: Scott Chadwick, City Manager

Staff Contact: Nancy Melander, Program Manager
nancy.melander@carlsbadca.gov, 760-434-2812

Subject: Fiscal Years 2020-25 Analysis of Impediments to Fair Housing Choice for the City's Community Development Block Grant Program

Recommended Action

That the Carlsbad City Council adopt a resolution approving the final fiscal years 2020-25 analysis of impediments to fair housing choice for the city's Community Development Block Grant program.

Executive Summary

The Housing and Community Development Act of 1974 is the governing statute for the city's Community Development Block Grant program. The statute requires that each federal entitlement grantee certify to the satisfaction of the U.S. Department of Housing and Urban Development that an awarded federal grant will be carried out and administered in accordance with the federal Fair Housing Act, and the grantee will work diligently to affirmatively further fair housing.

As part of the CDBG certification process, participating jurisdictions must prepare an analysis of impediments to fair housing choice every five years. This analysis is an assessment of the regional laws, ordinances, statutes and administrative policies, as well as local conditions that affect the location, availability and accessibility of housing.[1] The analysis also provides solutions and measures that will be pursued to mitigate or remove identified impediments.

The fy 2015-20 analysis of impediments to fair housing choice was approved by the City Council on May 5, 2015, and is required to be updated by the end of July. The action before the City Council is to consider and approve the draft fy 2020-25 analysis so the city can remain in compliance with federal regulations and continue to participate in the CDBG program (Attachment A to Exhibit 1).

[1] The Department of Housing and Urban Development is committed to eliminating racial and ethnic segregation, illegal physical and other barriers to the disabled and other discriminatory housing practices. HUD's fair housing policy is intending to give everyone choice in housing.

Discussion

Background

The analysis of impediments to fair housing choice covers the San Diego region and provides a demographic profile of San Diego County, assesses the extent of housing needs among specific income groups and evaluates the availability of a range of housing choices for residents. The analysis also examines the conditions in the private market and public sector that may limit the range of housing choices or impede a person's access to housing. The analysis also reviews impediments to fair housing that may prevent equal housing access and develops solutions to mitigate or remove such impediments.

Preparation of the analysis of impediments to fair housing choice

The City of Carlsbad is a participating member of the San Diego Regional Alliance for Fair Housing, which comprises fair housing service providers, enforcement agencies and government entities. The municipal members of the alliance oversee the preparation of the analysis, which has historically been funded with CDBG and other local funds contributed by the entitlement jurisdictions in San Diego County on a pro rata basis. The alliance has successfully collaborated on the development of the past three reports and assisted in the development of the draft FY 2020-25 analysis.

Community outreach and findings

Outreach is an essential component of developing the analysis and necessary to assess the nature and extent of impediments to fair housing. Community members affected by restrictions to fair housing choice were given an opportunity to share their concerns and participate in the decision-making process to mitigate and/or eliminate barriers.

A total of 63 people attended five regional community workshops held throughout the region. The locations and dates of the meetings are provided in the chart below. A fair housing survey was also conducted to learn about the public's experience with housing discrimination issues and concerns. The survey was available in both electronic and paper formats, and in English and Spanish. A total of 1,132 responses were received.

Region	Location	Date
East	El Cajon	Nov. 6, 2019
North	Escondido	Nov. 7, 2019
Central	Valencia Park	Nov. 13, 2019
South	Chula Vista	Nov. 20, 2019
South	National City	Nov. 21, 2019

In reviewing the comments received during the community outreach period, some key findings were identified:

1. Frequent targets of discrimination include seniors, people with physical and/or mental disabilities, families with children, Section 8 recipients, undocumented immigrants and non-native English speakers.
2. The inadequate supply of housing in San Diego County impacts low-income households, large families and households of color.
3. Underreporting of discrimination occurs due to fear of retaliation, harassment or deportation.
4. Finding and accessing information about what housing is available, services, programs and fair housing laws and regulations can be difficult and confusing.

The San Diego regional analysis of impediments to fair housing choice

In addition to the robust community engagement, the draft analysis (Attachment A to Exhibit 1) includes an in-depth look at the regions demographic profiles and household characteristics, income and housing profiles, lending practices, public policies, fair housing statistics, homeownership/rental housing markets, hate crime statistics, and interviews with municipal staff, housing providers, fair housing providers and oversight agencies. Based on this analysis, a fair housing action plan was developed that identifies regional and jurisdiction-specific impediments and required action items.

<u>Regional impediments</u>

The following is a summary of the recommended actions that the city will take to address the regional impediments identified in the analysis and its community outreach. Impediments and recommended actions are modified to reflect current conditions, feasibility and past efforts:

1. **Impediment:** Hispanic and Black residents continue to be underrepresented in the homebuyer market and experienced large disparities in loan approval rates (Finding 2).

   Action: Coordinate with other organizations to receive annual reporting on progress in outreach and education.

2. **Impediment:** Due to the geographic disparity in terms of rents, concentrations of housing choice voucher use have occurred (Findings 2 and 4).

   Actions: Expand the affordable housing inventory, as funding allows. Promote the housing choice voucher program to rental property owners, in collaboration with the various housing authorities in the region. Increase outreach and education through the city's fair housing provider, regarding the state's new source of income protection (Senate bills 329 and 222). And define housing choice vouchers as legitimate source of income for housing.

3. **Impediment:** Housing choices for special needs groups, especially persons with disabilities, are limited (Findings 1 and 2).

   Actions: Increase housing options for special needs populations, including persons with disabilities, senior households, families with children, farmworkers and the homeless. Encourage universal design principles in new housing developments. Educate city and county building, planning and housing staff on accessibility requirements.

4. **Impediment:** Enforcement activities are limited.

   Actions: Provide news releases to local media outlets on the outcomes of fair housing complaints and litigation. Support stronger and more persistent enforcement activity by fair housing service providers. Conduct random testing on a regular basis to identify issues, trends and problem properties. Expand testing to investigate emerging trends of suspected discriminatory practices (Findings 3 and 4).

5. **Impediment:** Today, people obtain information through many forms of media, not limited to traditional newspaper noticing or other print forms (Findings 3 and 4).

   Actions: Education and outreach activities to be conducted as a multimedia campaign, including social media, as well as other meeting and discussion forums such as chat rooms and webinars. Involve neighborhood groups and other community organizations when conducting outreach and education activities. Include fair housing outreach as part of community events.

<u>Carlsbad specific impediments</u>

The following is a list of specific land use policies of the City of Carlsbad that affect the range of housing choices available and the recommended actions that the city will take to improve and increase fair housing choice and comply with state law.

1. **Impediment:** Recent changes to density bonus law

   Actions: The city will review its regulations to ensure compliance with the recent changes to California density bonus law. Amend density bonus ordinance to comply with recent changes to state law.

2. **Impediment:** Accessory dwelling units policies

   Action: Amend accessory dwelling units provisions to comply with recent changes to state law.

3. **Impediments:** Low barrier navigation centers and emergency shelter capacity and parking standards

   Action: The city will review the low barrier navigation centers and emergency shelters provisions to comply with recent changes to state law. Specifically, Assembly Bill 139 requires the assessment of shelter needs be based on the most recent point-in-time count and the parking standards for shelters be based on staffing levels.

4. **Impediment:** Transitional and supportive housing

   Action: The city will review and revise the zoning ordinance to comply with recent changes to AB 139 requiring supportive housing to be permitted by right where multifamily and mixed uses are permitted.

Fair housing services
To help ameliorate impediments to fair housing choice, the City of Carlsbad annually contracts with the Legal Aid Society of San Diego to provide fair housing services. Legal aid fair housing services include the investigation and resolution of housing discrimination complaints and discrimination auditing. Testing services also provide education and outreach, including the dissemination of fair housing information, such as written material, workshops and seminars. Landlord/tenant counseling is another fair housing service that involves informing landlords and tenants of their rights and responsibilities under fair housing law and other consumer protection regulations, as well as mediating disputes between tenants and landlords.

Fiscal Analysis
The Community Development Block Grant program is a fully funded federal program and there is no fiscal impact on the city's General Fund. The city's contribution to the study was fully funded by the city's CDBG funds.

Next Steps
Staff will use the analysis of impediments to inform future policies in the city that will promote fair housing choice and inclusive communities.

Environmental Evaluation (CEQA)
This action does not constitute a "project" within the meaning of the California Environmental Quality Act under Public Resources Code section 21065 in that it has no potential to cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and therefore does not require environmental review.

Public Notification and Outreach
To allow interested residents the opportunity to review and comment on the draft fy 2020-25 analysis of impediments, the city published a public notice in The San Diego Union-Tribune on May 22, 2020, informing residents that a public review and comment period would be open from May 22 to June 20, 2020.

Public notice of this item was posted in accordance with the Ralph M. Brown Act and it was available for public viewing and review at least 72 hours prior to the scheduled meeting date.

Exhibits
1. City Council resolution

RESOLUTION NO._____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, APPROVING THE FISCAL YEARS 2020-25 ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE FOR THE CITY'S COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM.

WHEREAS, the Housing and Community Development Act of 1974 is the governing statute for the city's Community Development Block Grant Program requiring that each federal entitlement grantee certify to the satisfaction of HUD that an awarded federal grant will be carried out and administered in accordance with the federal Fair Housing Act and the grantee will work diligently to actively further fair housing choice; and

WHEREAS, the CDBG program is a fully funded federal program and does not impact the General Fund; and

WHEREAS, to be eligible for CDBG funds, the jurisdiction must adopt an Analysis of Impediments to affirmatively further the fair housing objectives of the Fair Housing Act of 1968, as amended, which must be considered and accepted by the City Council of the City of Carlsbad; and

WHEREAS, to assist in the analysis the city solicited input from community members, service providers, stakeholder interviews, and community workshops to assess the nature and extent of impediments to fair housing; and

WHEREAS, the City Council of the City of Carlsbad, California has considered the Analysis of Impediments for the period beginning July 1, 2020 and ending on June 30, 2025, as required for the city's CDBG program; and

WHEREAS, the draft Analysis of Impediments was released for a 30-day public review period which began on May 22, 2020, and concluded on June 20, 2020; and

WHEREAS, public comments from the public review period and the public hearing, if any, have been addressed through written response and included in the final Fiscal Years 2020-25 Analysis of Impediments; and

WHEREAS, the City Council of the City of Carlsbad, California has taken all testimony into account in considering the Analysis of Impediments for the Fiscal Years 2020-25 as required for the city's CDBG program; and

WHEREAS, the City Council of the City of Carlsbad, California, approves the Fiscal Years 2020-25 Analysis of Impediments for the city's CDBG program; and

WHEREAS, the City of Carlsbad is committed to continuing to provide a suitable living environment and to expand economic opportunities for the city's low-income residents as is outlined in the CDBG Program; and

WHEREAS, the City Council has taken all testimony into account.

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

1. That the above recitations are true and correct.
2. That the Fiscal Years 2020-25 Analysis of Impediments (Attachment A) is hereby approved by the City Council.
3. That, on the city's behalf, the City Manager, or designee, is authorized to finalize the city's Fiscal Years 2020-25 Analysis of Impediments as set forth in Attachment A and to execute all appropriate related documents for the final Analysis of Impediments.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the __ day of _____, 2020, by the following vote, to wit:

AYES:

NAYS:

ABSENT:

_____
MATT HALL, Mayor

_____
BARBARA ENGLESON, City Clerk

(SEAL)

San Diego Regional Analysis of Impediments to Fair Housing Choice

May 2020

Lead Agency
City of San Diego
Economic Development Department
1200 Third Avenue, 14th Floor
San Diego, CA 92101

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San Diego County, one of the most populous counties in the nation, is home to over 3 million residents and an increasingly diverse demographic. The County encompasses 18 incorporated cities and more than 25 rural and urban unincorporated neighborhoods and communities.

Diversity among its residents, in terms of cultural backgrounds and socioeconomic characteristics, makes San Diego County a desirable area to live. To continue nurturing this diversity, civic leaders must ensure that an environment exists where equal access to housing opportunities is treated as a fundamental right.

A. Purpose of Report

The communities within San Diego County have established a commitment to providing equal housing opportunities for their existing and future residents. Through the federally funded Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) programs, among other state and local programs, the jurisdictions of San Diego County work to provide a decent living environment for all.

Pursuant to CDBG regulations [24 CFR Subtitle A §91.225(a)(1)], to receive CDBG funds, a jurisdiction must certify that it "actively furthers fair housing choice" through the following:

- Completion of an Analysis of Impediments to Fair Housing Choice (AI);
- Actions to eliminate identified impediments; and
- Maintenance of fair housing records.

In 2016, HUD passed the Affirmatively Furthering Fair Housing (AFFH) Rule that would have required the preparation of an Assessment of Fair Housing under the new rule. However, due to extensive comments from grantees, HUD suspended the AFFH Rule in 2018 and is currently working on amending the rule with simplified requirements. In the meantime, fair housing requirements revert to the 1996 Fair Housing Planning Guide prepared by HUD.

This report, the Analysis of Impediments to Fair Housing Choice (commonly known as the "AI"), presents a demographic profile of the County of San Diego, assesses the extent of fair housing issues among specific groups, and evaluates the availability of a range of housing choices for all residents. This report also analyzes the conditions in the private market and public sector that may limit the range of housing choices or impede a person's access to housing.

B. Geographic Area Covered

The AI covers the entirety of San Diego County, including the 18 incorporated cities and all unincorporated areas:

- City of Carlsbad
- City of Chula Vista
- City of Coronado
- City of Del Mar
- City of El Cajon
- City of Encinitas
- City of Escondido
- City of Imperial Beach
- City of La Mesa
- City of Lemon Grove
- City of National City
- City of Oceanside
- City of Poway
- City of San Diego
- City of San Marcos
- City of Santee
- City of Solana Beach
- City of Vista
- Unincorporated County

C. Fair Housing Legal Framework

Fair housing is a right protected by both Federal and State of California laws. Among these laws, virtually every housing unit in California is subject to fair housing practices.

1. Federal Laws

The Fair Housing Act of 1968 and Fair Housing Amendments Act of 1988 (42 U.S. Code §§ 3601-3619, 3631) are federal fair housing laws that prohibit discrimination in all aspects of housing, including the sale, rental, lease, or negotiation for real property. The Fair Housing Act prohibits discrimination based on the following protected classes:

- Race or color
- Religion
- Sex
- Familial status
- National origin
- Disability (mental or physical)

Specifically, it is unlawful to:

- Refuse to sell or rent after the making of a bona fide offer, or to refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling to any person because of race, color, religion, sex, disability, familial status, or national origin.
- Discriminate against any person in the terms, conditions, or privileges of sale or rental of a dwelling, or in the provision of services or facilities in connection therewith, because of race, color, religion, sex, disability, familial status, or national origin.
- Make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any preference,

limitation, or discrimination based on race, color, religion, sex, disability, familial status, or national origin, or an intention to make any such preference, limitation, or discrimination.

- Represent to any person because of race, color, religion, sex, disability, familial status, or national origin that any dwelling is not available for inspection, sale, or rental when such dwelling is in fact so available.
- For profit, induce or attempt to induce any person to sell or rent any dwelling by representations regarding the entry or prospective entry into the neighborhood of a person or persons of a particular race, color, religion, sex, disability, familial status, or national origin.

Reasonable Accommodations and Accessibility

The Fair Housing Amendments Act requires owners of housing facilities to make "reasonable accommodations" (exceptions) in their rules, policies, and operations to give people with disabilities equal housing opportunities. For example, a landlord with a "no pets" policy may be required to grant an exception to this rule and allow an individual who is blind to keep a guide dog in the residence. The Fair Housing Act also requires landlords to allow tenants with disabilities to make reasonable access-related modifications to their private living space, as well as to common use spaces, at the tenant's own expense. Finally, the Act requires that new multi-family housing with four or more units be designed and built to allow access for persons with disabilities. This includes accessible common use areas, doors that are wide enough for wheelchairs, kitchens and bathrooms that allow a person using a wheelchair to maneuver, and other adaptable features within the units.

HUD Final Rule on Equal Access to Housing in HUD Programs

On March 5, 2012, the U.S. Department of Housing and Urban Development (HUD) published the Final Rule on "Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity." It applies to all McKinney-Vento-funded homeless programs, as well as to permanent housing assisted or insured by HUD. The rule creates a new regulatory provision that generally prohibits considering a person's marital status, sexual orientation, or gender identity (a person's internal sense of being male or female) in making homeless housing assistance available.

2. California Laws

The State Department of Fair Employment and Housing (DFEH) enforces California laws that provide protection and monetary relief to victims of unlawful housing practices. The **Fair Employment and Housing Act** (FEHA) (Government Code Section 12955 et seq.) prohibits discrimination and harassment in housing practices, including:

- Advertising
- Application and selection process
- Unlawful evictions
- Terms and conditions of tenancy
- Privileges of occupancy
- Mortgage loans and insurance

- Public and private land use practices (zoning)
- Unlawful restrictive covenants

The following categories are protected by FEHA:

- Race or color
- Ancestry or national origin
- Sex
- Marital status
- Source of income
- Sexual orientation
- Familial status (households with children under 18 years of age)
- Religion
- Mental/physical disability
- Medical condition
- Age
- Gender Identity
- Gender Expression
- Genetic Information

In October 2019, the California Legislature passed SB 329 and SB 222, expanding the Source of Income protection to include "federal, state, or local public assistance and federal, state, or local housing subsidies." Prior to these bills, Source of Income protection excluded public housing subsidies, such as the Housing Choice Vouchers, in the definition of income. Both bills went into effect on January 1, 2020.

In addition, the FEHA contains similar reasonable accommodations and accessibility provisions as the federal Fair Housing Amendments Act.

The **Unruh Civil Rights Act** provides protection from discrimination by all business establishments in California, including housing and accommodations, because of age, ancestry, color, disability, national origin, race, religion, sex, and sexual orientation. While the Unruh Civil Rights Act specifically lists "sex, race, color, religion, ancestry, national origin, disability, and medical condition" as protected classes, the California Supreme Court has held that protections under the Unruh Act are not necessarily restricted to these characteristics.

Furthermore, the **Ralph Civil Rights Act** (California Civil Code Section 51.7) forbids acts of violence or threats of violence because of a person's race, color, religion, ancestry, national origin, age, disability, sex, sexual orientation, political affiliation, or position in a labor dispute. Hate violence can be: verbal or written threats; physical assault or attempted assault; and graffiti, vandalism, or property damage.

The **Bane Civil Rights Act** (California Civil Code Section 52.1) provides another layer of protection for fair housing choice by protecting all people in California from interference by force or threat of force with an individual's constitutional or statutory rights, including a right to equal access to housing. The Bane Act also includes criminal penalties for hate crimes; however,

convictions under the Act are not allowed for speech alone unless that speech itself threatened violence.

And, finally, **California Civil Code Section 1940.3** prohibits landlords from questioning potential residents about their immigration or citizenship status. Landlords in most states are free to inquire about a potential tenant's immigration status and to reject applicants who are in the United States illegally.[1] In addition, this law forbids local jurisdictions from passing laws that direct landlords to make inquiries about a person's citizenship or immigration status.

In addition to these laws, Government Code Sections 111135, 65008, and 65580-65589.8 prohibit discrimination in State-funded programs and in land use decisions. Specifically, recent changes to Sections 65580-65589.8 require local jurisdictions to address the provision of housing options for special needs groups, including permanent supportive housing for the disabled and housing for the homeless.

D. Fair Housing Defined

In light of the various pieces of fair housing legislation passed at the Federal and State levels, fair housing throughout this report is defined as follows:

> *A condition in which individuals of similar income levels in the same housing market have a like range of choice available to them regardless of their characteristics as protected under State and Federal laws.*

1. Housing Issues, Affordability, and Fair Housing

HUD's Office of Fair Housing and Equal Opportunity (FHEO) draws a distinction between housing affordability and fair housing. Economic factors that affect a household's housing choices are not fair housing issues per se. Only when the relationship between household income, household type, race/ethnicity, and other factors create misconceptions, biases, and differential treatments would fair housing concerns arise.

Tenant/landlord disputes are also typically not related to fair housing. Most disputes between tenants and landlords result from a lack of understanding by either or both parties on their rights and responsibilities. Tenant/landlord disputes and housing discrimination cross paths when the disputes are based on factors protected by fair housing laws and result in differential treatment.

[1] http://www.nolo.com/legal-update/california-landlords-ask-immigration-citizenship-29214.html

2. Fair Housing Impediments

Within the legal framework of Federal and State laws, and based on the guidance provided by HUD's *Fair Housing Planning Guide*, impediments to fair housing choice can be defined as:

- Any actions, omissions, or decisions taken because of the characteristics protected under State and Federal laws, which restrict housing choices or the availability of housing choices; or
- Any actions, omissions or decisions which have the effect of restricting housing choices or the availability of housing choices on the basis of characteristics protected under State and Federal laws.

To affirmatively promote equal housing opportunity, a community must work to remove impediments to fair housing choice.

E. Organization of Report

This report is divided into seven chapters:

Chapter 1: Introduction defines "fair housing" and explains the purpose of this report.

Chapter 2: Community Participation describes the community outreach program and summarizes comments from residents and various agencies on fair housing issues such as discrimination, housing impediments, and housing trends.

Chapter 3: Community Profile presents the demographic, housing, and income characteristics in San Diego County. Major employers and transportation access to job centers are identified. The relationships among these variables are discussed. In addition, this section evaluates whether community care facilities, public and assisted housing projects, as well as Section 8 recipients in the County are unduly concentrated in Low and Moderate Income areas. Also, the degree of housing segregation based on race is discussed.

Chapter 4: Lending Practices assesses the access to financing for different groups. Predatory and subprime lending issues are discussed.

Chapter 5: Public Policies analyzes various public policies and actions that may impede fair housing within the County and the participating cities.

Chapter 6: Fair Housing Profile evaluates existing public and private programs, services, practices, and activities that assist in providing fair housing in the County. This chapter also assesses the nature and extent of fair housing complaints and violations in different areas of the County. Trends and patterns of impediments to fair housing, as identified by public and private agencies, are included.

Chapter 7: Impediments and Recommendations summarizes the findings regarding fair housing issues in San Diego County and provides recommendations for furthering fair housing practices.

At the beginning of this report are Signature Pages that include the signatures of the Chief Elected Officials (or his/her designee) along with a statement certifying that the Analysis of Impediments represents the jurisdictions' official conclusions regarding impediments to fair housing choice and the actions necessary to address identified impediments.

F. Data Sources

According to the *Fair Housing Planning Guide*, HUD does not require the jurisdictions to commence a data collection effort to complete the AI. Existing data can be used to review the nature and extent of potential issues. Various data and existing documents were reviewed to complete this AI, including:

- 2000 and 2010 U.S. Census
- American Community Surveys[2]
- State Department of Finance Population and Housing Estimates
- Zoning ordinances, various plans, and resolutions of participating jurisdictions
- California Department of Social Services Community Care Licensing Division
- 2018 Employment Development Department employment and wage data
- 2012 and 2017 Home Mortgage Disclosure Act (HMDA) data on lending activities from LendingPatterns™
- Current market data for rental rates, home prices, and foreclosure activities
- Fair housing records from the Legal Aid Society of San Diego and CSA San Diego County
- Housing Choice Voucher (Section 8) data from local Housing Authorities
- California Department of Education

Sources of specific information are identified in the text, tables, and figures.

[2] The 2010 Census no longer provides detailed demographic or housing data through the "long form". Instead, the Census Bureau conducts a series of American Community Surveys (ACS) to collect detailed data. The ACS surveys different variables at different schedules (e.g. every year, every three years, or every five years) depending on the size of the community. Multiple sets of ACS data are required to compile the data for San Diego County in this report.

This ***Analysis of Impediments (AI)*** report has been developed to provide an overview of laws, regulations, conditions, or other possible obstacles that may affect an individual's or a household's access to housing. As part of this effort, the report incorporates the issues and concerns of residents, housing professionals, and service providers. To assure the report responds to community needs, a community outreach program consisting of community workshops, targeted stakeholder interviews, and a fair housing survey was conducted in the development of this report. This chapter describes the community outreach program conducted to involve the community.

To reach the various segments of the community, several methods were used to obtain community input:

- Six community workshops
- Nine targeted stakeholder interviews to service providers and local organizations
- Fair housing survey

Appendix A contains further background on the outreach strategy, public outreach tools, surveys, and summary of meeting notes.

A. Community Workshops

Six community workshops were held in communities throughout the County in October and November 2019 to gather input regarding fair housing issues in the region. The locations and dates of the workshops were as follows:

Table 1: Community Workshop Locations

Area of County	Location	Date
Central Region	LISC San Diego, San Diego, CA	October 30, 2019
Eastern Region	El Cajon Police Department, El Cajon, CA	November 6, 2019
Northern Region	Escondido City Hall, Escondido, CA	November 7, 2019
Central Region	Valencia Park/Malcolm X Library	November 13, 2019
Southern Region	Chula Vista City Hall, Chula Vista, CA	November 20, 2019
Southern Region	MLK Jr. Community Center, National City, CA	November 21, 2019

To encourage attendance and participation, the workshops were publicized through the following methods:

- Multilingual flyers (print and digital) publicizing the six community workshops were mailed to 621 agencies, organizations, and interested individuals throughout the County, including a wide range of housing service providers and community organizations such as community planning groups, housing development corporations, service providers, housing industry professionals, civic organizations, housing authorities, housing groups, business organizations, religious organizations, schools, and local elected officials' offices.
- Multilingual flyers were posted on the websites of the participating cities and the County.
- Multilingual flyers were placed at public counters such as city halls, libraries, and community centers.
- Multilingual email-based ("e-blast") notifications through the participating agencies' email networks.
- Content for participating agencies' and stakeholders' communication channels such as newsletters, public service announcements, websites, and cable television channels.
- Social media posts to Facebook, Twitter, and Next Door.

1. Workshop Participants

A total of 63 individuals attended the community workshops. Aside from interested individuals and staff from the various cities and the County, several service providers and housing professionals participated in the fair housing workshops. These included:

- CSA San Diego County - Fair Housing
- Housing Navigators Homeless
- Housing Opportunities Collaborative
- Legal Aid Society San Diego
- MAAC Project, Kimball
- San Diego Housing Commission
- Solutions for Change
- Tirey & St. John LLP
- San Dieguito Alliance
- Community Resource Center – North Coast Community

2. Key Issues Identified

In reviewing the comments received at these workshops, several key issues are noted:

1. **Experiences with Housing Discrimination**
    - Individuals and families in the following protected classes shared experiences of housing discrimination:
        - Homeless

- Sexual orientation
- Individual with an emotional support animal
- Family with deported father
- Women with adopted children
- Families with children with autism
- Source of income or type of work

2. **Reporting of Housing Discrimination Incidents**
   - Burden of proof is on individual who has been discriminated against
   - Costs and length of time for litigation are a deterrent for reporting incidents
   - Fear of retaliation, harassment, or deportation from reporting incidents

3. **Barriers to Housing in Community**
   - Many people have difficulty finding and accessing information about Fair Housing due to lack of access to computer/internet, knowing where to get the right information, cultural barriers, and lack of education in schools.
   - The information on what subsidies or options are available are confusing and the application process is confusing.
   - Many different languages and dialects.
   - The shortage of affordable units and long Section 8 waiting list.
   - Barriers are often layered

4. **Protected Classes that Need Improved Services**
   - Seniors
   - Individuals with mental and physical disabilities
   - Victims of domestic violence
   - Arbitrary factors
   - Country of origin

5. **Misconceptions or Misunderstandings about Fair Housing**
   - If prospective tenants have to pay for a background report for every application
   - What qualified as a reasonable accommodation request

6. **Ways to Build Community Awareness about Fair Housing**
   - Need to improve how information is provided to community members by relating messaging to people's lives, letting people know they will learn something, simplifying language and documents.
   - Need to make sure that there are representatives at different agencies and providers that can communicate in different languages of local community.
   - Go directly to communities to provide information at community gathering places, community centers, churches, schools, colleges, community and cultural events, senior housing complexes, and community meetings.
   - Partner with organizations, cultural and faith-based groups, and organizations holding events to share information.
   - Provide incentives and expand how information can be seen and heard.

7. **Other Comments**
    - There should be a universal rental application.
    - Should tap into 211 Community Information Exchange to help share information.

The comments received during these community workshops have been incorporated into this AI as appropriate and documented in Appendix A.

B. Targeted Stakeholder Interviews

In addition to the input given by representatives from local organizations in attendance at the community workshops, key stakeholders were contacted for one-on-one interviews about the AI. Participants represented organizations that provide fair housing services and/or complementary and related support services. A representative from each of the following organizations participated in a telephone interview:

Table 2: Stakeholder Interviews

Stakeholder	Contact
Alliance for Regional Solutions	Mary Lynn McCorkle, Collaborations Manager October 30, 2019
CSA San Diego	Estela De Los Rios, Executive Director November 6, 2019
Elder Help San Diego	Robin Strickland, Housing Services Coordinator November 7, 2019
La Maestra Community Health Centers	John Kuek, Director of Integrated Community Services November 13, 2019
Legal Aid Society of San Diego County	Rosalina Spencer, Lead Lawyer November 20, 2019
National Alliance on Mental Illness	Aaron Basila, Community Outreach Worker November 21, 2019
Regional Task Force on the Homeless	Jennifer Yost, Director of Grants Management
San Diego Housing Federation	Laura Nunn, Director of Policy and Programs
Southern California Rental Housing Association	Molly Kirkland, Director of Public Affairs

1. Key Issues Identified

In reviewing the comments received at these interviews, several key issues are noted:

1. **Greatest Challenges to Building Community Awareness**
    - Keeping up with updates to laws and regulations
    - Identifying community partners to share information with and provide training
    - Resistance to change by homeowners
    - Language barriers

2. **Barriers to Housing in Community**
    - Large and diverse geographic area

- Language barriers and different dialects
- Housing affordability impacts and low vacancy rate
- Difficulty finding a place to live with Section 8 voucher
- Access to technology
- Limited hours and transportation route options
- Lack of awareness about services and resources
- Miscommunications between landlords and tenants, and tenants and service providers
- Individuals with mental and physical disabilities have difficulty finding housing
- Large families have difficulty finding housing
- Poor quality of housing and landlords that won't improve units

3. Misconceptions or Misunderstandings about Fair Housing

- Difficult or complex laws and requirements, different requirements for different programs, and difficulty navigating process
- Not understanding role of different agencies or service providers
- Terminology and different definitions or understanding of terms like discrimination, affordable housing, intent, or eviction
- Lack of understanding about different individuals or people who are homeless, suffering from mental illness, live in permanent supportive housing

4. Greatest Challenges in Meeting Fair Housing Needs

- Under reporting of discrimination until after the fact, or due to fear of retaliation, or the length of time to pursue legal action
- It is difficult to find the right information and staff at public agencies are overloaded with requests
- Many homeless individuals don't have the right documentation to apply to programs
- Section 8 waitlist is over 10 years long
- Lack of housing affordability is causing people to leave California
- NIMBYs and opposition to growth and siting of new housing

5. Protected Classes that Need Improved Services

- Disabled individuals
- Lesbian, Gay, Bisexual, Transgender, and Queer (LGBTQ)
- Large families
- Tenants utilizing Section 8 vouchers
- Seniors and aging population
- Religious discrimination
- Homeless individuals and families

6. Community Assets That Can be Leveraged to Further Fair Housing

- Banks can promote first time home buying program
- Community forums in North County
- Community groups and centers

- Pop-up events at transit stations, or libraries where there is high foot traffic
- Postings on Next Door
- Utilizing 211 to help direct people to resources
- Providing additional education and resources including a resource binder at housing service providers and trainings targeted to landlords or property managers.

7. **Possible Improvements to Inter-Agency Coordination**
    - Ensuing that landlords are involved in the discussion
    - Reducing bureaucratic layers
    - SDRAFFH Fair Housing Conference can provide a venue to develop a shared understanding of challenges and implementation
    - Shift focus to thinking about why rules and regulations exist rather than checking boxes
    - Create a shared database of agencies and programs
    - Provide additional training opportunities and avenues for sharing information such as email blasts
    - Collaborate with non-profits to provide wrap around services and trainings
    - Have City Council and Board of Supervisors on boards of different organizations

8. **Ways to Promote Outreach for AI Workshops and Surveys**
    - Provide notices and survey links to landlords and property owners
    - Place advertisements on billboards, at transit stops, or at churches, stores, swap meets
    - Share information at community centers, religious facilities, and with community leaders
    - Partner with elected officials or city staff to disseminate information
    - Link promotion of AI to other related topics such as homelessness
    - Send notification of workshops to individuals on Section 8 waitlist

9. **Additional Comments**
    - Recommend that landlords post evaluation criteria in advertisements
    - Need more housing and Fair Housing should be at the center of the discussion about the housing crisis.
    - Getting information out to tenants about Fair Housing rights and regulations is important
    - Supportive housing with other support services is important
    - Siting of permanent supportive housing should occur throughout the County within proximity to other services and amenities.

The comments received during these interviews have been incorporated into this AI, as appropriate, and documented in Appendix A.

C. Fair Housing Survey

The Fair Housing Survey sought to gain knowledge about the nature and extent of fair housing issues experienced and to gauge the perception of fair housing needs and concerns of County residents. The survey was available in multiple languages, including English, Spanish, Tagalog, Chinese, Arabic, and Vietnamese on the websites of the County and all participating jurisdictions. Hard copies of the survey were provided to a number of local agencies for distribution to their clients. The community workshop flyer, including links to the online survey, was mailed to over 1,000 housing and service providers, encouraging them to provide their unique perspective by participating in the Community Needs Survey.

Because responses to the survey were not controlled[3], results of the survey are used only to provide some insight regarding fair housing issues, but cannot be treated as a statistically valid survey. Furthermore, the survey asked for respondents' perception in housing discrimination. A person responding having been discriminated does not necessarily mean discrimination has actually taken place.

1. Summary of Survey Results

Who Responded to the Survey?

A total of 1,132 persons responded to the Housing Discrimination Survey. The majority of survey respondents felt that housing discrimination was not an issue in their neighborhoods. There were 305 persons who answered "YES" to whether they have personally experienced discrimination in housing.

Who Do You Believe Discriminated Against You? [4]

Among the persons indicating that they had experienced housing discrimination, 59 percent (248 persons) indicated that a landlord or property manager had discriminated against them, while eight percent (35 persons) of respondents identified a Government staff person as the source of discrimination. Responses for the fair housing survey are not mutually exclusive; respondents had the option of listing multiple perpetrators of discrimination.

[3] A survey with a "controlled" sample would, through various techniques, "control" the socioeconomic characteristics of the respondents to ensure that the respondents are representative of the general population. This type of survey would provide results that are statistically valid but is much more costly to administer.

[4] Because respondents could indicate multiple answers on a single questions, the percentages on these multiple choice questions do not add up to 100 percent nor do the total number answers add up to the total number of respondents.

Table 3: Perpetrators of Alleged Discrimination

	Number	Percent
Landlord/Property Manager	248	59%
Other	55	13%
Real Estate Agent	36	9%
Government Staff Person	35	8%
Mortgage Lender	35	8%
Insurance Broker/Company	10	2%
Total Responses	**419**	**--**

Notes:
1. Categories are not mutually exclusive.
2. Survey respondents were not required to provide answers for every question; therefore, total responses will vary by question.

Where Did the Act of Discrimination Occur?

Among the persons indicating that they had experienced housing discrimination, 38 percent (174 persons) indicated that the discrimination occurred in an apartment complex. About 21 percent (96 persons) indicated that the discrimination occurred in a single-family neighborhood, 10 percent (45 persons) indicated that it took place in a public/subsidized housing project, 11 percent (53 persons) indicated that it took place at a condo/townhome development, and another 10 percent (46 persons) indicated that it took place when applying for City/County programs. Also, three percent (15 persons) indicated that the act of discrimination occurred in a mobilehome park.

Table 4: Location of Alleged Discrimination

Location	Number	Percent
Apartment Complex	174	38%
Single-Family Neighborhood	96	21%
Condo/Townhome Development	53	11%
Applying for City/County Programs	46	10%
Public or Subsidized Housing Project	45	10%
Other	33	7%
Mobilehome Park	15	3%
Total Responses	**462**	**--**

Notes:
1. Categories are not mutually exclusive.
2. Survey respondents were not required to provide answers for every question; therefore, total responses will vary by question.

On What Basis Do You Believe You Were Discriminated Against?

Of the 305 people who felt they were discriminated against, the most common causes for alleged discrimination were race, other, source of income, and family status.

Table 5: Basis of Alleged Discrimination

Basis	Number	Percent
Race	105	16%
Source of Income	93	15%
Family Status	82	13%
Other	78	12%
Age	60	9%
Disability/Medical Conditions	54	8%
Color	45	7%
Marital Status	40	6%
Gender	40	6%
National Origin	13	2%
Religion	12	2%
Ancestry	10	2%
Sexual Orientation	9	1%
Total Response	**641**	**--**

Notes:
1. Categories are not mutually exclusive.
2. Survey respondents were not required to provide answers for every question; therefore, total responses will vary by question.

Requests for Reasonable Accommodation or Modification

Among those who responded to the fair housing questions, 25 percent (77 persons) indicated that they had been denied "reasonable accommodation" in rules, policies or practices for their disability or a "reasonable modification" in the access to their homes.

Why Did You Not Report the Incident?

Of the survey respondents who felt they were discriminated against, 18 percent (54 persons) reported the discrimination incident. Many of the respondents (27 percent) who did not report the incident indicated that they don't believe it makes a difference. In addition, 25 percent did not know where to report the incident, 14 percent were afraid of retaliation, and 12 percent felt it was too much trouble.

Table 6: Reason for Not Reporting Alleged Discrimination

Reason	Number	Percent
Other	150	27%
Don't believe it makes a difference	138	25%
Don't know where to report	120	22%
Afraid of Retaliation	77	14%
Too much trouble	66	12%
Total Responses	**551**	**--**

Notes:
1. Categories are not mutually exclusive.
2. Survey respondents were not required to provide answers for every question; therefore, total responses will vary by question.

Has Any Hate Crime Been Committed in Your Neighborhood?

Of those who responded to the survey, seven percent (158 persons) indicated that a hate crime had been committed in their neighborhood. Most of these respondents (24 percent) indicated that the hate crime committed was based on race. Other notable causes of the alleged hate crimes include religion, national origin, and color.

Table 7: Basis of Alleged Hate Crime

Basis	Number	Percent
Race	86	24%
National Origin	37	10%
Religion	37	10%
Color	36	10%
Sexual Orientation	31	9%
Source of Income	21	6%
Disability/Medical Conditions	21	6%
Age	13	4%
Ancestry	12	3%
Gender	11	3%
Family Status	9	3%
Marital Status	8	2%
Total Responses	**353**	**--**

Notes:
1. Categories are not mutually exclusive.
2. Survey respondents were not required to provide answers for every question; therefore, total responses will vary by question.

D. Public Review of Draft AI

The draft AI was made available for public review beginning in May 2020. During the 30-day public review period, the document was made available at City Halls, County Administration Office, and other public locations. The Draft AI was considered at the following public meetings:

- City of Carlsbad – City Council Meeting, ____, 2020
- City of Chula Vista – City Council Meeting, _____, 2020
- City of El Cajon – City Council Meeting, June 9, 2020
- City of Encinitas – City Council Meeting, June 24, 2020
- City of Escondido – City Council Meeting, June 3, 2020
- City of La Mesa – City Council Meeting, _____, 2020
- City of National City – City Council Meeting, _____, 2020
- City of Oceanside – City Council Meeting, _____, 2020
- City of San Diego – City Council Meeting, _____, 2020
- City of San Marcos – City Council Meeting, _____, 2020
- City of Santee – City Council Meeting, June 10, 2020
- City of Vista – City Council Meeting, _____, 2020

San Diego County, boasts an estimated population of over three million residents, making it the second most populous county in California and fifth in the nation (In California, only Los Angeles County has a larger population). Encompassing 4,261 square miles, San Diego County's borders include 18 incorporated cities and numerous unincorporated neighborhoods and communities. The county stretches south from Orange County to the U.S.-Mexico border. The Pacific Ocean forms the western boundary, and the county's eastern edge reaches to the Laguna Mountains and the Anza-Borrego Desert.

Like many major metropolitan areas in the United States, the minority population in San Diego County has increased significantly in recent years, especially among Asian and Hispanic groups. As this Chapter and subsequent chapters will discuss, fair housing issues tend to affect racial and ethnic minority groups, as well as persons with disabilities. The cost of living in San Diego County is high and getting higher than many other regions in the nation. Median household incomes have not kept pace with the rising cost of housing and living in the San Diego region, a trend seen nationwide. While housing affordability is not a fair housing issue *per se*, the increased demand for housing and the dwindling supply may create conditions where fair housing violations become a common part of the competition in the housing market.

In an economic market where the need for affordable housing for the county's poorest residents remains overwhelming, various factors may affect the ability of individuals with similar incomes and needs in the same housing market to obtain a like range of housing choices. This section provides an overview of San Diego County's residents and housing stock, including population, economic, and housing trends that help identify housing needs specific to the region. This overview will provide the context for discussing and evaluating fair housing in the following chapters.

A. Demographic Profile

Examination of demographic characteristics provides some insight regarding the need and extent of equal access to housing in a community. Supply and demand factors can create market conditions that are conducive to housing discrimination. Factors such as population growth, age characteristics, and race/ethnicity all help determine a community's housing need and play a role in exploring potential impediments to fair housing choice.

1. Population Growth

Population growth in San Diego County from 2010 to 2019 was slightly lower than the previous decade. Overall, San Diego County experienced a 10 percent increase in population from 2000 to 2010 and a 8.3 percent increase in population from 2010 to 2019 (Table 8). From both 2000 to 2010 and 2010 to 2019, the cities of San Marcos, Chula Vista, and Carlsbad had the largest growth. All cities experienced a population growth in the last decade except for the city of Coronado, whose population dropped by two percent. The San Diego Association of Governments (SANDAG) population projections indicate that

by 2035 the county's population could reach 3,853,698, an approximately 15 percent increase from the 2019 population estimates. Several cities are projected to have larger increases between 2019 and 2035 than the San Diego region as a whole, including Chula Vista, La Mesa, National City, San Diego, and the unincorporated areas of the county.

Table 8: Population Growth (2000-2035)

Jurisdiction	Total Population				Percent Change		
	2000	2010	2019	2035 (Projected)	2000-2010	2010-2019	2019-2035
Urban County							
Coronado	24,100	24,697	24,199	24,165	2.5%	-2.0%	-0.1%
Del Mar	4,389	4,161	4,451	4,672	-5.2%	7.0%	5.0%
Imperial Beach	26,980	26,324	27,448	30,369	-2.4%	4.3%	10.6%
Lemon Grove	24,954	25,320	27,208	28,673	1.5%	7.5%	5.4%
Poway	48,295	47,811	50,320	53,062	-1.0%	5.2%	5.4%
Solana Beach	12,887	12,867	13,933	14,207	-0.2%	8.3%	2.0%
Unincorporated	441,919	486,604	515,403	617,570	10.1%	5.9%	19.8%
Total Urban County	583,524	627,784	662,962	772,718	7.6%	5.6%	16.6%
Entitlement Jurisdictions							
Carlsbad	77,998	105,328	115,241	124,351	35.0%	9.4%	7.9%
Chula Vista	173,860	243,916	271,411	326,625	40.3%	11.3%	20.3%
El Cajon	94,819	99,478	105,559	109,383	4.9%	6.1%	3.6%
Encinitas	58,195	59,518	63,390	65,264	2.3%	6.5%	3.0%
Escondido	133,528	143,911	152,739	172,892	7.8%	6.1%	13.2%
La Mesa	54,751	57,065	60,820	70,252	4.2%	6.6%	15.5%
National City	54,405	58,582	62,307	73,329	7.7%	6.4%	17.7%
Oceanside	160,905	167,086	178,021	188,597	3.8%	6.5%	5.9%
San Diego	1,223,341	1,301,617	1,420,572	1,665,609	6.4%	9.1%	17.2%
San Marcos	55,160	83,781	98,369	109,095	51.9%	17.4%	10.9%
Santee	53,090	53,413	58,408	63,812	0.6%	9.4%	9.3%
Vista	90,131	93,834	101,987	111,771	4.1%	8.7%	9.6%
Total County	**2,813,707**	**3,095,313**	**3,351,786**	**3,853,698**	**10.0%**	**8.3%**	**15.0%**

Sources: U.S. Census Bureau, 2000, 2010 Census; California Department of Finance 2019 Population Estimates (E-5); SANDAG Regional Growth Forecast Series 13 (2012).

2. Age

Housing demand is affected by the age characteristics of residents in a community. Different age groups are often distinguished by important differences in lifestyle, family type, housing preferences and income levels. Typically, young adult households may occupy apartments, condominiums, and smaller single-family homes because of size and/or affordability. Middle-age adults may prefer larger homes as they begin to raise their families, while seniors may prefer apartments, condominiums, mobile homes, or smaller single-family homes that have lower costs and less extensive maintenance needs. Because a

community's housing needs change over time, this section analyzes changes in the age distribution of San Diego County residents and how these changes affect housing need.

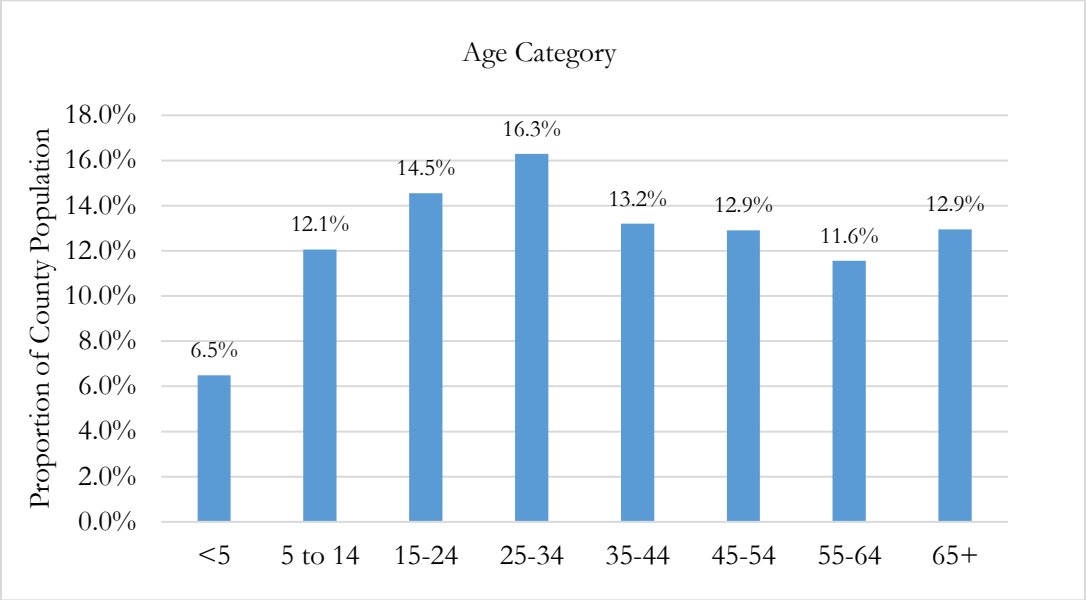
As Table 9 shows, the median age has risen in all but three jurisdictions in San Diego County from 2010 to 2017. Median age decreased in Coronado, Solana Beach, and La Mesa. The county median age was 34.6 years in 2010 and rose to 35.4 by 2017. In 2017, the median age in the various cities ranged from a low of 31.9 years in Imperial Beach to a high of 50.7 years in Del Mar. Based on the 2017 American Community Survey, 12.9 percent of the population in San Diego County was age 65 or over (seniors), with another 11.6 percent in the 55 to 64 age group (future seniors). Close to 12.1 percent of San Diego County residents were school-age children between the ages of five and 14, and over 30 percent of residents were between the age of 15 and 34 (Figure 1). This age structure suggests the county has a high proportion of families with children and has a rapidly increasing older population.

Table 9: Age Characteristics

Jurisdiction	Age Category								Median Age	
	<5	5-14	15-24	25-34	35-44	45-54	55-64	65+	2010	2017
Urban County										
Coronado	4.9%	9.5%	19.3%	13.5%	9.1%	11.1%	13.8%	18.7%	40.7	38.1
Del Mar	1.7%	7.9%	3.7%	15.8%	9.2%	19.7%	16.5%	25.6%	48.6	50.7
Imperial Beach	6.5%	15.1%	16.1%	17.3%	12.6%	11.7%	10.4%	10.3%	31	31.9
Lemon Grove	6.3%	15.4%	11.5%	15.8%	14.7%	11.6%	12.3%	12.4%	35	35.6
Poway	6.3%	13.7%	13.0%	11.1%	12.1%	15.2%	13.8%	14.8%	41.3	40
Solana Beach	3.9%	9.6%	9.1%	13.7%	12.5%	14.8%	13.7%	22.8%	43.7	46.1
Unincorporated	6.7%	11.8%	15.7%	12.9%	11.6%	13.2%	13.1%	15.0%	N/A	N/A
Total Urban County	6.5%	12.1%	15.3%	13.1%	11.7%	13.2%	13.1%	15.1%	N/A	N/A
Entitlement Jurisdictions										
Carlsbad	6.0%	13.9%	10.5%	11.6%	15.0%	16.3%	12.5%	14.0%	38.9	40.4
Chula Vista	7.2%	15.6%	15.3%	13.7%	15.2%	13.8%	9.2%	10.0%	33.0	33.7
El Cajon	7.6%	13.5%	15.8%	14.7%	12.9%	14.3%	10.1%	11.0%	31.9	33.7
Encinitas	5.4%	11.6%	10.0%	13.4%	14.5%	16.9%	15.4%	12.8%	37.9	41.5
Escondido	8.1%	14.9%	15.4%	15.0%	13.5%	13.1%	9.6%	10.5%	31.2	32.5
La Mesa	6.3%	10.0%	14.4%	16.3%	13.1%	14.5%	11.2%	14.2%	37.3	37.1
National City	6.9%	13.8%	20.9%	14.7%	12.4%	12.0%	8.6%	10.6%	28.7	30.2
Oceanside	7.0%	12.7%	15.5%	14.5%	12.9%	14.0%	10.5%	12.9%	33.3	35.2
San Diego	6.2%	11.5%	16.7%	17.6%	14.1%	13.2%	10.1%	10.7%	32.5	33.6
San Marcos	8.4%	15.2%	15.3%	14.4%	15.8%	12.2%	8.7%	10.2%	32.1	32.9
Santee	6.6%	12.8%	13.9%	13.7%	14.0%	16.3%	12.0%	10.7%	34.8	37.2
Vista	8.0%	14.2%	17.1%	16.2%	13.2%	13.3%	8.7%	9.2%	30.3	31.1
Total County	**6.6%**	**12.7%**	**16.0%**	**15.2%**	**13.6%**	**13.9%**	**10.6%**	**11.4%**	**33.2**	**34.6**

Sources: U.S. Census Bureau, 2010 Census; American Community Survey, 2013-2017.

Figure 1: San Diego County Age Structure (2017)



Source: American Community Survey, 2013-2017.

3. Racial and Ethnicity

The San Diego region's racial and ethnic composition trends mirror those seen at the national level. The nation's demographic profiles are becoming increasingly diverse in their racial and ethnic compositions. According to 2018 American Community Survey estimates, 40 percent of U.S. residents were non-White. Growing Hispanic and Asian populations have contributed to a major transformation, reducing the number of White majority places and increasing the number of minority-majority and no-majority places. As of 2010, the most diverse communities in the U.S. were disproportionately western, southern, and coastal metropolitan areas and their principal cities and suburbs. Studies have found that areas with a strong government and/or the military employment base, as is the case in the San Diego region, tend to be more diverse in general.[5]

Race and ethnicity have implications on housing choice in that certain demographic and economic variables correlate with race. For example, median household income in the county between 2013 and 2017 was $70,588. However, the median income for Black, Hispanic American Indian, and Alaska Native households was less than 75 percent of the county median while Asian and White household median incomes were 125 and 114 percent of the county median income.

The State of California's and San Diego County's demographic profiles have become increasingly diverse in their race and ethnic compositions since 1970, a period that coincides with the sharp increase in immigration. As recently as 1970, the vast proportion of the population in the State was predominantly White whereas now, non-White races (classified as minorities) are the majority in California. When a population's racial and ethnic composition is more than 50 percent non-White, the population is said to have a minority-majority. The County of San Diego became a minority-majority

[5] Lee, Barrett and Iceland, A. John and Sharp, Gregory. "Racial and Ethnic Diversity Goes Local: Charting Change in American Communities Over Three Decades". Project US2010, (2012).

area between 2000 and 2010, when the percent minority population increased from 45.1 to 51.5 percent. The proportion of minority population continued to increase between 2010 and 2017 to 53.8 percent.

Table 10: Racial and Ethnic Composition

Jurisdiction	White	Black	Hispanic	Asian/ P. Isl.	Other	Percent Minority* 2010	Percent Minority* 2017
Urban County							
Coronado	75.1%	3.5%	14.5%	3.5%	3.4%	20.6%	24.9%
Del Mar	91.3%	0.5%	4.7%	2.6%	1.0%	9.3%	8.7%
Imperial Beach	31.4%	4.0%	51.3%	8.6%	4.8%	64.0%	68.6%
Lemon Grove	31.9%	12.7%	44.4%	6.1%	4.8%	65.3%	68.1%
Poway	63.7%	0.9%	18.5%	12.9%	4.0%	30.9%	36.3%
Solana Beach	78.4%	0.4%	11.5%	5.1%	4.6%	22.7%	21.6%
Unincorporated	58.6%	4.2%	26.9%	5.9%	4.3%	38.6%	41.4%
Total Urban County	58.0%	4.2%	27.1%	6.4%	4.3%	39.1%	42.0%
Entitlement Jurisdictions							
Carlsbad	74%	0.9%	14%	7.8%	3.4%	25%	26%
Chula Vista	18%	4.2%	60%	15%	1.0%	80%	82%
El Cajon	56%	5.4%	29%	4.1%	4.8%	43%	44%
Encinitas	79%	0.6%	13%	4.2%	4.8%	21%	21%
Escondido	37%	2.1%	51%	7.0%	4.0%	60%	63%
La Mesa	56%	6.6%	26%	6.2%	4.6%	38%	44%
National City	10%	4.5%	64%	20%	4.3%	88%	90%
Oceanside	48%	4.9%	35%	7.9%	4.3%	52%	52%
San Diego	43%	6.1%	30%	17%	3.4%	55%	57%
San Marcos	45%	2.5%	39%	10%	1.0%	51%	55%
Santee	70%	1.9%	18%	4.8%	4.8%	26%	30%
Vista	40%	2.8%	50%	4.8%	4.8%	59%	60%
Total County	**46%**	**4.7%**	**33%**	**12%**	**4.0%**	**52%**	**54%**
Total State	38%	5.5%	39%	14%	4.6%	60%	62%

Sources U.S. Census Bureau, 2010. American Community Survey. 2013-2017.
* Minority is defined as Blacks, Hispanics, Asian/Pacific Islanders, and all others not White.

After White residents, the largest racial/ethnic group in the county is Hispanic. As seen in Table 10, White residents make up the single largest percentage of San Diego County residents (46.2 percent), while Hispanic residents made up 33.4 percent. Asians/Pacific Islander, Blacks, and other groups followed with 11.9 percent, 4.7 percent, and 3.9 percent, respectively (Table 10). The cities of National City, Chula Vista, Imperial Beach, Escondido, and Vista have significant Hispanic concentrations (greater than 50 percent), while the city of Del Mar has the smallest proportion of Hispanic residents (4.7 percent). The largest concentrations of Asian/Pacific Islander populations reside in National City, San Diego, and Chula Vista. The City of Lemon Grove has the highest concentration of Black residents (13 percent) while the second highest concentration of Blacks was in La Mesa (7 percent). Del Mar, Poway, Solana Beach, Carlsbad and Encinitas have the smallest proportions of Black residents, where Blacks make up less than one percent of their population.

Race and Ethnic Concentration

Ethnic and racial composition of a region is useful in analyzing housing demand and any related fair housing concerns, as it tends to demonstrate a relationship with other characteristics such as household size, locational preferences and mobility. Nationally, HUD data show that race-based discrimination ranks second in discrimination of protected classes, behind discrimination related to disability[6]. Figure 2 illustrates concentrations of minority households by Census block group in San Diego County. A concentration is defined as a block group with a proportion of minority households that is greater than the overall San Diego County minority average of 50.8 percent[7] . An important note on the mapping of racial/ethnic concentrations is that concentration is defined by the proportion of a racial/ethnic group in the total population of a census block group. If a census block group has low population, such as in and near the State and National Parks (eastern portions of the map), the proportion of a racial/ethnic group may appear high even though the number of residents in that group may be limited. Furthermore, block group boundaries may cross jurisdictional boundaries

The minority population in the county is described by sub-region in Table 11. In San Diego County, the minority population is concentrated in the southern areas of the City of San Diego and continuing south (Figure 2). This pattern can be attributed to the traditional cluster of minorities living in the urban core and near the U.S./Mexican border. Another concentration is visible in the northwestern part of the North County East sub-region just west of the Cleveland National Forest. This area is home to several Native American reservations. An additional swath of minority concentration can be found in the University and Mira Mesa communities of the City of San Diego. Clusters of minority populations are also found in the North County cities of Oceanside, Vista, San Marcos, and Escondido.

[6] U.S. Department of Housing and Urban Development. "Annual Report on Fair Housing FY 2017", (2017).

[7] This minority percentage differs from the 54 percent in Table 3 due to calculation differences in the unit of measurement. This value was calculated using the census block groups and block group boundaries may cross jurisdictional boundaries.

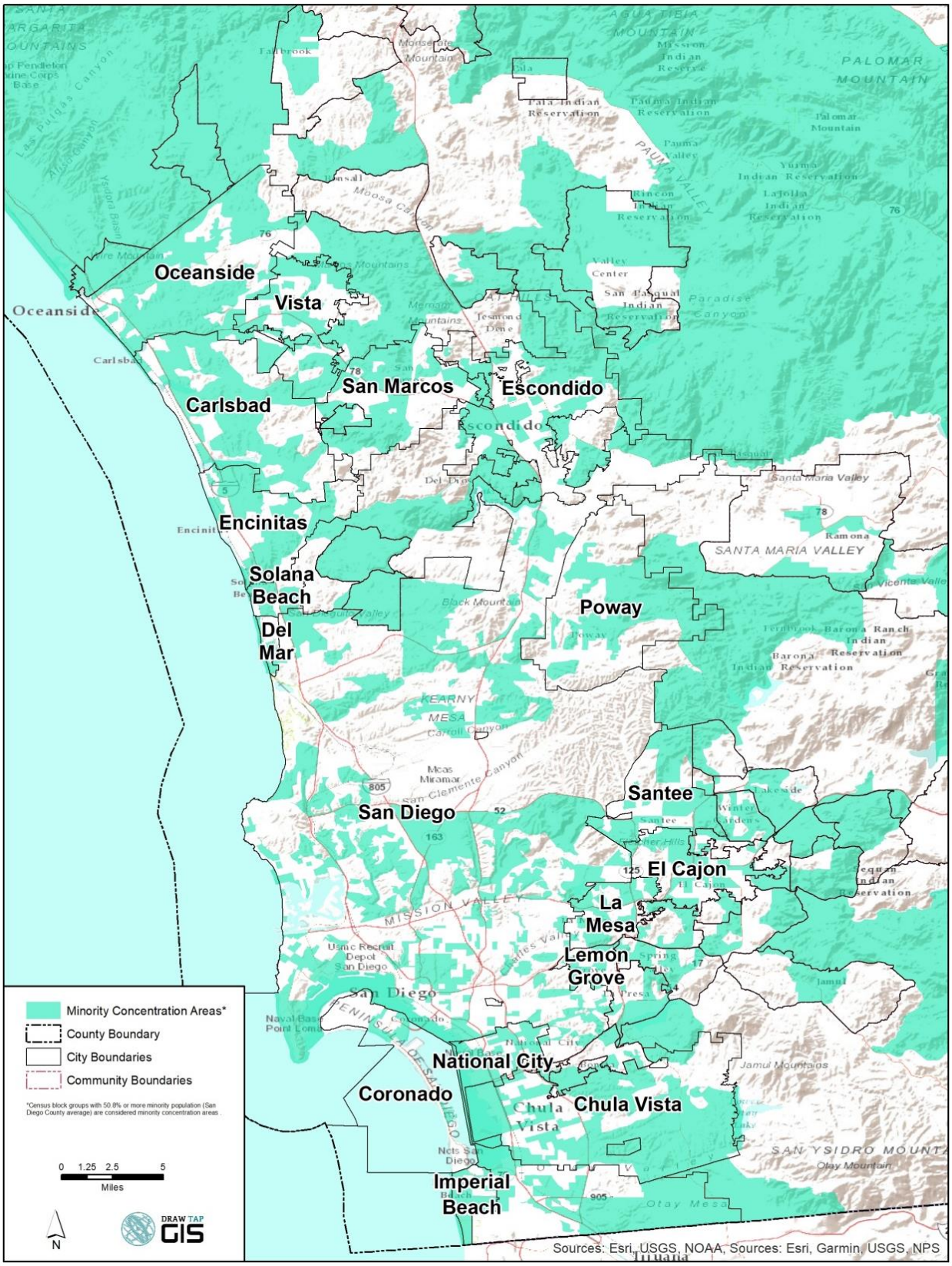
Table 11: Minority Population by Sub-region

MSA	Region	Minority Population		Total Population		% Minority in Region	
		2010	2018	2010	2018	2010	2018
0	Central	414,065	437,635	630,376	679,213	65.7%	64.4%
1	North City	296,118	371,440	733,866	812,706	40.4%	45.7%
2	South Suburban	312,045	335,810	385,468	407,514	81.0%	82.4%
3	East Suburban	187,436	229,518	481,993	509,452	38.9%	45.1%
4	North County West	149,733	174,472	405,715	440,048	36.9%	39.6%
5	North County East	226,139	250,322	431,208	458,801	52.4%	54.6%
6	East County	9,730	9,858	26,687	26,722	36.5%	36.9%
	Total	**1,595,266**	**1,809,055**	**3,095,313**	**3,334,456**	**51.5%**	**54.3%**

Sources: U.S. Census Bureau, 2010 Census; SANDAG, Series 14 (2018).

A significant portion of San Diego County's population is also foreign born. According to the 2013-2017 ACS, one-fourth of the county's population is foreign born and almost 90 percent of them are from non-European countries. About half of foreign-born residents in the county are from Latin America and a large portion of immigrants are from Asian countries (38 percent). More than a third of the foreign-born Asian population came from the Philippines, a Southeast Asian country.

Figure 2: Minority Concentration Areas



Linguistic Isolation

A language barrier can be an impediment to accessing housing of choice. A population that is both minority and does not speak English well may face discrimination based on national origin as well as challenges related to obtaining housing, such as communicating effectively with a property owner, landlord, rental agent, real estate agent, mortgage lender or insurance agent.

According to the 2013-2017 ACS, approximately 37.7 percent of county residents over the age of five spoke a language other than "English only" at home. In some cities with a large minority population, such as the cities of Imperial Beach, Lemon Grove, Chula Vista, El Cajon, Escondido, National City, San Diego, San Marcos, and Vista this figure was higher. In National City, 70.3 percent of the population over the age of five years spoke a language other than English at home.

Table 12: Language and Linguistic Isolation

Jurisdiction	Total Population	Speak Language Other Than English at Home		Speak English Less than "Very Well"		
		Total	% Total Population	Total	% of Speaking Non-English Language	% Total Population
Urban County						
Coronado	22,878	3,311	14.5%	848	25.6%	3.7%
Del Mar	4,264	333	7.8%	60	18.0%	1.4%
Imperial Beach	25,500	12,550	49.2%	4,187	33.4%	16.4%
Lemon Grove	24,968	10,194	40.8%	3,357	32.9%	13.4%
Poway	46,715	12,149	26.0%	5,180	42.6%	11.1%
Solana Beach	12,847	1,847	14.4%	707	38.3%	5.5%
Unincorporated	473,988	119,992	25.3%	43,890	36.6%	9.3%
Total Urban County	611,160	160,376	26.2%	58,229	36.3%	9.5%
Entitlement Jurisdictions						
Carlsbad	106,371	18,183	17.1%	7,025	38.6%	6.6%
Chula Vista	246,395	146,846	59.6%	55,768	38.0%	22.6%
El Cajon	95,405	41,750	43.8%	20,103	48.2%	21.1%
Encinitas	59,177	9,405	15.9%	3,678	39.1%	6.2%
Escondido	138,640	67,537	48.7%	31,749	47.0%	22.9%
La Mesa	55,440	13,332	24.0%	4,324	32.4%	7.8%
National City	56,914	40,019	70.3%	15,991	40.0%	28.1%
Oceanside	163,706	51,440	31.4%	23,118	44.9%	14.1%
San Diego	1,303,777	529,264	40.6%	214,379	40.5%	16.4%
San Marcos	87,085	32,716	37.6%	17,263	52.8%	19.8%
Santee	53,894	8,447	15.7%	2,661	31.5%	4.9%
Vista	92,799	37,659	40.6%	17,757	47.2%	19.1%
Total County	**3,070,763**	**1,156,974**	**37.7%**	**472,045**	**40.8%**	**15.4%**

Source: American Community Survey, 2013-2017.

Linguistically isolated household can be described as a household whose members have at least some difficulty speaking English. The ACS provides information on households with persons five years and over who speak English "less than very well." In San Diego County, 15.4 percent of residents indicated that they spoke English "less than very well" and can be considered linguistically isolated. Of those that speak a language other than English at home, 40.8 percent speak English less than very well. The cities of National City, Escondido, and Chula Vista have the highest percentage of total residents who spoke English less than "very well" (28.1, 22.9 and 22.6 percent of the total population, respectively).

Language barriers may prevent residents from accessing services, information, and housing, and may affect educational attainment and employment. Executive Order 13166 ("Improving Access to Services by Persons with Limited English Proficiency") was issued in August 2000, which requires federal agencies to assess and address the needs of otherwise eligible persons seeking access to federally conducted programs and activities who, due to Limited English Proficiency (LEP), cannot fully and equally participate in or benefit from those programs and activities. This requirement passes down to grantees of federal funds as well.

B. Household Characteristics

Household type and size, income level, the presence of persons with special needs, and other household characteristics may affect access to housing. This section details the various household characteristics that may affect equal access to housing.

What is a Household?

A household is defined by the Census as all persons occupying a housing unit. Families are a subset of households and include all persons living together who are related by blood, marriage or adoption. Single households include persons living alone but do not include persons in group quarters such as convalescent homes or dormitories. "Other" households are unrelated people living together, such as roommates.

1. Household Composition and Size

According to the 2019 California Department of Finance Housing estimates, there are 1,219,460 households in San Diego County, a 12.2-percent increase since 2010. The cities of San Marcos, Carlsbad, and Chula Vista saw the largest increases in the number of households between 2000 and 2010. However, in the last decade, the cities of Coronado and Del Mar had the greatest increases in the number of households (31.5 percent and 27.2 percent) while San Marcos, Carlsbad, and Chula Vista had moderate household growth (18.1, 13.9, and 13.3 percent). None of the cities saw a decrease in household numbers.

Different household types generally have different housing needs. Seniors or young adults typically constitute a majority of single-person households and tend to reside in apartment units, condominiums or smaller detached homes. Families, meanwhile, often prefer single-family homes. Household size can be an indicator of changes in population or use of housing. An increase in household size can indicate a greater number of large families or a trend toward overcrowded housing units. A decrease in household size, on the other hand, may reflect a greater number of senior or single-person households, or a decrease in family size.

Table 13: Household Growth by Jurisdiction

Jurisdiction	Households		Household Growth
	2010	2019	2010-2019
Urban County			
Coronado	7,409	9,740	31.5%
Del Mar	2,064	2,625	27.2%
Imperial Beach	9,112	10,074	10.6%
Lemon Grove	8,434	9,114	8.1%
Poway	16,128	16,917	4.9%
Solana Beach	5,650	6,569	16.3%
Unincorporated	159,339	178,844	12.2%
Total Urban County	208,136	233,883	12.4%
Entitlement Cities			
Carlsbad	41,345	47,080	13.9%
Chula Vista	75,515	85,535	13.3%
El Cajon	34,134	36,148	5.9%
Encinitas	24,082	26,495	10.0%
Escondido	45,484	48,833	7.4%
La Mesa	24,512	26,869	9.6%
National City	15,502	17,264	11.4%
Oceanside	59,238	65,902	11.2%
San Diego	483,092	545,645	12.9%
San Marcos	27,202	32,126	18.1%
Santee	19,306	21,100	9.3%
Vista	29,317	32,580	11.1%
Total County	**1,086,865**	**1,219,460**	**12.2%**

Sources U.S. Census Bureau, 2010; California Department of Finance Population and Housing Estimates (E-5), 2019.

The majority of San Diego County households are family households, with a roughly even mix between married-couple households with and without children (Table 14). Families with children account for 33.5 percent of all households in the county. "Other" families, primarily consisting of single-parent households, represent 17.2 percent of all households. Households of single senior persons make up 8.7 percent of all households. Between 2010 and 2013-2017, the distribution of household types remained relatively stable.

More than 67 percent of all households within the County of San Diego are family households. Nationally, HUD data show that familial status discrimination ranks third in discrimination of protected classes, behind discrimination due to disability and race.[8] While the language in federal law about familial status discrimination is clear, the guidelines landlords can use to establish occupancy can be very vague.

[8] U.S. Department of Housing and Urban Development. "Annual Report on Fair Housing FY 2017". (2017).

Although landlords can create occupancy guidelines based on the physical limitations of the housing unit, landlords often impose strict occupancy limitations precluding large families with children.

Table 14: Household Type

Household Type	2010		2017	
	Number of Households	Percent of Households	Number of Households	Percent of Households
Family Households	720,480	66.3%	747,245	67.2%
Married with Children[1]	263,046	24.2%	259,963	23.4%
Married – no Children	268,879	24.7%	296,702.45	26.7%
Other Family with Children	113,072	10.4%	112,172	10.1%
Other Family – no Children	75,483	6.9%	78,408	7.1%
Non-Family Households	366,385	33.7%	364,494	32.8%
Single, non-senior	174,593	16.1%	169,854	15.3%
Single, senior	86,624	8.0%	96,591	8.7%
Total County	**1,086,865**	**100.0%**	**1,111,739**	**100.0%**

Source: U.S. Census Bureau, 2010 Census; American Community Survey, 2013-2017.
[1] With children categories calculated using the HH with one or more persons under 18

Certain jurisdictions in the county had a higher than average proportion of family households with children and, therefore, may be more vulnerable to this type of discrimination. The proportion of families with dependent children was highest in the City of Chula Vista (39.9 percent) and Poway (37.7 percent). The proportion of families with children in the unincorporated areas (31.5 percent) is similar to the countywide proportion (30.2 percent). Close to nine percent of households in the county included senior members and six percent of households were female-headed households with children. Single-parent households with children and households headed by seniors have unique fair housing issues as discussed later in this chapter.

Table 15: Household Characteristics

Jurisdiction	% Families	% Families with Children	% Elderly Households	% Female-Headed Households w/ Children
Urban County				
Coronado	66.1%	27.0%	12.8%	4.0%
Del Mar	58.2%	13.4%	8.6%	0.9%
Imperial Beach	68.7%	32.0%	6.6%	10.6%
Lemon Grove	70.4%	33.9%	9.9%	7.0%
Poway	80.5%	37.7%	7.5%	4.6%
Solana Beach	55.4%	20.3%	16.1%	2.1%
Unincorporated	76.2%	31.5%	9.1%	2.7%
Total Urban County	75.9%	31.9%	9.4%	3.4%
Entitlement Cities				
Carlsbad	70.8%	31.7%	9.6%	5.6%
Chula Vista	79.0%	39.9%	7.0%	8.6%
El Cajon	72.0%	35.8%	8.3%	20.7%
Encinitas	64.2%	27.7%	11.8%	3.6%
Escondido	72.7%	36.0%	8.9%	7.6%
La Mesa	58.4%	24.5%	13.0%	6.5%
National City	74.3%	34.9%	9.5%	11.8%
Oceanside	67.5%	26.6%	11.0%	5.2%
San Diego	60.4%	27.0%	8.0%	5.7%
San Marcos	73.9%	37.2%	9.4%	5.7%
Santee	73.4%	32.8%	9.7%	6.4%
Vista	70.9%	34.3%	7.3%	7.2%
Total County	**67.2%**	**30.2%**	**8.7%**	**6.0%**

Source: American Community Survey, 2013-2017.

Household Size

The average size and composition of households are highly sensitive to the age structure of the population but they also reflect social and economic changes. For example, economic downturns may prolong the time adult children live at home or result in multiple families and non-family members living together to lower housing costs. The average household size countywide in 2017 was 2.87 persons per household, a very slight increase from 2010 (2.75). Average household size ranged from a low of 2.01 persons in Del Mar to a high of 3.47 in National City. Geographically, average household size increased in the Southern and Eastern areas of the county. Nine cities had an average household size over three persons in 2017, compared to only five in 2019. Notably, no cities in the Urban County had with an average household size over three persons in the 2010 but by 2017, average household size was greater than 3.0 in Imperial Beach, Lemon Grove, and Poway.

Table 16: Average Household Size by Jurisdiction

Jurisdiction	Average Household Size	
	2010	2017
Urban County		
Coronado	2.31	2.40
Del Mar	2.02	2.01
Imperial Beach	2.82	3.02
Lemon Grove	2.96	3.12
Poway	2.93	3.12
Solana Beach	2.28	2.33
Unincorporated	--	--
Entitlement Cities		
Carlsbad	2.53	2.60
Chula Vista	3.21	3.34
El Cajon	2.84	3.09
Encinitas	2.45	2.56
Escondido	3.12	3.29
La Mesa	2.3	2.49
National City	3.41	3.47
Oceanside	2.8	2.81
San Diego	2.6	2.72
San Marcos	3.05	3.17
Santee	2.72	2.86
Vista	3.13	3.19
Total County	**2.75**	**2.87**

Sources: U.S. Census Bureau, 2010 Census; American Community Survey, 2013-2017.

C. Special Needs Groups

Certain households and residents, because of their special characteristics and needs, have greater difficulty finding decent and affordable housing. These circumstances may be related to age, family characteristics, or disability. Table 17 shows a summary of this section and the special needs groups present in San Diego County. The following discussion highlights particular characteristics that may affect access to housing in a community.

Table 17: Residents with Special Needs

Special Needs Group	Number	Percent of County
Households with a Senior (65+)	242,017	21.8%
Senior Persons (65+)	425,217	12.9%
Large Households	129,627	11.7%
Female Headed Households w/Children	80,886	7.3%
Disabled Persons	312,565	9.8%
HIV/AIDS	13,643	0.4%
Homeless Persons (Urban and Rural)	8,102	0.2%
Farm Workers	8,308	0.3%
Active Duty Military Personnel	143,000	4%
Veterans	225,694	7%

Sources: American Community Survey 2013-2017; San Diego Regional Task Force on the Homeless, Annual Report on the Homeless 2019; San Diego Military Advisory Council, San Diego Military Economic Impact Study, 2019; County of San Diego Health and Human Services Agency, HIV Epidemiology Report, 2016.

1. Seniors

Seniors (persons age 65 and above) are gradually becoming a more substantial segment of a community's population. Americans are living longer than ever before in our history and are expected to continue to do so. Senior households are vulnerable to housing problems and housing discrimination due to limited income, prevalence of physical or mental disabilities, limited mobility, and high health care costs. Seniors, particularly those with disabilities, may face increased difficulty in finding housing accommodations and may become victims of housing discrimination or fraud. Seniors sometimes face discrimination in the rental housing market, often based on the perception of increased risks and liabilities associated with the frail conditions or disabilities of senior tenants. A senior on a fixed income can face great difficulty finding safe and affordable housing. Subsidized housing and federal housing assistance programs are increasingly challenging to secure and often involve a long waiting list.

According to the 2013-2017 ACS, 12.9 percent of all residents in San Diego County were ages 65 and over. The proportion of residents over the age of 65 years ranged from a low of 9.7 percent in Vista to a high of 25.6 percent in Del Mar (Table 9). ACS data (2013-2017) estimates that 21.8 percent of households in San Diego County had at least one individual who was 65 years of age or older (Table 18). According to HUD's 2012-2016 Comprehensive Housing Affordability Strategy (CHAS) data, a higher proportion (53.0 percent) of seniors had low and moderate incomes compared to all county residents (45.6 percent).

Table 18: Senior Profile – San Diego County

Residents	Percent of Population	Percent with a Disability	Percent Households with Low/Moderate Incomes	Percent Households with Housing Problems
Seniors	12.9%	33.7%	53.0%	40.5%
All Residents	100.0%	9.5%	45.6%	45.4%

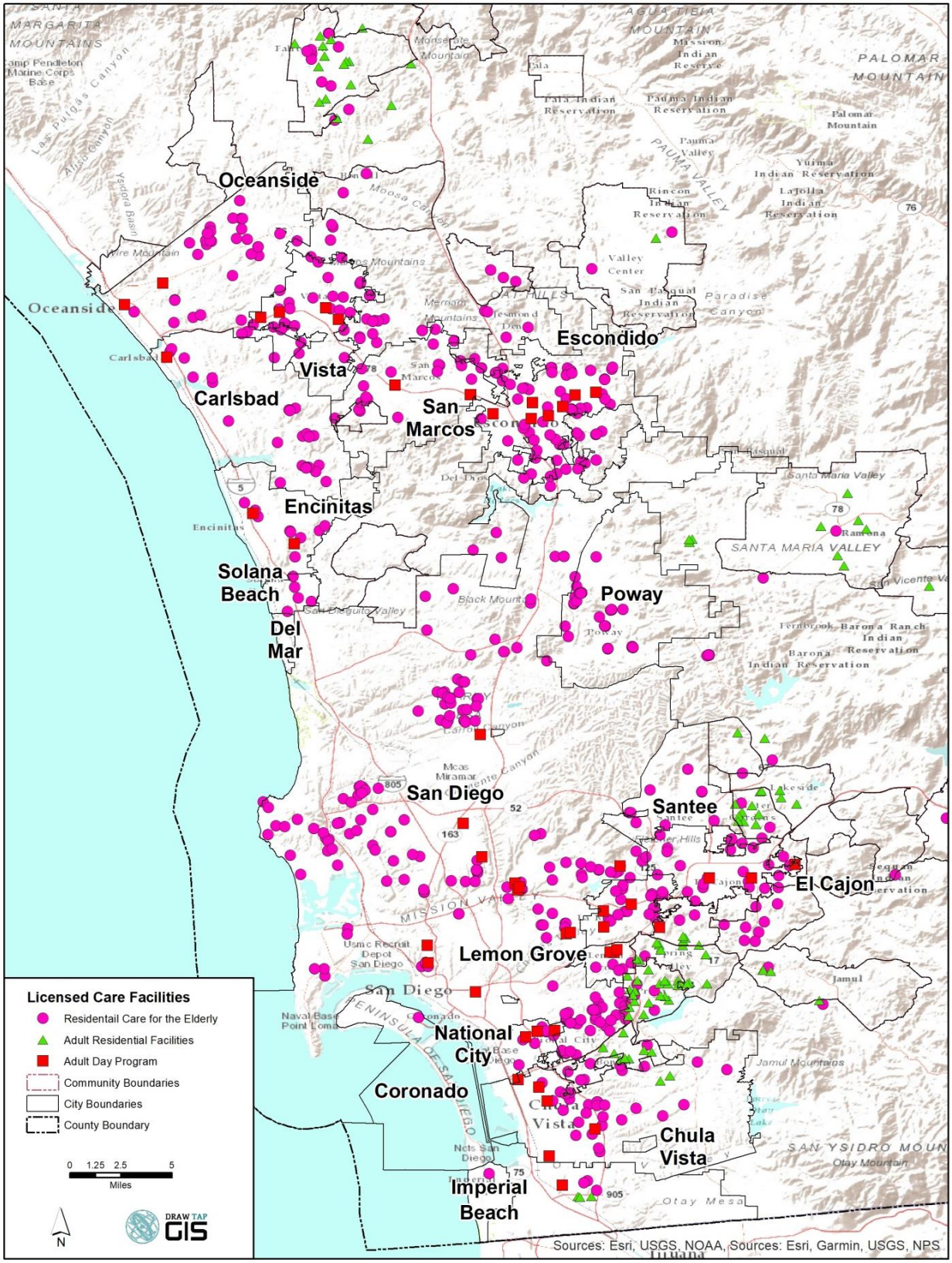
Sources: 2013-2017 American Community Survey (ACS); HUD Comprehensive Housing Affordability Strategy (CHAS), 2012-2016.

The San Diego County Health and Human Services Agency's Aging & Independence Services (AIS) provides services to older adults, people with disabilities and their family members. AIS provides a wide range of services, including information and access, advocacy, coordination, assessment, and authorization of direct services. Direct services are provided through contracts with vendors and agencies, and include in-home support, respite care, meals (senior dining centers and home-delivered), health promotions, legal assistance, adult day care, transportation, educational opportunities, employment, money management, and counseling programs.

The City and the County of San Diego both administer a wide array of housing programs to assist in the provision of affordable housing for senior households, including funding for acquisition and construction, rehabilitation, rental assistance, and home repair. In addition to affordable housing located near transportation, the housing needs of seniors include supportive housing, such as intermediate care facilities, group homes, and other housing with a planned service component. Approximately 593 State-licensed residential care facilities for the elderly, 401 adult residential facilities (for individuals ages 18 through 59) and 60 adult day care facilities (for individuals 18 and over) serve the senior population throughout the county. These licensed care facilities have a combined capacity of 28,131 beds. These numbers show a decrease from the number of licensed care facilities and bed capacity between 2014 and 2019. Between 2014 and 2015, the total bed capacity of licensed care facilities decreased by 3,716 from 31,847 to 28,131. The total number of facilities also dropped 700 from 1,855 to 1,155. Figure 3 shows the location of the various licensed care facilities in San Diego County as of 2019.

Most of the community care facilities within the county are located within the larger incorporated cities. There is a noticeable presence of facilities in the unincorporated areas, specifically those surrounding the incorporated cities. However, since most of the county's population is located within the incorporated cities, residents living in these areas may have to travel a greater distance to access the region's inventory of care facilities. Concentrations of care facilities can be seen in the North County areas in and around the cities of Vista and Escondido and in the South County in and around the cities of Chula Vista and El Cajon. In the City of San Diego clusters of care facilities can be seen in the southern portion of the City and in the Mira Mesa area.

Figure 3: Licensed Care Facilities



2. Large Households

Large households are defined as those with five or more members. These households are usually families with two or more children or families with extended family members such as in-laws or grandparents. It can also include multiple families living in one housing unit in order to save on housing costs. Large households are a special needs group because the availability of adequately sized (i.e. three or more bedrooms), affordable housing units is often limited. Large households may face discrimination in the housing market, particularly for rental housing. Although landlords can create occupancy guidelines based on the physical limitations of the housing unit, landlords may impose strict occupancy limitations precluding large families with children.

As indicated in Table 19, in 2017, close to 12 percent of all households in the county had five or more members; specifically 10.9 percent of owner-households and 12.5 percent of renter-households in the county were large households. This represents a decrease of two percentage points in the proportion of large households in the county between 2010 and 2017 from 13.7 to 11.7 percent. The proportion of large households was highest in the cities of National City (19.0 percent), Escondido (18.6 percent), and Chula Vista (18.0 percent), although their respective proportions in 2010 were much higher at, 25.4m 20.7, and 20.5 percent. These three cities also had high proportions of non-White population (90.3, 63.5, and 82.3 percent, respectively) and family households (74.3. 72.7, and 79.0 percent, respectively) in 2017. Many ethnic minority groups have a younger age profile and tend to have larger families than the White population. The 2012-2016 CHAS data shows that over half (51.3 percent) of large households were estimated to earn low and moderate incomes compared with 45.6 percent of all county households.

Table 19: Large Households

City/Area	Total Large Households		Large Owner Households		Large Renter Households	
	#	% of Total Households	#	% of Owner Households	#	% of Renter Households
Urban County						
Coronado	484	5.7%	137	3.3%	347	8.1%
Del Mar	40	1.9%	40	3.5%	0	0.0%
Imperial Beach	1,291	14.6%	352	12.5%	939	15.6%
Lemon Grove	1,285	15.3%	832	18.3%	453	11.7%
Poway	2,121	13.5%	1,435	12.2%	686	17.0%
Solana Beach	197	3.4%	177	5.3%	20	0.8%
Unincorporated	20,110	12.5%	12,726	11.7%	7,384	14.2%
Total Urban County	25,528	12.2%	15,699	11.5%	9,829	13.4%
Entitlement Cities						
Carlsbad	2,924	6.8%	1,921	6.8%	1,003	6.6%
Chula Vista	14,116	18.0%	8,421	18.5%	5,695	17.3%
El Cajon	5,243	16.1%	1,355	10.9%	3,888	19.3%
Encinitas	1,347	5.5%	876	5.7%	471	5.4%
Escondido	8,414	18.6%	3,305	14.7%	5,109	22.5%
La Mesa	1,588	6.7%	680	6.9%	908	6.6%
National City	3,073	19.0%	1,183	22.7%	1,890	17.2%
Oceanside	6,883	11.1%	3,252	9.4%	3,631	13.3%
San Diego	49,569	10.0%	22,901	9.8%	26,668	10.1%
San Marcos	4,192	14.4%	1,998	11.2%	2,194	19.4%
Santee	1,916	9.8%	1,164	8.7%	752	12.5%
Vista	4,834	15.8%	1,654	11.0%	3,180	20.5%
Total County	129,627	11.7%	64,409	10.9%	65,218	12.5%

Source: American Community Survey, 2013-2017.

3. Families with Children and Single-Parent Families

Families with children may face housing discrimination by landlords who fear that children will cause property damage. Some landlords may have cultural biases against children of the opposite sex sharing a bedroom. Differential treatments such as limiting the number of children in a complex or confining children to a specific location are also fair housing concerns. For example, some landlords may charge large households a higher rent or security deposit, limit the number of children in a complex, confine them to a specific location, limit the time children can play outdoors, or choose not to rent to families with children altogether, which would violate fair housing laws. Housing discrimination against families with children can also be masked as overcrowding issues. Even when housing providers rent openly to families with children, there can still be an issue of illegal discriminatory policies for families once they become tenants. Neutral rules are expected to apply to all tenants equally, but once a housing provider isolates a particular group upon which to singularly implement those rules, a discriminatory practice is set in motion.

The proportion of families with dependent children was highest in the cities of Chula Vista and National City (Table 15). These communities may be more vulnerable to familial discrimination in the housing market because of their higher than average proportion of families with children.

The proportion of female-headed households decreased between 2010 and 2017 from 7.5 to 6.0 percent (Table 15). The proportion of female-headed households with children was highest in El Cajon (20.7 percent) and National City (11.8 percent). Female single-parent family households are disproportionately affected by poverty. According to the 2013-2017 ACS, about 32.6 percent of female single-parent family households in San Diego County lived below the poverty level (compared to 9.5 percent of all family households in the county). Limited household income constrains the ability of these households to afford adequate housing and childcare, health care, and other necessities. Finding adequate and affordable childcare is also a pressing issue for many families with children and single-parent households in particular.

4. Persons with Disabilities

Affordability, design, location, and discrimination limit the supply of housing for persons with disabilities. Fair housing choice for persons with disabilities may be compromised based on the nature of their disability. Adaptable housing is the most critical housing need for persons with mobility limitations. Many single-family homes may not be adaptable to widened doorways and hallways, access ramps, or other features necessary for accessibility. Furthermore, multi-family units built prior to 1990 are often not wheel-chair accessible and the cost of retrofitting a home is often prohibitive. Many disabled individuals live in households where a member of the household is a homeowner. These disabled individuals are less likely to have accessible units, since the Fair Housing Act (FHA) does not apply to all owner-occupied dwelling units. Amendments to the Fair Housing Act, as well as state law, require ground-floor units of new multi-family construction with more than four units to be accessible to persons with disabilities. However, units built prior to 1989 are not required to be accessible to persons with disabilities. Older units, particularly in older multi-family structures, are very expensive to retrofit for disabled occupants because space is rarely available for elevator shafts, ramps, widened doorways, etc. The site, parking areas, and walkways may also need modifications to install ramps and widen walkways and gates. The location of housing and availability of transportation is also important because disabled people may require access to a variety of social and specialized services.

Persons with physical disabilities may face discrimination in the housing market because of the use of wheelchairs, need for home modifications to improve accessibility, or other forms of assistance. Persons with disabilities may request reasonable accommodations or reasonable modifications from their landlords. A reasonable accommodation is a change, exception or adjustment to a rule, policy, practice or service while a reasonable modification is a structural change made to the premises while. For example, a reasonable accommodation would include making an exception to an existing 'no pet' rule to permit a service dog. A reasonable modification could include installing a ramp for an individual who uses a wheelchair or grab bars in the bathroom.

Landlords are required to make "reasonable accommodations" to rules and policies to accommodate a tenant's disability. According to a HUD-DOJ Statement, requests for reasonable accommodations can be denied when:

> "…the request was not made by or on behalf of a person with a disability or if there is no disability related need for the accommodation. [And]… if it would impose an undue financial and administrative burden on the housing provider or it would fundamentally alter the nature of the provider's operations."[9]

In regard to reasonable modifications, landlords must allow a tenant with physical disabilities to make "reasonable modifications" to the unit in order to address accessibility issues. According to the HUD_JOJ Statement,

> "A person with a disability must have the housing provider's approval before making the modification. However, if the person with a disability meets the requirements under the Act for a reasonable modification and provides the relevant documents and assurances, the housing provider cannot deny the request."[10]

In privately owned properties, the tenant is responsible for the costs of modifications. In government subsidized housing (Section 504, housing set up for those with disabilities, etc.), the housing provider typically pays for the modification unless it is an undue administrative or financial burden.

While housing discrimination is not covered by the ADA, the Fair Housing Act prohibits housing discrimination against persons with disabilities. In their 2019 Fair Housing Trends Report, the National Fair Housing Alliance indicated that disability complaints were the most prevalent type of housing discrimination complaint (56.3 percent). The report stated that since complaints are usually based on denial of a request to make reasonable accommodations or modifications for people with disabilities, or because it involves a multi-family property that is not accessible in obvious ways that violate the Fair Housing Act., discrimination based on disability easier to detect. Discrimination against persons with disabilities also continues to be the largest category of complaints HUD receives each year (59.4 percent in 2017).[11]

Federal laws define a person with a disability as "any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such an impairment." In general, a physical or mental impairment includes hearing, mobility and visual impairments, chronic alcoholism, chronic mental illness, AIDS, AIDS Related Complex, and mental retardation that substantially limits one or more major life activities. Major life activities include walking, talking, hearing, seeing, breathing, learning, performing manual tasks, and caring for oneself.[12]

[9] Joint Statement of the U.S. Department of Housing and Urban Development and the U.S. Department of Justice on Reasonable Accommodations Under the Fair Housing Act (2004) -Question 7. https://www.justice.gov/sites/default/files/crt/legacy/2010/12/14/joint_statement_ra.pdf

[10] Joint Statement of the U.S. Department of Housing and Urban Development and the U.S. Department of Justice on Reasonable Modifications Under the Fair Housing Act (2008)-Question 16 https://www.hud.gov/sites/documents/reasonable_modifications_mar08.pdf

[11] U.S. Department of Housing and Urban Development. "Annual Report on Fair Housing FY 2017-2018". (2018).

[12] U.S. Department of Housing and Urban Development. "Disability Rights in Housing." (2014). http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/disabilities/inhousing. Accessed December 23, 2014.

The U.S. Census Bureau classifies disabilities into the following categories:

- **Hearing difficulty**: Deaf or having serious difficulty hearing
- **Vision difficulty**: Blind or having serious difficulty seeing, even when wearing glasses
- **Cognitive difficulty:** Because of a physical, mental, or emotional problem, having difficulty remembering, concentrating, or making decisions
- **Ambulatory difficulty:** Having serious difficulty walking or climbing stairs
- **Self-care difficulty:** Having difficulty bathing or dressing
- **Independent living difficulty:** Because of a physical, mental, or emotional problem, having difficulty doing errands alone such as visiting a doctor's office or shopping

According to 2013-2017 ACS data, 312,565 persons living in San Diego County had a range of disabilities, comprising 9.8 percent of the population. The largest age group of persons with disabilities were seniors, comprising 45.9 percent of the population with disabilities, followed by adults (ages 18 to 64) which comprised 47.1 percent of the population. Children under the age of 18 made up about seven percent of the population with disabilities. (Table 20). The cities of El Cajon, La Mesa, and Lemon Grove had the highest proportion of residents with disabilities (13.3, 12.6, and 11.9 percent).

Figure 4 shows population density for persons with disabilities in San Diego County. Figure 4 shows that although disabled persons are geographically dispersed throughout the more urbanized areas of the county, there are significant areas with a high density of disabled residents that coincide with minority concentration areas and RECAPs (Racially Concentrated Areas of Poverty). Specifically, concentrations of disabled residents can be seen in the North County cities of Oceanside, Vista, San Marcos, and Escondido, as well as the southern areas of the City of San Diego and southern cities near the U.S/Mexico border. Due to the presence of residential care facilities, the City of San Diego and the cities of El Cajon, La Mesa, and Lemon Grove also have concentrations of residents with disabilities. The coastal and inland areas show less dense concentrations of residents with disabilities, which could be due to the high price of housing (in the coastal areas) or the scarcity of facilities and services for persons with disabilities (inland areas).

Of those disabilities tallied between 2013 and 2017 (as shown in Table 21), cognitive, ambulatory, and independent living disabilities were the most prevalent. The senior population had a significantly larger percentage of all disability types. San Diego County's senior population will grow substantially in the next 20 years. Since seniors have a much higher probability of having a disability, the housing and service needs for persons with disabilities should grow considerably, commensurate with the projected growth of this population.

As previously stated, there are approximately 593 State-licensed residential care facilities for the elderly, 401 adult residential facilities, and 60 adult day care facilities throughout the county. These licensed care facilities have a combined capacity of just over 28,000 beds.

Persons with Developmental Disabilities: As defined by federal law, "developmental disability" means a severe, chronic disability of an individual that:

- Is attributable to a mental or physical impairment or combination of mental and physical impairments;
- Is manifested before the individual attains age 22[13];
- Is likely to continue indefinitely;
- Results in substantial functional limitations in three or more of the following areas of major life activity: a) self-care; b) receptive and expressive language; c) learning; d) mobility; e) self-direction; f) capacity for independent living; or g) economic self- sufficiency; and
- Reflects the individual's need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.

According to the U.S. Administration on Developmental Disabilities (ADD), the percentage of the population that can be defined as developmentally disabled is approximately 1.5 percent. The Census does not specifically record developmental disabilities. However, using the ADD percentage to create an estimate, based on the 2019 Department of Finance population estimates, this equates to just over 50,000 persons in the County of San Diego.

The San Diego Regional Center provides a range of services to persons with or affected by developmental disabilities. Services include diagnostic and eligibility assessments, program planning, case management, and other services and supports. The San Diego Regional Center has four offices in the county and is one of 21 non-profit regional centers in California providing lifelong services and support for people with developmental disabilities residing in San Diego and Imperial Counties. As of June 2018, the Regional Center had just over 27,000 clients living in San Diego County. The ARC of San Diego and Community Interface Services offer comprehensive services for persons or individuals with developmental disabilities and their families, including diagnosis, counseling, coordination of services, advocacy and community education/training.

[13] The State of California defines developmental disabilities slightly differently than federal law. The main difference is at the manifestation age, where California established that threshold at age 18.

Table 20: Disability by Age

Jurisdiction	0-5 Years		5-17 Years		18-64 Years		65+ Years		Total		
	#	%	#	%	#	%	#	%	#	% of Disabled Population	% of Total Population
Urban County											
Coronado	-	0.0%	133	0.0%	527	0.2%	1,075	0.3%	1,735	0.6%	9.1%
Del Mar	-	0.0%	33	0.0%	137	0.0%	175	0.1%	345	0.1%	8.0%
Imperial Beach	28	0.0%	128	0.0%	1,635	0.5%	1,162	0.4%	2,953	0.9%	11.2%
Lemon Grove	11	0.0%	245	0.1%	1,524	0.5%	1,540	0.5%	3,320	1.1%	12.6%
Poway	43	0.0%	403	0.1%	1,989	0.6%	2,488	0.8%	4,923	1.6%	10.0%
Solana Beach	-	0.0%	51	0.0%	233	0.1%	577	0.2%	861	0.3%	6.5%
Unincorporated	136	0.0%	3,618	1.2%	25,375	8.1%	24,934	8.0%	54,063	17.3%	11.4%
Total Urban County	218	0.1%	4,611	1.5%	31,420	10.1%	31,951	10.2%	68,200	21.8%	11.1%
Entitlement Cities											
Carlsbad	44	0.0%	493	0.2%	3,528	1.1%	4,998	1.6%	9,063	2.9%	8.1%
Chula Vista	40	0.0%	1,706	0.5%	10,733	3.4%	11,958	3.8%	24,437	7.8%	9.4%
El Cajon	25	0.0%	1,009	0.3%	7,341	2.3%	5,076	1.6%	13,451	4.3%	13.3%
Encinitas	-	0.0%	390	0.1%	1,648	0.5%	3,324	1.1%	5,362	1.7%	8.6%
Escondido	23	0.0%	1,206	0.4%	8,508	2.7%	6,031	1.9%	15,768	5.0%	10.5%
La Mesa	-	0.0%	541	0.2%	3,192	1.0%	3,171	1.0%	6,904	2.2%	11.9%
National City	11	0.0%	339	0.1%	2,793	0.9%	3,178	1.0%	6,321	2.0%	11.3%
Oceanside	72	0.0%	1,007	0.3%	9,212	2.9%	9,146	2.9%	19,437	6.2%	11.3%
San Diego	586	0.2%	8,186	2.6%	58,738	18.8%	55,120	17.6%	122,630	39.2%	9.0%
San Marcos	-	0.0%	668	0.2%	3,039	1.0%	3,689	1.2%	7,396	2.4%	8.0%
Santee	10	0.0%	321	0.1%	3,198	1.0%	2,676	0.9%	6,205	2.0%	11.2%
Vista	9	0.0%	435	0.1%	3,819	1.2%	3,128	1.0%	7,391	2.4%	7.6%
Total County	**1,038**	**0.3%**	**20,912**	**6.7%**	**147,169**	**47.1%**	**143,446**	**45.9%**	**312,565**	**100.0%**	**9.8%**

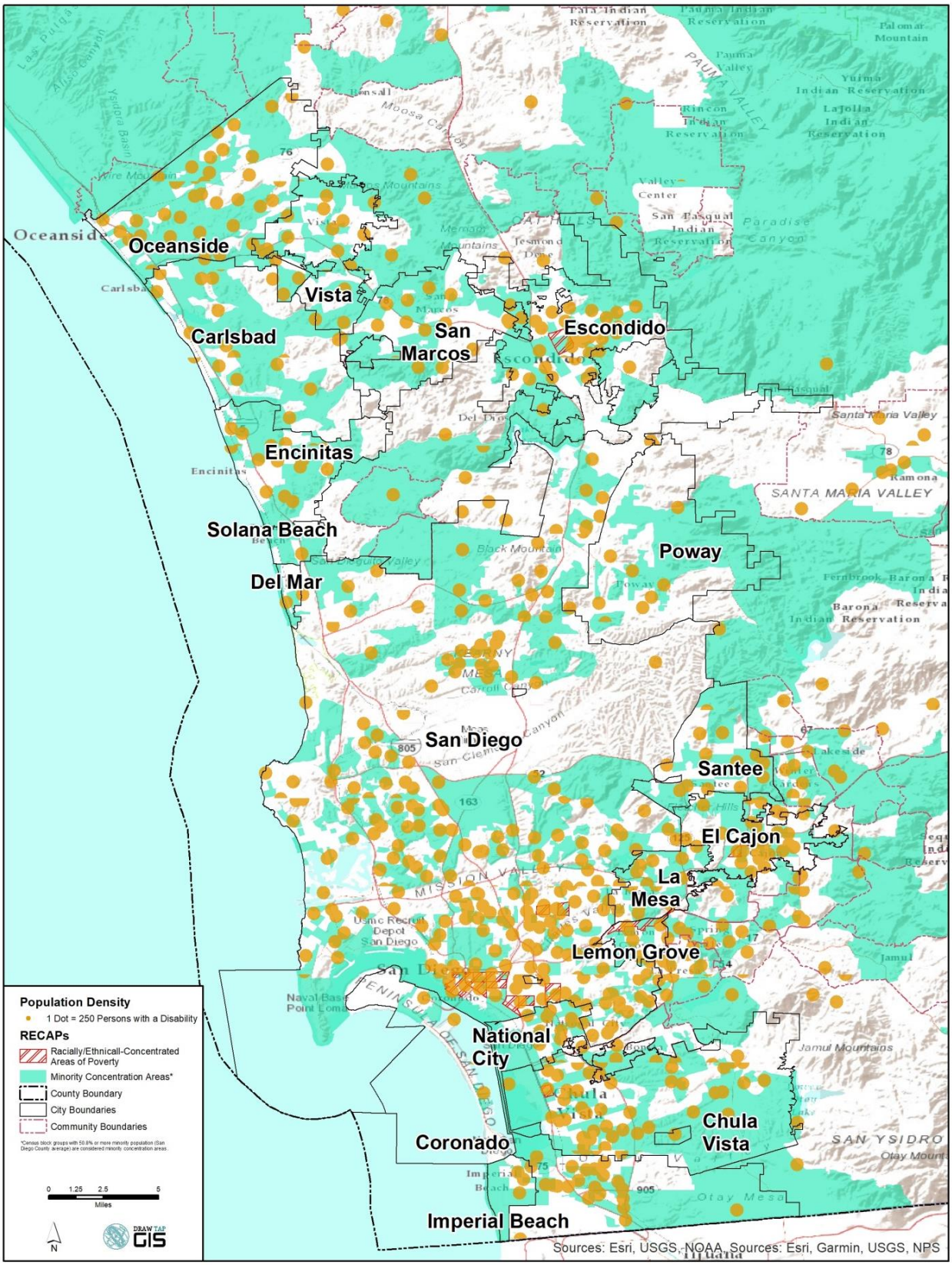
Source: American Community Survey, 2013-2017.

Table 21: Disability Characteristics

Disability by Age and Type	Under	18 to 64 Years	65 Years and Over	% of Population with Disability[2]
Hearing Difficulty	0.5%	1.3%	14.8%	27.9%
Vision Difficulty	0.6%	1.2%	6.7%	17.5%
Cognitive Difficulty	2.5%	3.1%	10.7%	39.6%
Ambulatory Difficulty	0.5%	3.2%	22.8%	51.1%
Self-Care Difficulty	0.9%	1.2%	9.4%	21.8%
Independent Living Difficulty[1]	--	2.6%	18.1%	39.9%
Total County	**3.5%**	**7.0%**	**35.9%**	**--**

Notes:
1: Tallied only for persons 18 years and over
2. Totals add up to more than 100 percent because person may have more than one type of disability.
Source: American Community Survey (ACS), 2013-2017.

Figure 4: Persons with Disabilities



5. Persons with HIV/AIDS[14]

The Fair Housing Amendments Act of 1988, which is primarily enforced by HUD, prohibits housing discrimination against persons with disabilities, including persons with HIV/AIDS. California has the largest number of HIV and third largest number of AIDS cases in the United States; San Diego County has the third largest number of people living with HIV and AIDS in California. Since the HIV epidemic began in 1981, nearly 30,785 HIV or AIDS cases have been reported in San Diego County. New drugs, better treatment, and preventative education have reduced the number of fatalities. Persons with HIV/AIDS are living longer.

Of 13,643 PLWHA in San Diego County as of December 2016, 7,395 were diagnosed within the county (Table 23). The City of San Diego had the greatest proportion of diagnoses (67.8 percent), followed by Chula Vista (6.5 percent) and Oceanside (3.2 percent). Trailing behind were the communities in unincorporated areas, where only 2.7 percent of the county's PLWHA were diagnosed.

Individuals diagnosed with HIV or AIDS in San Diego County are most commonly white, male, more than 49 years of age, and have had male-to-male sexual contact. Over the course of the epidemic, there has been a slow increase in the proportion of cases affecting people of color. The percentage of people of color who have been diagnosed with HIV disease has continued to increase over time, from 28 percent in the 1980s to 53 percent in 2016. The average age of HIV diagnosis has also increased from 34 years in 2007-2011 to 36 by 2012-2016. In 2016, 499 new HIV diagnoses were reported in the county, which is near the lower end of the overall range of cases reported annually since 2007 (481-619 cases).

The primary source of funding for HIV/AIDS housing is HUD's Housing Opportunities for Persons with AIDS (HOPWA) program. The City of San Diego is the HOPWA program grantee, but all HOPWA programs are administered by the County of San Diego Department of Housing and Community Development (HCD). Established in 1992, the HOPWA program is designed to provide States and localities with resources and incentives to develop long-term comprehensive strategies that meet the housing and housing-related support service needs of low-income persons living with HIV/AIDS or related diseases and their families. In FY 2020 (HUD PY 2019) , the City of San Diego's Annual Action Plan included a $5.1 million budget for HOPWA programs ($4.2 million from the 2019 Program Year entitlement allocation and $1.4 million from prior year funds). Programs funded through the HOPWA must be housing related and designed to[15]:

- Provide affordable housing for low-income persons living with HIV/AIDS and their families;
- Enable low-income persons living with HIV/AIDS and their families to become housed;
- Provide services needed to enable low-income HIV/AIDS clients to remain housed, locate housing, and prevent homelessness.

Several HOPWA-funded housing resources (Table 23) are in place; however, there are many more people looking for housing than there are units available, particularly affordable housing units.

[14] All statistics in Persons with HIV/AIDS section are taken from the "HIV/AIDS Epidemiology Report 2016" (County of San Diego Health and Human Services Agency, 2016) unless otherwise noted.

[15] City of San Diego, Fiscal Year 2020-2024 Consolidated Plan. (2019)

Table 22: People living with HIV and AIDS (PLWHA)

City/Community	CPLWHA[2]	Percent
Urban County		
Coronado	21	0.3%
Del Mar	<20	-
Imperial Beach	48	0.6%
Lemon Grove	53	0.7%
Poway	26	0.4%
Solana Beach	<20	-
Unincorporated	202	2.7%
Entitlement Cities		
Carlsbad	88	1.2%
Chula Vista	478	6.5%
El Cajon	183	2.5%
Encinitas	37	0.5%
Escondido	125	1.7%
La Mesa	105	1.4%
National City	136	1.8%
Oceanside	239	3.2%
San Diego	5,014	67.8%
San Marcos	53	0.7%
Santee	57	0.8%
Vista	122	1.6%
Other[3]	195	2.6%
Other[4]	213	2.9%
Total County	**7,395**	**100.0%**

Notes:

1. Place of residence at time of diagnosis does not represent the place of HIV diagnosis/exposure.
2. Of those known to be diagnosed with HIV in San Diego County and currently living in San Diego County through 12/31/2016.
3. Other communities: San Ysidro, La Jolla, and Camp Pendleton
4. Communities with <5 recent cases or <20 PLWHA: Alpine, Bonsall, Borrego Springs, Boulevard, Campo, Camp Pendleton, Cardiff-by-the-Sea, Del Mar, Jamul, Julian, Pala, Pauma Valley, Rancho Bernardo, Rancho Santa Fe, Santa Ysabel, Solana Beach, Valley Center, Warner Springs.

Source: HIV/AIDS Epidemiology Report 2016. County of San Diego Health and Human Services Agency.

Table 23: HOPWA Program Resources

Agency/Program	Units/Program Capacity
Emergency Housing	
Townspeople - Provides emergency beds in the form of hotel/motel vouchers for up to 21 nights.	4,120
Licensed Care Facility	
Fraternity House, Inc. - Provides 18 beds through Fraternity House (8) and Michaelle House (10) for consumers who need 24-hour comprehensive care.	20
Recovery Housing	
Stepping Stone of San Diego - Provides 15 beds through its Residential Treatment Program located in the City Heights area in San Diego.	6
Transitional Group Home	
St. Vincent de Paul Village, Inc. - Provides 38 beds through its five Josue Homes for consumers who are ambulatory, self-sufficient and recovering substance abusers.	88
Stepping Stone of San Diego - Provides 17 beds through Enya House for consumers who have a minimum of 60 days sobriety and a commitment to long term recovery.	17
Permanent Housing	
Community Housing Works/Marisol Apartments - 10 units in Oceanside for consumers and their families. Support services are provided.	10
Community Housing Works/Old Grove - 4 units in Oceanside for consumers and their families. Support services are provided.	4
Mariposa Apartments - 2 units in San Marcos for consumers and their families.	2
Mercy Gardens - 23 units in the Hillcrest area in San Diego for consumers and their families.	23
Paseo del Oro Apartments - 5 units in San Marcos for consumers and their families.	5
Shadow Hills - 5 units in Santee for consumers and their families.	5
Sierra Vista Apartments - 5 units in San Marcos for consumers and their families.	5
South Bay Community Services/La Posada - 12 units in San Ysidro for consumers and their families. Case management and support services are provided.	12
Sonoma Court Apartments - 2 units in Escondido for consumer and their families.	2
Spring Valley Apartments - 9 units in Spring Valley for consumers and their families.	9
The Center- Sunburst Apartments - 3 units for consumers who are between 18 -24 years of age.	3
Townspeople – 34th Street Apartments - 24 units in San Diego for consumers and their families. Case Management services are provided.	524
Townspeople – Vista del Puente Apartments - 12 units in San Diego for consumers and their families. Case Management services are provided.	12
Townspeople – 51st Street Apartments - 3 units in San Diego for consumers and their families. Case Management services are provided.	3
Townspeople – Wilson Avenue Apartments - 4 units in San Diego for consumers and their families. Case Management services are provided.	4
Tenant Based Rental Assistance	
County of San Diego, Housing and Community Development (HCD) – Program provides rent subsidies/vouchers for up to 80 consumers. Applicants are placed on a waiting list and preference is given to extremely low-income households with at least one family member having an AIDS diagnosis.	80

August 2019. County of San Diego Health & Human Services Agency, August 2019.

6. Homeless

While homelessness is not a protected class, homeless persons are likely to belong to a protected class (e.g. Medical condition, disability). HUD defines homelessness in the following categories:

- **Category 1 (Literally Homeless):** Individual or family who lacks a fixed, regular, and adequate nighttime residence.
- **Category 2 (Imminent Risk of Homelessness):** Individual or family who will imminently lose their primary nighttime residence.
- **Category 3 (Homeless under Other Federal Assistance):** Unaccompanied youth under 25 years of age, or families with Category 3 children and youth, who do not otherwise qualify as homeless under this definition.
- **Category 4 (Fleeing/Attempting to Flee Domestic Violence):** Any individual or family who is fleeing, or is attempting to flee, domestic violence; has no other residence; and lacks the resources or support networks to obtain other permanent housing.

Fair Housing Also Applies to Homeless Shelters

In 2013, the U.S. Department of Housing and Urban Development (HUD) charged a homeless shelter in Pennsylvania and one of its employees with refusing to accept a blind man and his guide dog at a homeless shelter. HUD's investigation found that the homeless man was denied a reasonable accommodation request to allow the man to keep his dog in the shelter, in violation of the Fair Housing Act.

This definition demonstrates the diversity of people experiencing homelessness. The numerous places where people experiencing homelessness can be located complicate efforts to accurately estimate their total population. For example, an individual living with friends on a temporary basis could be experiencing homelessness, but would be unlikely to be identified in a homeless count. Since 2006, the San Diego Regional Task Force on the Homeless (RTFH) has conducted a point-in-time survey (PIT) to measure the county's homeless population, as well as to identify the needs of persons experiencing homelessness. The 2019 San Diego Regional Homeless Point-In-Time Count took place on the night of January 25, 2019. The 2019 PIT count identified 8,102 homeless persons living in San Diego County (Table 24). Of the homeless persons counted, more than half (54.6 percent) were unsheltered – living in a place not meant for human habitation, while 24.8 percent were in an emergency shelter and 19.2 percent in a transitional housing program. When examining the different sub-regions within San Diego County, the City of San Diego had the largest proportion of the homeless persons (63.4 percent), followed by El Cajon with 9.8 percent of the region's homeless persons.

Since 2014, the total number of sheltered and unsheltered homeless persons enumerated during the annual PIT decreased by approximately five percent. Despite the overall decrease in homeless persons, the proportion of unsheltered persons has increased by 8.4 percentage points. The number of homeless persons sheltered on the selected night decreased by 20 percent over the five-year period (4,521 in 2014 to 3,635 in 2019), while the number of unsheltered homeless persons counted increased by 12.3 percent (3,984 in 2014 to 4,476 in 2019). Many homeless service providers attributed the overall decrease to the new "Housing First" model and the Continuum of Care system (described later). This approach recognizes many people cannot to address their other issues (e.g., employment, health, and emotional) until they have a more stable housing arrangement.

The point-in-time count is just a snapshot of how many homeless people are on streets and in emergency and transitional shelters on any given day in the San Diego region. RTFH estimated that over the course of the year more than 20,000 people experience homelessness in San Diego County.

In addition, the 2019 PIT count used new methodology under HUD guidance "to survey a higher percentage of those experiencing homelessness where you meet them and to count people rather than structures or vehicles." [16] The change in methodology resulted in changes in the PIT counts from previous years.

Table 24: Homelessness Population by Jurisdiction – 2018 and 2019

Jurisdiction	2018				2019			
	Sheltered	Unsheltered	Total	% of County	Sheltered	Unsheltered	Total	% of County
Urban County								
Coronado	0	6	6	0.1%	0	1	1	0.0%
Del Mar*	0	3	3	0.0%	--	6--	6--	--
Imperial Beach	0	20	20	0.2%	0	12	12	0.1%
Lemon Grove	0	52	52	0.6%	0	35	35	0.4%
Poway	0	15	15	0.2%	0	9	9	0.1%
Solana Beach*	0	0	0	0.0%	--	--	4--	--
Unincorporated	6	445	451	5.3%	0	224	224	2.8%
Entitlement Cities								
Carlsbad	58	152	210	58	59	102	161	2.0%
Chula Vista	108	229	337	108	79	242	321	4.0%
El Cajon	391	288	679	391	489	298	787	9.8%
Encinitas	39	86	125	39	41	79	120	1.5%
Escondido	148	263	411	148	109	241	350	4.4%
La Mesa	29	12	41	29	0	46	46	0.6%
National City	32	201	233	32	0	94	94	1.2%
Oceanside	157	326	483	157	202	193	395	4.9%
San Diego	2,282	2,630	4,912	2,282	2,482	2,600	5,082	63.4%
San Marcos	0	62	62	-	0	46	46	0.6%
Santee	0	46	46	-	0	35	35	0.4%
Vista	336	154	490	336	174	122	296	3.7%
Total County	**3,586**	**4,990**	**8,576**	**3,586**	**3,635**	**4,379**	**8,014**	**100.0%**

Notes: The 2019 San Diego Regional Homeless Profile indicate 8,102 persons enumerated in the Point-in-Time Count. The data presented in the report indicates only 8,014.
* Del Mar and Solana Beach counts reported under the Encinitas community totals.
Source: San Diego Regional Taskforce on the Homeless 2019 Annual Report on Homelessness in the San Diego Region.

[16] San Diego Regional Taskforce on the Homeless 2019 Annual Report on Homelessness in the San Diego Region.

Formerly homeless persons often have a very difficult time finding housing once they have moved from transitional housing or other assistance programs. Housing affordability for those who were formerly homeless is challenging from an economics standpoint, but this demographic group may also encounter fair housing issues when property owners/managers refuse to rent to formerly homeless persons. The perception may be that they are more economically (and sometimes mentally) unstable. Homeless persons may also experience discrimination in homeless shelters. This can occur in the form of discrimination based on protected classes, rules or policies with a disparate impact on a protected class, or lack of reasonable accommodation.

A variety of public and nonprofit agencies in San Diego County also offer services to assist individuals and families in obtaining and maintaining adequate housing, including those who are currently homeless as defined by HUD and formerly homeless persons. These agencies administer programs that include rental assistance, housing rehabilitation, shared housing, public housing, and home purchasing assistance.

7. Farm Workers

As traditionally defined, farm workers are persons whose primary incomes are earned through permanent or seasonal agricultural labor. Permanent farm workers tend to work in fields or processing plants. During harvest periods when workloads increase, the need to supplement the permanent labor force is satisfied with seasonal workers. Often these seasonal workers are migrant workers, defined by the inability to return to their primary residence at the end of the workday. Determining the actual number of farm workers in a region is difficult due to the variability of the definitions used by government agencies and other peculiarities endemic to the farming industry. Agricultural work can include weeding, thinning, planting, pruning, irrigation, tractor work, pesticide applications, harvesting, transportation to the cooler or market, and a variety of jobs at packing and processing facilities.

According to 2013-2017 ACS data, just over 8,300 residents of San Diego County were employed in farming, fishing, or forestry occupations. Estimates provided by other governmental agencies include 8,700 (Total Farm Employment, California Employment Development Department, 2019). The number of farm workers, however, varies depending upon the different growing seasons. The numbers can change quickly as more work becomes available. This population remains highly migratory, following the work as it becomes available and even returning home for short periods during the off-season.

Just under one-third of the estimated farm worker population is located in the unincorporated county areas. The Cities of Escondido, Vista, and San Diego had the greatest proportions of farm worker population (17.8 percent for Escondido and San Diego, 13.5 percent in Vista).. The geographic distribution of farm workers in San Diego County generally corresponds with agricultural production areas. According to the California Department of Conservation's farmland maps, agricultural production in the county is concentrated in the unincorporated north inland areas of the county around Interstate 15, north of the cities of Vista, San Marcos, and Escondido, and west of the Cleveland National Forest areas. County land use data also indicated that most agricultural activity consists of orchards and vineyards or field crops. Only a small portion of agricultural land is used for intensive agricultural uses.

Table 25: Farm Worker Population of San Diego County

Jurisdiction	# of Persons	Percent of All Persons Employed in Farming, Fishing, and Forestry Occupations
Urban County		
Coronado	0	0.0%
Del Mar	0	0.0%
Imperial Beach	0	0.0%
Lemon Grove	22	0.3%
Poway	0	0.0%
Solana Beach	33	0.4%
Unincorporated	2,540	30.6%
Total Urban County	2,595	31.2%
Entitlement Cities		
Carlsbad	125	1.5%
Chula Vista	190	2.3%
El Cajon	64	0.8%
Encinitas	39	0.5%
Escondido	1,477	17.8%
La Mesa	73	0.9%
National City	92	1.1%
Oceanside	640	7.7%
San Diego	1,478	17.8%
San Marcos	405	4.9%
Santee	10	0.1%
Vista	1,120	13.5%
Total County	**8,308**	**100.0%**

Source: American Community Survey (ACS), 2013-2017.

Although there exists little consensus as to the number of farm workers in San Diego County, analysis reveals that this group has special housing needs. According to San Diego County's 2017 Housing Element Background Report, farmworker housing constitutes a critical housing need in the unincorporated area due to the year-round agricultural production that generates a permanent presence of farm labor force. The median size of a farm San Diego County is less than 10 acres. These small, non-traditional farms often employ temporary workers but are not large enough to accommodate on-site farmworker housing. These rural homeless persons typically reside in camps located throughout the county. These encampments are generally small in size and are frequently at the edge of their employer's property in fields, hillsides, canyons, ravines, or riverbeds. According to the Regional Task Force on the Homeless (RTFH), most of these homeless workers are undocumented immigrants whose families reside elsewhere.[17] Due to the migratory nature of these farmworkers, the camps typically are temporary establishments and are not legally permitted. Consequently, this population is often under-counted. The

[17] Regional Homeless Profile October 2006, Regional Task Force on the Homeless, http://www.rtfhsd.org/docs_profile/unincorporated.doc. As cited in the 2017 Housing Element Background Report.

RTFH reports that much of the recent information they have acquired is anecdotal and that camps have been dwindling.

California Employment Development Department (EDD) estimates that the average salary for farm workers and laborers working in the Farming, Fishing, and Forestry Occupations in the San Diego-Carlsbad-San Marcos MSA in 2019 was approximately $32,872, less than half of the average $68,049 for full-time, year-round workers with earnings. Given the relatively low incomes of farmworker households, an increasingly important need for the permanently employed farmworkers is affordable rental housing.. Low wages, high housing costs, and seasonal nature of this occupational category means many farm workers are homeless at their place of employment while their families may reside elsewhere.

Farm workers can benefit from programs and services that provide assistance to lower and moderate-income households in general, such as the Housing Choice Voucher program, which offers rental assistance to residents. According to the County of San Diego Housing Resources Directory 2020, one development in the City of San Marcos (Firebird Manor) and one in Fallbrook (Fallbrook View Apartments) provide 98 units of affordable housing for farm workers and their families. In addition, 40 affordable units at Old Grove Apartments in the City of Oceanside are reserved for farm workers and and/or Day Laborers.

8. Military Personnel and Veterans

San Diego is one of the largest military regions in the United States. The county is the third largest in the U.S. in terms of veteran residents, and the number one destination for veterans returning from Iraq and Afghanistan as of 2013.[18] San Diego County has a strong military personnel presence due to the various large military bases, including Naval Air Station North Island, Naval Station San Diego, Naval Base Point Loma, Marine Corps Air Station Miramar, and Marine Corps Base Camp Pendleton. The military population increases the demand for low-cost rental housing. Military personnel generally earn lower incomes and their length of residency is often uncertain. Although the need is partially met by the supply of military housing, the demand outweighs the supply. Eligibility for military housing is based on pay grade (which is based on rank) and family size. In addition to housing concerns, veterans may experience specific difficulties when reintegrating into the civilian labor force. These include: trouble translating military experience to civilian work, lack of resume, job search, and interview experience; time needed to "decompress;" and health issues (physical and mental) from military service.[19]

Although one percent of the U.S. population lives in San Diego County, the region is home to more than five percent of the active duty U.S. military population. Approximately 143,000 active duty personnel are stationed in San Diego County. The 2013-2017 ACS data estimates that veterans made up seven percent (225,694 persons) of the population in the county. The City of San Diego was home to a plurality of the regional veteran population (40 percent).

[18] County of San Diego and San Diego Regional Chamber of Commerce, "Military Employment in San Diego" (January 2013).

[19] *Id.*

Due to the region's high cost of living, many families at the lower range of pay and housing allowance barely meet the California Family Needs Standard[20] (formerly the Self-Sufficiency Standard) for San Diego. The Family Needs Calculator measures the minimum income necessary to cover all of a non-elderly (under 65 years old) and non-disabled individual or family's basic expenses – housing, food, child care, health care, transportation, and taxes – without public or private assistance. According to the Calculator, 35 percent of households in San Diego County live below the "standard." The 2019 Regional Homeless Profile estimates that six percent (446 persons) of all homeless adult persons in San Diego (8,102 persons), at a single point in time, were veterans of the U.S. Armed Forces and nearly half of the homeless veterans were chronically homeless.[21]

Housing and supportive service needs for military personnel are addressed by the Department of Defense, while the needs of veterans are addressed at the community level. The Veteran Services division of the County's Health and Human Services Agency provides benefit information and assistance, plus other support to San Diego County veterans and their families. Services offered through Veterans Services includes comprehensive benefits counseling, claims preparation and submission, claims follow-up to ensure final decisions, initiation and development of appeals, and networking and advocacy with federal, state and local agencies.

The Veteran's Village of San Diego (VVSD) provides a continuum of care with a full range of comprehensive and innovative services for military veterans. VVSD has five locations throughout San Diego County where they provide services to more than 3,000 military veterans annually.

D. Hate Crimes

Hate crimes – violent acts against people, property, or organizations motivated by a bias related to victim's race, ethnicity, religion, gender, sexual orientation, national origin, or physical or mental disability – become a fair housing concern when residents are intimidated or harassed at their residence or neighborhood. Fair housing violations due to hate crimes also occur when people will not consider moving into certain neighborhoods or have been run off from their homes for fear of harassment or physical harm. The federal Fair Housing Act makes it illegal to threaten, harass, intimidate or act violently toward a person who has exercised their right to free housing choice. Persons who break the law have committed a serious crime and can face time in prison, large fines or both, especially for violent acts, serious threats of harm, or injuries to victims. In addition, this same behavior may violate similar state and local laws, leading to more punishment for those who are responsible. Some examples of illegal behavior include threats made in person, writing or by telephone; vandalism of the home or property; rock throwing; suspicious fires, cross-burning or bombing; or unsuccessful attempts at any of these. The Matthew Shepard and James Byrd, Jr. Hate Crimes Prevention Act of 2009 greatly expanded the federal government's ability to prosecute hate crimes without having to show that the defendant was engaged in a federally protected activity. The Shepard-Byrd Act also empowers the department to prosecute crimes committed because of a person's sexual orientation, gender identity, gender or disability as hate crimes.

[20] The Self-Sufficiency Standard for California, 2018. Center for Women's Welfare, University of Washington. Based on U.S. Census Bureau, 2016 American Community Survey 1-Year Public Use Microdata Sample.

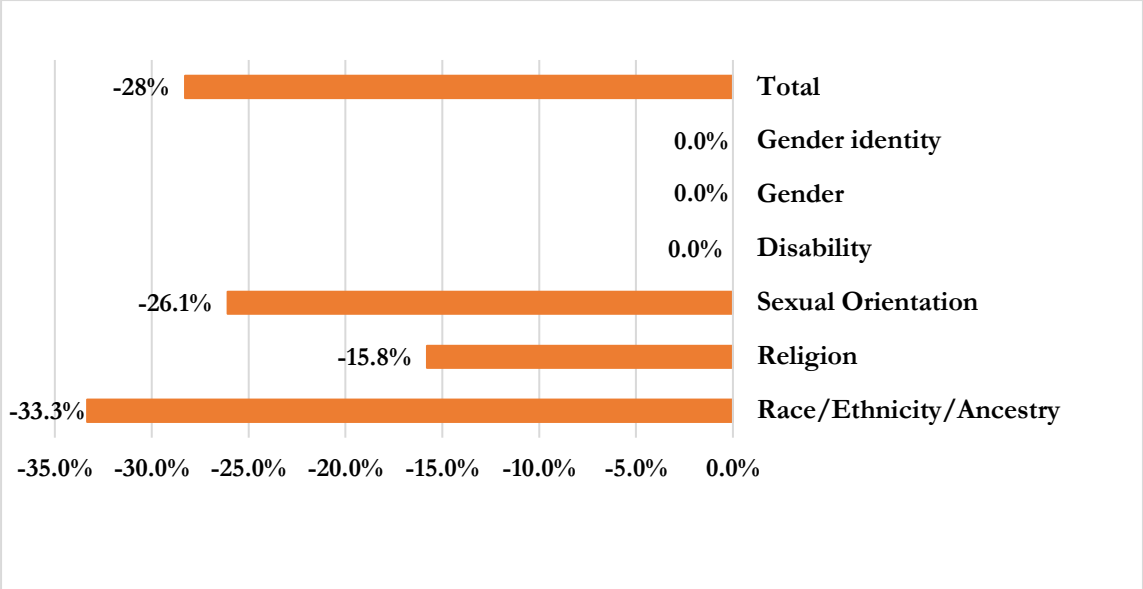
[21] San Diego Regional Taskforce on the Homeless, "2019 San Diego Regional Homeless Profile".

The FBI's Uniform Crime Reporting (UCR) Program releases Hate Crime Statistics annually. Table 26 shows that 71 hate crimes were reported in San Diego County in 2018. The jurisdiction with the largest number of hate crimes was the City of San Diego (40 cases). More than half of reported hate crimes appear to have been motivated by the victim's race, ethnicity, or ancestry. Close to a quarter of reported hate crimes appear to be motivated by the victim's sexual orientation and another 23 percent of hate crimes by religion. However, observations by staff and service providers indicated a spike in hate crimes by religion in 2019.

Hate crimes of all motivations have declined in San Diego region by 28 percent between 2013 and 2018 (Figure 5). However, reporting hate crimes is voluntary on the part of the local jurisdictions. Some states started submitting data only recently, and not all jurisdictions are represented in the reports. Many jurisdictions across the country, including those with well-documented histories of racial prejudice, reported zero hate crimes. Another obstacle to gaining an accurate count of hate crimes is the reluctance of many victims to report such attacks.

However, the incidence of hate crimes appear to be increasing since 2018. While 2019 crime reports have not been published as of April 2020, some jurisdictions reported an increase in hate crimes based on religion in 2019. A study by the California State University of San Bernardino reported 15 hate crimes on between January 1 and May 31 in the City of San Diego with religion being the top bias for these hate crimes[22]. In addition, on April 2020, the San Diego County District Attorney launched a hate crime online reporting form and hotline in response to reported incidents of hate crimes against Asian Americans as a result of COVID-19. Whether these are situational upticks or the beginning of trends remains to be seen.[23]

Figure 5: Change in Hate Crimes between 2013 and 2018



Source: U.S. Federal Bureau of Investigation, Hate Crime Statistics, 2018.

[22] Center for the Study of Hate and Extremism. "Factbook on hate & extremism in the U.S. & internationally" (2019). California State University of San Bernardino.

[23] City News Service. "DA launches hate crime hotline due to incidents against Asians during pandemic" (April 30, 2020). Fox 5 News San Diego.

Table 26: Hate Crime Statistics – 2018

Jurisdiction	Race/ Ethnicity/ Ancestry	Religion	Sexual Orientation	Disability	Gender	Gender Identity	Total
Urban County Cities							
Coronado	0	0	0	0	0	0	0
Del Mar	0	0	0	0	0	0	0
Imperial Beach	1	0	0	0	0	0	1
Lemon Grove	0	0	0	0	0	0	0
Poway	0	1	0	0	0	0	1
Solana Beach	0	0	0	0	0	0	0
Entitlement Jurisdictions							
Carlsbad	4	2	0	0	0	0	6
Chula Vista	1	1	0	0	0	0	2
El Cajon	3	0	1	0	0	0	4
Encinitas	0	3	0	0	0	0	3
Escondido	2	0	0	0	0	0	2
La Mesa	1	0	0	0	0	0	1
National City	0	0	0	0	0	0	0
Oceanside	2	0	0	0	0	0	2
San Diego	20	8	12	0	0	0	40
San Marcos	1	0	0	0	0	0	1
Santee	1	0	0	0	0	0	1
Vista	0	0	1	0	0	0	1
San Diego County	2	1	3	0	0	0	6
Total County	**38**	**16**	**17**	**0**	**0**	**0**	**71**
Percentage	53.5%	22.5%	23.9%	0.0%	0.0%	0.0%	100.0%

Note: *Hate Crime Statistics, 2018* includes data about bias-motivated incidents reported by law enforcement agencies throughout the nation. However, no estimates are included for agencies that do not submit reports.
Source: U.S. Federal Bureau of Investigation, Hate Crime Statistics, 2018.

E. Income Profile

Household income is the most important factor determining a household's ability to balance housing costs with other basic life necessities. Regular income is the means by which most individuals and families finance current consumption and make provision for the future through saving and investment. The level of cash income can be used as an indicator of the standard of living for most of the population. While economic factors that affect a household's housing choice are not a fair housing issue *per se*, the relationships among household income, household type, race/ethnicity, and other factors often create misconceptions and biases that raise fair housing concerns.

1. Median Household Income

The 2013-2017 ACS data shows that the median household income for San Diego County was $70,588. Approximately 36 percent of the county's households earned less than $50,000, nearly 30 percent earned between $50,000 and $99,999 and 35 percent earned more than $100,000 between 2013 and 2017 (Figure 6).

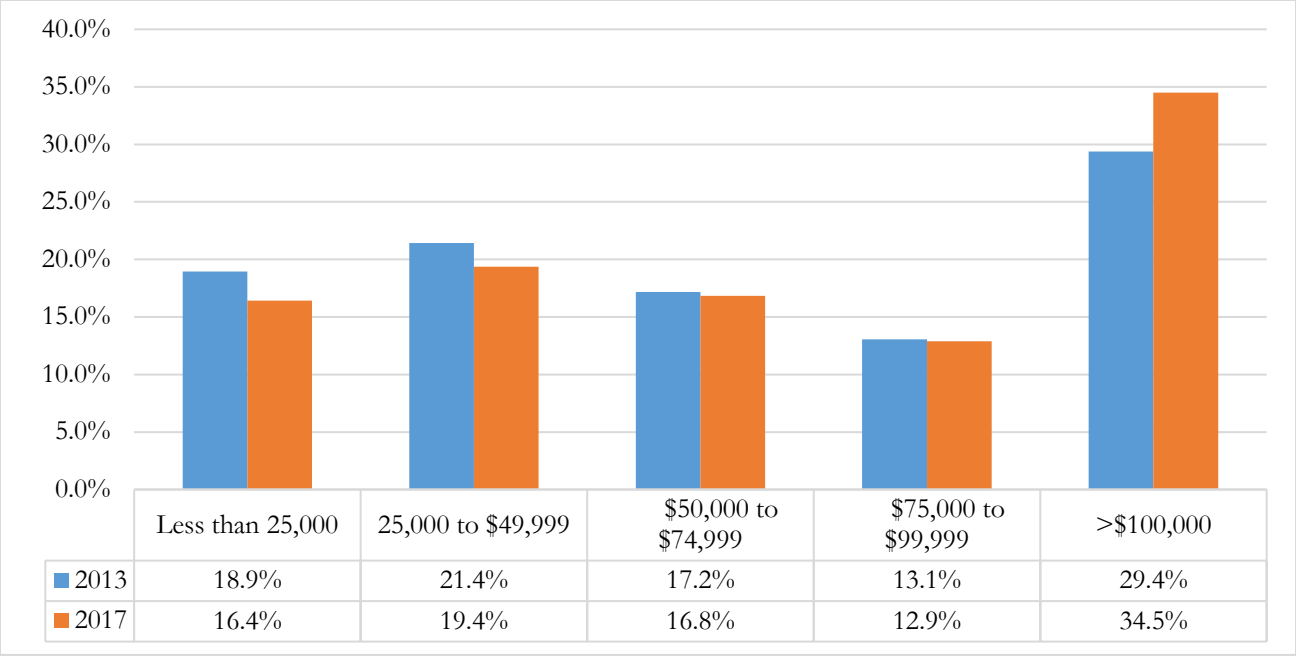
Median income between 2013 and 2017 ranged from a high of $122,563 in Del Mar to a low of $43,168 in National City (Table 27). Areas with high median household incomes are found along the coastal cities of Del Mar and Solana Beach and in Poway. The income gap between cities can be attributed to many factors, including the high cost of housing on the coast, the cities with lower incomes having significantly younger residents, having fewer professional and management employees, or having more students.

Many of the cities with lower median incomes are also cities with a higher proportion of non-white population. For instance, the percent minority population in the jurisdictions with the lowest median incomes Imperial Beach, El Cajon, and National City is 69, 44, and 90 percent, respectively. As stated earlier in this chapter, the median income for Black, Hispanic American Indian, and Alaska Native households was less than 75 percent of the county median while Asian and White household median incomes were 125 and 114 percent of the county median income. In another example, per capita income for Black, Asian, and Hispanic households was five, 12 and 33 percent respectively of the county per capita income, compared with White, non-Hispanic households who earned 46 percent of the county per capita income from 2013 to 2017.

According to 2013 and 2017 ACS data, the median income in the county appears to have risen both in absolute terms and when adjusted for inflation (Table 27). Median county income jumped from $62,962 to $70,588 between 2013 and 2017, a 12-percent gain in absolute terms. However, adjusting the 2013 income to 2017, the number becomes $66,602, with a resulting change to a 6-percent increase. Even when adjusted for inflation, most cities saw an increase in median income, except for Imperial Beach which experienced a modest decline of approximately four percent during this period.[24] However, based on Figure 6, it appears that median income increases are due to the increase in the proportion of households earning more than $100,000.

[24] Inflation calculated with U.S. Department of Labor, Bureau of Labor Statistics inflation calculator https://data.bls.gov/cgi-bin/cpicalc.pl

Figure 6: San Diego County Household Income



	Less than 25,000	25,000 to $49,999	$50,000 to $74,999	$75,000 to $99,999	>$100,000
2013	18.9%	21.4%	17.2%	13.1%	29.4%
2017	16.4%	19.4%	16.8%	12.9%	34.5%

Source: American Community Survey (ACS), 2006-2010, 2013-2017.

Table 27: Median Household Income

Jurisdiction	Median Household Income 2013 (Not Adjusted for Inflation)	Median Household Income 2013 (In 2017 Inflation-Adjusted Dollars)	Median Household Income (2017)	% Change 2013-2017 (Inflation-Adjusted Dollars)
Urban County				
Coronado	$91,103	$96,371	$99,641	3.4%
Del Mar	$107,457	$113,670	$122,563	7.8%
Imperial Beach	$49,268	$52,117	$49,950	-4.2%
Lemon Grove	$51,496	$54,474	$60,309	10.7%
Poway	$93,856	$99,283	$102,338	3.1%
Solana Beach	$86,451	$91,450	$103,864	13.6%
Entitlement Jurisdictions				
Carlsbad	$83,908	$88,760	$102,722	15.7%
Chula Vista	$64,801	$68,548	$70,197	2.4%
El Cajon	$44,112	$46,663	$49,445	6.0%
Encinitas	$91,795	$97,103	$103,842	6.9%
Escondido	$49,362	$52,216	$58,834	12.7%
La Mesa	$53,605	$56,704	$59,629	5.2%
National City	$37,933	$40,126	$43,168	7.6%
Oceanside	$58,153	$61,515	$61,778	0.4%
San Diego	$64,058	$67,762	$71,535	5.6%
San Marcos	$53,657	$56,759	$70,417	24.1%
Santee	$70,899	$74,998	$81,430	8.6%
Vista	$47,346	$50,084	$59,833	19.5%
Total County	**$62,962**	**$66,602**	**$70,588**	**6.0%**
State of California	$61,094	$64,626	$67,169	3.9%

Source: Community Survey (ACS), 2009-2013 and 2013-2017; U.S. Department of Labor, Bureau of Labor Statistics.

2. Income Distribution

HUD periodically receives "custom tabulations" of Census data from the U.S. Census Bureau that are largely not available through standard Census products. The most recent estimates are derived from the 2012-2016 ACS. These data, known as the "CHAS" data (Comprehensive Housing Affordability Strategy), demonstrate the extent of housing problems and housing needs, particularly for low-income households. The CHAS cross-tabulates the Census data to reveal household income in a community in relation to the Area Median Income (AMI).

For purposes of most housing and community development activities, HUD has established four income categories based on the Area Median Income (AMI) for the Metropolitan Statistical Area (MSA). HUD income definitions differ from the State of California income definitions. Table 28 compares the HUD and State income categories. This AI report is a HUD-mandated study and therefore HUD income definitions are used.

Table 28: Income Categories

HUD Definition		State of California (HCD)	
Extremely Low Income	Less than 30% of AMI	Extremely Low Income	Less than 30% of AMI
Low Income	31-50% of AMI	Very Low Income	31-50% of AMI
Moderate Income	51-80% of AMI	Low Income	51-80% of AMI
Middle/Upper Income	Greater than 80% of AMI	Moderate Income	81-120% of AMI
		Above Moderate Income	Greater than 120% of AMI

Source: Department of Housing and Urban Development and California Department of Housing and Community Development, 2013.

Table 29: Income Distribution, 2012-2016

Jurisdiction	Total Households	Extremely Low Income (0-30%)	Low Income (31-50%)	Moderate Income (51-80%)	Middle/Upper Income (80%+)
Urban County					
Coronado	8,980	8.6%	9.4%	14.0%	67.9%
Del Mar	2,260	16.4%	4.0%	2.2%	77.4%
Imperial Beach	9,045	20.6%	18.4%	23.0%	38.0%
Lemon Grove	8,465	14.7%	16.5%	21.8%	47.0%
Poway	15,800	8.7%	8.9%	12.9%	69.5%
Solana Beach	5,750	7.6%	7.7%	12.2%	72.5%
Entitlement Jurisdictions					
Carlsbad	42,925	10.5%	7.5%	11.2%	70.8%
Chula Vista	77,810	15.7%	13.7%	18.4%	52.3%
El Cajon	32,940	24.8%	17.8%	19.1%	38.3%
Encinitas	23,690	9.9%	9.3%	9.6%	71.1%
Escondido	45,220	18.6%	18.4%	19.1%	43.8%
La Mesa	23,770	15.2%	14.6%	19.9%	50.4%
National City	15,860	29.1%	18.1%	23.3%	29.5%
Oceanside	61,475	16.1%	13.7%	21.0%	49.2%
San Diego	490,220	15.1%	12.2%	16.6%	56.1%
San Marcos	29,125	16.6%	14.4%	18.3%	50.7%
Santee	19,520	9.1%	10.0%	18.8%	62.1%
Vista	30,635	16.5%	18.8%	21.2%	43.5%
Total County	**1,103,125**	**15.1%**	**13.0%**	**17.4%**	**54.4%**

Note: Data presented in this table is based on special tabulations from sample Census data. The number of households in each category usually deviates slightly from the 100% count due to the need to extrapolate sample data out to total households. Interpretations of this data should focus on the proportion of households in need of assistance rather than on precise numbers.
Source: HUD Comprehensive Housing Affordability Strategy (CHAS) Data, 2012-2016.

3. Income by Household Type and Race/Ethnicity

Household income often varies by household type and tenure. As shown, in Table 30, the majority of the City's extremely low, low, and moderate-income households experienced at least one housing problem and cost burden. As defined by CHAS, housing problems include:

- Units with physical defects (lacking complete kitchen or bathroom);
- Overcrowded conditions (housing units with more than one person per room);
- Housing cost burden, including utilities, exceeding 30 percent of gross income; and
- Severe housing cost burden, including utilities, exceeding 50 percent of gross income.

Renter households were also disproportionately affected with housing problems. The percentage of owner households with housing problems was 35.1 percent between 2012 and 2016, compared to the 56.8 percent of renter households. When comparing by household types, a greater proportion of renter elderly, renter small family, and renter large family households faced housing problems than owner households of the same type.

Race/ethnicity can indicate housing need to the extent that different race/ethnic groups earn different incomes. Overall, lower-income households represented just over 28 percent of all households in San Diego County in 2012-2016. However, certain groups had higher proportions of lower-income households. Specifically, Hispanic (40.9 percent) and Black (36.8 percent) households had a considerably higher proportion of lower-income households than the rest of the county (Table 31). Proportionally fewer Asian (22.8 percent) and Non-Hispanic White households (22.9 percent) fell in the lower-income category compared to the county average.

Table 30: Housing Assistance Needs of Low and Moderate Income Households (2012-2016)

Household by Type, Income & Housing Problem	Renters				Owners				Total Households
	Elderly (65 years or older)	Small Families (1-4 members)	Large Families (5+ members)	Total Renters	Elderly (65 years or older)	Small Families (1-4 members)	Large Families (5+ members)	Total Owners	
Extremely Low Income (0-30% AMI)	**26,585**	**43,555**	**13,770**	**119,030**	**23,750**	**13,230**	**2,210**	**47,700**	**166,730**
% of Household Type	**37.2%**	**19.2%**	**24.6%**	**22.8%**	**12.4%**	**5.1%**	**3.9%**	**8.2%**	**15.1%**
#% with Any Housing Problems	74.1%	85.5%	96.8%	79.7%	69.7%	59.1%	89.6%	66.9%	76.0%
#% with Cost Burden > 30%	73.0%	84.5%	91.8%	78.1%	69.5%	58.2%	84.2%	66.1%	74.6%
Low Income (31-50% AMI)	**15,100**	**41,795**	**13,615**	**93,670**	**26,435**	**13,110**	**4,985**	**49,995**	**143,665**
% of Household Type	**21.1%**	**18.4%**	**24.3%**	**18.0%**	**13.8%**	**5.0%**	**8.7%**	**8.6%**	**13.0%**
#% with Any Housing Problems	81.0%	88.8%	95.5%	89.3%	51.3%	75.6%	84.1%	63.1%	80.2%
#% with Cost Burden > 30%	79.9%	86.1%	81.9%	85.8%	51.0%	74.3%	68.1%	61.0%	77.2%
Moderate Income (51-80% AMI)	**11,930**	**50,650**	**13,550**	**107,295**	**35,855**	**29,855**	**10,295**	**85,145**	**192,440**
% of Household Type	**16.7%**	**22.3%**	**24.2%**	**20.6%**	**18.7%**	**11.4%**	**18.0%**	**14.6%**	**17.4%**
#% with Any Housing Problems	64.4%	66.6%	82.9%	68.4%	40.5%	66.6%	74.4%	56.7%	63.2%
#% with Cost Burden > 30%	60.6%	59.3%	44.9%	59.3%	40.1%	65.3%	56.0%	53.8%	56.9%
Middle/Upper Income (81% + AMI)	**17,800**	**91,365**	**15,015**	**201,495**	**105,865**	**205,680**	**39,815**	**398,805**	**600,300**
% of Household Type	**24.9%**	**40.2%**	**26.8%**	**38.6%**	**55.2%**	**78.5%**	**69.5%**	**68.6%**	**54.4%**
#% with Any Housing Problems	26.6%	20.9%	46.5%	22.1%	19.5%	21.4%	34.4%	23.1%	22.8%
% with cost burden > 30%	23.4%	16.3%	12.5%	16.6%	19.1%	20.5%	21.4%	21.2%	19.7%
Total Households	**71,415**	**227,365**	**55,950**	**521,490**	**191,905**	**261,875**	**57,305**	**581,645**	**1,103,135**
% with Any Housing Problems	62.1%	55.9%	79.6%	56.8%	34.0%	31.2%	48.0%	35.1%	45.4%
% with Cost Burden > 30%	60.0%	51.7%	56.7%	51.9%	33.7%	30.2%	34.1%	33.1%	42.0%

Note: Data presented in this table is based on special tabulations from sample Census data. The number of households in each category usually deviates slightly from the 100% count due to the need to extrapolate sample data out to total households. Interpretations of this data should focus on the proportion of households in need of assistance rather than on precise numbers.
Source: HUD Comprehensive Housing Affordability Strategy (CHAS), 2012-2016.

Table 31: Income by Race/Ethnicity

Income Level	All Households		Non-Hispanic White	Hispanic or Latino	Black	Asian
Extremely Low Income (0-30% AMI)	166,720	15.1%	12.3%	21.1%	21.8%	12.7%
Low Income (31-50% AMI)	143,680	13.0%	10.6%	19.8%	15.0%	10.1%
Moderate Income (51-80% AMI)	192,440	17.4%	15.6%	22.2%	19.6%	15.6%
Middle/Upper Income (81% + AMI)	600,305	54.4%	61.5%	36.9%	43.5%	61.6%
Percent of Total Households	**1,103,145**	**100.0%**	**57.6%**	**24.5%**	**4.8%**	**10.3%**

Note: Data presented in this table is based on special tabulations from sample Census data. The number of households in each category usually deviates slightly from the 100% count due to the need to extrapolate sample data out to total households. Interpretations of this data should focus on the proportion of households in need of assistance rather than on precise numbers.
Source: HUD Comprehensive Housing Affordability Strategy (CHAS) Data, 2012-2016.

4. Concentrations of Lower- and Moderate-Income Populations

Figure 7 shows the Lower and Moderate Income (LMI) areas in the county by Census block group. Determining LMI areas is important for programming Community Development Block Grant (CDBG) activities. The CDBG program requires that each CDBG funded activity must "either principally benefit low- and moderate-income (LMI) persons, aid in the prevention or elimination of slums or blight, or meet a community development need having a particular urgency." Activities may also qualify for CDBG funds if the activity will benefit all the residents of a primarily residential area where at least 51 percent of the residents are low- and moderate-income persons.

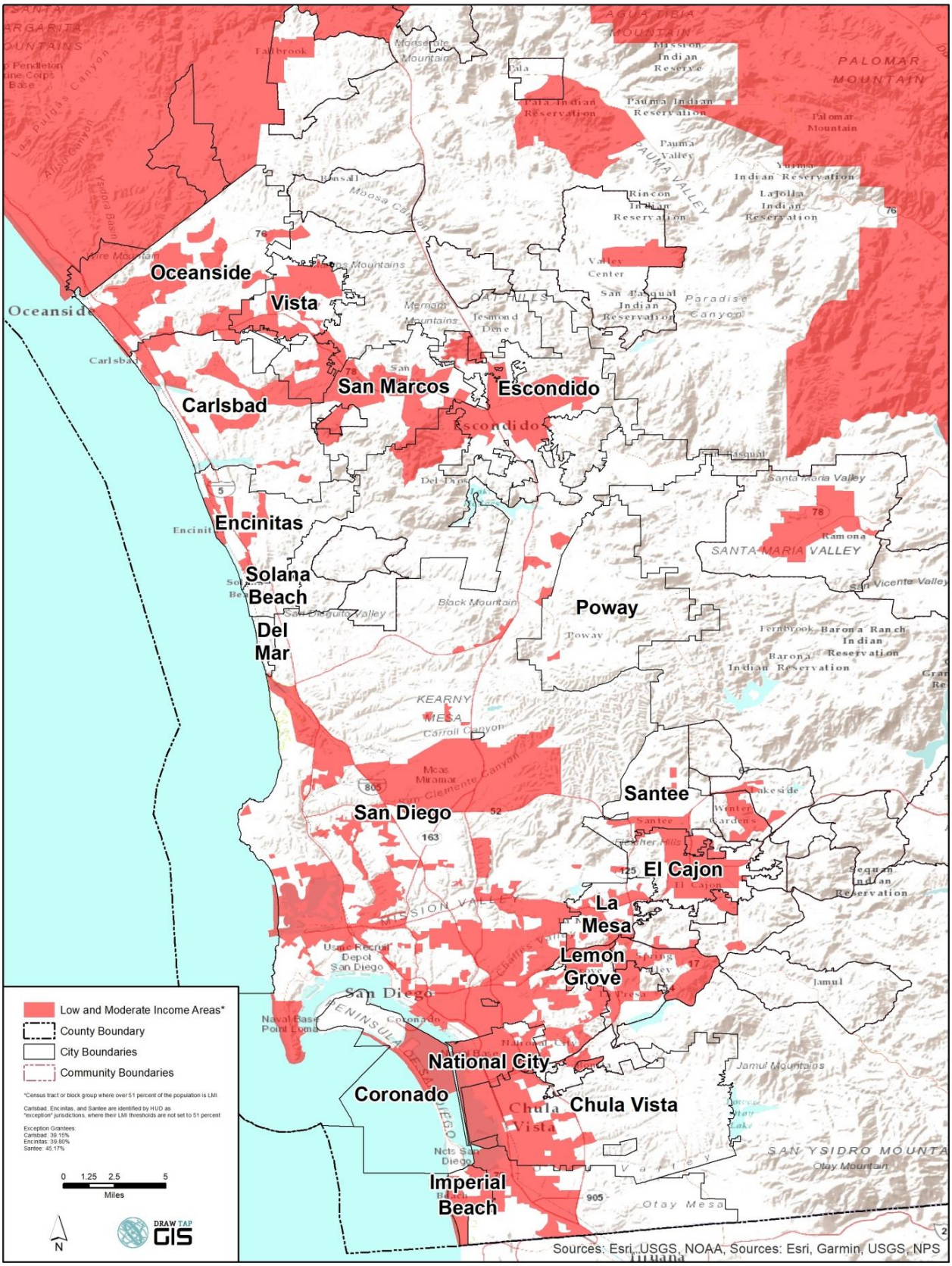
Typically, HUD defines a LMI area as a Census tract or block group where over 51 percent of the population is LMI. However, certain communities are higher income, with few block groups qualifying as LMI using this definition. These communities are considered "exception" jurisdictions. The cities of Carlsbad, Encinitas, and Santee are identified by HUD as "exception" jurisdictions (where their LMI thresholds are not set at 51 percent). LMI areas in these communities are defined as the top 25 percent (fourth quartile) of block groups with the highest concentration of low-and moderate-income population.

For FY 2019-20, the LMI thresholds for these "exception" jurisdictions are:

- City of Carlsbad: 39.2 percent
- City of Encinitas: 39.8 percent
- City of Santee: 45.2 percent

Low- and moderate-income (LMI) areas are concentrated in three very general areas. In the North County area, LMI areas are seen at Camp Pendleton and in the cities of Oceanside, Vista, San Marcos, and Escondido, in a pattern generally following State Route 78. In the southern portion of the county, clusters of LMI areas are seen in the central and southern areas of the City of San Diego and continuing down to the U.S./Mexico border. In the East County areas, there are vast LMI areas in sparsely populated parts of the unincorporated county and in the City of El Cajon.

Figure 7: Low and Moderate Income Areas



5. Concentrations of Poverty

National poverty data suggests that people living in poverty tend to be clustered in certain communities rather than being evenly distributed across geographic areas. Identifying concentrations of poverty is important because living in areas with many other poor people has been shown to places burdens on low-income families beyond what the families' own individual circumstances would dictate. Other research indicates that this concentration of poverty can result in higher crime rates, underperforming public schools, poor housing and health conditions, as well as limited access to private services and job opportunities.[25] The consequences of poverty are particularly harmful to children. Children who grow up in densely poor neighborhoods and attend low-income schools face many barriers to academic and occupational achievement.

Countywide, over 13 percent of residents (or 427,031 persons) were living below the poverty level (according to 2013-2017 ACS data).[26] Poverty was more prevalent for specific groups such as Hispanics 18.7 percent), Blacks (19.9 percent), and adults with less than a high school education (23.4 percent). In contrast, 12.6 percent of White residents, 10.3 percent of Asian residents, and five percent of residents with at least a bachelor's degree were living below the poverty level during the same time period.

Figure 8 shows the geographic concentration of poverty in San Diego County (areas where the proportion of persons living in poverty is greater than countywide). According to the 2013-2017 ACS estimates, 13.3 percent of the population is living below the poverty line countywide. Similar to low- and moderate-income areas, areas of poverty concentration are clustered in three general areas of the County. In North County, concentrations can be seen in the cities of Oceanside, San Marcos, Escondido, Carlsbad and Encinitas. In the southern portion of the county, concentrations can be seen in the central areas of the City of San Diego.

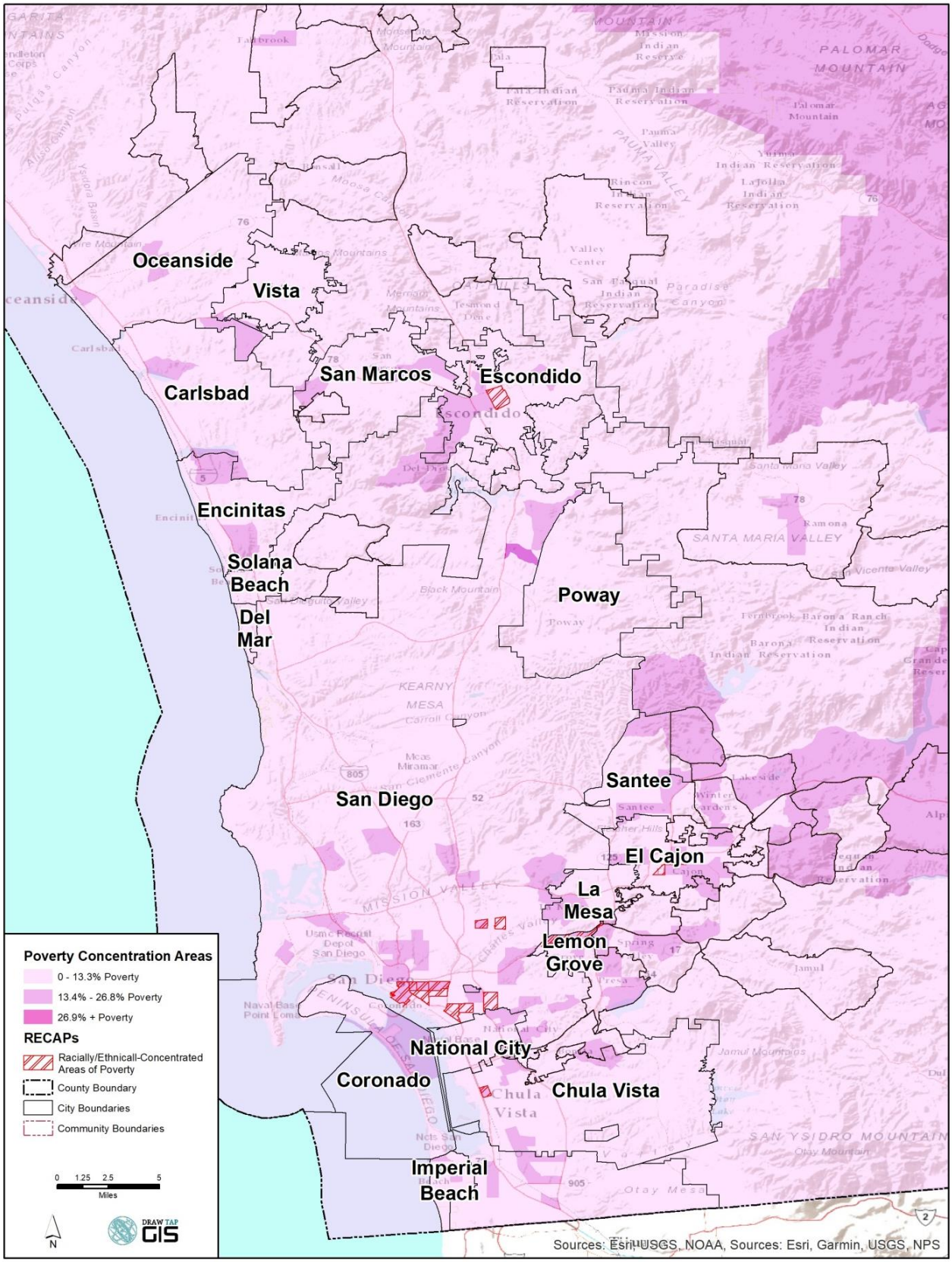
Increasing concentrations of low-income and poverty households are linked to racial and ethnic concentrations. In East County, poverty concentrations can be seen in many parts of the unincorporated county and in El Cajon. Many of the areas with a concentration of poverty in the western part of the county (in and around the incorporated cities) are also areas with minority concentrations. In some areas such as La Jolla and San Marcos, the large student populations may contribute to poverty concentrations.

In an effort to identify racially/ethnically-concentrated areas of poverty (RECAPs), HUD has identified census tracts with a majority non-White population (greater than 50 percent) and has a poverty rate that exceeds 40 percent or is three times the average tract poverty rate for the metro/micro area, whichever threshold is lower. An analysis of racially and ethnically concentrated areas of poverty is important because families who live in such neighborhoods encounter challenges and stresses that hinder their ability to reach their full potential, and such neighborhoods impose extra costs on neighboring communities and the region. In San Diego County, there are RECAPs scattered in small sections of Escondido, El Cajon, La Mesa, Lemon Grove, National City, and Chula Vista. Larger RECAP clusters can be seen in the central/southern portion of the City of San Diego.

[25] U.S. Census Bureau, "Areas with Concentrated Poverty: 2006–2010". American Community Survey Briefs, December 2 011.

[26] The U.S. Census Bureau determines poverty status by comparing annual income to a set of dollar values called poverty thresholds that vary by family size, number of children, and age of householder. If a family's before tax money income is less than the dollar value of their threshold, then that family and every individual in it are considered to be in poverty. For people not living in families, poverty status is determined by comparing the individual's income to his or her poverty threshold.

Figure 8: Poverty Concentration Areas



F. Housing Profile

A discussion of fair housing choice must include an assessment of the housing market being analyzed. This section provides an overview of the characteristics of the local and regional housing markets. The Census Bureau defines a housing unit as a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied (or, if vacant, is intended for occupancy) as separate living quarters. Separate living quarters are those in which the occupants live separately from any other individuals in the building and which have direct access from outside the building or through a common hall.

1. Housing Growth

Housing data reveals that the San Diego County housing stock increased by almost five percent between 2010 and 2019 (Table 32), the most recent Census data available and the most current housing estimates available.

This growth rate is lower than the preceding decade where housing growth increased by almost 12 percent from 2000 to 2010. Among jurisdictions in the county, the City of San Marcos continued to experience the largest housing growth (12.2 percent) followed by Chula Vista (7.7 percent) and San Diego (5.9 percent). These housing growth rates are small compared to those between 2000 and 2010, where the highest rates ranged from 52 to 32 percent. In the last decade, most jurisdictions in the county experienced housing growth of less than five percent.

SANDAG growth forecasts estimate that by 2035, the county's housing stock will increase by 14.4 percent. The cities of National City, Chula Vista, and San Diego are expected to see housing stock growth that in excess of 15 percent (20.9 percent, 18.3 percent, and 17.4 percent, respectively). The estimated population growth for the county is expected to exceed production marginally (growth from 3.4 to 3.9 million, 15 percent) Inability to produce enough housing units to accommodate growth in the number of households will reduce vacancy rates, could drive up market prices, increase the incidence of overcrowding.

Table 32: Housing Unit Growth

Jurisdiction	# of Units 2010	# of Units 2019	% Change 2010 to 2019	Projected 2035	% Change 2019-2035
Urban County					
Coronado	9,634	9,740	1.1%	9,697	-0.4%
Del Mar	2,596	2,625	1.1%	2,653	1.1%
Imperial Beach	9,882	10,074	1.9%	10,926	8.5%
Lemon Grove	8,868	9,114	2.8%	9,654	5.9%
Poway	16,715	16,917	1.2%	17,685	4.5%
Solana Beach	6,540	6,569	0.4%	6,833	4.0%
Unincorporated	173,756	178,844	2.9%	209,506	17.1%
Total Urban County	227,991	233,883	2.6%	266,954	14.1%
Entitlement Cities					
Carlsbad	44,673	47,080	5.4%	50,261	6.8%
Chula Vista	79,416	85,535	7.7%	101,188	18.3%
El Cajon	35,850	36,148	0.8%	38,163	5.6%
Encinitas	25,740	26,495	2.9%	26,765	1.0%
Escondido	48,044	48,833	1.6%	55,633	13.9%
La Mesa	26,167	26,869	2.7%	30,001	11.7%
National City	16,762	17,264	3.0%	20,877	20.9%
Oceanside	64,435	65,902	2.3%	70,395	6.8%
San Diego	515,275	545,645	5.9%	640,668	17.4%
San Marcos	28,641	32,126	12.2%	35,795	11.4%
Santee	20,048	21,100	5.2%	22,776	7.9%
Vista	30,986	32,580	5.1%	35,307	8.4%
Total County	**1,164,028**	**1,219,460**	**4.8%**	**1,394,783**	**14.4%**

Sources: Bureau of the Census, 2010 Census; SANDAG Series 13 Regional Growth Forecast; California Department of Finance Housing Estimates (E5), 2019.

2. Housing Type

A region's housing stock generally includes three categories: single-family dwelling units, multi-family dwelling units, and other types of units such as mobile homes. Single-family units are attached or detached dwelling units usually on individual lots of land. As shown in Table 33, approximately 60 percent of the housing units in the county are single-family dwellings. The cities of Del Mar, Lemon Grove, Poway, Carlsbad and Encinitas, as well as the unincorporated county areas, have a much larger proportion of this housing unit type (over 70 percent), while El Cajon and Imperial Beach have a much lower proportion (less than 50 percent).

Table 33: Housing Stock Mix 2019

Jurisdiction	Single Family Units			Multi-Family Units			Mobile Homes
	Detached	Attached	Total	2-4 Units	5+ Units	Total	
Urban County							
Coronado	45.7%	10.7%	56.4%	6.8%	36.8%	43.5%	0.0%
Del Mar	51.6%	19.7%	71.3%	7.7%	21.1%	28.7%	0.0%
Imperial Beach	39.1%	7.6%	46.7%	12.3%	37.9%	50.1%	3.2%
Lemon Grove	65.9%	8.7%	74.6%	7.3%	17.2%	24.5%	0.9%
Poway	75.1%	4.1%	79.1%	2.4%	13.6%	16.0%	4.9%
Solana Beach	47.8%	19.4%	67.2%	6.2%	26.4%	32.6%	0.2%
Unincorporated	68.6%	5.9%	74.5%	4.6%	12.4%	17.1%	8.4%
Total Urban County	66.0%	6.7%	72.6%	5.1%	15.3%	20.4%	7.0%
Entitlement Jurisdictions							
Carlsbad	53.1%	16.9%	70.0%	5.5%	21.8%	27.2%	2.7%
Chula Vista	53.5%	9.8%	63.4%	5.9%	26.0%	31.9%	4.8%
El Cajon	41.1%	4.9%	46.0%	7.8%	40.8%	48.7%	5.3%
Encinitas	58.1%	18.7%	76.8%	6.8%	13.8%	20.6%	2.6%
Escondido	50.8%	6.1%	56.9%	6.8%	28.5%	35.3%	7.7%
La Mesa	46.9%	6.0%	52.9%	9.0%	37.4%	46.5%	0.7%
National City	43.3%	9.4%	52.7%	9.2%	35.6%	44.8%	2.5%
Oceanside	52.5%	11.5%	64.0%	8.8%	22.2%	31.0%	5.0%
San Diego	44.3%	8.6%	52.9%	8.3%	37.6%	45.8%	1.2%
San Marcos	51.1%	6.9%	58.0%	3.9%	27.8%	31.6%	10.4%
Santee	55.6%	9.1%	64.8%	5.9%	18.2%	24.1%	11.1%
Vista	49.3%	7.4%	56.8%	7.2%	30.3%	37.4%	5.8%
Total County	**50.9%**	**8.7%**	**59.6%**	**7.2%**	**29.4%**	**36.6%**	**3.8%**

Source: California Department of Finance, Population and Housing Estimates (E5), 2019.

3. Tenure and Vacancy

Housing tenure describes the arrangement by which a household occupies a housing unit; that is, whether a housing unit is owner-occupied or renter-occupied. Tenure preferences are primarily related to household income, composition, and age of the resident. Communities need to have an adequate supply of units available both for rent and for sale in order to accommodate a range of households with varying incomes, family sizes, composition, lifestyles, etc. A person and households may face different housing issues in the rental housing market versus the for-sale housing market. Residential stability is also influenced by tenure with ownership housing resulting in a much lower turnover rate than rental housing.

As seen in Table 34, San Diego County has a higher proportion of owner-occupied housing (53 percent) than renter-occupied housing (47 percent). The ownership level fell by 1.4 percent between 2010 and 2017, but was still below the national level of 63.8 percent and slightly lower than the 54.5 percent State figure for housing ownership. However, ownership rates decreased at all levels between 2010 and 2017.

Half of the jurisdictions in the county had more owner-occupied housing units than renter-occupied units. Exceptions include Coronado, Imperial Beach, El Cajon, Escondido, La Mesa, National City, San Diego, and Vista. The tenure distribution in Coronado, Imperial Beach, and National City may be attributed to the large proportion of military families in those cities living off base due to the lack of, or demand for, housing and the close proximity of the cities to military bases. The large proportion of renters in El Cajon is partially explained by the large amount of multi-family housing in the City.

Table 34: Housing Tenure and Vacancy

Jurisdiction	Percent Owner-Occupied	Percent Renter-Occupied	Vacancy Rate
Urban County			
Coronado	49.2%	50.8%	26.8%
Del Mar	53.4%	46.6%	31.6%
Imperial Beach	31.8%	68.2%	14.3%
Lemon Grove	54.1%	45.9%	5.4%
Poway	74.4%	25.6%	4.1%
Solana Beach	58.6%	41.4%	16.0%
Unincorporated	67.6%	32.4%	9.1%
Total Urban County	64.9%	35.1%	9.9%
Entitlement Jurisdictions			
Carlsbad	65.0%	35.0%	8.9%
Chula Vista	58.0%	42.0%	8.9%
El Cajon	38.2%	61.8%	3.1%
Encinitas	63.8%	36.2%	8.4%
Escondido	49.8%	50.2%	4.5%
La Mesa	41.6%	58.4%	6.4%
National City	32.1%	67.9%	7.1%
Oceanside	56.0%	44.0%	7.6%
San Diego	46.8%	53.2%	7.4%
San Marcos	61.3%	38.7%	4.5%
Santee	69.0%	31.0%	4.3%
Vista	49.2%	50.8%	3.6%
Total County	**65.0%**	**35.0%**	**8.9%**

Sources: American Community Survey, 2013-2017.

4. Tenure by Income and Race/Ethnicity

A substantial income and housing disparity exists between owner- and renter-households. Table 35 indicates that San Diego County renters are more likely to be lower and moderate income and are more likely to experience housing problems such as cost burden and substandard housing conditions.

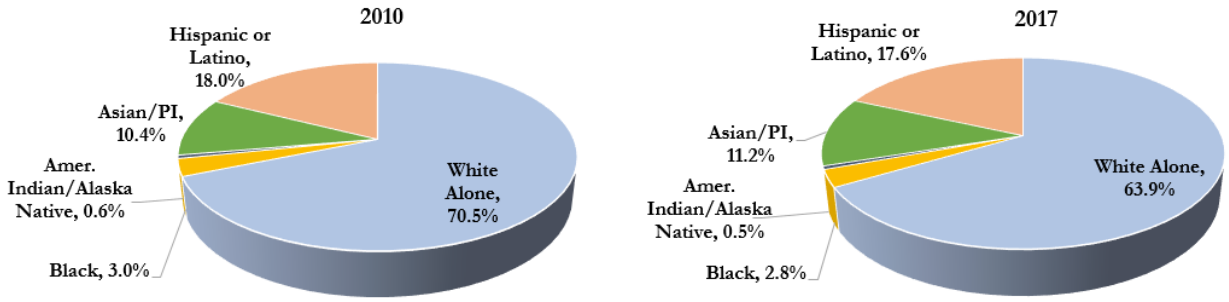
The county's tenure distribution also has a racial and ethnic component as many ethnic minority populations in San Diego County have not achieved housing homeownership as readily as the White population. In fact as of 2017, the majority of owner-occupied households were White (Figure 9). Of those who owned the housing units they occupied, 64 percent were White; 18 percent were Hispanic; three percent were Black; and 11 percent were Asian/Pacific Islanders. Comparing these figures to race data from the 2013-2017 ACS demonstrates that minorities in the county are underrepresented in terms of homeownership. For comparison purposes, according to 2013-2017 ACS data, Whites are 46 percent of the county population, Hispanics are 33 percent, while 12 percent are Asian/Pacific Islander and only five percent of the population was Black.

Table 35: Housing Problems by Tenure

Tenure	Percent of All Households	Percent Low and Moderate Income	Percent with Housing Problems	Percent with Cost Burden (>30%)
Renters	47.3%	61.4%	56.8%	51.9%
Owners	52.7%	31.4%	35.1%	33.1%
Total Households	**100.0%**	**45.6%**	**45.4%**	**42.0%**

Source: HUD Comprehensive Housing Affordability Strategy (CHAS) Data, 2012-2016.

Figure 9: Race of Homeowner



Sources: American Community Survey (1-year estimates), 2010, 2017.

G. Housing Condition

Assessing housing conditions in San Diego County can provide the basis for developing policies and programs to maintain and preserve the quality of the housing stock. Housing age can indicate general housing conditions within a community. Housing is subject to gradual deterioration over time. Deteriorating housing can depress neighboring property values, discourage reinvestment, and impact the quality of life in a neighborhood. State and federal housing programs typically consider the age of a community's housing stock when estimating rehabilitation needs. In general, most homes begin to require major repairs or have significant rehabilitation needs at 30 or 40 years of age. Furthermore, housing units constructed prior to 1979 are more likely to contain lead-based paint.

The housing stock in the San Diego region is older, with a majority of the housing units (54 percent) built before 1979 and is at least 40 years old (Table 36). The highest percentages of pre-1980 housing units are generally found in the older, urbanized neighborhoods of the cities of La Mesa, Lemon Grove, El Cajon, San Diego, Coronado and National City and will most likely have the largest proportions of housing units potentially in need of rehabilitation. Home rehabilitation can be an obstacle for senior homeowners with fixed incomes and mobility issues.

1. Lead-Based Paint Hazard

Housing age is a key variable used to estimate the number of housing units with lead-based paint (LBP). Lead based-paint was banned in the United States in 1978. Residences constructed before 1978 may have lead-based paint hazards. According to the federal Centers for Disease Control (CDC), approximately 250,000 children aged one to five years in the United States have elevated levels of lead in their blood. High blood lead levels are a concern because they may be harmful to a child's developing organ systems such as the kidneys, brain, liver, and blood-forming tissues, potentially affecting a child's ability to learn. Very high blood lead levels can cause devastating health consequences, including seizures, coma, and even death. Children are much more vulnerable to lead poisoning than adults because children tend to put items into their mouths and some of these items may contain lead paint. In addition, their bodies absorb up to 40 percent of the lead with which they come into contact, as opposed to only ten percent absorbed by adults. Lead can enter the body through breathing or ingestion. Several factors contribute to higher incidence of lead poisoning:

- All children under the age of six years old are at higher risk.
- Children living at or below the poverty line are at a higher risk.
- Children in older housing are at higher risk.
- Children of some racial and ethnic groups and those living in older housing are at disproportionately higher risk.

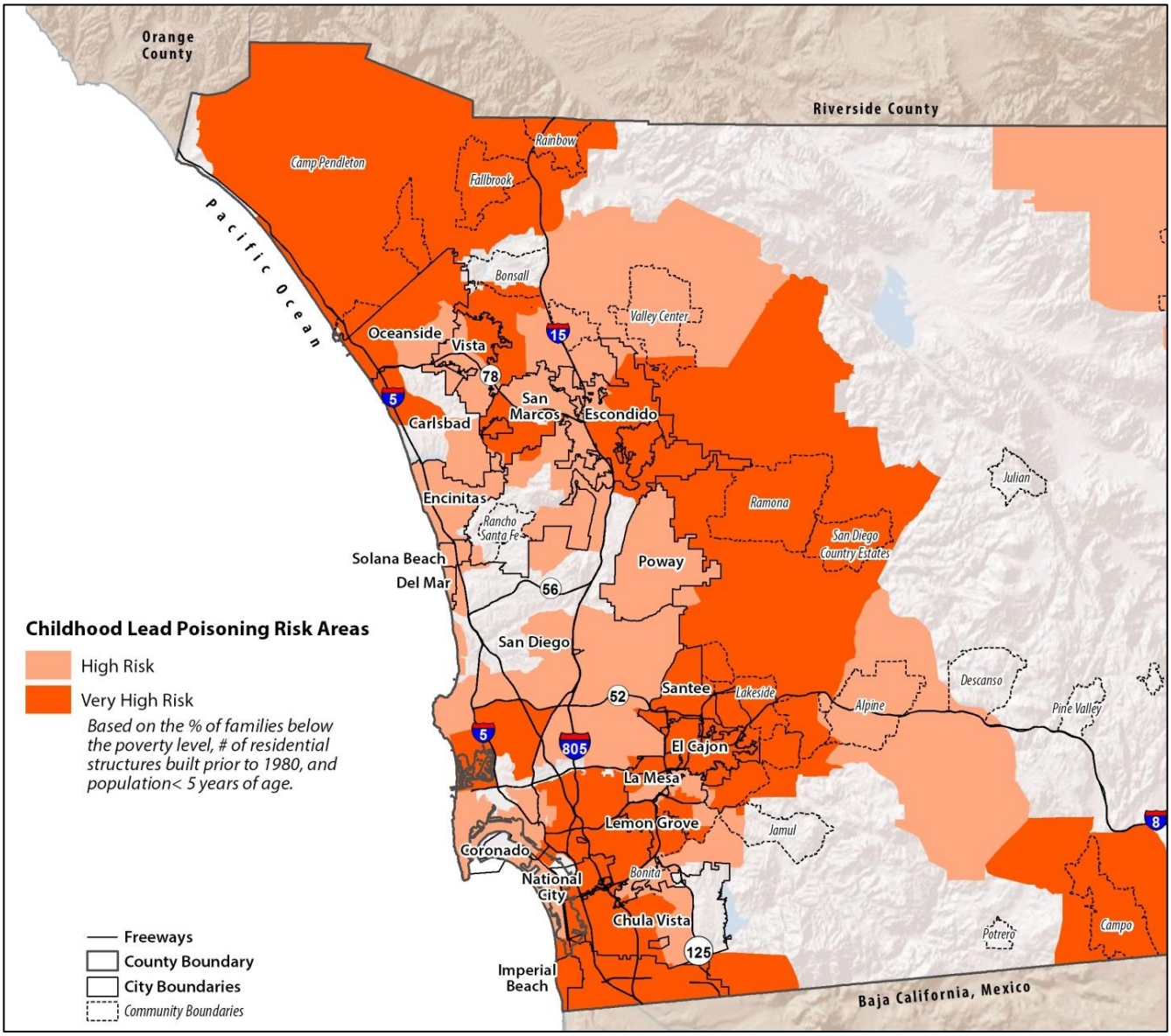
According to the County Health and Human Services Agency, between 2013 and 2017, 273 cases of lead-poisoning (Blood Lead Level > 9.5 mcg/dL or greater) among children under 21 years of age were recorded. This figure is an increase from the reported 104 cases between 2009 and 2013. However, the increase may be due to changes in the reporting threshold from 14.4mcg/dL to 9.5mcg/dL.

Table 36: Housing Age and Lead-Poisoning Cases

Jurisdiction	Built 1960-1979	Built 1940-1959	Built Before 1940	Median Year Built	Lead Poisoning Cases 2009-2013
Urban County					
Coronado	38.0%	19.3%	15.1%	1972	-
Del Mar	53.3%	18.7%	3.1%	1971	-
Imperial Beach	40.9%	30.0%	2.5%	1970	-
Lemon Grove	34.7%	40.8%	4.9%	1963	-
Poway	48.0%	7.0%	0.9%	1978	-
Solana Beach	54.6%	12.4%	2.5%	1976	-
Unincorporated	34.7%	10.4%	2.6%	-	5
Total Urban County	36.9%	12.7%	3.2%	-	5
Entitlement Jurisdictions					
Carlsbad	26.3%	4.6%	1.1%	1987	2
Chula Vista	28.5%	16.4%	1.4%	1983	6
El Cajon	45.3%	23.4%	1.1%	1973	8
Encinitas	42.0%	10.4%	3.3%	1978	2
Escondido	38.3%	7.4%	2.3%	1981	6
La Mesa	41.1%	30.6%	5.0%	1969	1
National City	36.8%	25.3%	8.0%	1970	3
Oceanside	33.2%	7.5%	1.4%	1983	9
San Diego	34.2%	16.7%	6.9%	1976	4
San Marcos	26.8%	2.8%	0.7%	1990	6
Santee	52.0%	8.4%	0.8%	1977	-
Vista	33.5%	8.2%	1.6%	1982	7
Total County	**34.9%**	**14.3%**	**4.4%**	**1978**	**1**

Note: Lead poisoning cases refer to children under 21 years of age with a venous BLL 14.5 ug/dL or greater.
Sources: American Community Survey (ACS), 2009-2013; County of San Diego Childhood Lead Poisoning Prevention Program (CLPPP) Epidemiology & Immunization Services, Public Health Services, 2014.

Figure 10: Childhood Lead Poisoning Risk Areas



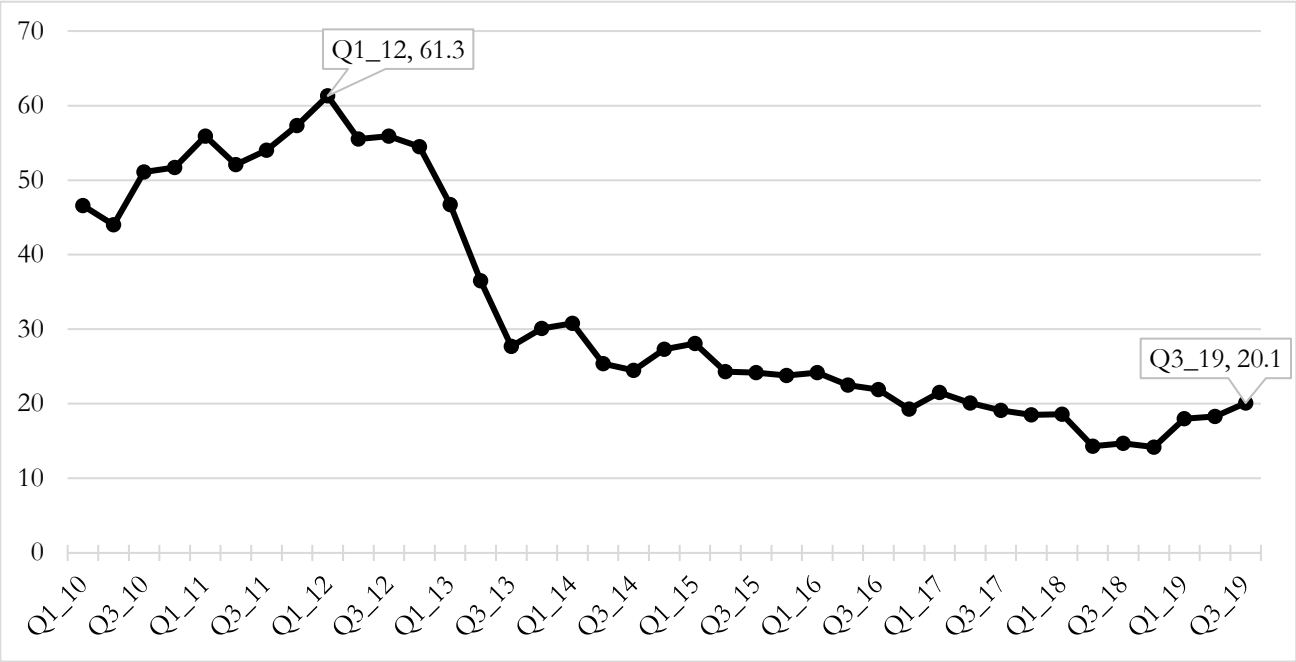
H. Housing Cost and Affordability

This section evaluates the affordability of the housing stock in San Diego County to low and moderate income households. If housing costs are relatively high in comparison to household income, a correspondingly high rate of housing problems occurs. It is important to emphasize that housing affordability alone is not a fair housing issue. However, fair housing concerns may arise when housing affordability interacts with other factors covered under the fair housing laws, such as household type, composition, and race/ethnicity.

1. Housing Cost

Every year, the National Association of Home Builders (NAHB) tracks the ability of households to afford a home in metropolitan areas across the country. NAHB develops a Housing Opportunity Index (HOI) for a given area that is defined as the share of homes sold in that area that would have been affordable to a family earning that area's median income. The nation's 10 least affordable metro areas in 2019 were located in California. The San Diego-Carlsbad-San Marcos Metropolitan Statistical Area (MSA) is one of the least affordable areas in the nation ranking as the sixth least affordable region in the United States. In 2019 (Third Quarter), only 20 percent of the homes sold in the San Diego MSA were affordable to a family earning the area's median income. Figure 11 shows that affordability for the region peaked in 2012 during the recession and has dropped considerably since then.

Figure 11: Housing Opportunity Index Trend (2010-2019)



Note: Housing Opportunity Index represents the percentage of homes sold that were affordable to families earning the median income during the respective quarter.
Source: National Association of Home Builders, The NAHB/Wells Fargo Housing Opportunity Index: Complete History by Metropolitan Area (2012-Current).

According to HUD's 2012-2016 Comprehensive Housing Affordability Strategy (CHAS) data, close to 20 percent of households in San Diego County paid more than half their income on housing. As cost of living is consistently on the rise, housing affordability drops, and lower-income families are most acutely affected. The California Housing Partnership (CHPC) estimates that the county's lowest-income renters spend 69 percent of their income on rent.[27] The CHPC estimated that in 2018, renters needed to earn $38.31/hr (three times the minimum wage) to afford the median monthly asking rate of $1,992. Rents increase in response to demand and more renter households have entered the San Diego market since 2006, many because of displacement during the foreclosure crisis.

Table 37 displays median home sale prices for each jurisdiction in San Diego County. For 2019, the median sales price for homes in San Diego County was $594,909, an increase of 38 percent from 2014. Home prices vary by area/jurisdiction, with very high median prices in coastal areas such as the cities of Coronado, Del Mar, and Solana Beach. Imperial Beach and Lemon Grove had the lowest median sales price in the region.

Table 37: Median Home Sale Prices by Jurisdiction

County/City/Area	# Sold Nov. 2014	# Sold Nov. 2019	Median Price Nov. 2014	Median Price Nov. 2019	% Change 2014-2019
Urban County					
Coronado	13	42	$1,059,500	$1,820,000	71.8%
Del Mar	23	13	$1,249,000	$1,675,000	34.1%
Imperial Beach	8	17	$427,000	$530,000	24.1%
Lemon Grove	24	19	$331,750	$490,000	47.7%
Poway	35	46	$558,409	$677,000	21.2%
Solana Beach	24	14	$1,022,500	$1,200,000	17.4%
Entitlement Jurisdictions					
Carlsbad	121	13	$687,500	$859,000	24.9%
Chula Vista	214	282	$405,000	$535,000	32.1%
El Cajon	116	165	$365,000	$523,000	43.3%
Encinitas[1]	60	57	$768,000	$992,000	29.2%
Escondido	117	182	$394,000	$580,000	47.2%
La Mesa	69	76	$417,000	$549,000	31.7%
National City	16	14	$277,500	$446,000	60.7%
Oceanside	164	196	$392,500	$549,000	39.9%
San Diego	1023	1,180	$439,500	$625,000	42.2%
Santee	81	110	$350,000	$622,500	51.7%
Vista	53	78	$420,000	$531,000	34.5%
San Diego County	**83**	**102**	**$430,000**	**$565,000**	**38.4%**

Note: 1. Does not include Cardiff-by-the-Sea sales data.
Sources: DQNews.com, California Home Sale Activity by City, November 2014; CoreLogic, California Home Sale Activity by City, November 2019. Accessed January 30,2020.

[27] California Housing Partnership Corporation. "San Diego County Report: San Diego County's Housing Emergency and Proposed Solutions." (May 2018).

The San Diego County Apartment Association (SDCAA) publishes average rental rates biannually. Table 38 displays the average rent by jurisdiction on Fall 2014 and Fall 2018, providing a reasonable five-year timeframe to capture the change in rental rates. The estimated average rental costs in San Diego County increased by an average of 33 percent. The percent increase in rent between 2014 and 2018 was 34 percent for a studio, 47 percent for a one-bedroom, 28 percent for a two-bedroom, and 22 percent for a three-bedroom unit. Among communities with data for one-, two-, and three-bedroom units, Imperial Beach had the lowest average rents in the region and highest rents were observed in Del Mar and Solana Beach.

Table 38: Average Rental Rates by Jurisdiction - Fall 2018

Jurisdiction/Area	Unit Type	Average Monthly Rent		% Change
		Fall 2014*	Fall 2018	
Urban County				
Coronado	Studio	N/A	N/A	N/A
	1 Bedroom	$1,325	$1,404	6.0%
	2 Bedrooms	$1,200	$1,700	41.7%
	3+ Bedrooms	$2,308	N/A	N/A
Del Mar	Studio	$1,526	N/A	N/A
	1 Bedroom	$1,564	$2,338	49.5%
	2 Bedrooms	$1,894	$2,806	48.2%
	3+ Bedrooms	$2,300	$2,650	15.2%
Imperial Beach	Studio	$925	N/A	N/A
	1 Bedroom	$825	$1,517	83.9%
	2 Bedrooms	$1,635	$1,500	-8.3%
	3+ Bedrooms	$1,988	$1,683	-15.3%
Lemon Grove	Studio	$762	$891	16.9%
	1 Bedroom	$864	$1,030	19.2%
	2 Bedrooms	$1,102	$1,282	16.3%
	3+ Bedrooms	$1,475	N/A	N/A
Poway	Studio	$1,012	N/A	N/A
	1 Bedroom	$1,245	N/A	N/A
	2 Bedrooms	$1,325	N/A	N/A
	3+ Bedrooms	$1,842	$2,350	27.6%
Solana Beach	Studio	$900	N/A	N/A
	1 Bedroom	$1,656	$2,043	23.4%
	2 Bedrooms	$1,967	$2,391	21.6%
	3+ Bedrooms	$2,310	$2,770	19.9%
Entitlement Jurisdictions				
Carlsbad	Studio	$911	$1,099	20.6%
	1 Bedroom	$1,168	$1,457	24.7%
	2 Bedrooms	$1,557	$2,685	72.4%
	3+ Bedrooms	$4,525	N/A	N/A

Table 38: Average Rental Rates by Jurisdiction - Fall 2018

Jurisdiction/Area	Unit Type	Average Monthly Rent		% Change
		Fall 2014*	Fall 2018	
Chula Vista	Studio	$720	$1,210	68.1%
	1 Bedroom	$970	$1,539	58.7%
	2 Bedrooms	$1,354	$1,850	36.6%
	3+ Bedrooms	$1,566	$2,299	46.8%
El Cajon	Studio	$693	$752	8.5%
	1 Bedroom	$1,149	$1,742	51.6%
	2 Bedrooms	$1,069	$1,728	61.6%
	3+ Bedrooms	$1,557	$2,185	40.3%
Encinitas	Studio	$1,362	N/A	N/A
	1 Bedroom	$1,233	$1,295	5.0%
	2 Bedrooms	$1,654	$2,145	29.7%
	3+ Bedrooms	$1,575	$2,150	36.5%
Escondido	Studio	N/A	N/A	N/A
	1 Bedroom	$739	$1,462	97.8%
	2 Bedrooms	$1,116	$1,728	54.8%
	3+ Bedrooms	$1,393	$1,784	28.1%
La Mesa	Studio	$875	$1,168	33.5%
	1 Bedroom	$1,075	$1,568	45.9%
	2 Bedrooms	$1,467	$1,968	34.2%
	3+ Bedrooms	$1,875	$2,397	27.8%
National City	Studio	$675	N/A	N/A
	1 Bedroom	$809	N/A	N/A
	2 Bedrooms	$969	$1,075	10.9%
	3+ Bedrooms	N/A	$1,900	N/A
Oceanside	Studio	$922	$1,620	75.7%
	1 Bedroom	$1,106	$1,503	35.9%
	2 Bedrooms	$2,217	$1,774	-20.0%
	3+ Bedrooms	$2,018	$2,195	8.8%
San Diego	Studio	$824	$1,433	73.9%
	1 Bedroom	$1,075	$1,825	69.8%
	2 Bedrooms	$1,496	$2,172	45.2%
	3+ Bedrooms	$1,892	$2,637	39.4%
San Marcos	Studio	N/A	N/A	N/A
	1 Bedroom	$1,013	$1,021	0.8%
	2 Bedrooms	$1,267	N/A	N/A
	3+ Bedrooms	N/A	$1,650	N/A

Table 38: Average Rental Rates by Jurisdiction - Fall 2018

Jurisdiction/Area	Unit Type	Average Monthly Rent		% Change
		Fall 2014*	Fall 2018	
Santee	Studio	$900	N/A	N/A
	1 Bedroom	$1,012	$1,599	58.0%
	2 Bedrooms	$1,568	$1,740	11.0%
	3+ Bedrooms	$2,763	$1,737	-37.1%
Vista	Studio	$674	$1,313	94.8%
	1 Bedroom	$1,016	$1,636	61.0%
	2 Bedrooms	$1,257	$1,863	48.2%
	3+ Bedrooms	$1,326	$2,493	88.0%
San Diego County	**Studio**	$812	$1,085	33.6%
	1 Bedroom	$1,066	$1,564	46.7%
	2 Bedrooms	$1,463	$1,873	28.0%
	3+ Bedrooms	$1,813	$2,218	22.3%

Note: Fall 2014 average rents were not available for studio units in Del Mar, Imperial Beach, Poway, and Solana Beach and 3+ bedroom units in Coronado. Spring 2014 average rents are used for those values. Fall 2018 average rents not available for studios in Encinitas, Escondido, National City, San Marcos, and Santee. Fall 2018 average rent was also not available for one-bedroom units in National City.
Source: San Diego County Apartment Association. Vacancy and Rental Rate Survey, Fall 2018 and Spring 2019.

2. Housing Affordability

Housing affordability can be inferred by comparing the cost of renting or owning a home in a community with the maximum affordable housing costs for households at different income levels. Taken together, this information can generally show who can afford what size and type of housing and indicate the type of households most likely to experience overcrowding and overpayment. While housing affordability alone is not a fair housing issue, fair housing concerns may arise when housing affordability interacts with factors covered under the fair housing laws, such as household type, composition, and race/ethnicity.

HUD conducts annual household income surveys nationwide to determine a household's eligibility for federal housing assistance. Households in the lower end of each income category can afford less by comparison than those at the upper end. Table 39 shows the annual household income by household size and the maximum affordable housing payment based on the standard of 30 to 35 percent of household income. Also shown are general cost assumptions for utilities, taxes, and property insurance.

The countywide median home sales price in 2019 ($594,909) places home ownership out of reach for all low- and moderate-income households. When homeownership is out of reach, rental housing is the only viable option for many low-income persons.

Based on the rental data presented in Table 38, none of jurisdictions had a rents within the range of affordability for lower-income families. Table 39 shows that extremely low-income households cannot afford rents in any part of the county. Larger, low-income households can afford some of the studio and one-bedroom rental units but those would be inadequate to house a large family. Moderate-income

households have a few more options for rentals but again, large households may encounter difficulty finding adequately sized units. The situation is most difficult for seniors with fixed incomes. When the housing market is tight, with high demand, low vacancies, and rising costs, the potential for discriminatory housing practices also increases.

Table 39: Housing Affordability Matrix - San Diego County (2019)

Income Group	Annual Income Limits	Affordable Payment		Housing Costs		Maximum Affordable Price	
		Renter	Owner	Utilities	Taxes & Insurance (Owner)	Rental (per month)	Home (purchase price)
Extremely Low (0-30% AMI)							
1-Person	$22,500	$563	$563	$160	$197	$403	$47,856
2-Person	$25,700	$643	$643	$201	$225	$442	$50,416
3-Person	$28,900	$723	$723	$241	$253	$482	$53,209
4-Person	$32,100	$803	$803	$283	$281	$520	$55,536
5-Person	$34,700	$868	$868	$345	$304	$429	$50,940
Low (31-50% AMI)							
1-Person	$37,450	$936	$936	$160	$328	$776	$104,396
2-Person	$42,800	$1,070	$1,070	$201	$375	$869	$115,087
3-Person	$48,150	$1,204	$1,204	$241	$421	$963	$126,011
4-Person	$53,500	$1,338	$1,338	$283	$468	$1,055	$136,470
5-Person	$57,800	$1,445	$1,445	$345	$506	$1,006	$138,303
Moderate (51-80% AMI)							
1-Person	$59,950	$906	$1,057	$160	$370	$746	$122,689
2-Person	$68,500	$1,036	$1,208	$201	$423	$835	$135,994
3-Person	$77,050	$1,165	$1,359	$241	$476	$924	$149,531
4-Person	$85,600	$1,295	$1,510	$283	$529	$1,012	$162,603
5-Person	$92,450	$1,398	$1,631	$345	$571	$1,053	$166,451
Middle/Upper (80-120 %AMI)							
1-Person	$72,500	$1,661	$1,938	$160	$678	$1,501	$255,962
2-Person	$82,850	$1,899	$2,215	$201	$775	$1,698	$288,305
3-Person	$93,200	$2,136	$2,492	$241	$872	$1,895	$320,881
4-Person	$103,550	$2,373	$2,769	$283	$969	$2,090	$352,992
5-Person	$111,850	$2,563	$2,990	$345	$1,047	$2,218	$372,071

Assumptions: California Department of Housing and Community Development 2018 income limits; 30 - 35% gross household income as affordable housing costs (depending on tenure and income level); 35% of monthly affordable cost for taxes and insurance; 5% down-payment, 4% interest rate for a 30-year fixed rate mortgage loan; utilities based on the Housing Authority of the County of San Diego's Allowances for Tenant-Furnished Utilities and Other Services, July 2019. Assumed Natural Gas.

Methodology: Affordable housing costs in this table are calculated based on California Health and Safety Code definitions, which generally result in lower affordable housing costs.

Sources: California Department of Housing and Community Development, 2019; Housing Authority of the County of San Diego, 2019.

I. Housing Problems

1. Overcrowding

Some households may not be able to accommodate high cost burdens for housing but may instead accept smaller housing or reside with other individuals or families in the same home. Potential fair housing issues emerge if non-traditional households are discouraged or denied housing due to a perception of overcrowding. Household overcrowding is reflective of various living situations: (1) a family lives in a home that is too small; (2) a family chooses to house extended family members; or (3) unrelated individuals or families are doubling up to afford housing. However, cultural differences also contribute to the overcrowded conditions since some cultures tend to have a larger household size than others due to the preference of living with extended family members. Not only is overcrowding a potential fair housing concern, it can potentially strain physical facilities and the delivery of public services, reduce the quality of the physical environment, contribute to a shortage of parking, and accelerate the deterioration of homes.

How is Overcrowding Defined?

According to State and federal guidelines, overcrowding is defined as a unit with more than one person per room, including dining and living rooms but excluding bathrooms, kitchens, hallways, and porches. Severe overcrowding is defined as households with more than 1.5 persons per room.

Overcrowding Threshold ≠ Occupancy Standard

Overcrowding thresholds only describe how a unit is occupied but by no means represent the maximum occupancy standard of a unit. In general, there are no occupancy standards except for those established in the building codes. Occupancy standards are discussed later in Chapter 5: Public Policies.

As a result, some landlords or apartment managers may be more hesitant to rent to larger families, thus making access to adequate housing even more difficult. According to local fair housing service providers and property managers, addressing the issue of large households is complex as there are no set of guidelines for determining the maximum capacity for a unit. Fair housing issues may arise from policies aimed to limit overcrowding that have a disparate impact on specific racial or ethnic groups with higher proportion of overcrowding. For example, 2013-2017 ACS data shows that seven percent of housing units in the county were overcrowded compared with 17 percent for units with a Hispanic head of household.

As mentioned, approximately seven percent of all households in San Diego County were affected by overcrowding while two percent experienced severe overcrowding. The prevalence of overcrowding varies among jurisdictions, with the lowest percentage of overall overcrowding occurring in Del Mar (no overcrowded or severely overcrowded units). National City and Escondido had approximately twice the county's proportion of overcrowded units. El Cajon, Vista, and Imperial Beach also had high levels of overcrowding. These jurisdictions had high proportions of minority residents and lower median incomes as a whole as well. Table 40 also shows that overcrowding is significantly more prevalent among renter-households than among owner-households.

Table 40: Overcrowding by Tenure

Jurisdiction	Overcrowded (1+ occupants per room)			Severely Overcrowded (1.5+ occupants per room)		
	Renter	Owner	Total	Renter	Owner	Total
Urban County						
Coronado	2.3%	0.6%	1.5%	1.7%	0.0%	0.8%
Del Mar	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Imperial Beach	14.1%	2.4%	10.4%	4.4%	0.7%	3.2%
Lemon Grove	8.5%	4.7%	6.4%	3.6%	1.5%	2.5%
Poway	9.3%	1.6%	3.6%	3.6%	0.3%	1.1%
Solana Beach	1.8%	0.8%	1.2%	1.2%	0.0%	0.5%
Unincorporated	9.1%	2.5%	4.6%	3.0%	0.6%	1.4%
Total Urban County	8.7%	2.4%	4.6%	3.0%	0.6%	1.4%
Entitlement Cities						
Carlsbad	3.7%	1.2%	2.1%	0.8%	0.3%	0.4%
Chula Vista	17.1%	4.4%	9.8%	5.5%	0.9%	2.9%
El Cajon	17.6%	3.2%	12.1%	4.1%	0.9%	2.9%
Encinitas	7.1%	1.2%	3.4%	2.7%	0.5%	1.3%
Escondido	21.7%	6.1%	14.0%	9.3%	1.4%	5.3%
La Mesa	6.0%	1.7%	4.2%	2.7%	0.6%	1.9%
National City	17.2%	9.2%	14.6%	5.7%	2.7%	4.7%
Oceanside	8.6%	1.9%	4.8%	2.4%	0.6%	1.4%
San Diego	9.5%	2.7%	6.3%	3.5%	0.7%	2.2%
San Marcos	11.6%	2.5%	6.0%	3.4%	0.8%	1.8%
Santee	5.5%	1.2%	2.5%	0.2%	0.2%	0.2%
Vista	17.9%	4.1%	11.1%	6.1%	1.2%	3.7%
Total County	**10.8%**	**2.8%**	**6.5%**	**3.7%**	**0.7%**	**2.1%**

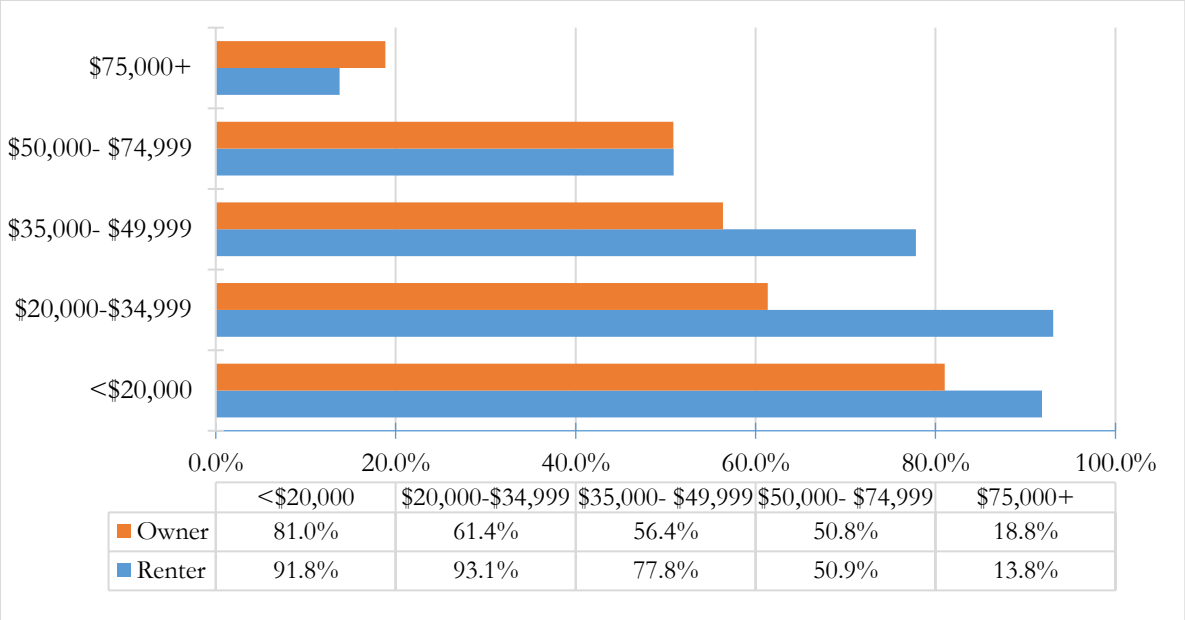
Source: American Community Survey (ACS), 2013-2017.

2. Housing Cost Burden

State and Federal standards specify that a household experiences housing cost burden if it pays more than 30 percent of its gross income on housing – typically a point at which housing costs become burdensome and may affect the ability to comfortably make monthly rent or mortgage payments and/or maintain a decent standard of living.

Housing cost burden is typically linked to income levels. The lower the income, the larger percentage of a household's income is allotted to housing costs. Cost burden by low income households tends to occur when housing costs increase faster than income. Figure 12 shows how dramatically the housing cost burden for owner- and renter-households is influenced by household income. As shown, as income increases, the proportion of households experiencing cost burden decreases. Among the lower income groups, larger proportions of renter-households experienced housing cost burden.

Figure 12: Housing Cost Burden by Income and Tenure



	<$20,000	$20,000-$34,999	$35,000- $49,999	$50,000- $74,999	$75,000+
Owner	81.0%	61.4%	56.4%	50.8%	18.8%
Renter	91.8%	93.1%	77.8%	50.9%	13.8%

Source: American Community Survey (ACS), 2013-2017.

About 42 percent of county households experienced cost burden per the 2012-2016 CHAS (Table 41). A higher proportion of renter-occupied households experienced cost burden (52 percent) compared with owner-occupied households (33 percent). Carlsbad, Del Mar, Encinitas Poway, San Diego, Santee, and Carlsbad were the only jurisdictions in the region where less than 50 percent of renters were cost burdened. Approximately two-thirds (69 percent) of lower and moderate-income households experienced cost burden, and 40 percent experienced a severe cost burden.

Table 41: Housing Cost Burden by Tenure

Jurisdiction	Owner-Occupied Households	Renter-Occupied Households	All Households
Urban County			
Coronado	37.5%	51.9%	44.9%
Del Mar	38.1%	42.3%	40.0%
Imperial Beach	31.4%	53.5%	46.7%
Lemon Grove	33.1%	57.0%	43.9%
Poway	29.5%	45.3%	33.7%
Solana Beach	26.6%	48.5%	35.8%
Unincorporated	35.9%	55.6%	42.3%
Total Urban County	35.0%	54.3%	41.8%
Entitlement Cities			
Carlsbad	28.6%	46.4%	35.0%
Chula Vista	36.6%	55.9%	44.7%
El Cajon	31.6%	57.7%	47.7%
Encinitas	30.9%	47.7%	36.9%
Escondido	33.5%	57.9%	46.0%
La Mesa	30.6%	51.9%	43.1%
National City	32.8%	57.4%	49.5%
Oceanside	33.4%	55.1%	42.9%
San Diego	31.8%	49.5%	41.3%
San Marcos	35.3%	53.2%	42.4%
Santee	32.1%	47.4%	36.7%
Vista	34.6%	53.2%	44.3%
San Diego County	**33.1%**	**51.8%**	**42.0%**

Source: HUD Comprehensive Housing Affordability Strategy (CHAS) Data, 2012-2016 Estimates

J. Publicly Assisted Housing

The availability and location of public and affordable housing may be a fair housing concern. If such housing is concentrated in one area of a community or a region, a household seeking affordable housing is restricted to choices within a limited geographic area. Public/affordable housing and housing assistance must be accessible to qualified households regardless of race/ethnicity, disability, or other special characteristics.

1. Public Housing

Housing Authority of the County of San Diego (HACSD)

Two housing authorities in the San Diego region own and operate public housing units (Figure 13 on page 91) – the Housing Authority of the County of San Diego (HACSD) and the San Diego Housing Commission (SDHC). HACSD owns and administers public housing rental complexes (121 units), all of which are located in the City of Chula Vista. Eligible residents must be a senior (62 years of age or older), a disabled individual, or a low-income family and must live in one of the jurisdictions covered by HACSD. The household's annual gross income must be at or below 50 percent of the San Diego AMI. As of August 2019, 117 households were being assisted by HACSD. As shown in Table 43, Hispanic and White-headed households make up the majority of households assisted.

San Diego Housing Commission (SDHC)

As federal subsidies to operate and maintain public housing began decreasing, and City-owned units became operationally restrictive and inefficient, SDHC opted out of the Conventional Public Housing Program in 2007 (which provided for the upkeep of 1,366 units). Through a landmark agreement, the U.S. Department of Housing and Urban Development (HUD) transferred ownership and operating authority for these units to SDHC, which then leveraged the equity in these properties to create or preserve 810 additional affordable rental housing units. SDHC now owns the converted units and operates them as rent-restricted affordable rental housing units that are available at varying ranges of affordable rents to households earning no greater than 80 percent of AMI.[28] At the time of conversion from public housing to SDHC ownership, residents of the units were awarded Section 8 Housing Choice Vouchers, which enabled them to choose to remain in their current home or to move to another rental property that would accept Housing Choice Vouchers. Approximately half of the residents at that time moved to another unit and half remained in their existing unit. SDHC provides federal Housing Choice Voucher rental assistance to more than 15,000 low-income households. SDHC retained a small number of Public Housing units (currently 189 units). As of September 2019, 178 households were being assisted by SDHC in Public Housing units. As shown in Table 43 Hispanic-headed and White households make up the majority of households assisted in Public Housing.

[28] San Diego Housing Commission, "Re-positioning of the San Diego Housing Commission's Public Housing Portfolio." Housing Authority Report (November 9, 2006).

Table 42: Public Housing Units

Housing Authority	Name	Address	Units
HACSD	Towncentre Manor	434 F Street, Chula Vista, CA 91910	59 Units
HACSD	Melrose Manor	1678 Melrose Avenue, Chula Vista, CA 91911	24 Units
HACSD	L Street Manor	584 L Street, Chula Vista, CA 91911	16 Units
HACSD	Dorothy Street Manor	778 Dorothy Street, Chula Vista, CA 91911	22 Units
SDHC	Otay Villas	649 Picador Blvd., San Diego, CA 92154	78 Units
SDHC	University Canyon North	2090 Via Las Cumbres, San Diego, CA 92111	36 units
SDHC	Vista Verde	351 South 33rd Street, San Diego, CA 92113	40 units
SDHC	Camulos	32222 Camulos St., San Diego, CA 92110	12 units
SDHC	Mason	3919 Mason St, San Diego, CA 92110	8 units
SDHC	44th St	2420 44th St, San Diego, CA 92105	8 units
SDHC	Trojan	5385-5389 Trojan Ave., San Diego, CA 92115	3 units
SDHC	Valeta	4095 Valeta St, San Diego, CA 92110	4 units

Sources: San Diego Housing and Community Development, August 2019, San Diego Housing Commission, September 2019.

Table 43: Characteristics of Householders in Public Housing Units

Characteristics	HACSD	SDHC
	Number	Number
Senior/Disabled	76	66
Small Family	88	163
Large Family	27	15
Non-Hispanic	39	76
Hispanic	77	102
White	88	118
Black	14	50
American Indian	0	4
Asian/Pacific Islander	5	8
Total Households	**117**	**178**

Note: Values represent head of household characteristics. The count of White households includes Hispanic households. Data for non-Hispanic Whites is not available. Householders may belong to more than one category. For example, a householder may be both a large family householder and Hispanic.
Sources: Housing Authority of the County of San Diego, August 2019; San Diego Housing Commission, September 2019.

The number of persons on the waiting list for public housing far exceeds current capacity. HACSD indicates that as of August 2019, there were 20,136 households on the waiting list. Over 40 percent of waitlisted households were Hispanic and about one quarter were Black. Households with a disabled head of household make up almost 20 percent of the waiting list. There are 76,749 households on the SDHC public housing waiting list (September 2019). Over 25 percent of SDHC waitlisted households included a disabled head of household; 36.1 percent of households are Hispanic and 28.6 percent are Black. With the extremely limited capacity and the length of tenancy, it is unlikely that the characteristics of the public housing residents would change substantially in the near future.

Table 44: Characteristics of Public Housing Waiting list (Households)

Characteristics	HACSD		SDHC	
	Number	Percent	Number	Percent
Senior	2,225	11.0%	7,612	9.9%
Disabled	3,987	19.8%	19,743	25.7%
Family	10,454	51.9%	38,302	49.9%
Non-Hispanic	11,699	58.1%	44,595	58.1%
Hispanic	8,365	41.5%	27,678	36.1%
White	12,865	63.9%	39,121	51.0%
Black	4,710	23.4%	21,948	28.6%
American Indian	465	2.3%	1,599	2.1%
Asian/Pacific Islander	1,581	7.9%	4,871	6.3%
Total	**20,136**	**100.0%**	**76,749**	**100.0%**

Note: Values represent head of household characteristics. The count of White households includes Hispanic households. Data for non-Hispanic Whites is not available.
Sources: Housing Authority of the County of San Diego, August 2019; San Diego Housing Commission, September, 2019.

2. Housing Choice Vouchers Program

The Section 8 Housing Choice Voucher (HCV) program is a rent subsidy program that helps low-income families and seniors pay rents of private units. HCV tenants pay approximately 30 percent of their income for rent, and the local housing authority pays the difference up to the payment standard established by the housing authority. The program offers low-income households the opportunity to obtain affordable, privately owned rental housing and to increase their housing choices. The owner's asking price must be supported by comparable rents in the area. The program participant pays any amount in the excess of the payment standard.

Six Housing Authorities administer the HCV program for San Diego County residents:

- **Housing Authority of the City of Carlsbad** administered 475 HCVs as of February 2020. There are 401 households on the waiting list. The waitlist is closed as of April 2020.
- **Housing Authority of the City of Encinitas** administered 97 vouchers as of February 2020. There are 956 households on the waiting list. The waitlist is open as of April 2020.
- **Housing Authority of the City of National City** administered 1,123 vouchers as of September 2019. There are 3,458 households on the waiting list. The waitlist is open as of April 2020.
- **Housing Authority of the City of Oceanside** 1,539 vouchers as of February 2020. There are 5,532 households on the waiting list. The waitlist is open as of April 2020.
- **San Diego Housing Commission (SDHC, City of San Diego)** administered 15,591 vouchers as of September 2019. There are 98,376 households on the waiting list. The waitlist is open as of April 2020.
- **Housing Authority of the County of San Diego (HACSD)** administered 9,945 vouchers as of August 2019. There are 36,337 households on the waiting list. The waitlist is indefinitely open as of April 2020.

As of February 2020, 29,057 San Diego County households were receiving HCV Assistance, with 89 percent of all vouchers administered by HACSD or SDHC. Table 45 summarizes the race and ethnicity of households assisted by the HCV program. A third of the county's HCV recipients (34 percent) were Hispanic and 22 percent were Black. Senior and/or disabled households represent a significant portion of those assisted by the HCV program, making up 65 percent of all households receiving HCVs.

Due to the geographic disparity in terms of rents, concentrations of voucher use have occurred (Table 46). For example, the City of El Cajon represents about three percent of the county's population but more than eight percent of the HCV use. Furthermore, 27 percent (2,656 participants) of the 9,945 vouchers administered by HACSD are concentrated in the City of El Cajon.

Table 45: Housing Choice Voucher Recipients

Housing Authority	Total	Black	Hispanic	White	Other	Senior	Disabled
City of Carlsbad	475	9.1%	21.7%	65.1%	4.2%	50.9%	54.5%
City of Encinitas	97	3.1%	21.6%	73.2%	2.1%	46.4%	27.8%
City of National City	1,123	5.7%	68.0%	82.0%	0.7%	12.2%	35.9%
City of Oceanside	1,539	16.0%	34.0%	76.0%	7.0%	11.6%	48.0%
San Diego Housing Commission (SDHC)	15,878	28.6%	32.0%	53.3%	16.1%	14.5%	47.3%
County of San Diego (HACSD)	9,945	16.6%	34.9%	78.8%	4.6%	39.9%	53.8%
Total	**29,057**	**22.5%**	**34.3%**	**48.2%**	**10.8%**	**15.7%**	**49.2%**

*Note: The count of White households includes Hispanic households. Data for non-Hispanic Whites is not available.
Source: Area Housing Authorities 2019/2020.

Table 46: Distribution of Housing Choice Voucher Recipients

Jurisdiction	Vouchers	% of All HCV	% County Population
Urban County			
Coronado	18	0.1%	0.7%
Del Mar	1	0.0%	0.1%
Imperial Beach	404	1.3%	0.8%
Lemon Grove	360	1.1%	0.8%
Poway	109	0.3%	1.5%
Solana Beach	17	0.1%	0.4%
Unincorporated	1,545	4.9%	15.4%
Total Urban County	2,454	7.8%	19.8%
Entitlement Jurisdictions			
Carlsbad	475	1.5%	3.4%
Chula Vista	2,436	7.7%	8.1%
El Cajon	2,656	8.4%	3.1%
Encinitas	97	0.3%	1.9%
Escondido	933	3.0%	4.6%
La Mesa	559	1.8%	1.8%
National City	1,123	3.6%	1.9%
Oceanside	1,539	4.9%	5.3%
San Diego	15,878	50.4%	42.4%
San Marcos	230	0.7%	2.9%
Santee	266	0.8%	1.7%
Vista	411	1.3%	3.0%
Total County	**31,511**	100.0%	100.0%

Note: Assisted households exceed allocations to a jurisdiction due to voucher use outside of originating jurisdiction. SDHC's Moving to Work flexibility and funding enable SDHC to issue a higher number of vouchers than its baseline allocation to assist more families. Total number of voucher use deviates slightly from Table 45 due to different timing of data processing. Also, total number of voucher use deviates slightly
Sources: Area Housing Authorities 2019/2020.

In 2019, only 14 percent of metropolitan families with children nationwide that received rent subsidies through HUD lived in low-poverty neighborhoods and only five percent lived in high-opportunity neighborhoods.[29] To help with the de-concentration of HCV use and allow households to locate adequate housing at a location of their choice, SDHC's Moving Forward (also known as Moving to Work, or MTW) program works to provide families with tools to assist them to move from high-poverty neighborhoods to low-poverty neighborhoods. The Choice Communities Initiative (a subset of the Moving Forward program) provides families receiving federal rental assistance administered by SDHC the opportunity to live in neighborhoods in the City of San Diego that offer a broader selection of schools and employment opportunities. SDHC created the Choice Communities Initiative in 2010 and expanded it in 2018. To increase housing opportunities through this initiative and to assist as many low-income families as possible, SDHC updated the payment standards that are used to determine the

[29] Mazzara, A. & Knudsen, B. (January 2019). Where families with children use housing vouchers: A comparative look at the 50 largest metropolitan areas. *Center on Budget and Policy Priorities*, Poverty and Race Research Action Council.

amount of rental assistance each family receives. SDHC divided City of San Diego ZIP Codes into three groups, each with its own payment standards: Choice Communities, Enterprise Communities, and Signature Communities. Higher payment standards are set in Choice or Enterprise Communities, where rental costs would typically be higher.Families moving to Choice or Enterprise Communities are eligible for no-interest security deposit loans and assistance from SDHC's Mobility Counseling Program.

Another important issue with the HCV program is the decreasing number of landlords willing to accept vouchers. In a tight housing market, landlords are typically able to capture high rents for the units and less likely to participate in government programs that place restrictions on rents, policies, and quality standards. Primarily in economically depressed neighborhoods, where the housing and neighborhood conditions are less than ideal, voucher recipients are most likely to find rental units that accept voucher payments. With owners opting out in more integrated neighborhoods, tenants will be increasingly confined to low-income areas, defeating the original purpose of the program. Another issue that related to the HCV program is the amount of time it takes voucher recipients to find a unit. On average, it takes about two months for voucher recipients to find a unit after the issuance of their voucher. According to the San Diego Area Housing Commissions, approximately 70 to 80 percent of householders successfully find a unit with their voucher. Table 47 summarizes the Housing Choice Voucher use metrics for the San Diego Area Housing Authorities.

Since the demand for housing assistance often exceeds the limited resources available, long waiting periods are common. The amount of time spent on the waiting list often varies, but the wait for rental assistance after a family is placed on the waiting list may be 10 or more years. These wait times can disproportionately impact seniors. As of February 2020, there were over 145,000 on the HCV waiting list (Table 48).

In 2019, the State passed SB 329 that prohibits source of income discrimination. Landlords cannot deny an applicant for rental housing based on the use of public assistance for rents. Presumably, the voucher use would increase, the time to locate a property accepting HCV would decrease, and a HCV recipient's locational choices would be expanded.

Table 47: Housing Choice Voucher Use Metrics

Housing Authority	# of Participating Landlords	Time to Find Unit after Voucher Issuance (Days)	% Households that Successfully Find Unit	# of Port-Out Households
Housing Authority of the City of Carlsbad	See Note 5	See Note 5	See Note 5	See Note 5
Housing Authority of the City of Encinitas	39[1]	68	70%	1
Housing Authority of the City of National City	480	44	See Note 2	8
Housing Authority of the City of Oceanside	540	60	76%	12
San Diego Housing Commission (SDHC, City of San Diego)	5,735	51	See Note 3	101 See Note 4
Housing Authority of the County of San Diego (HACSD)	3,427	60	80%	176

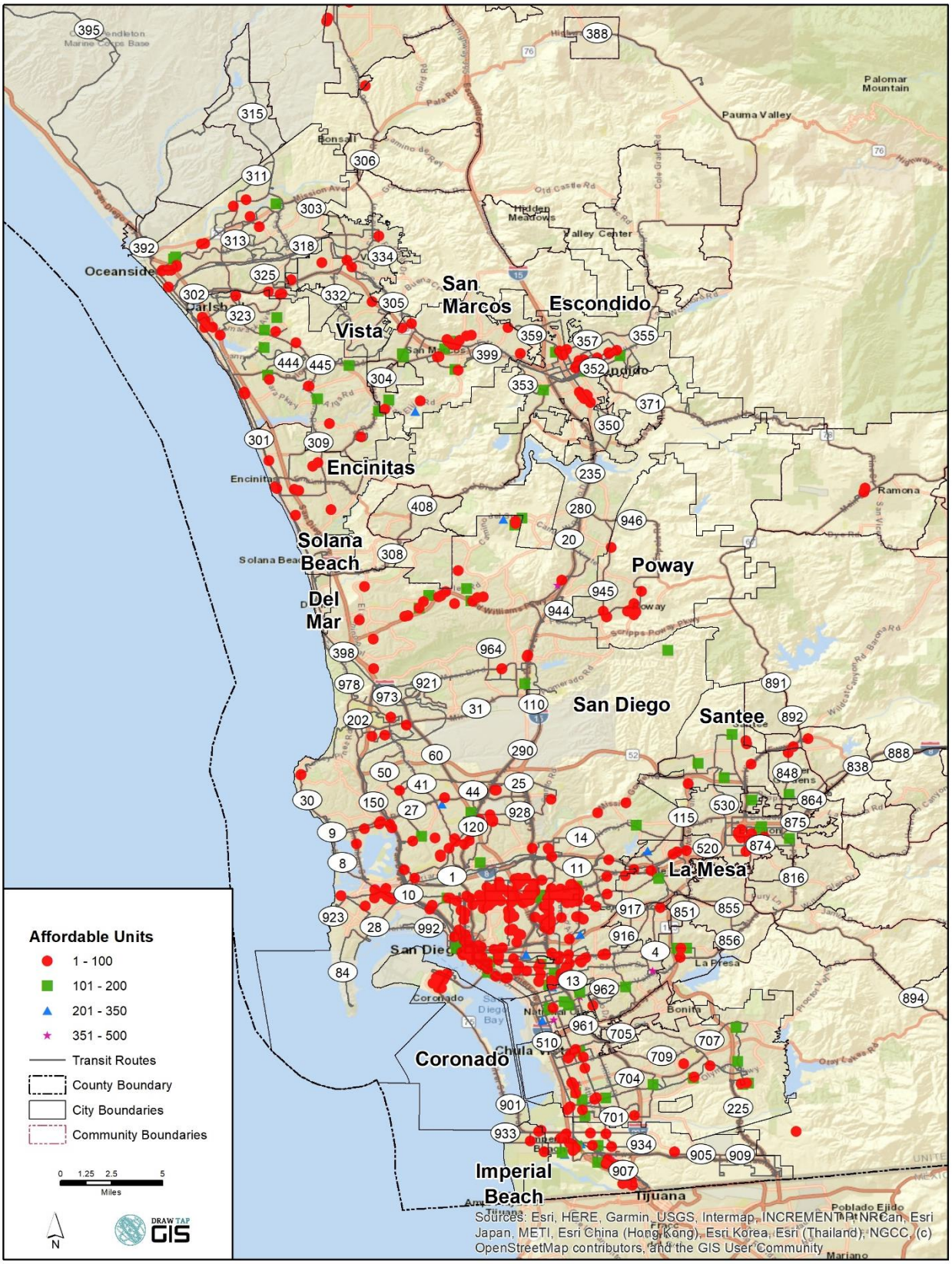
Note 1: These landlords only own one rental unit and it is rented to the HCV participant
Note 2: The Housing Authority of the City of National City reported that 13 households had lost their HCV in the last 6 months (November 2019-April 2020).
Note 3: The SDHC reported that approximately 4% of new admission vouchers issued result in the family not utilizing the rental assistance and either surrendering the voucher, letting it expire, or no longer keeping contact with the Housing Commission.
Note 4: Year-to-date Fiscal Year 2020 data.
Note 5: Data could not be provided by the Housing Authority of Carlsbad prior to the public review period. The data will be added to the final draft of the AI.
Sources: San Diego Area Housing Authorities, April/May 2020.

Table 48: Housing Choice Voucher Waitlist

Housing Authority	Total	Black	Hispanic	White	Other	Senior	Disabled
City of Carlsbad	401	2.9%	4.3%	24.0%	10.8%	16.1%	15.3%
City of Encinitas	956	12.0%	14.1%	67.5%	6.4%	32.6%	41.7%
City of National City	3,458	10.1%	66.3%	73.0%	32.0%	27.1%	24.0%
City of Oceanside	5,532	14.3%	34.1%	71.8%	13.9%	13.2%	19.2%
San Diego Housing Commission (SDHC)	98,376	27.9%	35.0%	50.4%	21.7%	10.0%	23.9%
Count of San Diego (HACSD)	36,337	20.0%	34.4%	66.8%	13.2%	13.3%	18.6%
Total	**145,060**	**24.3%**	**34.1%**	**53.3%**	**18.9%**	**11.1%**	**21.8%**

Sources: San Diego Area Housing Authorities 2019/2020.

Figure 13: Public Transit and Affordable Housing



3. Other Affordable Housing Projects

A number of developments countywide have set aside some or all of the units as affordable for low to moderate-income households. Together these projects provide approximately 39,398 units of affordable housing. The location of these units is shown on Figure 13.

As in typical urban environments throughout the country, lower- and moderate-income households tend to live in higher density neighborhoods. However, as housing becomes increasingly costly to develop due to limited land available, redevelopment of existing neighborhoods such as Little Italy, East Village and other higher density areas have raised the debate about gentrification.

In general, the location of public/assisted housing is partly the result of economic feasibility. Concentrations of affordable housing are located in central San Diego, Chula Vista, National City, and Escondido. Close to 68 percent of all affordable units are located in these cities, much of that is in the City of San Diego (55 percent). Figure 13 also shows that in the western/coastal areas, the distribution of these units follows a somewhat similar pattern exhibited by the distribution of both low- and moderate-income population and minority population. However, this is not true for the desert communities where there is a lack of affordable housing resources but very few affordable housing units.

The lack of affordable housing resources, compared to the magnitude of need, may become acute as the population in the region increases, especially given that the housing market is not keeping pace with the increasing population. According to the California Housing Partnership Corporation, San Diego County needs 143,800 more affordable rental homes to meet current demand.[30] Furthermore, funding sources (such as Tax Credits and Affordable Housing and Sustainable Communities) for affordable housing developments may inadvertently contribute to the concentration of affordable housing in transit-oriented neighborhoods with high-density developments.

K. Licensed Community Care Facilities

Persons with special needs, such as seniors and those with disabilities, must also have access to housing in a community. Community care facilities provide a supportive housing environment to persons with special needs in a group situation. Restrictions that prevent this type of housing represent a fair housing concern. While affordability is not a fair housing issue per se, stakeholders indicated that these facilities are often only available to wealthy persons.

According to the California Department of Social Services, Community Care Licensing Division, there were approximately 593 State-licensed residential care facilities for the elderly, 401 adult residential facilities, and 60 adult day care facilities throughout the county as of August 2019. These licensed care facilities had a combined capacity of just over 28,000 beds. The location of the various licensed care facilities in San Diego County in 2019 is shown on Figure 14. Most of the community care facilities within the county were located within the larger incorporated cities. There was a noticeable presence of facilities in the unincorporated areas, specifically those surrounding the incorporated cities. However, since most of the county's population is located within the incorporated cities, residents living in

[30] California Housing Partnership Corporation. "San Diego County's Housing Emergency and Proposed Solutions" (May 2018)

unincorporated areas would have to travel a great distance to access the region's inventory of care facilities.

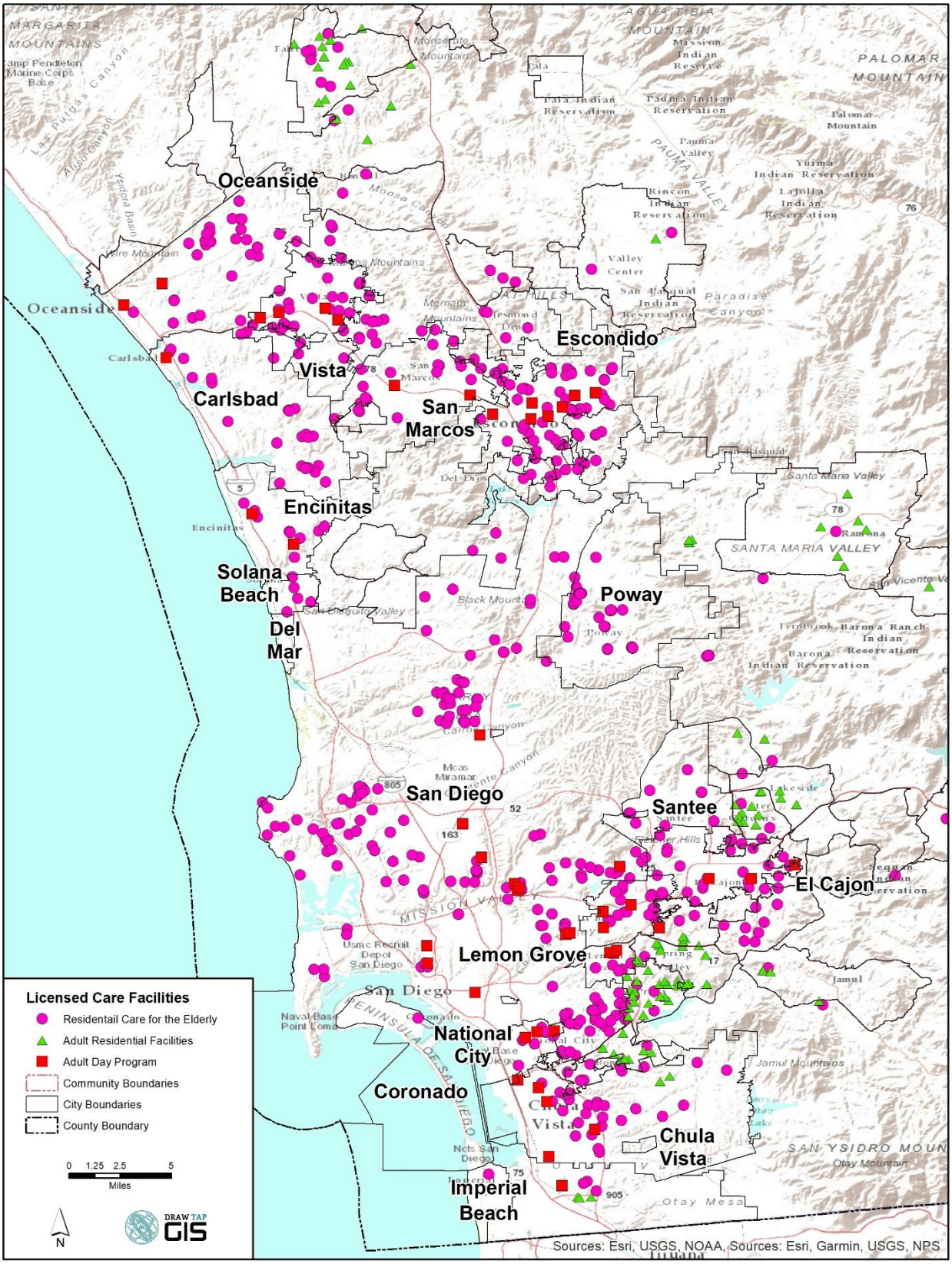
Table 49 provides a tabulation of capacity of licensed care facilities for special needs persons by jurisdiction in 2019. The ratio of beds per 1,000 persons is used to identify concentration of residential care facilities. Licensed care facilities in San Diego County were most concentrated in La Mesa, Carlsbad, Escondido, and Lemon Grove and were least concentrated in Imperial Beach and Del Mar. The Cities of San Diego, Escondido, Chula Vista, and El Cajon had the greatest number of facilities. A high concentration of community care facilities corresponds with the highest proportion of elderly population only for La Mesa. On the other hand, the Urban County jurisdictions of Coronado, Del Mar, and Solana Beach have the highest proportion of senior population but a low concentration of care facilities. These communities also have the highest median age in the County.

Table 49: Licensed Community Care Facilities by Jurisdiction

Jurisdiction	Number of Facilities	Capacity		% Senior Population	Median Age	Zoning Compliant With Lanterman Act
		Beds	Beds/1,000 Population			
Urban County						
Coronado	1	120	5.0	18.40%	34.2	Yes
Del Mar	1	6	1.3	20.80%	43.5	Yes
Imperial Beach	2	38	1.4	9.00%	28.6	Yes
Lemon Grove	17	501	18.4	11.20%	34.7	Yes
Poway	39	373	7.4	12.30%	36.9	Yes
Solana Beach	4	148	10.6	18.70%	41.6	Yes
Unincorporated	168	3,262	6.3	12.80%	N/A	Yes
Total Urban County	232	4,448	6.7	18.40%	34.2	--
Entitlement Jurisdictions						
Carlsbad	29	2,240	19.4	14.00%	38.9	Yes
Chula Vista	73	2,304	8.5	10.00%	33	Yes
El Cajon	98	1,753	16.6	11.00%	31.9	Yes
Encinitas	12	551	8.7	12.80%	37.9	Yes
Escondido	133	2,918	19.1	10.50%	31.2	Yes
La Mesa	35	1,243	20.4	14.20%	37.3	Yes
National City	18	716	11.5	10.60%	28.7	Yes
Oceanside	56	1,608	9.0	12.90%	33.3	Yes
San Diego	349	7,798	5.5	10.70%	32.5	Yes
San Marcos	32	1,166	11.9	10.20%	32.1	Yes
Santee	16	179	3.1	10.70%	34.8	Yes
Vista	72	1,207	11.8	9.20%	30.3	Yes
Total County	**1,155**	**28,131**	**8.4**	**11.40%**	**33.2**	

Source: State of California Department of Social Services, Community Care Licensing Division, January 2020.California Department of Finance, Population Estimates (E5), 2019.

Figure 14: Licensed Care Facilities



L. Accessibility to Opportunities

Having access to quality jobs and effective public transportation helps facilitate a good quality of life and improved life outcomes. Unfortunately, research has shown that racial and ethnic minorities, individuals with disabilities, and other protected classes often have restricted access to these vital amenities. This section addresses access to public transit and employment (Exposure to Adverse Community Factors, inclusive of Public Schools, is addressed in the next Section).

1. Public Transit

Access to public transit is of paramount importance to households affected by low incomes and rising housing prices. Public transit should strive to link lower income persons, who are often transit dependent, to major employers where job opportunities exist. Access to employment via public transportation can reduce welfare usage and increase housing mobility, which enables residents to locate housing outside of traditionally low-income neighborhoods.[31] The lack of a relationship between public transit, employment opportunities, and affordable housing may impede fair housing choice. Persons who depend on public transit may have limited choices regarding places to live. In addition, seniors and disabled persons also often rely on public transit to visit doctors, go shopping, or attend activities at community facilities. Public transit that provides a link between job opportunities, public services, and affordable housing helps to ensure that transit-dependent residents have adequate opportunity to access housing, services, and jobs.

The San Diego Association of Governments (SANDAG) is the Regional Transportation Planning Authority responsible for planning and allocating local, state, and federal funds for the region's transportation network. Two primary agencies are responsible for transit operations and services in the county: Metropolitan Transit System (MTS) and the North County Transit District (NCTD). Transit services provided by these agencies include commuter and light rail, fixed-route bus service, demand-response service, and paratransit. Transit services are primarily provided to the larger, more urbanized communities, although limited services are available in unincorporated areas. In addition, tribal governments operating casinos and non-profit agencies also provide transit services for their clients and customers. The NCTD and MTS also own and maintain the main rail line along the coast from downtown San Diego to the Orange County line, which is shared between Amtrak intercity, COASTER, and Metrolink commuter passenger rail services. NCTD also owns the rail corridor between Oceanside and Escondido, operating SPRINTER light rail service. Figure 15 illustrates the transit routes in relation to employment centers.

As shown in Figure 15, public transit providers serve large portions of the western side of the county. In particular, transit use is higher in parts of the region where the greatest investment in transit service has been made: the north coastal, central and south bay regions of the county. Almost all major employment centers in San Diego are served by some form of public transit. However, having regional access to jobs by means of public transit does not necessarily translate into stable employment. Low-income workers, especially female heads of household with children, have unique travel patterns that may prevent them from obtaining work far from home, regardless of access to public transit. Women in general are disproportionately responsible for household-supporting activities such as trips to grocery

[31] Ong, Paul and Evelyn Blumenberg, "Job Accessibility and Welfare Usage: Evidence from Los Angeles". UCLA Department of Policy Studies, (1998).

stores or accompanying young children to and from schools. Women using public transit are often limited to looking for employment near home, allowing them time to complete these household-sustaining trips.[32] The Center for Housing Policy[33] has done extensive research showing that the real cost of housing includes the cost of a household's daily commute to work, and typically low income households spend a much higher proportion of after-tax income on transportation – about one-third – than the average household.[34]

2. Major Employers

As one of the major metropolitan areas in the country, San Diego County has a diverse economy. The San Diego County population and employment growth rates typically correlate to national economic cycles and are sensitive to military spending. Military employment is still concentrated in the region as San Diego County is home to major naval bases and the U.S. Marine base at Camp Pendleton. San Diego is the headquarters of the U.S. Navy's Eleventh Naval District and is the Navy's principal location for West Coast and Pacific Ocean operations. Naval Base San Diego is the principal home to the Pacific Fleet. Naval Air Station (NAS) North Island is located on the north side of Coronado, and is the headquarters for Naval Air Forces and Naval Air Force Pacific, the bulk of the Pacific Fleet's helicopter squadrons, and part of the West Coast aircraft carrier fleet. Marine Corps Base Camp Pendleton is the major west coast base of the United States Marine Corps and serves as its prime amphibious training base.

Major employers, organizations with the largest number of employees, are mostly located throughout the Central Coastal and South Bay sub-regions of San Diego County. Major employers in the region include colleges, university campuses, military, federal and state government, and hospitals and medical centers. Inland/desert areas are still relatively scarce with regard to employment opportunities. The closest major employers to the inland/desert areas are the eight Indian casino/gaming/lodging centers. Because of its location along the Mexican border and adjacent to the Pacific Ocean, international trade is a major economic strength for the region. The border between San Diego and Mexico is the busiest in the world and the San Diego Port contributes a significant number of jobs to the region.

Figure 15 shows that public transit routes provide adequate access to employment centers on the western side of the county. In the eastern inland areas, public transit access and major employers are scarce.

[32] Blumenberg, Evelyn. "Reverse Commute Transit Programs and Single Mothers on Welfare: A Policy Mismatch?", Institute of Transportation Studies, Volume 1 Number 2, (December 2002).

[33] Lipman, Barbara J. "A Heavy Load: The Combined Housing and Transportation Burdens of Working Families". Center for Housing Policy, (October 2006).

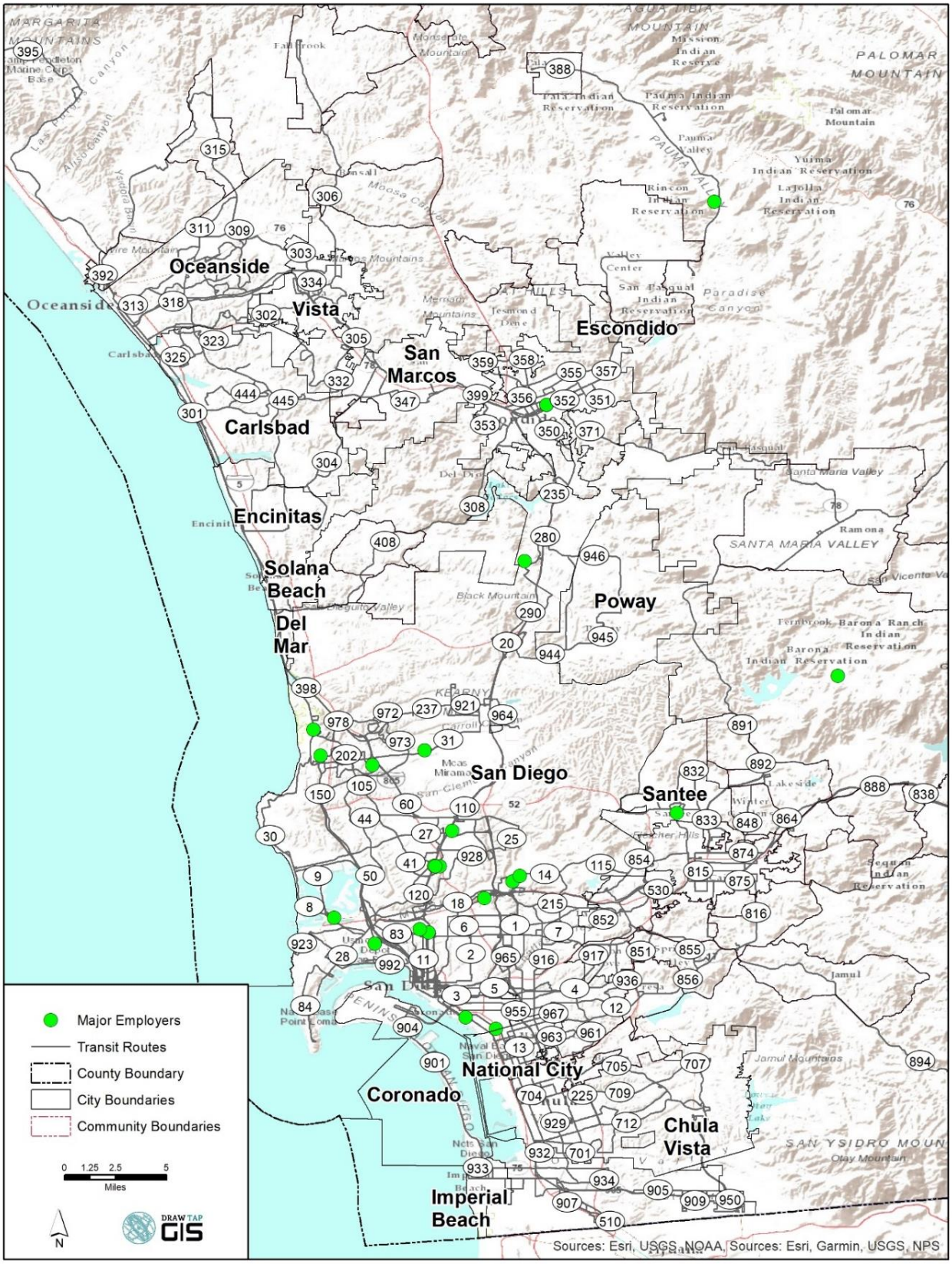
[34] Giuliano, Genevieve. "The Role of Public Transit in the Mobility of Low Income Households". School of Policy, Planning, and Development, University of Southern California (May 2001).

Table 50: Major Employers - San Diego County

Name	Address	City	Industry	Employer Size Class
Naval Base San Diego	32nd St Naval Station	San Diego	Federal Government-National Security	10,000+
Barona Resort & Casino	1932 Wildcat Canyon Rd.	Lakeside	Casinos	1,000-4,999
Ceasar Entertainment	33750 Valley Center Rd.	Valley Center	Swimming Pool Construction, Dealers, & Designers	1,000-4,999
Employees' Association-SDG&E	8330 Century Park Ct.	San Diego	Associations	1,000-4,999
General Dynamics NASSCO	2798 Harbor Dr.	San Diego	Ship Builders & Repairers (mfrs)	1,000-4,999
Illumina Inc	5200 Illumina Way	San Diego	Biotechnology Products & Services	1,000-4,999
Kaiser Permanente Vandever Med	4405 Vandever Ave.	San Diego	Physicians & Surgeons	5,000-9,999
Kaiser Permanente Zion Med Ctr	4647 Zion Ave.	San Diego	Hospitals	1,000-4,999
MCCS MCRD (Marine Corps Community Services Marine Corps Recruit Depot)	3800 Chosin Ave.	San Diego	Towing-Marine	10,000+
Merchants Building Maintenance	9555 Distribution Ave.	San Diego	Janitor Service	1,000-4,999
Palomar Pomerado Health Rehab	555 E Valley Pkwy 5th Floor	Escondido	Rehabilitation Services	1,000-4,999
Rady Children's Hospital	3020 Children's Way.	San Diego	Hospitals	1,000-4,999
San Diego Community College	3375 Camino Del Rio S.	San Diego	Junior-Community College-Tech Institutes	5,000-9,999
San Diego County Sheriff	John F. Duffy Administrative Center	San Diego	Police Departments	1,000-4,999
Scripps Mercy Hosp Sn Diego	4077 Fifth Ave.	San Diego	Hospitals	1,000-4,999
Scripps Research Institute	10550 N Torrey Pines Rd.	La Jolla	Laboratories-Research & Development	1,000-4,999
Seaworld San Diego	500 Sea World Dr.	San Diego	Water Parks	1,000-4,999
Sharp Mary Birch Hospital	3003 Health Center Dr.	San Diego	Hospitals	1,000-4,999
Sharp Memorial Hospital	7901 Frost St.	San Diego	Hospitals	1,000-4,999
Sony Electronics	16535 Via Esprillo	San Diego	Electronic Equipment & Supplies-Retail	1,000-4,999
UC San Diego Health	200 W Arbor Dr.	San Diego	Health Care Management	5,000-9,999
University of California San Diego	9500 Gilman Dr.	La Jolla	University-College Dept/Facility/Office	10,000+
US Navy Med Ctr-Orthopedics	34800 Bob Wilson Dr # 112	San Diego	Clinics	1,000-4,999

Source: State of California Employment Development Department, 2020.

Figure 15: Transit Service and Major Employers



3. Affordable Housing and Public Transit

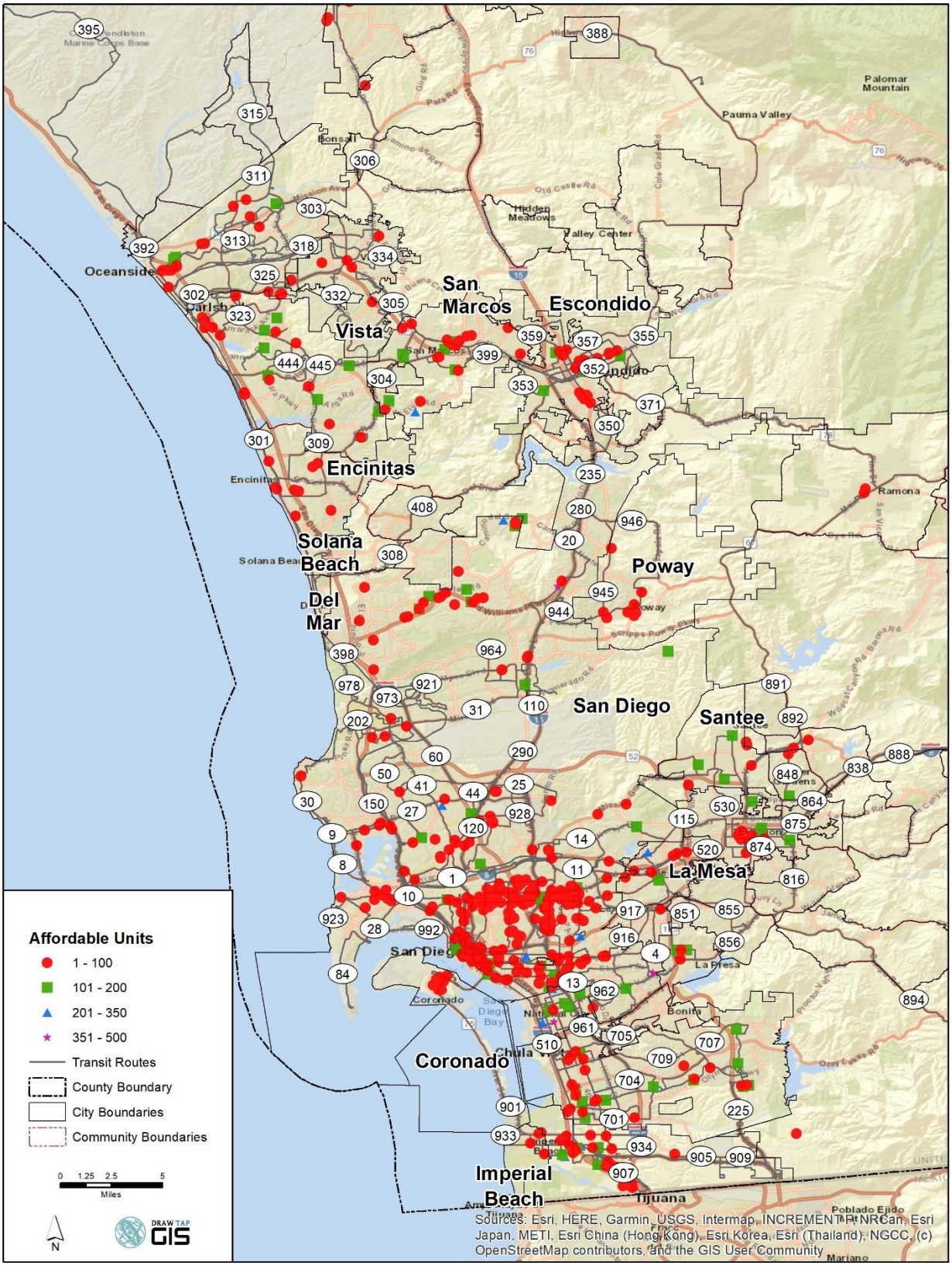
Limited access to public transit may counteract some of the benefits of affordable housing. Current research indicates a strong connection between housing and transportation costs. Housing market patterns in parts of California with job-rich city centers are pushing lower-income families to the outskirts of urban areas, where no transit is available to connect them with jobs and services. In lower-income communities with underserved city centers, many residents must commute out to suburban job-rich areas. In an attempt to save money on housing, many lower-income households are spending disproportionately higher amounts on transportation. A study conducted by the Center for Housing Policy revealed that families who spend more than half of their income on housing spend only eight percent on transportation, while families who spend 30 percent or less of their income on housing spend almost 24 percent on transportation.[35] This equates to more than three times the amount spent by persons living in less affordable housing.

According to the Reconnecting America organization, "for low-income families, the ability to live in an affordable home near good public transportation translates into improved access to healthcare, education and employment opportunities, and reduced commuting costs." [36] Given the benefits of living close to transit, locating assisted housing near public transportation would increase the quality of life of the assisted householders. Figure 16 illustrates the location of the county's affordable housing stock in relation to regional transit services. Many affordable housing projects are located in close proximity to regional transit routes, with the exception of the eastern portions of the county, where few assisted units are located.

[35] Sard, Barbara and Rice, Douglas. "Creating Opportunity for Children How Housing Location Can Make a Difference". Center on Budget and Policy Priorities. (October 2014).

[36] The National Housing Trust Reconnecting America. "Preserving Affordable Housing Near Transit." Enterprise Community Partners (2010).

Figure 16: Transit Service and Publicly Assisted Housing



M. ADA-Compliant Public Facilities (Section 504 Assessment)

Access to civic life by people with disabilities is a fundamental goal of the Americans with Disabilities Act (ADA). To ensure that this goal is met, Title II of the ADA requires State and local governments to make their programs and services accessible to persons with disabilities. This requirement not only extends to physical access at government facilities, programs, and events, but also to policy changes that governmental entities must make to ensure that all people with disabilities can take part in, and benefit from, the programs and services of State and local governments.

The development of an ADA Transition Plan is a requirement of the federal regulations implementing the Rehabilitation Act of 1973, which require that all organizations receiving federal funds make their programs available without discrimination to persons with disabilities. The Transition Plan (also known as a Program Access Plan) identifies physical obstacles that limit the accessibility of facilities to individuals with disabilities, describes the prescribed methods to make the facilities accessible, provides a schedule for making the access modifications, and identifies the public officials responsible for implementation of the transition plan.

Carlsbad, Encinitas, Imperial Beach, National City, San Diego (City), San Diego (County), and Santee provided updates for this report. The County of San Diego has indicated that their government facilities are ADA-compliant. The City of San Diego conducted a Self-Evaluation as mandated under the ADA. From that analysis, a required transition plan was created which included 212 high use city facilities that needed physical modifications to make them accessible. In 2009 the City updated its Transition Plan and identified 182 additional high-use public facilities requiring architectural barrier removal. Since the 2009 update the City has completed 34 of these facilities; an additional 32 facilities are funded and 116 remain unfunded. Both the County of San Diego and the City of San Diego continue to evaluate their public facilities for compliance with current accessibility regulations and update its list of projects needing barrier removal. National City indicated its facilities are not ADA compliant, however the City has a transition plan in place that was adopted in June 2019. Santee also indicated that its City facilities are not fully ADA Compliant, however, there are plans to make all of the City facilities compliant, has an approved ADA Transition Plan, and has made numerous ADA improvements to City Parks, Fire Stations, and other facilities, including City Hall. The City of Carlsbad and City of Imperial Beach indicated that their government facilities are ADA-compliant, as all improvements identified in their ADA Transitions Plans are complete. The City of Encinitas indicated that they have an approved Self-Evaluation and ADA Transition Plan.

Table 51: ADA-Compliant Public Facilities

Jurisdiction	ADA Transition Plan	Facilities ADA Compliant
Urban County		
Coronado		
Del Mar		
Imperial Beach	Yes	Yes
Lemon Grove		
Poway		
Solana Beach		
Entitlement Cities		
Carlsbad	Yes	Yes
Chula Vista		
El Cajon		
Encinitas	Yes	In progress
Escondido		
La Mesa		
National City	Yes	In progress
Oceanside		
San Diego	Yes	In progress
San Marcos		
Santee	Yes	In progress
Vista		
San Diego County		Yes

Note: Jurisdictions with empty cells did not provide information regarding ADA compliance.

N. Exposure to Adverse Community Factors

Communities must consider fair housing when addressing exposure to community factors adverse to their quality of life and poverty mitigation because either the problems themselves, or solution to the problems, may have a disproportionate negative effect on some residents. Community factors of concern include disparities in access to opportunities affecting including public education, transit/transportation, jobs/labor, and environmental health. Another concern are environmental risks to vulnerable populations, including pregnant women, young children, and individuals with disabilities—all of whom are protected under fair housing law.

1. Public Schools

Public schools within San Diego County are grouped by 23 elementary school districts, six high school districts, 13 unified school districts, and five community college districts. The San Diego County Office of Education provides a variety of services for these 42 school districts, 139 charter schools, and five community college districts in the county.

As part of President Johnson's "War on Poverty," the Elementary and Secondary Education Act (ESEA), passed in 1965. The ESEA is often regarded as the most far-reaching federal legislation affecting education ever passed by Congress. The act is an extensive statute that funds primary and secondary education, while emphasizing equal access to education and establishing high standards and accountability. A major component of ESEA is a series of programs typically referred to as "Title I". Title I provides financial assistance to states and school districts to meet the needs of educationally at-risk students. To qualify as a Title I school, a campus typically must have around 40 percent or more of its students coming from families who are low-income. The goal of Title I is to provide extra instructional services and activities which support students identified as failing or most at risk of failing the state's challenging performance standards in mathematics, reading, and writing.

Figure 17 and Figure 18 show the location of Title I schools in San Diego County. While Title I schools are not located in all cities and communities, the geographic distribution of Title I schools generally matches the geographic distribution of minorities and low- and moderate-income persons in the county. Addressing access to higher achieving schools is important, as studies have shown that low-income children who live in low-poverty neighborhoods and consistently attend high-quality schools perform significantly better academically than those who do not.[37]

[37] Sard, Barbara and Rice, Douglas. "Creating Opportunity for Children How Housing Location Can Make a Difference". Center on Budget and Policy Priorities. (October 2014).

Figure 17: Distribution of Title I Schools and Low- and Moderate-Income Areas

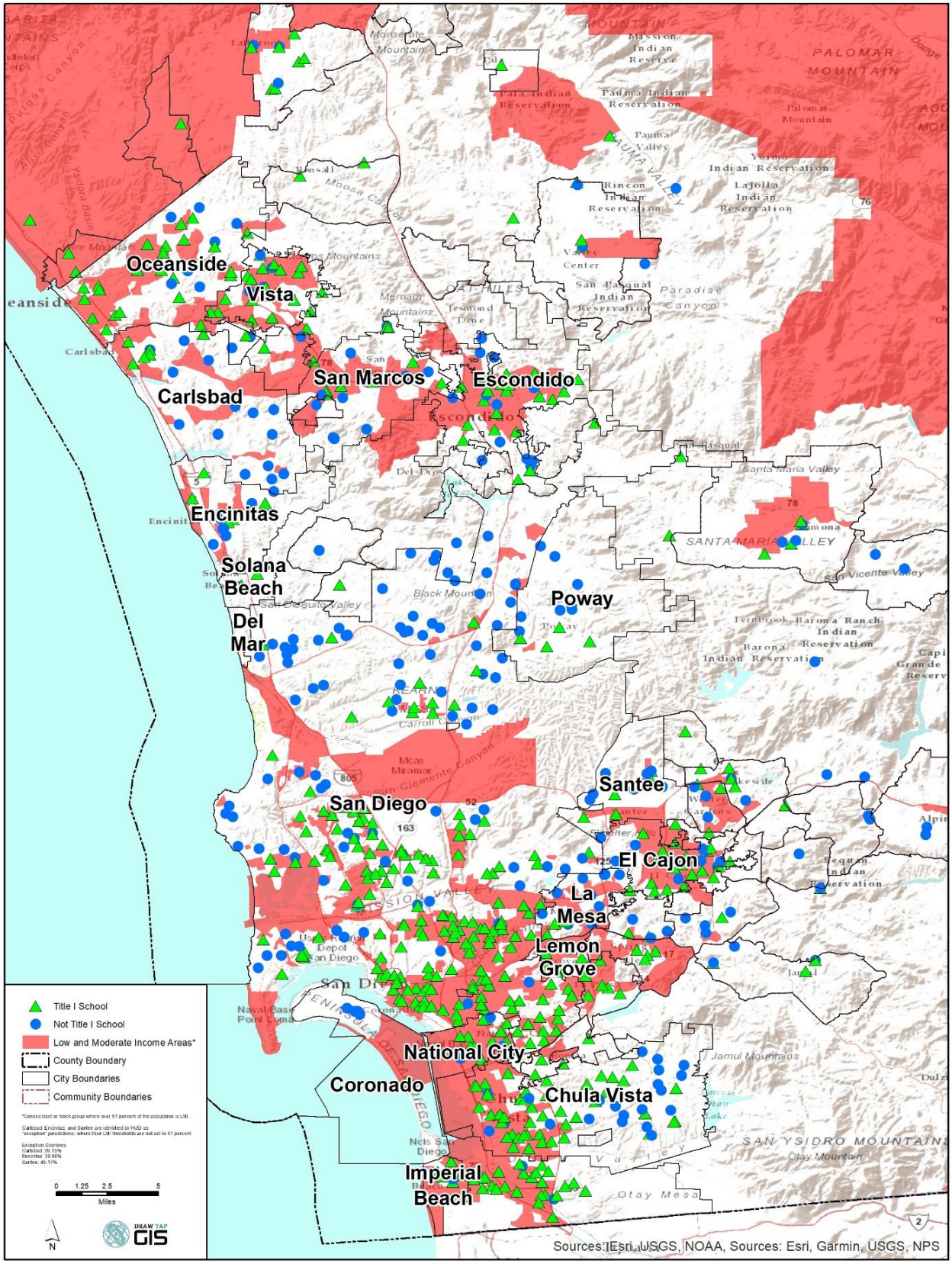
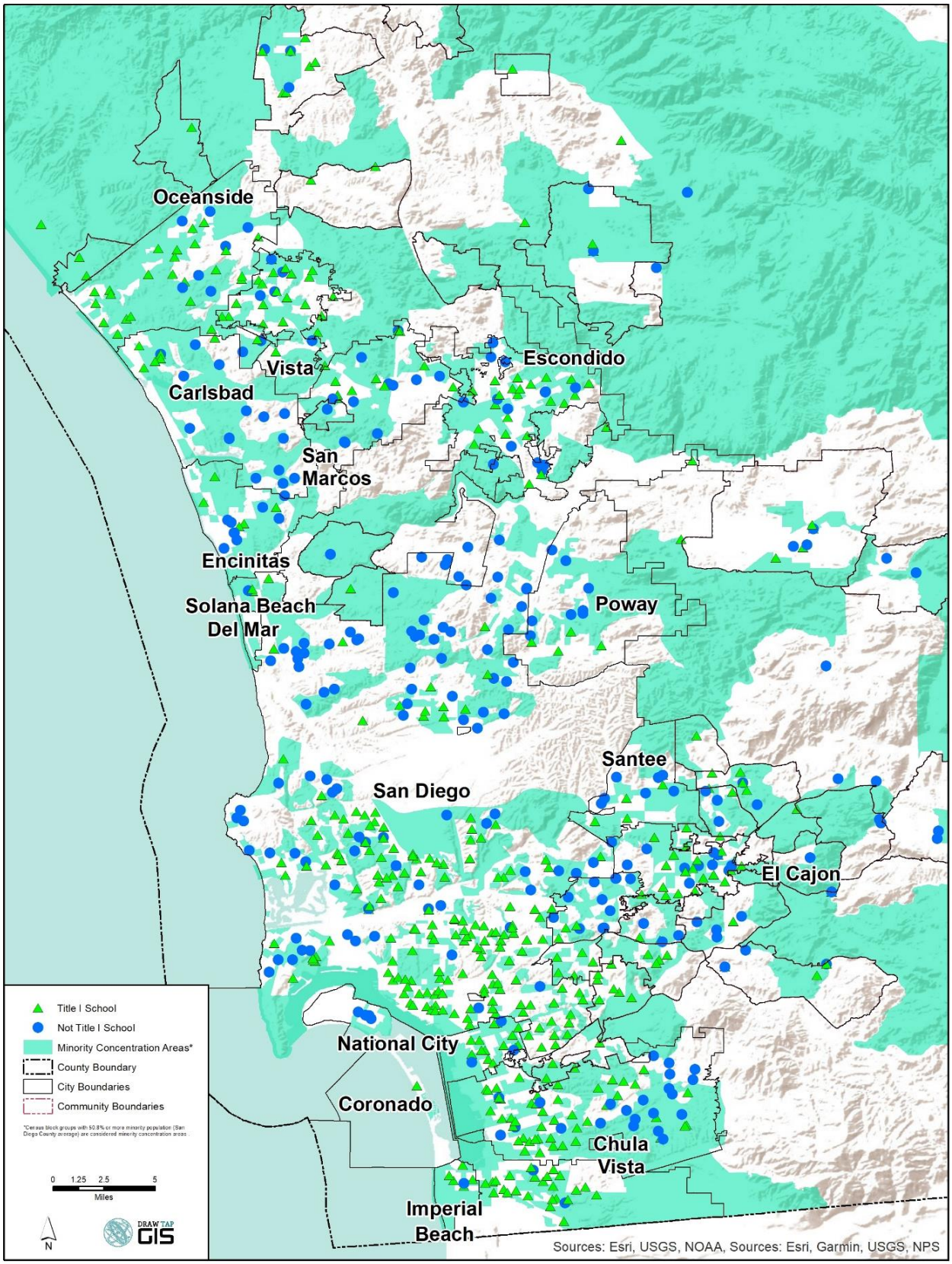


Figure 18: Distribution of Title I Schools and Areas of Minority Concentration Area



2. Disparities in Access to Opportunity

HUD has developed a series of indices for the purpose of fair housing assessment to help inform communities about disparities in access to opportunity. HUD-provided index scores are based on nationally available data sources and assess residents' access to key opportunity assets in San Diego County. These indices are only available to Entitlement Jurisdictions (with population over 50,000 and receiving CDBG funds from HUD). For Urban County jurisdictions for which a HUD-provided index is not provided, a similar analysis as that provided by the indices was conducted using comparable information. For example, for the Low Poverty Index, the poverty status of the population provided by the 2013-2017 American Community Survey estimates were used.

Table 52 provides index scores or values (the values range from zero to 100) for the following opportunity indicator indices:

- **Low Poverty Index:** The low poverty index captures poverty in a given neighborhood. The poverty rate is determined at the census tract level. ***The higher the score, the less exposure to poverty in a neighborhood.***
- **School Proficiency Index:** The school proficiency index uses school-level data on the performance of 4th grade students on state exams to describe which neighborhoods have high-performing elementary schools nearby and which are near lower performing elementary schools. ***The higher the score, the higher the school system quality is in a neighborhood.***
- **Labor Market Engagement Index:** The labor market engagement index provides a summary description of the relative intensity of labor market engagement and human capital in a neighborhood. This is based upon the level of employment, labor force participation, and educational attainment in a census tract. ***The higher the score, the higher the labor force participation and human capital in a neighborhood.***
- **Transit Trips Index:** This index is based on estimates of transit trips taken by a family that meets the following description: a three-person single-parent family with income at 50% of the median income for renters for the region (i.e. the Core-Based Statistical Area (CBSA)). ***The higher the transit trips index, the more likely residents in that neighborhood utilize public transit.***
- **Low Transportation Cost Index:** This index is based on estimates of transportation costs for a family that meets the following description: a three-person single-parent family with income at 50 percent of the median income for renters for the region/CBSA. ***The higher the index, the lower the cost of transportation in that neighborhood.***
- **Jobs Proximity Index:** The jobs proximity index quantifies the accessibility of a given residential neighborhood as a function of its distance to all job locations within a region/CBSA, with larger employment centers weighted more heavily. ***The higher the index value, the better the access to employment opportunities for residents in a neighborhood.***
- **Environmental Health Index:** The environmental health index summarizes potential exposure to harmful toxins at a neighborhood level. The higher the index value, the less exposure to toxins harmful to human health. ***Therefore, the higher the value, the better the environmental quality of a neighborhood, where a neighborhood is a census block-group.***

As shown in Table 52, in San Diego County, Native American, Black, and Hispanic residents were more likely (compared to other racial/ethnic groups) to be impacted by poverty, limited access to proficient schools, lower labor participation rate. Black residents were most likely to reside in areas with the lowest environmental quality levels, the lowest accessibility to employment centers, and the lowest cost of transportation. Black and Asian residents scored highest as most likely to utilize public transportation. Additional detailed breakdowns by Entitlement Jurisdiction are shown in Table 52. For the smaller jurisdictions (with population less than 50,000) participating in the HUD programs as part of the Urban County, the report utilizes other sources of data to provide similar analysis.

Table 52: Opportunity Indicators by Race/Ethnicity – Entitlement Jurisdictions

	Low Poverty Index	School Proficiency Index	Labor Market Index	Transit Index	Low Transportation Cost Index	Jobs Proximity Index	Environmental Health Index
San Diego County							
Total Population							
White, Non-Hispanic	61.91	64.61	48.93	70.89	55.42	52.89	54.81
Black, Non-Hispanic	51.74	53.72	35.21	78.11	63.07	49.79	43.66
Hispanic	51.71	53.49	37.87	75.68	60.19	51.28	47.15
Asian or Pacific Islander, Non-Hispanic	65.75	64.96	55.06	78.19	59.63	51.68	47.98
Native American, Non-Hispanic	50.41	48.00	31.93	54.60	47.68	56.76	67.85
Population below federal poverty line							
White, Non-Hispanic	51.94	58.45	41.93	72.79	58.18	52.36	51.65
Black, Non-Hispanic	42.16	42.08	33.28	86.15	69.30	48.05	36.75
Hispanic	39.99	46.71	32.57	79.68	65.00	48.70	42.87
Asian or Pacific Islander, Non-Hispanic	60.01	60.14	48.58	75.21	59.26	51.72	50.68
Native American, Non-Hispanic	45.10	37.12	34.42	64.82	54.52	51.65	57.91
Carlsbad							
Total Population							
White, Non-Hispanic	56.98	88.09	70.63	87.29	64.71	54.62	56.23
Black, Non-Hispanic	58.41	87.68	72.18	86.91	64.92	63.87	54.04
Hispanic	53.57	84.92	64.92	87.35	67.62	56.59	52.54
Asian or Pacific Islander, Non-Hispanic	58.22	89.63	73.27	87.17	64.04	57.91	56.49
Native American, Non-Hispanic	56.38	83.47	66.64	87.15	66.85	60.13	53.79
Population below federal poverty line							
White, Non-Hispanic	54.04	86.83	67.87	87.02	66.3	54.77	54.96
Black, Non-Hispanic	46.85	93.95	70.88	86.44	57.14	47.44	58.41
Hispanic	48.35	82.09	61.14	87.85	69.88	60.68	50.51
Asian or Pacific Islander, Non-Hispanic	51.63	88.62	69.97	90.35	73.31	46.14	57.38
Native American, Non-Hispanic	31.00	86.82	68.00	92.00	75.00	50.36	71.00

Table 52: Opportunity Indicators by Race/Ethnicity – Entitlement Jurisdictions

	Low Poverty Index	School Proficiency Index	Labor Market Index	Transit Index	Low Transportation Cost Index	Jobs Proximity Index	Environmental Health Index
Chula Vista							
Total Population							
White, Non-Hispanic	65.41	69.32	48.41	83.96	64.09	52.89	39.92
Black, Non-Hispanic	62.25	69.74	47.89	86.1	66.52	55.89	38.15
Hispanic	54.71	64.74	38.93	87.71	69.38	53.35	35.32
Asian or Pacific Islander, Non-Hispanic	73.70	74.41	58.92	83.65	61.59	53.95	40.95
Native American, Non-Hispanic	56.87	66.29	40.33	86.75	68.86	55.53	37.19
Population below federal poverty line							
White, Non-Hispanic	54.91	68.71	41.46	86.61	69.61	55.5	37.15
Black, Non-Hispanic	36.78	62.01	27.56	91.31	76.50	56.96	29.09
Hispanic	39.43	61.19	28.35	89.97	75.32	56.76	31.86
Asian or Pacific Islander, Non-Hispanic	46.94	62.93	35.44	88.98	71.40	46.31	30.76
Native American, Non-Hispanic	53.31	69.93	44.32	85.73	68.56	54.61	40.06
El Cajon							
Total Population							
White, Non-Hispanic	34.31	57.15	31.85	87.87	74.73	55.87	25.51
Black, Non-Hispanic	22.38	51.51	24.01	91.16	80.62	58.30	20.24
Hispanic	24.02	52.85	24.75	90.45	78.93	57.18	21.95
Asian or Pacific Islander, Non-Hispanic	30.57	54.15	29.31	88.97	76.95	57.27	23.22
Native American, Non-Hispanic	29.17	55.97	27.51	89.00	76.98	56.93	23.95
Population below federal poverty line							
White, Non-Hispanic	19.39	52.91	20.82	91.51	80.07	55.85	22.47
Black, Non-Hispanic	11.70	49.66	15.47	92.94	83.40	63.33	17.01
Hispanic	17.74	52.63	21.92	91.58	81.06	58.48	20.62
Asian or Pacific Islander, Non-Hispanic	17.43	54.99	22.33	91.85	79.27	50.48	22.24
Native American, Non-Hispanic	12.14	56.01	11.98	94.35	85.6	56.03	15.43

Table 52: Opportunity Indicators by Race/Ethnicity – Entitlement Jurisdictions

	Low Poverty Index	School Proficiency Index	Labor Market Index	Transit Index	Low Transportation Cost Index	Jobs Proximity Index	Environmental Health Index
Encinitas							
Total Population							
White, Non-Hispanic	63.69	79.79	76.64	85.15	66.08	62.34	65.91
Black, Non-Hispanic	60.80	81.90	74.07	84.07	65.39	63.41	67.20
Hispanic	59.78	80.52	73.07	85.61	66.44	57.09	65.67
Asian or Pacific Islander, Non-Hispanic	63.94	79.74	75.98	84.26	64.83	63.57	66.08
Native American, Non-Hispanic	61.90	80.83	77.06	86.31	67.7	58.66	66.58
Population below federal poverty line							
White, Non-Hispanic	62.73	81.38	77.22	85.19	67.46	65.58	66.43
Black, Non-Hispanic	40.00	94.94	54.00	73.00	53.00	59.69	70.00
Hispanic	49.48	83.75	73.41	87.92	70.29	57.08	67.57
Asian or Pacific Islander, Non-Hispanic	63.18	78.08	76.72	86.37	65.1	54.08	65.32
Native American, Non-Hispanic	31.00	86.82	68.00	92.00	75.00	50.36	71.00
Escondido							
Total Population							
White, Non-Hispanic	43.28	37.79	41.14	78.66	63.19	41.67	39.58
Black, Non-Hispanic	33.94	28.16	32.53	86.74	71.34	42.83	33.46
Hispanic	30.08	21.66	29.39	88.31	72.37	42.35	30.93
Asian or Pacific Islander, Non-Hispanic	42.64	34.36	39.52	80.57	64.68	40.38	38.63
Native American, Non-Hispanic	37.19	28.36	35.76	84.03	68.32	44.13	34.78
Population below federal poverty line							
White, Non-Hispanic	35.98	32.2	37.19	84.22	68.56	42.83	35.4
Black, Non-Hispanic	26.28	22.15	31.14	88.59	76.63	42.18	30.13
Hispanic	25.71	20.75	26.71	90.17	75.36	46.89	27.52
Asian or Pacific Islander, Non-Hispanic	21.05	16.34	28.22	88.42	68.27	39.84	31.09
Native American, Non-Hispanic	28.73	22.45	26.37	89.23	75.52	28.60	32.84

Table 52: Opportunity Indicators by Race/Ethnicity – Entitlement Jurisdictions

	Low Poverty Index	School Proficiency Index	Labor Market Index	Transit Index	Low Transportation Cost Index	Jobs Proximity Index	Environmental Health Index
La Mesa							
Total Population							
White, Non-Hispanic	61.16	68.68	60.78	89.24	78.00	57.47	30.71
Black, Non-Hispanic	55.07	61.30	55.90	90.02	78.98	59.59	29.24
Hispanic	58.63	64.56	58.06	89.57	78.42	58.95	29.82
Asian or Pacific Islander, Non-Hispanic	58.50	62.51	57.44	89.7	78.28	56.02	30.23
Native American, Non-Hispanic	58.04	63.49	56.41	89.72	78.17	58.13	29.70
Population below federal poverty line							
White, Non-Hispanic	60.07	68.63	59.5	89.63	79.22	63.90	30.92
Black, Non-Hispanic	43.60	55.39	40.49	91.63	81.08	63.07	26.66
Hispanic	51.55	63.82	55.25	90.36	80.26	63.12	28.65
Asian or Pacific Islander, Non-Hispanic	55.39	65.15	53.25	90.82	79.48	58.08	30.81
Native American, Non-Hispanic	64.66	43.29	48.95	89.39	73.23	46.96	29.05
National City							
Total Population							
White, Non-Hispanic	26.34	43.72	23.61	72.63	73.64	69.90	37.58
Black, Non-Hispanic	23.89	43.73	21.65	75.24	75.84	65.29	36.49
Hispanic	21.74	39.84	22.83	87.27	78.85	52.60	36.83
Asian or Pacific Islander, Non-Hispanic	24.64	45.55	27.13	88.11	78.09	59.39	36.80
Native American, Non-Hispanic	23.95	41.65	21.48	74.45	75.35	65.53	37.15
Population below federal poverty line							
White, Non-Hispanic	20.02	43.54	20.63	86.62	80.33	60.64	36.51
Black, Non-Hispanic	14.34	39.00	16.26	92.77	83.85	47.55	35.56
Hispanic	18.64	39.69	21.71	89.20	81.33	53.94	36.15
Asian or Pacific Islander, Non-Hispanic	18.99	46.55	33.29	92.66	83.71	66.3	36.44
Native American, Non-Hispanic	28.82	50.82	32.27	87.56	75.12	47.05	37.46

Table 52: Opportunity Indicators by Race/Ethnicity – Entitlement Jurisdictions

	Low Poverty Index	School Proficiency Index	Labor Market Index	Transit Index	Low Transportation Cost Index	Jobs Proximity Index	Environmental Health Index
Oceanside							
Total Population							
White, Non-Hispanic	53.73	50.45	45.6	86.58	65.37	46.16	42.91
Black, Non-Hispanic	50.82	49.21	40.33	87.26	65.64	43.06	41.48
Hispanic	45.20	42.52	36.15	87.80	67.19	38.18	40.28
Asian or Pacific Islander, Non-Hispanic	53.49	51.54	43.13	86.59	63.23	42.73	43.03
Native American, Non-Hispanic	48.60	43.64	39.83	87.25	67.76	46.11	41.52
Population below federal poverty line							
White, Non-Hispanic	46.73	42.01	39.93	88.36	69.82	47.45	41.82
Black, Non-Hispanic	38.33	33.45	31.98	90.09	73.53	46.19	42.61
Hispanic	35.87	30.17	32.26	89.42	72.41	43.46	37.40
Asian or Pacific Islander, Non-Hispanic	51.67	50.85	39.48	87.25	61.54	41.53	43.14
Native American, Non-Hispanic	39.13	30.18	38.02	84.62	65.63	52.66	38.89
San Diego							
Total Population							
White, Non-Hispanic	67.86	67.39	75.24	89.49	74.41	53.52	43.16
Black, Non-Hispanic	42.82	43.19	40.74	88.67	76.29	44.98	34.94
Hispanic	38.13	40.65	39.45	89.92	76.98	44.50	31.79
Asian or Pacific Islander, Non-Hispanic	62.52	60.38	63.70	90.04	72.16	45.25	43.20
Native American, Non-Hispanic	56.84	55.62	58.86	87.99	77.15	52.11	36.63
Population below federal poverty line							
White, Non-Hispanic	57.16	60.31	68.63	91.72	79.98	55.53	37.76
Black, Non-Hispanic	28.86	37.4	32.76	92.71	81.27	45.64	28.50
Hispanic	25.68	36.41	31.20	91.36	80.07	43.14	28.27
Asian or Pacific Islander, Non-Hispanic	56.10	57.91	62.52	92.72	80.36	50.92	37.26
Native American, Non-Hispanic	31.81	52.90	52.98	93.31	86.59	54.09	26.11

Table 52: Opportunity Indicators by Race/Ethnicity – Entitlement Jurisdictions

	Low Poverty Index	School Proficiency Index	Labor Market Index	Transit Index	Low Transportation Cost Index	Jobs Proximity Index	Environmental Health Index
San Marcos							
Total Population							
White, Non-Hispanic	51.24	80.35	44.17	86.26	58.76	57.85	47.26
Black, Non-Hispanic	47.23	75.73	40.45	87.51	61.71	56.39	43.82
Hispanic	43.10	65.37	34.64	89.92	65.89	49.74	36.64
Asian or Pacific Islander, Non-Hispanic	45.83	78.76	44.33	86.13	58.59	55.01	47.72
Native American, Non-Hispanic	50.14	72.69	40.00	88.08	63.59	54.76	41.49
Population below federal poverty line							
White, Non-Hispanic	46.98	76.51	41.72	86.81	61.55	54.93	44.75
Black, Non-Hispanic	48.95	72.59	41.78	89.36	63.89	52.96	41.71
Hispanic	36.20	58.52	33.06	91.14	69.37	45.58	33.97
Asian or Pacific Islander, Non-Hispanic	40.97	63.27	34.36	90.16	69.26	58.82	34.83
Native American, Non-Hispanic	58.46	86.70	44.35	86.76	64.26	69.49	47.15
Santee							
Total Population							
White, Non-Hispanic	69.83	78.14	49.29	84.84	64.16	44.37	47.24
Black, Non-Hispanic	68.69	79.70	40.44	83.79	66.05	56.11	45.21
Hispanic	69.41	78.36	47.70	84.77	64.75	48.32	46.15
Asian or Pacific Islander, Non-Hispanic	69.90	79.62	47.36	84.22	64.42	49.78	46.20
Native American, Non-Hispanic	70.35	77.07	48.44	84.06	63.91	43.52	47.93
Population below federal poverty line							
White, Non-Hispanic	65.71	77.7	48.15	84.63	64.63	48.01	44.73
Black, Non-Hispanic	69.79	77.16	56.49	85.38	61.96	63.50	49.63
Hispanic	69.44	79.81	49.54	83.95	64.00	48.99	46.61
Asian or Pacific Islander, Non-Hispanic	75.16	74.24	55.79	86.75	66.23	50.10	46.26
Native American, Non-Hispanic	66.24	83.59	61.38	81.16	59.21	30.44	53.33

Table 52: Opportunity Indicators by Race/Ethnicity – Entitlement Jurisdictions

	Low Poverty Index	School Proficiency Index	Labor Market Index	Transit Index	Low Transportation Cost Index	Jobs Proximity Index	Environmental Health Index
Vista							
Total Population							
White, Non-Hispanic	42.50	45.98	33.25	87.97	66.11	53.16	46.57
Black, Non-Hispanic	41.84	42.91	29.49	89.43	68.67	52.55	44.7
Hispanic	37.97	32.22	26.59	90.00	68.53	48.01	41.73
Asian or Pacific Islander, Non-Hispanic	43.33	47.70	33.89	88.5	66.78	54.41	45.63
Native American, Non-Hispanic	39.87	39.52	28.71	89.24	67.84	53.47	43.49
Population below federal poverty line							
White, Non-Hispanic	39.91	39.30	30.72	88.80	67.05	50.27	45.17
Black, Non-Hispanic	30.99	49.43	34.35	89.18	67.87	55.12	45.40
Hispanic	32.99	29.16	24.82	90.26	68.64	48.35	40.60
Asian or Pacific Islander, Non-Hispanic	40.76	51.93	30.98	89.65	69.40	56.11	46.67
Native American, Non-Hispanic	39.96	24.06	26.20	89.68	65.39	51.54	51.34

Source: Affirmatively Furthering Fair Housing (AFFH) Data and Mapping Tool (AFFH-T), 2017

The following tables indicate similar opportunity characteristics for the Urban County jurisdictions. As shown in Table 53, the cities of Imperial Beach (19.0 percent) and Lemon Grove (13.8 percent) had the highest population ratio below the poverty level. In the Urban County, generally American Indian/Alaskan Native and Black or African American residents had the highest poverty rates compared to other racial/ethnic groups.

According to Table 54, a large percentage of schools in Imperial Beach, Lemon Grove and Solano Beach are considered Title I schools, and help low-achieving children meet state standards in core academic subjects. These schools coordinate and integrate resources and services from federal, state, and local sources. To be considered for Title 1 school funds, at least 40 percent of the students must be considered low-income.

When considering labor market participation, the unemployment rates of the Urban County show that the cities of Imperial Beach and Lemon Grove had slightly higher unemployment rates than overall San Diego County (2.8 percent).

Table 54 shows that the majority of Urban County city residents had commutes under 30 minutes. AllTransit explores metrics that reveal the social and economic impact of transit, specifically looking at connectivity, access to jobs, and frequency of service. According to the data provided, the cities of Lemon Grove (7.9), Imperial Beach (6.7), and Coronado (6.6) scored the highest, illustrating a moderate combination of trips per week and number of jobs accessible that enable a moderate number of people to take transit to work (Table 55).

Table 53: Opportunity Indicator - Poverty Rate – Urban County Participating Jurisdictions

Race/Ethnicity	Coronado			Del Mar			Imperial Beach		
	Total	Below Poverty Level	Percent Below Poverty Level	Total	Below Poverty Level	Percent Below Poverty Level	Total	Below Poverty Level	Percent Below Poverty Level
Population for whom poverty status is determined	20,330	1,082	5.3%	4,321	300	6.9%	27,001	5,117	19.0%
White alone	18,610	961	5.2%	4,146	274	6.6%	19,203	3,636	18.9%
Black or African American alone	188	11	5.9%	21	0	0.0%	1,067	334	31.3%
American Indian and Alaska Native alone	53	0	0.0%	0	0	-	317	72	22.7%
Asian alone	613	44	7.2%	112	26	23.2%	2,206	304	13.8%
Native Hawaiian and Other Pacific Islander alone	23	0	0.0%	0	0	-	195	0	0.0%
Some other race alone	150	12	8.0%	0	0	-	1,524	231	15.2%
Two or more races	693	54	7.8%	42	0	0.0%	2,489	540	21.7%
Race/Ethnicity	**Lemon Grove**			**Poway**			**Solana Beach**		
	Total	**Below Poverty Level**	**Percent Below Poverty Level**	**Total**	**Below Poverty Level**	**Percent Below Poverty Level**	**Total**	**Below Poverty Level**	**Percent Below Poverty Level**
Population for whom poverty status is determined	26,422	3,646	13.8%	49,353	3,331	6.7%	13,340	656	4.9%
White alone	17,161	1,879	10.9%	37,575	2,390	6.4%	11,148	454	4.1%
Black or African American alone	3,547	827	23.3%	607	55	9.1%	81	14	17.3%
American Indian and Alaska Native alone	146	82	56.2%	461	219	47.5%	120	24	20.0%
Asian alone	1,527	104	6.8%	6,480	263	4.1%	685	75	10.9%
Native Hawaiian and Other Pacific Islander alone	122	22	18.0%	18	0	0.0%	0	0	-
Some other race alone	2,205	247	11.2%	1,670	231	13.8%	614	32	5.2%
Two or more races	1,714	485	28.3%	2,542	173	6.8%	692	57	8.2%

Source: American Community Survey 2013-2017, S1701

Table 54: Opportunity Indicators – School Proficiency, Labor Market, Job Proximity – Urban County Participating Jurisdictions

Opportunity Indicator	Coronado	Del Mar	Imperial Beach	Lemon Grove	Poway	Solana Beach
School Proficiency						
Total Title I Schools	1	1	5	5	4	3
Total Schools	5	2	6	5	12	4
% of Schools	20.0%	50.0%	83.3%	100.0%	33.3%	75.0%
Unemployment Rate						
Annual Rate	2.2%	1.5%	3.5%	3.2%	2.2%	1.4%
Job Proximity						
<29 mins.	79.3%	75.7%	51.5%	63.7%	59.6%	70.5%
30-59 mins.	16.2%	16.0%	41.8%	29.2%	35.3%	24.6%
60 mins. or more	4.5%	8.3%	6.7%	7.1%	5.1%	4.9%

Source: California Department of Education, Public Schools and Districts Data File 18-19, Feb 2020; American Community Survey 2013-2017, S0801; CalEnviroScreen 3.0 Results (June 2018 Update).

Table 55: Opportunity Indicators – Transit – Urban County Participating Jurisdictions

	All Transit Performance Score	Transit Trips Per Week within 1/2 Mile	Jobs Accessible in 30-min trip	Commuters Who Use Transit	Transit Routes within 1/2 Mile
Coronado	6.6	916	86,924	2.30%	1
Del Mar	5.1	738	58,060	0.03%	2
Imperial Beach	6.7	1,188	31,400	4.25%	3
Lemon Grove	7.9	1,274	75,237	4.45%	5
Poway	3.1	432	15,312	1.29%	2
Solano Beach	5.9	950	68,617	2.02%	3

Source: https://alltransit.cnt.org/metrics/, accessed March 13, 2020.

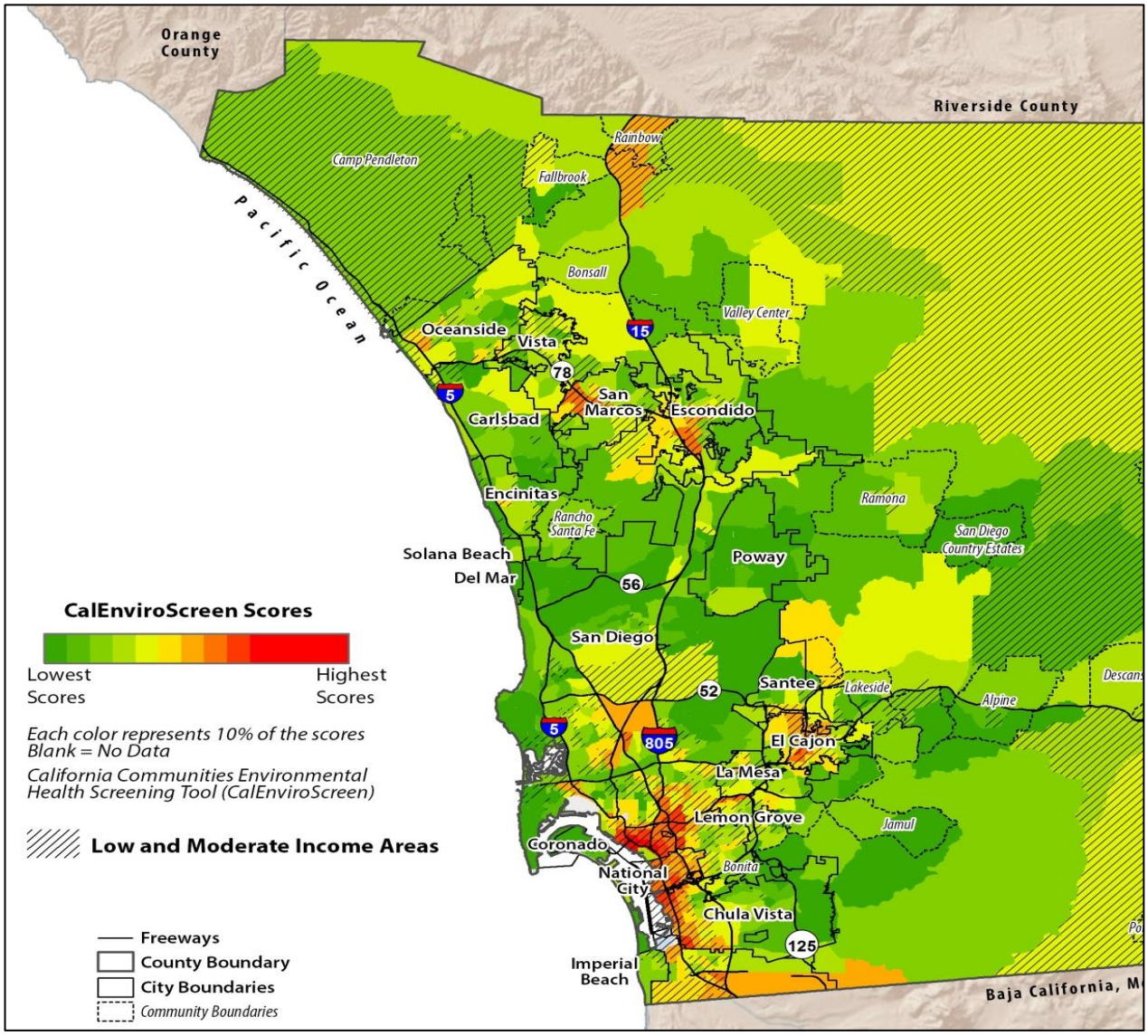
Continuing the analysis of Urban County jurisdictions for which the HUD Environmental Health Index was not provided, the Environmental Health Screening tool (CalEnviroScreen) was used. The California Office of Environmental Health Hazard Assessment (OEHHA) developed a screening methodology to help identify California communities disproportionately burdened by multiple sources of pollution called the California Communities Environmental Health Screening Tool (CalEnviroScreen). In addition to environmental factors (pollutant exposure, groundwater threats, toxic sites, and hazardous materials exposure) and sensitive receptors (seniors, children, persons with asthma, and low birth weight infants), CalEnviroScreen also takes into consideration socioeconomic factors. These factors include educational attainment, linguistic isolation, poverty, and unemployment. Research has shown a heightened vulnerability of people of color and lower socioeconomic status to environmental pollutants. Table 56 shows the Urban County's CalEnviroScreen scores by census tract in Urban County jurisdictions. High scoring communities tend to be more burdened by pollution from multiple sources and most vulnerable to its effects, taking into account their socioeconomic characteristics and underlying health status. As expected, the areas indicated as having higher EnviroScreen scores generally matched the geographic distribution of minorities, low- and moderate-income persons, and poverty concentrations.

Table 56: Opportunity Indicators – Environmental Health – Urban County Participating Jurisdictions

Urban County	Census Tract	Total Population	CES 3.0 Score
Coronado	6073021600	3391	13.59
	6073011000	2799	6.18
	6073021800	2022	5.73
	6073010800	2390	5.70
	6073010900	1750	4.77
	6073011100	3698	4.71
	6073010601	2127	4.67
	6073009902	2	NA
Del Mar	6073017029	8823	7.62
	6073017306	2818	3.69
	6073017200	4146	2.89
	6073008324	6600	2.11
Imperial Beach	6073010402	5558	30.50
	6073010502	5514	24.30
	6073010200	6800	23.76
	6073010300	4507	23.55
	6073010401	2458	19.82
	6073010501	1433	15.27
Lemon Grove	6073014400	3523	39.22
	6073014300	3618	31.85
	6073014001	4630	24.52
	6073014200	6277	23.65
	6073014101	3507	20.27
	6073014002	4488	19.38
Poway	6073017049	2919	16.25
	6073017048	6123	13.73
	6073017009	4024	10.78
	6073017040	4363	9.05
	6073017020	3694	8.58
	6073017010	3152	8.17
	6073017054	5810	6.87
	6073017041	6147	6.18
	6073017053	3364	5.01
	6073017006	2876	3.73
Solano Beach	6073017304	5508	12.39
	6073017303	3018	6.78
	6073017305	2969	3.05

Source: CalEnviroScreen 3.0 Results (June 2018 Update).

Figure 19: Environmental Exposure



A key aspect of fair housing choice is equal access to credit for the purchase or improvement of a home, particularly in light of the recent lending/credit crisis. This chapter reviews the lending practices of financial institutions and the access to financing for all households, particularly minority households. Lending patterns in low and moderate income neighborhoods and areas of minority concentration are also examined. However, publicly available data on lending does not contain the detailed information necessary to make conclusive statements of discrimination, but it can point out potential areas of concern. Furthermore, except for outreach and education efforts, local jurisdictions' ability to influence lending practices is limited. Such practices are largely governed by national policies and regulations.

A. Background

1. Legislative Protection

In the past, credit market distortions and other activities such as "redlining" were prevalent and prevented some groups from having equal access to credit. The Community Reinvestment Act (CRA) in 1977 and the subsequent Home Mortgage Disclosure Act (HMDA) were designed to improve access to credit for all members of the community and hold the lender industry responsible for community lending.

Community Reinvestment Act

The Community Reinvestment Act (CRA) is intended to encourage regulated financial institutions to help meet the credit needs of their entire communities, including low and moderate income neighborhoods. Depending on the type of institution and total assets, a lender may be examined by different supervising agencies for its CRA performance. CRA ratings are provided by the Federal Reserve Board (FRB), Federal Financial Institutions Examination Council (FFIEC), Federal Deposit Insurance Corporation (FDIC), and Office of the Comptroller of the Currency (OCC). However, the CRA rating is an overall rating for an institution and does not provide insights regarding the lending performance at specific locations by the institution.

Home Mortgage Disclosure Act

In tandem with the CRA, the Home Mortgage Disclosure Act requires lending institutions to make annual public disclosures of their home mortgage lending activity. Under HMDA, lenders are required to disclose information on the disposition of home loan applications and on the race or national origin, gender, and annual income of loan applicants. This section examines detailed 2012 and 2017 HMDA data for San Diego County.[38]

[38] 2017 HMDA data is the most updated lending data available that can provide consistent comparative analysis of data from 2012. In 2018, the FFIEC changed the reporting format, making comparison with prior years for trends difficult.

HMDA data provide some insight into the lending patterns that exist in a community. However, HMDA data are only an indicator of potential problems; the data cannot be used to conclude definite redlining or discrimination practices due to the lack of detailed information on loan terms or specific reasons for denial.

Conventional versus Government-Backed Financing

Conventional financing involves market-rate loans provided by private lending institutions such as banks, mortgage companies, savings and loans, and thrift institutions. To assist lower and moderate income households that may have difficulty in obtaining home mortgage financing in the private market due to income and equity issues, several government agencies offer loan products that have below market interest rates and are insured ("backed") by the agencies. Sources of government-backed financing include loans insured by the Federal Housing Administration (FHA), the Department of Veterans Affairs (VA), and the Rural Housing Services/Farm Service Agency (RHA/FSA). Often government-backed loans are offered to the consumers through private lending institutions. Local programs such as first-time homebuyer and rehabilitation programs are not subject to HMDA reporting requirements and therefore are not included in this analysis.

Financial Stability Act

The Financial Stability Act of 2009 established the Making Home Affordable Program, which assists eligible homeowners who can no longer afford their home with mortgage loan modifications and other options, including short sale or deed-in-lieu of foreclosure. The program is targeted toward homeowners facing foreclosure and homeowners who are unemployed or "underwater" (i.e., homeowners who owe more on their mortgage than their home is worth).

For homeowners who can no longer afford their homes but do not want to go into foreclosure, the Home Affordable Foreclosure Alternatives Program (HAFA) offers homeowners, their mortgage servicers, and investor incentives for completing a short sale or deed-in-lieu of foreclosure. HAFA enables homeowners to transition to more affordable housing while being released from their mortgage debt. The program also includes a "cash for keys" component whereby a homeowner receives financial assistance to help with relocation costs in return for vacating their property in good condition.

Helping Families Save Their Homes Act

The Helping Families Save Their Homes Act was passed by Congress in May 2009 and expands the Making Home Affordable Program. This Act includes provisions to make mortgage assistance and foreclosure prevention services more accessible to homeowners and increases protections for renters living in foreclosed homes. It also establishes the right of a homeowner to know who owns their mortgage and provides over two billion dollars in funds to address homelessness. Under this bill, tenants also have the right to stay in their homes after foreclosure for 90 days or through the term of their lease.

Fraud Enforcement and Recovery Act

The Fraud Enforcement and Recovery Act (FERA) enhances the criminal enforcement of federal fraud laws by strengthening the capacity of federal prosecutors and regulators to hold accountable those who have committed fraud. FERA amends the definition of a financial institution to include

private mortgage brokers and non-bank lenders that are not directly regulated or insured by the federal government, making them liable under federal bank fraud criminal statutes. The new law also makes it illegal to make a materially false statement or to willfully overvalue a property in order to manipulate the mortgage lending business.

B. Overall Lending Patterns

1. Data and Methodology

The availability of financing affects a person's ability to purchase or improve a home. Under the HMDA, lending institutions are required to disclose information on the disposition of loan applications by the income, gender, and race of the applicants. This applies to all loan applications for home purchases, improvements, and refinancing, whether financed at market rate or with government assistance.

HMDA data are submitted by lending institutions to the FFIEC. Certain data is available to the public via the FFIEC site either in raw data format or as pre-set printed reports. The analyses of HMDA data presented in this AI were conducted using Lending Patterns™. Lending Patterns is a web-based data exploration tool that analyzes lending records to produce reports on various aspects of mortgage lending. It analyzes HMDA data to assess market share, approval rates, denial rates, low/moderate income lending, and high-cost lending, among other aspects.

General Overview

A detailed summary of the disposition of loan applications submitted to financial institutions in 2012 and 2017 (the most recent HMDA data available) by residents (or prospective residents) of San Diego County can be found in Appendix B. Included is information on loan types and outcomes. In 2017, the cities of San Diego, Chula Vista, and Oceanside recorded the most loan applications, while the cities of Del Mar, Solana Beach, Coronado recorded the fewest due to the built out character of these small communities.

The loan approval rates varied somewhat by jurisdiction. Applications from the cities of Carlsbad, La Mesa, Poway and Santee generally exhibited higher approval rates (over 67 percent). By contrast, applications from the cities of National City, Imperial Beach, and Chula Vista had slightly lower approval rates (ranging from 57 percent to 61 percent). However, the differences are not significant.

Overall, approval rates were slightly lower in 2017 than in 2012. In 2012, the cities of La Mesa, Carlsbad, and Poway recorded the highest home loan approval rates; these approval rates ranged from 74 to 76 percent. The cities with the lowest loan approval rates were the same in 2012 as in 2017 (Imperial Beach, Chula Vista, and National City, under 65 percent). However, the discrepancies in approval rates between the high-rate and the low-rate cities have substantially narrowed since 2012.

Aside from income, another major impediment to securing a home loan is insufficient understanding of the homebuying and lending processes. About 14 percent of all applications countywide were withdrawn by the applicants or deemed incomplete by the financial institution in 2012. The rate of withdrawn or incomplete applications was higher in 2017 (21 percent). The

highest rates of withdrawn/closed applications were seen in Lemon Grove, National City, and Solana Beach, which are also some of the cities with the lowest approval rates. .Withdrawn or closed applications can be indicative of a lack of knowledge about the homebuying and lending process.

Home Purchase Loans

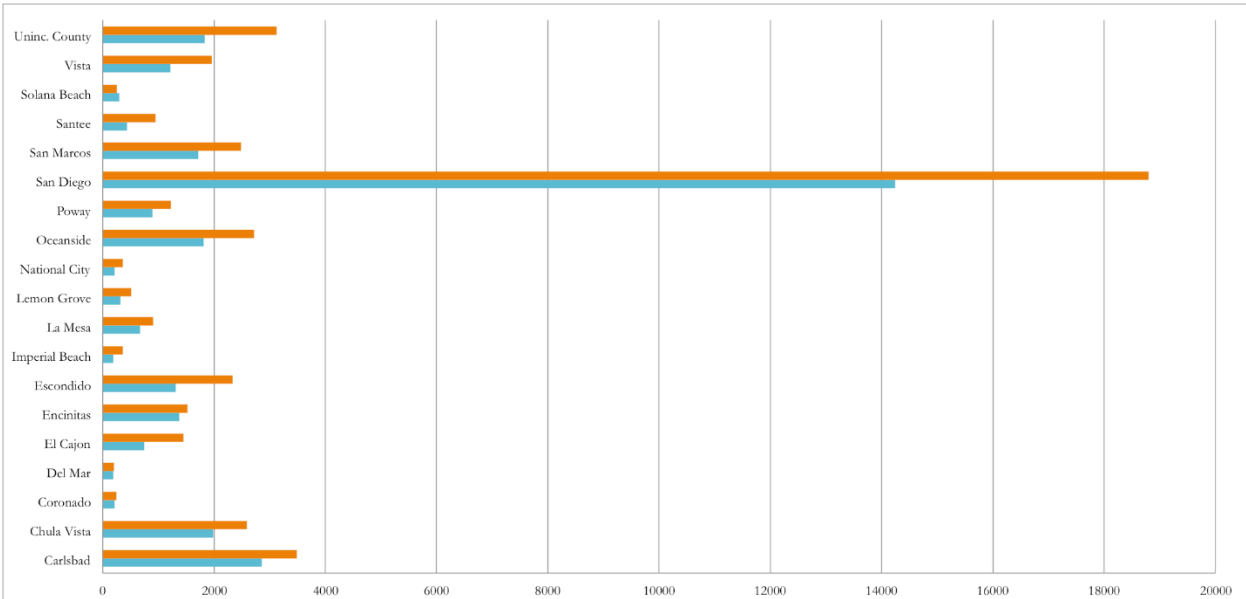
In 2017, a total of 37,949 households applied for conventional loans to purchase homes in San Diego County, representing an increase of approximately 41 percent from 2012. This trend is indicative of a housing market that is slowly recovering from its peak in 2006-2007.

The approval rate countywide in 2017 for conventional home purchase loans was 64 percent, while the denial rate was 15 percent. As mentioned previously, approval rates were slightly higher in 2012. Specifically, the countywide approval rate for conventional home purchase loans was 76 percent in 2012 and the denial rate was 11 percent. When the housing market began to show signs of collapse and foreclosures were on the rise in 2007, many financial institutions instituted stricter approval criteria for potential borrowers, which caused approval rates to drop. However, as time passed, the applicant pool for mortgage lending also became smaller and increasingly selective.

As an alternative to conventional home loans, potential homeowners can choose to apply for government-backed home purchase loans when buying their homes. In a conventional loan, the lender takes on the risk of losing money in the event a borrower defaults on a mortgage. For government-backed loans, the loan is insured, either completely or partially, by the government. The government does not provide the loan itself, but instead promises to repay some or all of the money in the event a borrower defaults. This reduces the risk for the lender when making a loan. Government-backed loans generally have more lenient credit score requirements, lower downpayment requirements, and are available to those with recent bankruptcies. However, these loans may also carry higher interest rates and most require homebuyers to purchase mortgage insurance. Furthermore, government-backed loans have strict limits on the amount a homebuyer can borrow for the purchase of a home. In competitive and high-end housing markets, many of the homes available for purchase exceed the maximum allowable loan amount.

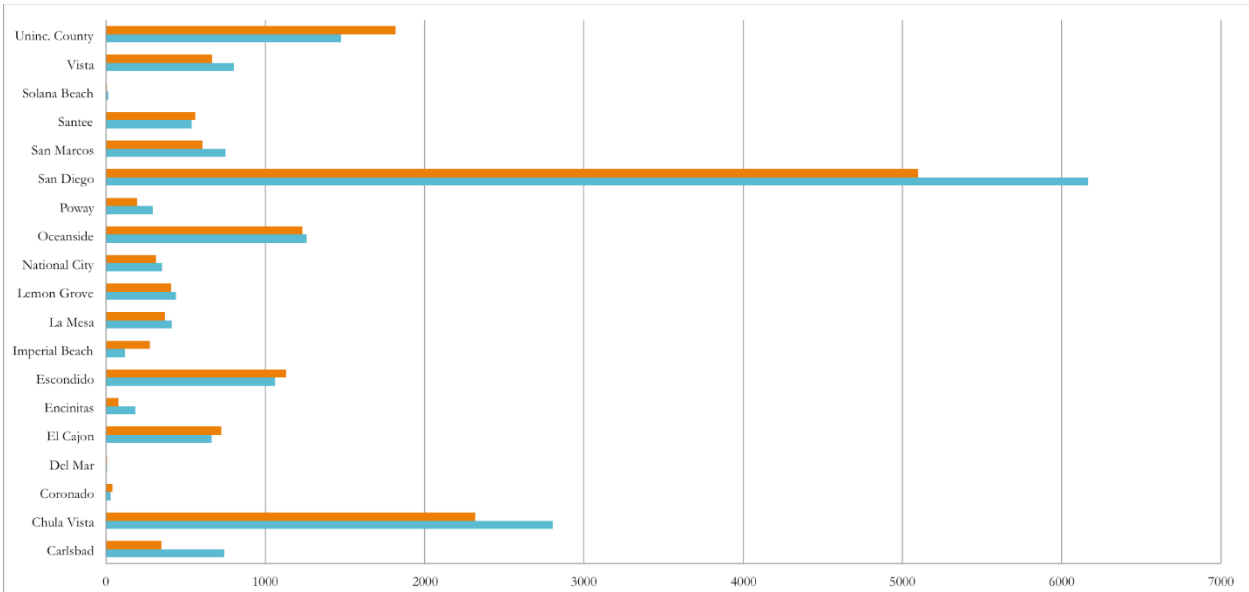
In 2017, 13,515 San Diego County households applied for government-backed loans—comparable in terms of the number of households who applied for this type of loan in 2012 (15,141 households), but represented a lower proportion of all loan applicants in 2017. Unlike approval rates for conventional loans, the approval rate for government-backed loans increased slightly from 2012 to 2017 (from 75 percent to 77 percent).

Figure 20: Conventional Home Purchase Loans (2012 versus 2017)



	Carlsbad	Chula Vista	Coronado	Del Mar	El Cajon	Encinitas	Escondido	Imperial Beach	La Mesa	Lemon Grove	National City	Oceanside	Poway	San Diego	San Marcos	Santee	Solana Beach	Vista	Uninc. County
2017	3488	2590	240	197	1448	1529	2335	365	910	507	360	2722	1229	18796	2486	951	255	1967	3127
2012	2862	1983	217	192	744	1380	1314	191	672	322	209	1809	898	14246	1721	436	297	1216	1830

Figure 21: Government-Backed Home Purchase Loans (2012 versus 2017)



	Carlsbad	Chula Vista	Coronado	Del Mar	El Cajon	Encinitas	Escondido	Imperial Beach	La Mesa	Lemon Grove	National City	Oceanside	Poway	San Diego	San Marcos	Santee	Solana Beach	Vista	Uninc. County
2017	349	2320	41	5	724	77	1131	277	371	409	314	1232	194	5098	604	561	7	665	1816
2012	741	2803	30	6	664	184	1062	118	411	437	352	1260	295	6165	752	536	13	803	1477

Note: HMDA reports data based on census tract. To arrive at numbers for the unincorporated County areas, numbers for individual cities are subtracted from the County total. However, this methodology may underestimate the lending activities in the unincorporated areas because census tracts cross jurisdictional boundaries.
Source: www.lendingpatterns.com, 2020

Home Improvement Loans

Reinvestment in the form of home improvement is critical to maintaining the supply of safe and adequate housing. Historically, home improvement loan applications have a higher rate of denial when compared to home purchase loans. Part of the reason is that an applicant's debt-to-income ratio may exceed underwriting guidelines when the first mortgage is considered with consumer credit balances. Another reason is that many lenders use the home improvement category to report both second mortgages and equity-based lines of credit, even if the applicant's intent is to do something other than improve the home (e.g., pay for a wedding or college). Loans that will not be used to improve the home are viewed less favorably since the owner is divesting in the property by withdrawing accumulated wealth. From a lender's point of view, the reduction in owner's equity represents a higher risk.

In 2017, 9,621 applications for home improvement loans were submitted by San Diego County households—higher than the number of applications for this loan type in 2012 (4,205 applications). Generally, the approval rates for home improvement loans were lower than for home purchase loans. The overall approval rate for home improvement loans in both 2012 and 2017 was 60 percent. In 2012, 30 percent of these loans were denied, while 23 percent of these applications were denied in 2017.

Refinancing

Homebuyers will refinance existing home loans for a number of reasons. Refinancing can allow homebuyers to take advantage of better interest rates, consolidate multiple debts into one loan, reduce monthly payments, alter risk (i.e. by switching from variable rate to fixed rate loans), or free up cash and capital.

The majority of loan applications submitted by San Diego County households in 2017 were for home refinancing (74,811 applications). This figure is nearly half the number of refinancing applications submitted in 2012 (155,940 applications). About 58 percent of refinance applications were approved and 18 percent were denied in 2017. These approval rates represent a decrease from 2012, when 71 percent of refinance applications were approved.

C. Lending by Race/Ethnicity and Income

The federal Fair Housing Act prohibits discrimination in mortgage lending based on race, color, national origin, religion, sex, familial status or handicap (disability). It is, therefore, important to look not just at overall approval and denial rates for a jurisdiction, but also whether or not these rates vary by other factors, such as race/ethnicity. (Race/ethnicity is the only personal characteristic available from the HMDA data.)

1. Loan Applicant Representation

In a perfect environment, the applicant pool for mortgage lending should be reflective of the demographics of a community. When one racial/ethnic group is overrepresented or underrepresented in the total applicant pool, it could be an indicator of unequal access to housing opportunities. Such a finding may be a sign that access to mortgage lending is not equal for all

individuals. As shown in Table 57, throughout San Diego County, White applicants were noticeably overrepresented in the loan applicant pool, while Hispanics were severely underrepresented. The underrepresentation of Hispanics was most acute in the cities of Escondido (-33 percent), Vista (-32 percent), Imperial Beach (-30 percent). Detailed comparisons of the applicant pool with overall demographics by jurisdiction can be found in Appendix B.

Table 57: Demographics of Loan Applicants vs. Total Population

San Diego County	Percent of Applicant Pool (2017 HMDA)	Percent of Total Population (2010 Census)	Variation
White	51.5%	48.5%	3.0%
Black	3.1%	4.7%	-1.6%
Hispanic	16.4%	32.0%	-15.6%
Asian	9.7%	10.6%	-0.9%
Other	19.2%	4.2%	15.0%

Notes:
1. Percent of total population estimates are based on 2017 applicant data and compared to total population estimates from the 2010 Census.
2. Other" includes Native American, Hawaiian, MultiRace, Unknown/NA.
3. Local jurisdiction data can be found in Appendix B.

Source: Bureau of the Census, 2010; www.lendingpatterns.com, 2020

Race by Income Level

Table 58 summarizes lending outcomes by race/ethnicity and income in San Diego County. White applicants at all income levels generally had the highest approval rates. Similarly high approval rates were recorded for Asian applicants, although there was some variation by jurisdiction. Approval rates for Black and Hispanic applicants, however, were well below the approval rates for White and Asian applicants in the same income groups in 2012. These gaps had narrowed somewhat by 2017, but were still present. Specifically, Black applicants consistently had the lowest approval rates compared to other racial/ethnic groups in the same income groups.

The largest discrepancies (between loan approval rates for White and Asian applicants versus Black and Hispanic applicants) in 2017 were recorded in the cities of El Cajon, Encinitas, and San Marcos. Detailed lending outcomes by race/ethnicity and income for each jurisdiction can be found in Appendix B.

While this analysis provides a more in-depth look at lending patterns, it does not conclusively explain any of the discrepancies observed. Aside from income, many other factors can contribute to the availability of financing, including credit history, the availability and amount of a downpayment, and knowledge of the homebuying process. HMDA data does not provide insight into these other factors.

Table 58: Lending Patterns by Race/Ethnicity and Income (2012-2017)

San Diego County	Approved		Denied		Withdrawn/ Incomplete	
	2012	2017	2012	2017	2012	2017
White						
Low (0-49% AMI)	55.7%	41.6%	27.3%	30.4%	17.0%	27.9%
Moderate (50-79% AMI)	65.2%	54.0%	17.3%	19.9%	17.5%	26.0%
Middle (80-119% AMI)	69.8%	64.0%	13.3%	13.1%	16.8%	22.9%
Upper (≥120% AMI)	70.9%	66.9%	11.8%	11.2%	17.4%	21.9%
Unknown/NA	75.3%	55.7%	9.6%	13.1%	15.1%	31.2%
Black						
Low (0-49% AMI)	45.5%	31.7%	38.8%	49.2%	15.8%	19.1%
Moderate (50-79% AMI)	54.9%	45.2%	24.7%	27.6%	20.5%	27.2%
Middle (80-119% AMI)	61.6%	57.5%	19.3%	17.9%	19.1%	24.6%
Upper (≥120% AMI)	60.6%	59.5%	19.9%	18.1%	19.5%	22.5%
Unknown/NA	74.3%	58.8%	9.0%	9.3%	16.7%	31.9%
Hispanic						
Low (0-49% AMI)	49.2%	30.7%	31.5%	38.1%	19.3%	31.2%
Moderate (50-79% AMI)	57.5%	47.4%	21.7%	23.8%	20.8%	28.8%
Middle (80-119% AMI)	62.0%	58.8%	18.4%	15.4%	19.6%	25.8%
Upper (≥120% AMI)	63.1%	61.7%	16.2%	13.5%	20.7%	24.8%
Unknown/NA	68.9%	50.0%	12.7%	14.2%	18.4%	35.8%
Asian						
Low (0-49% AMI)	47.4%	31.5%	34.6%	38.5%	17.9%	30.0%
Moderate (50-79% AMI)	58.7%	51.7%	22.3%	22.7%	19.0%	25.6%
Middle (80-119% AMI)	66.5%	58.8%	15.3%	16.5%	18.2%	24.7%
Upper (≥120% AMI)	70.0%	63.7%	12.4%	12.0%	17.6%	24.3%
Unknown/NA	72.2%	48.8%	10.0%	12.3%	17.8%	38.9%

Note: Local jurisdiction data can be found in Appendix B.
Source: www.lendingpatterns.com, 2020.

D. Lending Patterns by Tract Characteristics

1. Income Level

To identify potential geographic differences in mortgage lending activities, an analysis of the HMDA data was conducted by census tract. Based on the Census, HMDA defines the following income levels:[39]

- Low-Income Tract – Tract Median Income less than or equal to 49 percent AMI
- Moderate-Income Tract – Tract Median Income between 50 and 79 percent AMI
- Middle-Income Tract – Tract Median Income between 80 and 119 percent AMI
- Upper-Income Tract – Tract Median Income equal to or greater than 120 percent AMI

The vast majority of census tracts in San Diego County are considered middle or upper income. Only four percent of the County's census tracts are categorized as low income by HMDA. Most loan applications were submitted by residents from one of the County's upper-income tracts. Table 59 summarizes lending outcomes by the income level of the census tract where an applicant resides. In general, home loan approval rates increased and denial rates decreased as the income level of the census tract increased. Higher income households are more likely to qualify for and be approved for loans, so this trend is to be expected.

Table 59: Outcomes Based on Census Tract Income (2012-2017)

Tract Income Level	Total Applicants		Approved		Denied		Other	
	#	%	#	%	#	%	#	%
2012								
Low	9,918	4.9%	5,467	3.8%	3000	10.1%	1451	5.2%
Moderate	24,729	12.2%	16,207	11.2%	4,860	16.4%	3662	13.1%
Middle	41,607	20.6%	29,820	20.6%	6,180	20.9%	5,607	20.0%
Upper	108,335	53.6%	79,670	55.1%	13,642	46.1%	15,023	53.5%
NA	17,649	8.7%	13,447	9.3%	1,884	6.4%	2,318	8.3%
Total	**202,238**	**100.0%**	**144,611**	**100.0%**	**29,566**	**100.0%**	**28,061**	**100.0%**
2017								
Low	5,818	4.3%	2,342	2.7%	1974	9.8%	1502	5.2%
Moderate	14,814	10.9%	7,918	9.1%	3,336	16.5%	3,560	12.3%
Middle	29,765	21.9%	19,060	21.9%	4462	22.1%	6243	21.6%
Upper	77,357	56.9%	52,349	60.3%	9519	47.2%	15,489	53.7%
NA	8,142	6.0%	5,182	6.0%	889	4.4%	2,071	7.2%
Total	**135,896**	**100.0%**	**86,851**	**100.0%**	**20,180**	**100.0%**	**28,865**	**100.0%**

Source: www.lendingpatterns.com, 2020.

[39] These income definitions are different from those used by HUD to determine low and moderate income areas.

Minority Population

HMDA also records lending outcomes by the proportion of minorities residing in a census tract. Much of San Diego County is comprised of census tracts where 20 to 40 percent of residents are minorities. Table 60 summarizes lending outcomes by the proportion of minority residents in a census tract. In general, approval rates steadily increased as the proportion of minority residents decreased.

Table 60: Outcomes by Minority Population of Census Tract (2012-2017)

Tract Minority Level	Total Applicants		Approved		Denied		Other	
	#	%	#	%	#	%	#	%
2012								
0-19% Minority	28,198	13.9%	20,417	72.4%	3,875	13.7%	3,906	13.9%
20-39% Minority	77,893	38.5%	56,702	72.8%	10,602	13.6%	10,589	13.6%
40-59% Minority	50,590	25.0%	36,556	72.3%	7,141	14.1%	6,893	13.6%
60-79% Minority	25,291	12.5%	17,545	69.4%	4,119	16.3%	3,627	14.3%
80-100% Minority	20,189	10.0%	13,378	66.3%	3,797	18.8%	3,014	14.9%
Unknown/NA	77	0.0%	13	16.9%	32	41.6%	32	41.6%
Total	**202,238**	**100.0%**	**144,611**	**71.5%**	**29,566**	14.6%	**28,061**	**13.9%**
2017								
0-19% Minority	12,930	9.5%	8,343	64.5%	1,982	15.3%	2,605	20.1%
20-39% Minority	44,578	32.8%	29,311	65.8%	6,170	13.8%	9,097	20.4%
40-59% Minority	35,988	26.5%	23,438	65.1%	5,044	14.0%	7,506	20.9%
60-79% Minority	21,213	15.6%	13,206	62.3%	3,334	15.7%	4,673	22.0%
80-100% Minority	20,591	15.2%	12,236	59.4%	3,598	17.5%	4,757	23.1%
Unknown/NA	596	0.4%	317	53.2%	52	8.7%	227	38.1%
Total	**135,896**	**100.0%**	**86,851**	**63.9%**	**20,180**	**14.8%**	**28,865**	**21.2%**

Note: NA=Minority tract percentage data was not available.
Source: www.lendingpatterns.com, 2020.

E. Major Lenders

1. General Overview

Table 61 identifies the top ten lenders in San Diego County in 2017. As shown, these top lenders were similarly active throughout most jurisdictions. In 2017, about 38 percent (39,017 applications) of all loan applications in San Diego County were submitted to one of the County's top ten lenders. The region's top two lenders have remained fairly consistent since 2012 (Table 61). The region's remaining top lenders are all smaller financial institutions that each accounted for less than four percent of the County's market share.

Table 61: Top San Diego County Lenders by City (2017)

Jurisdiction	Top 10 Lenders									
	Wells Fargo Bank, NA	JP Morgan Chase Bank, NA	Navy Federal Credit Union	Quicken Loans, Inc.	Caliber Home Loans, Inc.	Loan depot.com	Bank of America, NA	Shore Mortgage	Nationstar Mortgage	U.S. Bank National Assoc.
Carlsbad	✓	✓		✓	✓		✓	✓	✓	✓
Chula Vista	✓	✓	✓	✓	✓	✓		✓	✓	
Coronado	✓	✓	✓	✓		✓	✓			✓
Del Mar	✓	✓		✓	✓		✓		✓	✓
El Cajon	✓	✓	✓	✓	✓	✓		✓	✓	
Encinitas	✓	✓		✓	✓		✓	✓	✓	✓
Escondido	✓	✓	✓	✓	✓	✓		✓	✓	
Imperial Bch.	✓	✓	✓	✓	✓	✓			✓	✓
La Mesa	✓	✓	✓	✓	✓	✓		✓	✓	
Lemon Grove	✓	✓	✓	✓		✓		✓	✓	
National City	✓	✓	✓	✓		✓		✓	✓	
Oceanside	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Poway	✓	✓	✓	✓	✓	✓	✓	✓		✓
San Diego	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
San Marcos	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Santee	✓	✓	✓	✓	✓	✓		✓	✓	
Solana Beach	✓	✓		✓	✓		✓	✓	✓	✓
Vista	✓	✓	✓	✓	✓	✓	✓	✓	✓	

Notes:
1. Comparison only indicates if a top County lender was also a top lender in a city, and does not compare the specific order of top lenders in the County as a whole.
2. Data for just the unincorporated areas is not available

Source: www.lendingpatterns.com, 2020.

F. Sub-Prime Lending Market

According to the Federal Reserve, "prime" mortgages are offered to persons with excellent credit and employment history and income adequate to support the loan amount. "Subprime" loans are loans to borrowers who have less-than-perfect credit history, poor employment history, or other factors such as limited income. By providing loans to those who do not meet the critical standards for borrowers in the prime market, subprime lending can and does serve a critical role in increasing levels of homeownership. Households that are interested in buying a home but have blemishes in their credit record, insufficient credit history, or non-traditional income sources may be otherwise unable to purchase a home. The subprime loan market offers these borrowers opportunities to obtain loans that they would be unable to realize in the prime loan market.

Subprime lenders generally offer interest rates that are higher than those in the prime market and often lack the regulatory oversight required for prime lenders because they are not owned by

regulated financial institutions. In the recent past, however, many large and well-known banks became involved in the subprime market either through acquisitions of other firms or by initiating subprime loans directly. Though the subprime market usually follows the same guiding principles as the prime market, a number of specific risk factors are associated with this market.

Subprime lending can both impede and extend fair housing choice. On the one hand, subprime loans extend credit to borrowers who potentially could not otherwise finance housing. The increased access to credit by previously underserved consumers and communities contributed to record high levels of homeownership among minorities and lower income groups. On the other hand, these loans left many lower income and minority borrowers exposed to default and foreclosure risk. Since foreclosures destabilize neighborhoods and subprime borrowers are often from lower income and minority areas, mounting evidence suggests that classes protected by fair housing faced the brunt of the recent subprime and mortgage lending market collapse.[40]

While HMDA data does not classify loans as subprime, it does track the interest rate spread on loans. Since 2005, the Federal Reserve Board has required lenders to report rate spreads for loans whose APR was above the Treasury benchmark. Loans with a reported spread are typically referred to as higher-priced or subprime loans.

Table 62: Reported Spread on Loans by Race/Ethnicity (2012-2017)

San Diego County	Frequency of Spread		Average Spread	
	2012	2017	2012	2017
White	1.0%	0.0%	3.10	0.00
Black	1.3%	3.6%	2.67	2.66
Hispanic	1.6%	4.9%	3.41	2.87
Asian	0.5%	1.7%	2.82	2.85
Total	**1.0%**	**3.6%**	**3.10**	**2.86**

Source: www.lendingpatterns.com, 2020.

As shown in Table 62, the frequency of subprime loans issued has increased over time. In 2012, approximately one percent of all loans issued had a reported spread but, by 2017, almost four percent of loans issued were subprime loans. What appears to be most troubling, however, is that Black and Hispanic applicants seem to be significantly more likely to receive these higher-priced loans. In 2012 and 2017, Blacks and Hispanics were twice as likely as Asians to receive a subprime loan. White applicants utilizing subprime loans were limited.

Since 2012, there has been a decrease in the magnitude of spread reported on these loans. Generally, the higher the reported spread on a loan, the worse that loan is compared to a standard prime loan. In 2012, the average reported spread for a subprime loan was just above three points; by 2017, the average reported spread had dropped to below three points. The most significant change in the reported magnitude of spread for subprime loans by race/ethnicity of the applicant was noted for White applicants.

[40] Association of Community Organizations for Reform Now. September 2007. "Foreclosure Exposure: A Study of Racial and Income Disparities in Home Mortgage Lending in 172 American Cities."

Public policies established at the regional and local levels can affect housing development, and therefore, may impact the range and location of housing choices available to residents. Fair housing laws are designed to encourage an inclusive living environment, active community participation, and an assessment of public policies. An assessment of public policies and practices can help determine potential impediments to fair housing opportunity. This section presents an overview of government regulations, policies, and practices enacted by each of the 19 jurisdictions in San Diego County that may impact fair housing choice.

A. Policies and Programs Affecting Housing Development

The General Plan of a jurisdiction establishes a vision for the community and provides long-range goals and policies to guide the development in achieving that vision. Two of the eight State-mandated General Plan elements – Housing and Land Use Elements – have direct impact on the local housing market in terms of the amount and range of housing choice. The Environmental Justice Element The zoning ordinance, which implements the General Plan, is another important document that influences the amount and type of housing available in a community – the availability of housing choice. In addition, 11 jurisdictions (Carlsbad, Chula Vista, Coronado, Del Mar, Encinitas, Imperial Beach, National City, Oceanside, Solana Beach, City of San Diego, and unincorporated areas of San Diego County) have Local Coastal Plans that also play a significant role in affordable housing in the Coastal Zone of each jurisdiction.

1. Housing Element Law and Compliance

As one of the eight State-mandated elements of the local General Plan, the Housing Element is the only element with specific statutory requirements and is subject to review by the California Department of Housing and Community Development (HCD) for compliance with State law. Enacted in 1969, Housing Element law requires that local governments adequately plan to meet the existing and projected housing needs of all economic segments of the community. The law acknowledges that for the private market to adequately address housing needs and demand, local governments must adopt land use plans and regulatory systems that provide opportunities for and do not unduly constrain housing development. Specifically, the Housing Element must:

- Identify adequate sites which will be made available through appropriate zoning and development standards, with services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels in order to meet the community's housing goals;

- Assist in the development of adequate housing to meet the needs of extremely low, very low, low, and moderate income households;[41]
- Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities;
- Conserve and improve the condition of the existing affordable housing stock; and,
- Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics protected by the California Fair Employment and Housing Act, or any other state and federal fair housing laws.

Specifically in 2017, the State passed AB 686, requiring the next Housing Element update to include an analysis of barriers that restrict access to opportunity and a commitment to specific meaningful actions to affirmatively furthering fair housing.

Compliance Status

Table 63 summarizes the Housing Element compliance status of jurisdictions in San Diego County. A Housing Element found by HCD to be in compliance with State law is presumed to have adequately addressed its policy constraints. According to HCD, all 19 Housing Elements for participating jurisdictions (including the County) for the fifth cycle (2013-2020 are in compliance.

A number of jurisdictions have begun updating the Housing Element for the sixth cycle (2021-2029). As part of the 2021-2029 update, each jurisdiction must demonstrate that it has capacity to meet its housing needs, as determined by SANDAG and HCD. Each jurisdiction is allocated its share of housing during the Regional Housing Needs Assessment (RHNA) process, which identifies the number of housing units each jurisdiction must accommodate by providing adequate sites. As of February 2020, the cities of Coronado, Imperial Beach, Lemon Grove, and Solana Beach had requested reductions in the number of housing units they must accommodate under the RHNA allocation for the 2021-2029 Housing Element cycle.

[41] Under the State Housing Element law, the income categories are: extremely low income (30 percent AMI); very low income (50 percent AMI); low income (80 percent AMI); moderate income (120 percent AMI); and above moderate income (greater than 120 percent AMI).

Table 63: Housing Element Status for 2013-2021 Cycle

Jurisdiction	Document Status	Compliance Status
Carlsbad	Adopted	In
Chula Vista	Adopted	In
Coronado	Adopted	In
Del Mar	Adopted	In
El Cajon	Adopted	In
Encinitas	Adopted	In
Escondido	Adopted	In
Imperial Beach	Adopted	In
La Mesa	Adopted	In
Lemon Grove	Adopted	In
National City	Adopted	In
Oceanside	Adopted	In
Poway	Adopted	In
San Diego (City)	Adopted	In
San Diego (County)	Adopted	In
San Marcos	Adopted	In
Santee	Adopted	In
Solana Beach	Adopted	In
Vista	Adopted	In

Source: Department of Housing and Community Development, State of California, April 2020.

2. San Diego Forward: Regional Plan

SANDAG adopted San Diego Forward: Regional Plan in 2015. Updated periodically, the Regional Plan serves as the long-term planning framework for the San Diego region. It provides a broad context in which local and regional decisions can be made that move the region toward a sustainable future – a future with more choices and opportunities for all residents of the region. The Regional Plan better integrates San Diego's local land use and transportation decisions and focuses attention on where and how the region wants to grow. The Regional Plan contains an incentive-based approach to encourage and channel growth into existing and future urban areas and smart growth communities. SANDAG is in the process of updating the Regional Plan with adoption anticipated in 2021.

3. Land Use Element

The Land Use Element of a General Plan designates the general distribution, location, and extent of uses for land planned for housing, business, industry, open space, and public or community facilities. As it applies to housing, the Land Use Element establishes a range of residential land use categories, specifies densities (typically expressed as dwelling units per acre [du/ac]), and suggests the types of

housing appropriate in a community. Residential development is implemented through the zoning districts and development standards specified in the jurisdiction's zoning ordinance.

4. Residential Densities

Many factors, governmental and non-governmental, affect the supply and cost of housing in a local housing market. The governmental factor that most directly influences these market conditions is the allowable density range of residentially designated land. In general, higher densities allow developers to take advantage of economies of scale, reduce the per-unit cost of land and improvements, and reduce developments costs associated with new housing construction. Reasonable density standards ensure the opportunity for higher-density residential uses to be developed within a community, increasing the feasibility of producing affordable housing, and offer a variety of housing options that meet the needs of the community. Minimum required densities in multi-family zones ensure that land zoned for multi-family use, the supply of which is often limited, will be developed as efficiently as possible for multi-family uses.

Table 64 presents a summary of allowable densities by land use type for jurisdictions in the San Diego region. While most jurisdictions have Land Use Elements that allow a range of single-family (0-14 du/ac) and multi-family (6-30+ du/ac) residential uses, Del Mar and Poway due to the characteristics of existing residential neighborhoods, do not accommodate multi-family uses at a density greater than 20 du/ac without a density bonus or other incentive for affordable housing.

As a part of its 2013-2021 Housing Element, the City of Del Mar committed to redesignating two vacant properties in the North Commercial (NC) zone to allow residential development at a density of 20 units per acre or greater. In addition to the land use re-designation noted above, the City of Del Mar also plans to pursue amendments to the North Commercial (NC) and Professional Commercial (PC) zones expanding the list of uses allowed by right to include residential uses at a density of 20 units per acre for projects that include an affordable housing component. The City has prepared an Environmental Impact Report (EIR) to address the proposed re-designation, and the City Council will consider the amendments after the public review period closes in February 2020.

To provide adequate sites for affordable housing development, an Affordable Housing Overlay Zone (AHOZ) was established in the Poway Zoning Code for Low Income (AH-L) and Moderate Income (AH-M) households. In 2012, placement of an AHOZ designation was completed on six publicly-owned sites. An AHOZ may be applied to property within any land use category, including non-residential categories, not including the Open Space or Rural Residential categories. The Poway Municipal Code (PMC) was also amended in 2012 to provide development incentives on AHOZ sites to encourage affordable housing that is consistent with State law. Development incentives include allowing densities up to 30 dwelling units per acre on properties that have the AHOZ applied on them.

All jurisdictions have very low or no minimum density requirements in their General Plan Land Use Elements for at least some of their residentially-zoned land. State law requires a local government to make a finding that a density reduction, rezoning, or downzoning is consistent with its Housing Element prior to requiring or permitting a reduction of density of a parcel below the density used in determining Housing Element compliance. The legislation also allowed courts to award attorneys' fees and costs if the court determines that the density reduction or downzoning was made illegally.

Table 64: Typical Land Use Categories and Permitted Density by Jurisdiction

Generalized Land Use (By Density)	Density Range (du/ac)	Typical Residential Type	Carlsbad	Chula Vista	Coronado	Del Mar	El Cajon	Encinitas
Single-family								
Estate/Rural	<1 unit per acre	Very low-density housing where agricultural is predominant	■	■	■	■	■	■
Very Low	0-1	Single-family homes on large lots in rural areas	■	■	■	■	■	■
Low	1-3	Single-family homes on large lots	■	■	■	■	■	■
Medium	3-6	Single-family homes on medium-sized lots	■	■	■	■	■	■
High	6-14	Smaller single-family homes	■	■	■	■	■	■
Multi-Family								
Low	6-15	Town homes, duplexes, condominiums, and small single-story apartments	■	■	■	■	■	■
Medium	15-20	One and two-story apartment complexes	■	■	■		■	■
High	20-30	Two and three-story apartment complexes	■	■	■		■	■
Very High	30-50	Large multi-story apartment and condo complexes	■	■	■		■	
Special High	50+	High-rise apartment and condo complexes		■				

Source: General Plan Land Use Elements for jurisdictions in San Diego County (February 2020).
Note: This table represents a summary of typical land use categories, as defined by density. These categories are not necessarily representative of a specific jurisdiction's General Plan Land Use categories. Instead, they are meant to provide an overview of the type of land uses and densities permitted in that jurisdiction. The squares identify a jurisdiction as supporting land use densities within the identified range (according to the General Plan's Land Use Element). However, a jurisdiction's land use category might not include all the densities listed in that range. For example, a jurisdiction's Multi-Family Very High density category might support densities from 21 to 35 du/ac, but the High and Very High categories have been marked with a square since the range covers both categories.

Table 64: Typical Land Use Categories and Permitted Density by Jurisdiction

Generalized Land Use (By Density)	Density Range (du/ac)	Typical Residential Type	Escon-didо	Imperial Beach	La Mesa	Lemon Grove	National City	Ocean-side
Single-family								
Estate/Rural	<1 unit per acre	Very low-density housing where agricultural is predominant	■	■	■	■	■	■
Very Low	0-1	Single-family homes on large lots in rural areas	■	■	■	■	■	■
Low	1-3	Single-family homes on large lots	■	■	■	■	■	■
Medium	3-6	Single-family homes on medium-sized lots	■	■	■	■	■	■
High	6-14	Smaller single-family homes	■	■	■	■	■	
Multi-Family								
Low	6-15	Town homes, duplexes, condominiums, and small single-story apartments	■	■	■	■	■	■
Medium	15-20	One and two-story apartment complexes	■	■	■	■	■	■
High	20-30	Two and three-story apartment complexes	■	■	■	■	■	■
Very High	30-50	Large multi-story apartment and condo complexes	■	■	■	■	■	■
Special High	50+	High-rise apartment and condo complexes	■				■	

Source: General Plan Land Use Elements for jurisdictions in San Diego County (February 2020).
Note: This table represents a summary of typical land use categories, as defined by density. These categories are not necessarily representative of a specific jurisdiction's General Plan Land Use categories. Instead, they are meant to provide an overview of the type of land uses and densities permitted in that jurisdiction. The squares identify a jurisdiction as supporting land use densities within the identified range (according to the General Plan's Land Use Element). However, a jurisdiction's land use category might not include all the densities listed in that range. For example, a jurisdiction's Multi-Family Very High density category might support densities from 21 to 35 du/ac, but the High and Very High categories have been marked with a square since the range covers both categories.

Table 64: Typical Land Use Categories and Permitted Density by Jurisdiction

Generalized Land Use (By Density)	Density Range (du/ac)	Typical Residential Type	Poway*	San Diego (City)*	San Diego (County)*	San Marcos	Santee	Solana Beach	Vista
Single-family									
Estate/Rural	<1 unit per acre	Very low-density housing where agricultural is predominant	■	■	■	■	■	■	■
Very Low	0-1	Single-family homes on large lots in rural areas	■	■	■	■	■	■	■
Low	1-3	Single-family homes on large lots	■	■	■	■	■	■	■
Medium	3-6	Single-family homes on medium-sized lots	■	■	■	■	■	■	■
High	6-14	Smaller single-family homes	■	■	■	■	■	■	■
Multi-Family									
Low	6-15	Town homes, duplexes, condominiums, and small single-story apartments	■	■	■	■	■	■	■
Medium	15-20	One and two-story apartment complexes	■	■	■	■	■	■	■
High	20-30	Two and three-story apartment complexes		■	■	■	■	■	■
Very High	30-50	Large multi-story apartment and condo complexes		■	■	■	■		■
Special High	50+	High-rise apartment and condo complexes		■					

Source: General Plan Land Use Elements for jurisdictions in San Diego County (February 2020).
Note: This table represents a summary of typical land use categories, as defined by density. These categories are not necessarily representative of a specific jurisdiction's General Plan Land Use categories. Instead, they are meant to provide an overview of the type of land uses and densities permitted in that jurisdiction. The squares identify a jurisdiction as supporting land use densities within the identified range (according to the General Plan's Land Use Element). However, a jurisdiction's land use category might not include all the densities listed in that range. For example, a jurisdiction's Multi-Family Very High density category might support densities from 21 to 35 du/ac, but the High and Very High categories have been marked with a square since the range covers both categories.

*Indicates jurisdiction with very low, or no minimum density standards in land use or zoning ordinance.

B. Zoning Ordinance

The zoning ordinance implements the General Plan by establishing zoning districts that correspond with General Plan land use designations. Development standards and permitted uses in each zoning district are specified to govern the density, type, and design of different land uses for the protection of public health, safety, and welfare (Government Code, Sections 65800-65863). The Fair Housing Act does not pre-empt local zoning laws. However, the Act applies to municipalities and other local government entities and prohibits them from making zoning or land use decisions or implementing land use policies that exclude or otherwise discriminate against protected persons, including individuals with disabilities. Another way that discrimination in zoning and land use may occur is when a seemingly neutral ordinance has a disparate impact, or causes disproportional harm, to a protected group. Land use policies such as density or design requirements that make residential development prohibitively expensive, limitations on multi-family housing, or a household occupancy standard may be considered discriminatory if it can be proven these policies have a disproportionate impact on minorities, families with children, or people with disabilities.

Several aspects of the zoning ordinance that may affect a person's access to housing or limit the range of housing choices available are described below. As part of the Housing Element update, jurisdictions are required to evaluate their land use policies, zoning provisions, and development regulations and make proactive efforts to mitigate any constraints identified. However, the following review is based on the current zoning ordinances as of the writing of this AI.

1. Definition of Family

A community's zoning ordinance can potentially restrict access to housing for households failing to qualify as a "family" by the definition specified in the zoning ordinance. For instance, a landlord may refuse to rent to a "nontraditional" family based on the zoning definition of a family.[42] A landlord may also use the definition of a family as an excuse for refusing to rent to a household based on other hidden reasons, such as household size. Even if the code provides a broad definition, deciding what constitutes a "family" should be avoided by jurisdictions to prevent confusion or give the impression of restrictiveness.

California court cases[43] have ruled that a definition of "family" that: 1) limits the number of persons in a family; 2) specifies how members of the family are related (i.e. by blood, marriage or adoption, etc.), or (3) defines a group of not more than a certain number of unrelated persons as a single housekeeping unit is invalid. Court rulings stated that defining a family does not serve any legitimate or useful objective or purpose recognized under the zoning and land planning powers of the jurisdiction, and therefore violates rights of privacy under the California Constitution. A zoning ordinance also cannot regulate residency by discriminating between biologically related and unrelated persons. Furthermore, a zoning provision cannot regulate or enforce the number of persons constituting a family.

[42] Most Zoning Ordinances that define families limit the definition to two or more individuals related by kinship, marriage, adoption, or other legally recognized custodial relationship.

[43] City of Santa Barbara v. Adamson (1980), City of Chula Vista v. Pagard (1981), among others.

The cities of Carlsbad (2011), Del Mar (2014), National City (2011) and San Marcos (2012) amended or removed the definition of "family" from their zoning ordinances. As of February 2020, only the City of Solana Beach includes a definition of "family" in its zoning ordinance that constitutes a potential impediment to fair housing choice. The City defines "family" as "Two or more persons living together as a bona fide single housekeeping unit. This definition of a family excludes individuals. Such a definition can be considered an impediment because it may give landlords the opportunity to deny renting single-family or multi-family dwelling units to single persons.

2. Density Bonus Ordinance

California Government Code Section 65915 includes requirements for local governments to provide density bonuses and incentives for housing developers that agree to develop affordable housing units. Density bonus requirements are regularly updated at the state level and must then be adopted by local jurisdictions to comply with state law. The most recent changes to California density bonus law went into effect in January 2020. Because of this, while most San Diego County jurisdictions have density bonus provisions in their zoning ordinances, all cities and the County of San Diego must review their regulations to ensure they continue to remain in compliance with state law.

3. Parking Requirements

Communities that require an especially high number of parking spaces per dwelling unit can negatively impact the feasibility of producing affordable housing by reducing the achievable number of dwelling units per acre, increasing development costs, and thus restricting the range of housing types constructed in a community. Typically, the concern for high parking requirements is limited to multi-family, affordable, or senior housing. The basic parking standards for jurisdictions in San Diego County are presented in Table 65. Many jurisdictions offer reductions in parking requirements in conjunction with density bonuses for affordable and senior housing.

Most jurisdictions in the county have comparable parking requirements. However, Coronado, Imperial Beach, La Mesa, and Lemon Grove have parking standards for multi-family uses that do not distinguish between parking required for smaller units (one or two bedrooms) and larger units (three or more bedrooms). Because smaller multi-family units are often the most suitable type of housing for seniors and persons with disabilities, requiring the same number parking spaces as larger multi-family units can be a constraint on the construction of units intended to serve these populations. Several of these cities, however, do offer reduced parking standards for housing projects serving specific populations, such as senior housing or affordable housing projects.

Table 65: Off-Street Parking Requirements

Jurisdictions	SF	MF					ADU
		1br	2br	3br	4+br	Guest Space	
Carlsbad	2	1.5[1]	2	2	2	0.25 to 0.3[2]	--[3]
Chula Vista	2[4]	1.5	2	2	2	--	1
Coronado[5]	2[6]	2	2	2	2	--	--[3]--
Del Mar	2[7]	1	2	2	3	0.25	1
El Cajon	2	1.5	2	2	2	0.25[8]	1
Encinitas	2 to 3[9]	2	2	2.5	2.5	0.25	1
Escondido	2	1.5	1.75	2	2	0.25	1
Imperial Beach[10]	2	1.5-2	1.5-2	1.5-2	1.5-2	--	2
La Mesa	2[11]	2	2	2	2	4/10	--
Lemon Grove	2	2	2	2	2	0.25	1
National City	2[12]	1.3	1.5	1.5	1.5	0.5[13]	1
Oceanside	2[14]	1.5	2	2	2	0.1 to 0.25[15]	--
Poway	2	1.5 to 1.75	2.25	2.75 to 3	2.75 to 3	--	1
San Diego City [16]	2	1.0 to 1.75	1.75 to 2.25	2.0 to 2.5	2.0 to 2.5	--[17]	1
San Diego County	2	1.5	1.5	2	2	0.2	1
San Marcos	2[18]	1.5	2	2	2	0.33	1
Santee	2	1.5	2	2	2	0.25	--
Solana Beach	2	1.5	2	2	2	0.25	1
Vista	2[19]	2	2	2.5	2.5	0.33[20]	1

*Notes: ADU=accessory dwelling unit; bdrm = bedroom

1. Within the Village outside the Coastal Zone, parking required is 1.0 space per studio or one- bdrm unit and 1.5 spaces per unit with two or more bdrms.
2. For projects up to 10 units, required guest parking is 0.3 spaces per unit; 0.25 spaces per unit for projects larger than 10 units.
3. Parking for the primary unit also serves the ADU.
4. 1.0 additional space required for each bdrm over four bdrms.
5. For multiple-family dwellings in the R-5 Zone and affordable housing, 1.5 spaces per dwelling unit are required. For senior housing, 1.0 parking space is required for each dwelling unit.
6. For houses over 5,000 sf, 1.0 additional uncovered space is required.
7. For single-family dwellings with three or more bedrooms, 1.0 additional on-site parking space is required, including 2.0 garage parking spaces.
8. 1.0 visitor space per unit is required in the RM-6000 zone.
9. 3.0 spaces required for dwelling units in excess of 2,500 square feet.
10. Residential units in the R-1-6000, R-1-3800, R-1500, R-2000, R-3000, and R-3000-D zones require 2.0 spaces per unit (including ADUs, where allowed); and residential dwelling units in the C-1, C-2, C-3, MU-1 and MU-2 zones require 1.5 spaces per unit.
11. 5.0 spaces required on lots with long driveways and panhandle/easement access lots.
12. 3.0 spaces required per dwelling unit for units with more than 2,500 square feet in floor area, plus 1.0 space per bdrm proposed over four bdrms.
13. Additional 0.25 spaces for each unit over 20.
14. For inland and downtown D Districts, 3.0 spaces are required for houses over 2,500 sf.
15. For multifamily projects with four to 10 units,1.0 space per unit is required. For projects with more than 10 units, 1.0 space per unit plus 20 percent of the total number of units is required.
16. 1.0 space per bdrm required for single dwellings with five or more bdrms in campus impact areas. 1.0 space per bdrm, less 1.0 space also required per occupant age 18 and over in high occupancy single dwellings. Lower range of multi-family requirement is for units in transit areas or lower income units. Higher range of multi-family requirement is for units in parking impact areas.
17. Guest spaces are required at a rate of 15-20 percent of total units with Planned Development Permits in specified communities.
18. Dwellings over 3,000 sf required three spaces.
19. Plus 2.0 - 2.5 guest spaces in semi-rural subdivisions.
20. For units with two or more bdrms, 0.5 guest space per unit is required.

4. Short-Term Rentals

The rising popularity of home-sharing websites such as Airbnb and HomeAway in recent years has led to significant increases in homes being offered on a short-term basis to generate rental income. Homes may be offered as "home-shares," where the primary resident offers one or more rooms to visitors while remaining on site, or whole homes may be rented on a daily or weekly basis. Short-term rentals are particularly popular in coastal locations, which have a robust demand for tourist accommodations. While the impact of short-term rentals on housing availability and affordability is still being evaluated, there is evidence that short-term rentals have a negative effect on housing affordability by changing the way residential properties are used and reducing housing availability for local residents.

San Diego jurisdictions vary in their approach to short-term rentals. The cities of Carlsbad, Chula Vista, Del Mar, Encinitas, Imperial Beach, Oceanside, and Solana Beach explicitly allow short-term rentals in at least some zones. With the exception of Imperial Beach, these cities require permits for short-term rentals, and specify that short-term rentals must meet various performance standards to be allowed to operate. The City of Lemon Grove does not allow entire homes to be used as short-term rentals but does permit home-sharing with a permit.

Other jurisdictions, including the cities of El Cajon, Escondido, La Mesa, National City, Poway, San Marcos, Santee, and Vista, and the County of San Diego, do not explicitly address short-term rentals in their adopted regulations; however, the County of San Diego requires short-term rentals to pay transient occupancy taxes. The Santee City Council considered developing regulations for short-term rentals at an April 2019 meeting, but determined that due to the low number of rentals in Santee and lack of complaints to date about their operations, additional regulations were not necessary at the time.

As of February 2020, there was no consensus on the status or appropriate manner of regulating short-term rentals in the City of San Diego. While the most recent (2017) City Attorney opinion on short-term rentals notes that they are prohibited in single-family residential zones as a "commercial use" and not specifically defined or expressly permitted in any other zone. In response to the City Attorney's opinion, the San Diego City Council adopted an ordinance allowing short-term rentals with permits in some zones, but rescinded the new regulations in October 2018. While the City Council has expressed a desire to adopt clear regulations for short-term rentals, as of the writing of this report there have been no new regulations put in place and short-term rentals in the City of San Diego continue to operate in a legal grey area.

The City of Coronado prohibits "transient rentals," including short-term rentals, in residential zones.

C. Variety of Housing Opportunity

To ensure fair housing choice in a community, a zoning ordinance should provide for a range of housing types, including single-family, multi-family, second dwelling units, mobile homes, licensed community care facilities, employee housing for seasonable or migrant workers as necessary, assisted living facilities, emergency shelters, supportive housing, transitional housing, and single room occupancy (SRO) units. Table 66 provides a summary of each jurisdiction's zoning ordinance as it relates to ensuring a variety of housing opportunities.

1. Single- and Multi-Family Uses

Single- and multi-family housing types include detached and attached single-family homes, duplexes or half-plexes, townhomes, condominiums, and rental apartments. Zoning ordinances should specify the zones in which each of these uses would be permitted by right. All of the jurisdictions in San Diego County accommodate the range of residential uses described above without a use permit, although the City of Imperial Beach does require a site plan review by the Planning Commission for developments with five or more units.

Zoning ordinances should also avoid "pyramid or cumulative zoning" (e.g. permitting lower-density single-family uses in zones intended for higher density multi-family uses). Pyramid or cumulative zoning schemes could limit the amount of lower-cost multi-family residential uses in a community and be a potential impediment to fair housing choice. Most jurisdictions in the San Diego region have some form of pyramid zoning and permitting single-family residential uses in multi-family zones is the most prevalent example. The cities of Coronado, Lemon Grove, Oceanside, Poway, San Marcos, and Santee prohibit single-family residential uses in higher-density, multi-family zones.

Allowing or requiring a lower density use in a zone that can accommodate higher density uses is regulated by State law (SB 2292, also known as the Dutra Bill). A local government is required to make a finding that an action that results in a density reduction, rezoning, or downzoning is consistent with its Housing Element, particularly in relation to the jurisdiction's ability to accommodate its share of regional housing needs.

2. Accessory Dwelling Units

Accessory dwelling units (ADUs), also called second dwelling units or granny flats, are attached or detached dwelling units that provide complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, cooking and sanitation. Accessory dwelling units may be an alternative source of affordable housing for lower income households and seniors. These units typically rent for less than apartments of comparable size.

California law requires local jurisdictions to adopt ordinances that establish the conditions under which ADUs are permitted (Government Code, Section 65852.2). A jurisdiction cannot adopt an ordinance that totally precludes the development of ADUs unless the ordinance contains findings acknowledging that allowing second units may limit housing opportunities of the region and result in adverse impacts on public health, safety, and welfare. An amendment to the State's ADU law in 2003 requires local governments to use a ministerial, rather than discretionary, process for approving

ADUs (i.e. ADUs otherwise compliant with local zoning standards can be approved without a public hearing) and allows jurisdictions to count second units towards meeting their regional housing needs goals. A ministerial process is intended to reduce permit processing time frames and development costs because proposed ADUs that are in compliance with local zoning standards can be approved without a public hearing. All jurisdictions in the county currently permit second dwelling units via a variety of review processes such as a zoning clearance or an administrative permit in at least some zones.

Imperial Beach is the only jurisdiction with adopted findings allowing it to preclude second units. Second units are allowed by-right within the City's R-3000, R-2000, and R-1500 residential zones. However, the City Council determined that allowing second units in R1-6,000 and R1-3,800 zones is not in the best interest of public health, safety, and welfare and adopted findings to preclude second units in those zones.

3. Mobile Home Parks

Provisions for mobile home parks vary among the San Diego County jurisdictions. Some jurisdictions have designated mobile home park zones specifically to provide for this type of housing (Carlsbad, Chula Vista, La Mesa, National City, Oceanside, Poway, San Marcos, and Vista). The City of Encinitas provides for mobile home parks in its Mobile Home Park zone, and in higher density zones upon issuance of a Conditional Use Permit, while the City of San Diego has a mobile home park overlay zone to preserve existing sites. Other jurisdictions allow mobile home parks in some residential zones with a Conditional Use Permit or Site Development Permit (Escondido, Imperial Beach, City of San Diego, Poway, San Diego County, Santee, and Solana Beach). El Cajon, Santee and Vista have Mobile Home Park Overlay Zones that permit new mobile home parks and the expansion of current parks with a CUP or Site Development Plan. Coronado, Del Mar, and Lemon Grove have no provisions for mobile home parks in their Zoning Ordinances.

Table 66: Variety of Housing Opportunity

Housing Type	Carlsbad	Chula Vista	Coronado	Del Mar	El Cajon	Encinitas
Single-family	P	P	P	P	P	P
Multi-family	P	P	P	P	P	P
Second Dwelling Units	P	P	P	P	P	P
Mobile Home Parks	P	P			P	P
Manufactured Housing	P	P	P	P	P	P
Residential Care Facilities (≤6 persons)	P	P	P	P	P	P
Residential Care Facilities (≥6 persons)	C	C	C	C	C	C
Emergency Shelters	P[5]	P	P	P	P	C
Transitional Housing	P	P	P	P	P	P
Supportive Housing	P	P	P	P	P	P
SRO	C[3]	P	C		P	P
Farmworker/ Employee Housing	P/C[6]	C			P	P

Notes: P – permitted by right; C – Conditionally permitted. ___ - Potential impediments.

1. Permitted but with a potential impediment.
2. Second units are allowed by-right within the City's R-3000, R-2000, and R-1500 residential zones. However, they are prohibited in the R1-6,000 and R1-3,800 zones.
3. Referred to as "managed living units."
4. Referred to as "transient lodging."
5. Emergency shelters with no more than 30 beds or persons is allowed by right in the M and P-M zones and are conditionally allowed with more than 30 beds or persons in the same zones.
6. "Large farmworker housing complexes" are conditionally permitted: otherwise farmworker housing is permitted by right.
7. Similarly permitted as similar uses in the same zone.

Table 66: Variety of Housing Opportunity

Housing Type	Escondido	Imperial Beach	La Mesa	Lemon Grove	National City	Oceanside
Single-family	P	P	P	P	P	P
Multi-family	P	P[1]	P	P	P	P
Second Dwelling Units	P	P[2]	P	P	P	P
Mobile Home Parks	C	C	C		C	P
Manufactured Housing	P	P	P	P	P	P
Residential Care Facilities (≤6 persons)	P	P	P	P	P	P
Residential Care Facilities (≥6 persons)	C	C	C	C	C	C
Emergency Shelters	P	P	P	P	P	P
Transitional Housing	P	P		P	P	P
Supportive Housing	P	P		P	P	
SRO	C[4]	C		C	P	P[1]
Farmworker/ Employee Housing	P[1]	P				P

Notes: P – permitted by right; C – Conditionally permitted. ___ - Potential impediments.

1. Permitted but with a potential impediment.
2. Second units are allowed by-right within the City's R-3000, R-2000, and R-1500 residential zones. However, they are prohibited in the R1-6,000 and R1-3,800 zones.
3. Referred to as "managed living units."
4. Referred to as "transient lodging."
5. Emergency shelters with no more than 30 beds or persons is allowed by right in the M and P-M zones and are conditionally allowed with more than 30 beds or persons in the same zones.
6. "Large farmworker housing complexes" are conditionally permitted: otherwise farmworker housing is permitted by right.
7. Similarly permitted as similar uses in the same zone.

Table 66: Variety of Housing Opportunity

Housing Type	Poway	San Diego City	San Diego County	San Marcos	Santee	Solana Beach	Vista
Single-family	P	P	P	P	P	P	P
Multi-family	P	P	P	P	P	P	P
Accessory Dwelling Units	P	P	P	P	P	P	P
Mobile Home Parks	C	C	C	P	C	P	P
Manufactured Housing	P	P	P	P	P	P	P
Residential Care Facilities (≤6 persons)	P	P	P	P	P	P	P
Residential Care Facilities (≥6 persons)	C[1]	C	P/C	C	C	C	C
Emergency Shelters		P	P	P	P	P	P
Transitional Housing	P	P	P/C[1]	P	P	P	P[1]
Supportive Housing	P	P	P/C[1]	P	P	P	P
SRO	C[3]	P	P/C	C	C	C	P
Farmworker/ Employee Housing	P	P[1]/C	P[1]	C	P		P

Notes: P – permitted by right; C – Conditionally permitted. ___ - Potential impediments.

1. Permitted but with a potential impediment.
2. Second units are allowed by-right within the City's R-3000, R-2000, and R-1500 residential zones. However, they are prohibited in the R1-6,000 and R1-3,800 zones.
3. Referred to as "managed living units."
4. Referred to as "transient lodging."
5. Emergency shelters with no more than 30 beds or persons is allowed by right in the M and P-M zones and are conditionally allowed with more than 30 beds or persons in the same zones.
6. "Large farmworker housing complexes" are conditionally permitted: otherwise farmworker housing is permitted by right.
7. Similarly permitted as similar uses in the same zone.

4. Manufactured Housing

State law requires local governments to permit manufactured or mobile homes meeting federal safety and construction standards on a permanent foundation in all single-family residential zoning districts (Section 65852.3 of the California Government Code). All jurisdictions in San Diego County comply with this requirement. Mobile homes offer an affordable housing option to many low- and moderate-income households. To further preserve the affordability of mobile homes, several cities in San Diego County, including Chula Vista and Santee, have adopted rent control policies and ordinances for mobile homes.

5. Licensed Residential Care Facilities

The Lanterman Developmental Disabilities Services Act (Sections 5115 and 5116) of the California Welfare and Institutions Code declares that mentally and physically disabled persons are entitled to live in normal residential surroundings. The use of property for the care of six or fewer persons with mental disorders or disabilities is required by law. A State-authorized, certified or authorized family care home, foster home, or group home serving six or fewer persons with disabilities or dependent and neglected children on a 24-hour-a-day basis is considered a residential use to be permitted in all residential zones. No local agency can impose stricter zoning or building and safety standards on these homes (commonly referred to as "group" homes) of six or fewer persons with disabilities than are required of the other permitted residential uses in the zone.

All jurisdictions in San Diego County comply with the Lanterman Act and conditionally permit larger residential care facilities serving seven or more residents in residential zones.

The Lanterman Act covers only licensed residential care facilities. The California Housing Element law also addresses the provision of transitional and supportive housing, which includes non-licensed housing facilities for persons with disabilities. This topic is discussed later.

6. Emergency Shelters

An emergency shelter is a facility that provides temporary shelter and feeding of indigents or disaster victims, operated by a public or non-profit agency. State law requires jurisdictions to identify adequate sites for housing which will be made available through appropriate zoning and development standards to facilitate and encourage the development of a variety of housing types for all income levels, including emergency shelters and transitional housing (Section 65583(c)(1) of the Government Code). Recent changes in State law (SB 2) require that local jurisdictions make provisions in the zoning code to permit emergency shelters by right in at least one zoning district where adequate capacity is available to accommodate at least one year-round shelter. Local jurisdictions may, however, establish standards to regulate the development of emergency shelters.

At the writing of this report, 18 of the 19 jurisdictions in the county allow emergency shelters by right consistent with State law. The following jurisdictions: Carlsbad (2012), Chula Vista (2018), Coronado (2014), Del Mar (2013), El Cajon (2015), Encinitas (2019), Escondido (2013), Imperial Beach (2012), La Mesa (2019), Lemon Grove (2019), National City (2011), Oceanside (2013), San Diego City (2016), San Diego County (2010), San Marcos (2012), Santee (2019), Solana Beach (2014) and Vista (2012) have amended their zoning ordinances to permit emergency shelters, consistent

with the provisions of SB 2. However, as of February 2020, the city of Poway did not have adequate provisions for emergency shelters in their zoning ordinance.

The City of Poway does not allow emergency shelters by right in any zone. The currently adopted Housing Element (2013-2020 cycle) acknowledges the need to update the City's zoning ordinance to allow year-round emergency shelters in compliance with state law, but no amendment to the zoning ordinance had been completed as of February 2020.

Furthermore, recent changes to State law require additional changes to the Emergency Shelter provisions:

- AB 139 (Emergency and Transitional Housing) – parking for shelter staff only; definition of sufficient capacity
- AB 101 (Low Barrier Navigation Center) – housing for homeless or at-risk homeless while waiting to transition to permanent housing

Jurisdictions must update their Zoning Ordinances to comply with State law. The City of Encinitas updated their zoning ordinance in 2019 to comply with AB 139.

7. Transitional and Supportive Housing

State law (AB 2634 and SB 2) requires local jurisdictions to address the provisions for transitional and supportive housing. Under Housing Element law, transitional housing means buildings configured as rental housing developments, but operated under program requirements that require the termination of assistance and recirculation of the assisted unit to another eligible program recipient at a predetermined future point in time that shall be no less than six months from the beginning of the assistance (California Government Code Section 65582(h)).

Supportive housing means housing with no limit on length of stay, that is occupied by the target population and is linked to an onsite or offsite service that assists the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. Target population means persons with low incomes who have one or more disabilities, including mental illness, HIV/AIDS, substance abuse, or other chronic health condition, or individuals eligible for services provided pursuant to the Lanterman Developmental Disabilities Services Act (Division 4.5 [commencing with Section 4500] of the Welfare and Institutions Code) and may include, among other populations, adults, emancipated minors, families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, and homeless people (California Government Code Sections 65582(f) and (g)).

Accordingly, State law establishes transitional and supportive housing as a residential use and therefore local governments cannot treat it differently from other similar types of residential uses (e.g., requiring a use permit when other residential uses of similar function do not require a use permit). Of the County's 19 jurisdictions, 17 had amended their zoning ordinances to include these provisions for transitional and supportive housing as of February 2020.

The County of San Diego amended the Zoning Ordinance in 2010 to distinguish between group care facilities for six or fewer people (family care home) and group care facilities for seven or more (group care). For facilities serving six or fewer persons, a transitional or supportive housing project that requires state community care licensing would be considered a family care home by the County. For facilities serving seven or more persons, a transitional or supportive housing project that requires state community care licensing would be considered a group care facility, which is permitted in RC, C31, C34, C35, C37, and C46 zones and with a Major Use Permit in A70, A72, and all other residential zones.

The City of La Mesa has historically treated transitional housing for the homeless as "residential care facilities" or "community care facilities" in their zoning ordinance. Supportive housing is not expressly addressed in the Zoning Ordinance. The City recognizes that it must update its ordinance to comply with state requirements for transitional and supportive housing, but had not completed amendments to its zoning code as of the writing of this report.

The City of Vista amended its zoning code in 2015 to allow supportive housing subject to development standards applicable to residential uses in the same zone. The City permits transitional housing facilities for battered women and children (serving six or fewer clients) in all residential zones. Other transitional housing facilities are permitted only in the City's RM zone.

The County of San Diego and City of La Mesa do not fully comply with all of the requirements of SB 2 in their treatment of transitional and supportive housing, and their zoning ordinances will need to be further amended in order to maintain consistency with State law.

8. Single-Room Occupancy (SRO)

AB 2634 also mandates that local jurisdictions address the provision of housing options for extremely low-income households, including Single Room Occupancy units (SRO). SRO units are one room units intended for occupancy by a single individual. It is distinct from a studio or efficiency unit, in that a studio is a one-room unit that must contain a kitchen and bathroom. Although SRO units are not required to have a kitchen or bathroom, many SROs have one or the other.

As of February 2020, the cities of Del Mar and La Mesa do not have adequate SRO provisions in their zoning ordinances.

9. Farmworker Employee Housing

The California Employee Housing Act requires that housing for six or fewer employees be treated as a single-family residential use. The Employee Housing Act also requires that housing for agricultural workers consisting of 36 beds or 12 units be treated as an agricultural use and permitted where agricultural uses are permitted in the same way that other agricultural uses are permitted in that zone. No conditional use permit, zoning variance, or other discretionary zoning clearance can be required for these employee housing developments that is not required of any other agricultural activity in the same zone. The permitted occupancy in employee housing in a zone allowing agricultural uses must include agricultural employees who do not work on the property where the employee housing is

located. Compliance with these requirements among participating jurisdictions is summarized in Table 67. Some jurisdictions allow employee housing for six or fewer employees as a single-family residential use but have not updated their zoning ordinance to explicitly permit this use in accordance with the California Housing Act.

Escondido permits a caretaker's residence for farmworkers deriving the majority of their income from employment on the premises in most residential zones that allow agriculture, but does not specify that farmworker employee housing is allowed in all zones where commercial agricultural use is permitted.

The City of La Mesa has no agricultural zones but allows agricultural uses in some single-family residential zones. However, the City considers agricultural uses in these zones accessory the the residential uses and not commercial in nature, with the agricultural products intended for consumption by the household. As such, provisions for farmworker employee housing in these residential zones that allow accessory agricultural use is not required by State law. The City recognizes that it should amend the Zoning Ordinance to clarify the types of non-commercial agricultural activities allowable in the single-family zones as accessory uses.

The City of Solana Beach does not have any agricultural zones, there are no agricultural operations within Solana Beach, and no full-time agricultural workers reside in the City. Because of this, the City argues that other affordable housing options provided by the City can serve the housing needs of farmworkers as well, and there is not a need to specifically provide for farmworker employee housing within the City.

Table 67: Farmworker Employee Housing by Jurisdiction

Jurisdiction	Commercial Agricultural Zoning / Uses	Permits Farmworker Housing in Zoning Ordinance	Compliance with Employee Housing Act
Carlsbad	Yes	Yes	Yes
Chula Vista	Yes	Yes	Yes
Coronado	No	n/a	No
Del Mar	No	n/a	No
El Cajon	Yes	Yes	Yes
Encinitas	No	n/a	Yes
Escondido	Yes	No	No
Imperial Beach	No	n/a	Yes
La Mesa	No	n/a	No
Lemon Grove	No	n/a	No
National City	No	n/a	No
Oceanside	Yes	Yes	No
Poway	Yes	Yes	No
San Diego (City)	Yes	Yes	No
San Diego (County)	Yes	Yes	No
San Marcos	Yes	Yes	No
Santee	Yes	Yes	No
Solana Beach	No	n/a	No
Vista	Yes	Yes	Yes

D. Building Codes and Occupancy Standards

1. Building Codes

Building codes, such as the California Building Standards Code[44] and the Uniform Housing Code are necessary to protect public health, safety, and welfare. However, local codes that require substantial improvements to a building might not be warranted and deter housing construction and/or neighborhood improvement.

The California Building Standards Code is published every three years by order of the California legislature. The Code applies to all jurisdictions in the State of California unless otherwise annotated. Adoption of the triennial compilation of Codes is not only a legal mandate, it also ensures the highest available level of safety for citizens and that all construction and maintenance of structures

[44] California Building Standards Code, adopted by the a Building Standards Commission, is actually a set of uniform building, electrical, mechanical, and other codes adopted by professional associations such as the International Conference of Building Officials, and amended to include California-specific requirements.

meets the highest standards of quality. Most jurisdictions in the San Diego region have adopted the 2019 California Building Standards Code, with the exception of National City, which has adopted the 2016 California Building Code. Other codes commonly adopted by reference within the region include the California Mechanical Code, California Plumbing Code, California or National Electric Code, Uniform Housing Code, and California Fire Code. Less common are the California Uniform Code for the Abatement of Dangerous Buildings, the Urban-Wildland Interface Code, and the Uniform Code for Building Conservation. Most jurisdictions have amended portions of these codes to reflect non-arbitrary local conditions including geographical and topographic conditions unique to each locality. Although minor amendments have been incorporated to address local conditions, no additional regulations have been imposed by the city or county that would unnecessarily add to housing costs or otherwise impede fair housing choice.

2. Occupancy Standards

Disputes over occupancy standards are typical tenant/ landlord and fair housing issues. Families with children and large households may face discrimination in the housing market, particularly in the rental housing market, because landlords are reluctant or flatly refuse to rent to such households. Establishing a strict occupancy standard, either by the local jurisdictions or by landlords on the rental agreements, may be a violation of fair housing practices.

"2+1" Rule

Most State and federal housing programs use the "2+1" rule as an acceptable occupancy standard. The appropriate number of persons per housing unit is estimated at two persons per bedroom plus an additional person. For example, a two-bedroom unit could have five occupants.

In general, no state or federal regulations govern occupancy standards. The State Department of Fair Employment and Housing (DFEH) uses the "two-plus-one" rule in considering the number of persons per housing unit – two persons per bedroom plus an additional person. Using this rule, a landlord cannot restrict occupancy to fewer than three persons for a one-bedroom unit or five persons for a two-bedroom unit, etc. While DFEH also uses other factors, such as the age of the occupants and size of rooms, to consider the appropriate standard, the two-plus-one rule is generally followed.

Other guidelines are also used as occupancy standards. The Uniform Housing Code (Section 503.2) requires that a dwelling unit have at least one room which is not less than 120 square feet in area. Other habitable rooms, except kitchens, are required to have a floor area of not less than 70 square feet. The Housing Code further states that where two persons occupy a room used for sleeping purposes, the required floor area should be increased at a rate of 50 square feet for each occupant in excess of two. There is nothing in the Housing Code that prevents people from sleeping in the living or dining rooms, as long as these rooms have a window or door meeting all the provisions of the California Building Code for emergency egress. The Fire Code allows one person per 150 square feet of "habitable" space. These standards are typically more liberal than the "two-plus-one" rule. For example, three people could sleep in a one-bedroom apartment where the bedroom is at least 120 square feet; and where the living/dining area is at least 170 square feet, an additional three people could sleep there. Therefore, a 290-square foot one-bedroom apartment can accommodate up to six persons or a two-bedroom 410-square foot apartment can sleep up to nine persons.

A review of occupancy standards for jurisdictions within the San Diego region revealed that none of the jurisdictions overtly limit the number of people who can occupy a housing unit. As previously discussed, court rulings stated a Zoning Ordinance cannot regulate residency by discrimination between biologically-related and unrelated persons. None of the jurisdictions in the county have a definition of "family" in their Zoning Ordinance with references to how members of a family are related or the maximum number of members in the household. However, the definition of "family" in the Solana Beach zoning ordinance excludes individuals. Such a definition can be considered an impediment because it may give landlords the opportunity to deny renting single-family or multi-family dwelling units to single persons.

E. Affordable Housing Development

In general, many minority and special needs households are disproportionately affected by a lack of adequate and affordable housing in a region. While affordability issues are not directly fair housing issues, expanding access to housing choices for these groups cannot ignore the affordability factor. Insofar as rent-restricted or non-restricted low-cost housing is concentrated in certain geographic locations, access to housing by lower-income and minority groups in other areas is limited and can therefore be an indirect impediment to fair housing choice. Furthermore, various permit processing and development impact fees charged by local government results in increased housing costs and can be a barrier to the development of affordable housing. Other policies and programs, such as inclusionary housing and growth management programs, can either facilitate or inhibit the production of affordable housing. These issues are examined in the subsections below.

1. Siting of Affordable Housing

The San Diego region has a large inventory of rent-restricted multi-family housing units. The distribution of these units, however, is highly uneven throughout the region, with dense clusters of assisted housing located in central San Diego, National City, Chula Vista and Escondido (see Figure 13 on page 91). Almost three-quarters (71.4 percent) of the region's rent-restricted multi-family housing stock is concentrated in these four cities. Jurisdictions with the highest concentration of rent-restricted multi-family housing units (as measured by the ratio of rent-restricted units to total housing units) include National City (12.1 percent), San Marcos (5.4 percent) and Carlsbad (4.3 percent) (see Table 68). Jurisdictions with the lowest concentration of rent restricted multi-family units (as measured by the number of restricted units per 500 housing units) are Del Mar (0.0), Solana Beach (0.0), Encinitas (2.9), and Lemon Grove (5.4).

Table 68: Rent-Restricted Multi-Family Housing Units by Jurisdiction

Jurisdiction	Rent Restricted Units	Total Housing Units (2019)	% of Housing Stock Rent Restricted	% of All Rent Restricted Units in County	Rent Restricted Units per 500 Housing Units
Urban County					
Coronado	142	9,740	1.5%	0.4%	7.3
Del Mar	0	2,625	0.0%	0.0%	0.0
Imperial Beach	129	10,074	1.3%	0.3%	6.4
Lemon Grove	98	9,114	1.1%	0.2%	5.4
Poway	704	16,917	4.2%	1.8%	20.8
San Marcos	1,729	32,126	5.4%	4.4%	26.9
Solana Beach	0	6,569	0.0%	0.0%	0.0
Unincorporated Areas	2,215	178,844	1.2%	5.6%	6.2
Entitlement Cities					
Carlsbad	2,037	47,080	4.3%	5.2%	21.6
Chula Vista	2,545	85,535	3.0%	6.5%	14.9
El Cajon	1254	36,148	3.5%	3.2%	17.3
Encinitas	152	26,495	0.6%	0.4%	2.9
Escondido	1,559	48,833	3.2%	4.0%	16.0
La Mesa	566	26,869	2.1%	1.4%	10.5
National City	2,097	17,264	12.1%	5.3%	60.7
Oceanside	1,307	65,902	2.0%	3.3%	9.9
San Diego	21,937	545,645	4.0%	55.7%	20.1
Santee	578	21,100	2.7%	1.5%	13.7
Vista	349	32,580	1.1%	0.9%	5.4
Total County	**39,398**	**1,219,460**	**3.2%**	**100.0%**	**16.2**

Source: California Department of Finance, 2019; HUD, California Housing Partnership, and participating jurisdictions.

2. Development Fees

Housing construction imposes certain short- and long-term costs upon local government, such as the cost of providing planning services and inspections. As a result, San Diego County jurisdictions rely upon various planning and development fees to recoup costs and ensure that essential services and infrastructure are available when needed. Planning fees for the County of San Diego and its jurisdictions are summarized in Table 69. As shown, fees vary widely based on the needs of each jurisdiction.

Table 69: Planning Fees by Jurisdiction

Jurisdiction	General Plan Amendment	CUP	Variance	Tract Map	Parcel Map	Zone Change
Carlsbad	$4,677-$6,747	$4,913	$3,098	$8,193	$3,678	$5,373-$7,279
Chula Vista	$20,000[1]	$11,000[1]	$9,000[1]	$10,000[1]	$2,500[1]	$10,000[1]
Coronado	$5,000[1]	$3,533	$3,846	--	$1,703	$5,000[1]
Del Mar	$10,000[1]	$8,513	$5,370	$6,250	$5,240	$10,000[1]
El Cajon	$3,505	$5,195	$1,025	$6,225 + $74/lot	$3,625 + $26/lot	$4,125
Encinitas	$13,000[1]	$6,000	$3,810	$13,000 + 650/lot	$4,555	$20,000[1]
Escondido	$5,185-$9,880	$3,050	$2,030	$4,107-$6.905	$2,635	$3,900-$5,100
Imperial Beach	$5,000	$2,000	$1,800	$2,500	$2,000	$3,000
La Mesa	$15,179	$2,095-$4,150	$2,097-$4,127	$7,557	$5,859	$13,730
Lemon Grove	$3,000	$1,500	$750	$4,500	$2,700	$1,000
National City	$5,500	$3,700	$3,700	$4,000	$3,000	$5,500
Oceanside	$10,000-$15,000[1]	$5,000[1]	$4,000[1]	$8,000[1]	$3,000[1]	$8,000-$15,000[1]
Poway	$1,917	$3,299	$799	$4,174	$2,711	$1,917
San Diego City	$12,000[1]	$8,000[1]	$8,000[1]	$10,000[1]	$10,000[1]	$12,000[1]
San Diego County	$16,227[1]	$10,224[1]	$3,945[1]	$19,099[1]	$11,711[1]	$10,872[1]
San Marcos	$2,500	$3,476	$564	$2,690 + $50/lot	$2,090	$872
Santee	$13,000[1]	$15,000-$20,000[1]	$2,500[1]	$16,000[1]	$6,000[1]	$13,000[1]
Solana Beach	$10,000[1]	$8,660	$6,555	$14,000	$10,725	$10,000[1]
Vista	$9782	$7,430	$3,119	$6,719-$9,253	$4,368	$9,621

Source: Participating jurisdictions, 2020.
Notes:
1. Indicates initial deposit amount. Actual fee is full cost recovery.

3. Development Impact Fees

Jurisdictions also charge a variety of impact fees to offset the cost of providing the infrastructure and public facilities required to serve new development. Until 1978, property taxes were the primary revenue source for financing the construction of infrastructure and improvements required to support new residential development. The passage of Proposition 13 in 1978 has limited a local jurisdiction's ability to raise property taxes and significantly lowered the ad valorem tax rate, increasing reliance on other funding sources to provide infrastructure, public improvements, and public services. An alternative funding source widely used among local governments in California is the development impact fee, which is collected for a variety of improvements including water and sewer facilities, parks, and transportation improvements.

To enact an impact fee, State law requires that the local jurisdiction demonstrate the "nexus" between the type of development in question and the impact being mitigated by the proposed fee. Also, the amount of the fee must be roughly proportional to the impact caused by the development. Nevertheless, development impact fees today have become a significant cost factor in housing development. Jurisdictions in San Diego County have imposed a variety of impact fees for new development (Table 70).

Table 70: Development Impact Fees by Jurisdiction

	Parks	Transportation/ Traffic	Public Facilities/ Sewer	Public Art
Carlsbad	■	■	■	
Chula Vista	■	■	■	
Coronado		■	■	
Del Mar		■		
El Cajon			■	
Encinitas	■	■	■	
Escondido	■	■	■	■
Imperial Beach		■	■	
La Mesa	■	■	■	
Lemon Grove	■	■	■	
National City	■		■	
Oceanside	■	■	■	
Poway	■	■	■	
San Diego City	■	■	■	■
San Diego County	■	■	■	
San Marcos	■	■	■	
Santee	■	■	■	
Solana Beach	■	■	■	■
Vista	■	■	■	

Source: Participating jurisdictions, 2015.

The contribution of fees to home prices varies temporally as well as spatially. When times are good, housing production tends to lag behind demand, especially in coastal markets. Housing prices during such periods are chiefly affected by the balance between supply and demand and are much less affected by construction and development costs. When economic times are bad and demand is weak, housing prices are more sharply affected by the prices of construction inputs, including fees. The strength of the economy and housing market also determines the degree of fee shifting and who ultimately pays fees. During strong economic times, it is the final homebuyer or renter who ends up paying housing development fees; the builder or developer is mostly an intermediary. During recessionary periods, the burden of paying fees may be shifted backwards to the landowner.

4. Linkage Fees

A linkage fee is a development impact fee applied to non-residential development. This fee can be used by local governments to support affordable housing construction and it is applied in recognition of the housing needs of lower-income workers who often are employed by end users of new development. Linkage fees can facilitate de-concentration of affordable housing development and reduce the negative social and environmental effects of jobs-housing imbalances in a region if the use of this funding is combined with a policy that requires the scattering of affordable units throughout a community and/or require concurrent construction of market-rate and affordable units in new development.

Currently, the City of San Diego is the only jurisdiction that charges a linkage fee to non-residential development to offset the cumulative effects of non-residential development on affordable housing and transportation. The underlying purpose of the City of San Diego's linkage fee is to ensure that new office, retail, research and development, manufacturing, warehouse, and hotel development pay a fair share of the subsidies necessary to house the low-income employees related to such development. The fees are placed in the San Diego Housing Trust Fund and can be utilized to assist the construction of affordable housing units located anywhere within the boundaries of the City of San Diego. The Municipal Code establishes a mechanism to ensure a geographic nexus between the location of new jobs and the expenditure of revenue for housing projects.[45]

F. Other Land Use Policies, Programs, and Controls

Land use policies, programs, and controls can impede or facilitate housing development and can have implications for fair housing choice in a community. Inclusionary housing policies and redevelopment project areas can facilitate new affordable housing projects, while growth management programs can impede new affordable housing development. Jurisdictions that have not sought Article 34 authority may also be prevented from directly engaging in affordable housing development. Table 71 identifies jurisdictions that are affected by or have adopted land use policies, programs, and controls that may have a negative impact on housing development and fair housing choice.

[45] For more information, see Chapter 9, Article 8, Division 6 of the San Diego Municipal Code.

Table 71: Land Use Policies and Controls by Jurisdiction

Jurisdictions	Article 34	Growth Management	Inclusionary Housing
Carlsbad	■	■	■
Chula Vista	■	■	■
Coronado			■
Del Mar			■
El Cajon	■		
Encinitas		■	■
Escondido		■	
Imperial Beach			
La Mesa	■		
Lemon Grove			
National City			
Oceanside	■		■
Poway			■
San Diego City	■	■	■
San Diego County		■	
San Marcos		■	■
Santee			
Solana Beach		■	■
Vista	■		

1. Article 34

Article 34 of the State Constitution requires a majority vote of the electorate to approve the development, construction, or acquisition by a public body of any "low rent housing project" within that jurisdiction. In other words, for any projects to be built and/or operated by a public agency where at least 50 percent of the occupants are low-income and rents are restricted to affordable levels, the jurisdiction must seek voter approval known as "Article 34 authority" to authorize that number of units. Several jurisdictions within the San Diego region have obtained Article 34 authority to be directly involved in the development, construction, or acquisition of low-rent housing.

Carlsbad voters approved an Article 34 measure to allow no more than 200 units of senior low income housing in November 1980; this authority has only been exercised twice since voter approval. The City of Chula Vista currently has 24 remaining Article 34 units allotted and on November 7, 2006 voters approved authority for an additional 1,600 units. No projects requiring Article 34 authority have been proposed in Del Mar, therefore, residents have not been asked to vote on a referendum to allow the City to develop, construct, or acquire affordable housing. The City of El Cajon has voter approval for senior projects only and complies with Article 34 for all other housing types. In 1978, La Mesa residents voted to provide the City with authority to develop, acquire, or construct 200 senior units under Article 34. To date, the City has used 128 units of its Article 34 authority for the development of La Mesa Springs and has a remaining capacity of 72 units. Voters in the City of San Diego approved Measure M in 2016 to allow the City to develop,

construct, or acquire up to 49,180 affordable units, an increase in 38,680 units over the previous number of allowable units. The voters of the City of Vista approved Proposition W in 1980, authorizing the development of up to 95 low-income, rental housing units per year without going to a public vote.

In the past, Article 34 may have prevented certain projects from being built because seeking voter approval for such activities was controversial and difficult. In practice, most public agencies have learned how to structure projects to avoid triggering Article 34, such as limiting public assistance to 49 percent of the units in the project. Furthermore, the State legislature has enacted Sections 37001, 37001.3, and 37001.5 of the Health and Safety Code to clarify ambiguities relating to the scope of the applicability of Article 34.

In 2018, two State Senators introduced legislation to repeal Article 34 as Senate Constitutional Amendment 1 (SCA 1). The California Senate passed SCA 1 in September 2019 by unanimous vote. If passed by the California Assembly, the amendment can be placed on the ballot for potential approval by California voters.

2. Growth Management Programs

Growth management programs facilitate well-planned development and ensure that the necessary services and facilities for residents are provided. However, a growth management program may act as a constraint if it prevents a jurisdiction from addressing its housing needs, which could indirectly impede fair housing choice. These programs range from general policies that require the expansion of public facilities and services concurrent with new development, to policies that establish urban growth boundaries (the outermost extent of anticipated urban development), to numerical limitations on the number of dwelling units that may be permitted annually. Of the county's 19 jurisdictions, eight have adopted Growth Management Programs. While the programs are intended to manage growth, the programs are highly variable in detail.

The City of Carlsbad has a growth management program that establishes a maximum amount of dwelling units for each quadrant of the City, and also includes performance standards that require services and infrastructure to be provided to meet the demands of new development. However, the City of Carlsbad is also recognized as having one of the State's most effective inclusionary housing policies with a proven affordable housing production track record.

Chula Vista's Growth Management Program establishes thresholds for eleven areas including traffic, police, fire and emergency services, schools, libraries, parks and recreation, water, sewer, drainage, air quality, and economics.

The Encinitas General Plan Land Use Element includes restrictions on residential construction based on average citywide density, which have been identified as obsolete. While the City's adopted Housing Element acknowledges the need to revise the Land Use Element to eliminate these policies as part of its affordable housing implementation program, amendments to the Land Use Element to eliminate these growth management policies have not yet been adopted. Encinitas requires voter approval to increase residential density or modify land use from non-residential zoning. However, in 2018 a California judge temporarily suspended this requirement to allow the City to adopt land use changes included in the City's 2013-2021 Housing Element.

Escondido requires voter approval for all proposals to increase residential density or non-residential intensity (such as through general plan amendments). However, the City does not require voter approval for increase in density in cases where affordable housing is involved to ensure compliance with housing law.

In 1979, the City of San Diego implemented a Tier System to manage growth. Under this system, the Urban Core would develop first, then the outlying urban area, and finally the Future Urbanizing Area which is now being developed. Growth is managed in the unincorporated areas of San Diego County through the Multiple Species Conservation Plan (MSCP) and establishment of residential buildout ceilings and large minimum lot sizes (40 acres in some cases) within several community planning areas.

Residential growth management requirements in San Marcos require new development in the city to ensure funding and timely construction of all threshold public facilities or services, as required by location.

Solana Beach voters passed Proposition T in 2000, which requires voter approval to change, alter, or increase General Plan residential land use categories. Because the City can meet its RHNA requirements under existing land use designations, it does not consider the growth management plan an impediment to affordable housing.

The cities of Coronado, Del Mar, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, Santee, and Vista have not adopted growth management programs.

State housing law mandates a jurisdiction facilitate the development of a variety of housing to meet the jurisdiction's fair share of regional housing needs. Any growth management measure that would compromise a jurisdiction's ability to meet its regional housing needs may have an exclusionary effect of limiting housing choices and opportunities of regional residents or concentrating such opportunities in other areas of the region.

3. Inclusionary Housing Programs

Inclusionary housing describes a local government's requirement specifying a percentage of new housing units be reserved for, and affordable to, lower- and moderate-income households. The goal of inclusionary housing programs is to increase the supply of affordable housing commensurate with new market-rate development in a jurisdiction. This can result in an improved regional jobs-housing balances and foster greater economic and racial integration within a community. The policy is most effective in areas experiencing rapid growth and a strong demand for housing.

Inclusionary programs can be voluntary or mandatory. Voluntary programs typically require developers to negotiate with public officials but do not specifically mandate the provision of affordable units. Mandatory programs are usually codified in the zoning ordinance and developers are required to enter into a development agreement specifying the required number of affordable housing units or payment of applicable in-lieu fee[46] prior to obtaining a building permit.

[46] An in-lieu fee is the payment of a specified sum of money instead of constructing the required number of affordable housing units. The fee is used to finance affordable housing elsewhere in a community.

In San Diego County, 10 jurisdictions had adopted inclusionary housing programs as of February 2020. All programs in the county can be described as mandatory because they require dedication of a fixed percentage of proposed units affordable to lower or moderate income households or payment of an in-lieu fee used to build new affordable housing units in the jurisdiction. Inclusionary housing programs in the county vary considerably by jurisdiction.

The City of Carlsbad requires 15 percent of all base residential units within any Master Plan/Specific Plan community or other qualified subdivision (currently seven units or more) to be restricted and affordable to lower-income households.

Chula Vista requires the provision of 10 percent (five percent low-income and five percent moderate-income) affordable housing within projects of 50 or more dwelling units.

The City of Coronado's inclusionary housing program requires that parcel or subdivision maps involving two or more lots or two or more dwelling units provide 20 percent of the total units in the development for rent to lower-income households. Under this program no inclusionary units have been constructed by market-rate developers as of the writing of this report; however, in-lieu fees collected from these developers have contributed to the expansion of affordable housing in the City through the Community Development Agency programs.

The City of Del Mar Assistance Program requires that certain housing developments pay an in-lieu fee or set aside some of units for affordable housing. In-lieu fees are placed in a Housing Assistance Reserve and used to provide rental subsidies to low-income households.

The City of Encinitas requires residential development to provide 15 percent of units for low-income households or 10 percent for very low-income households unless exempted or an alternative for providing affordable units is approved.

The City of El Cajon's affordable housing requirement was based on its redevelopment housing requirement. However, with the dissolution of redevelopment in California, this requirement is no longer applicable. The City's Housing Element includes an action to evaluate the need for a citywide inclusionary housing ordinance, but the City had not adopted an updated ordinance as of February 2020.

National City's affordable housing requirement was also part of its redevelopment program, which was eliminated in 2011 by changes to state law. Remaining redevelopment funds earmarked for affordable housing are used to increase, maintain, and preserve affordable housing for low- and moderate-income households.

The City of Oceanside requires new residential development to include 1015 percent affordable units or play an in-lieu fee. The City of Poway requires new residential development to make 15 percent of units affordable to low-income households, 20 percent affordable to moderate-income households, or pay an in-lieu fee. The City of San Diego requires all residential development of two or more units to pay an Inclusionary Affordable Housing Fee or provide affordable units on site, unless exempt.

In October 2018 the County Board of Supervisors directed staff to prepare an economic analysis and criteria for a potential General Plan Amendment to create an affordable housing program and/or an inclusionary housing ordinance. To date the Board has not taken further action on these potential amendments.

San Marcos requires residential development to provide 15 percent of units as affordable or pay an in-lieu fee, depending on the size of the development. The City of Solana Beach requires residential development of five or more units to set aside 15 percent as affordable units.

The City of Vista eliminated their inclusionary housing requirements in 2015.

G. Policies Causing Displacement or Affect Housing Choice of Minorities and Persons with Disabilities

Local government policies could result in displacement or affect representation of minorities or the disabled.

1. Reasonable Accommodation

Under State and Federal laws, local governments are required to "reasonably accommodate" housing for persons with disabilities when exercising planning and zoning powers. Jurisdictions must grant variances and zoning changes if necessary to make new construction or rehabilitation of housing for persons with disabilities feasible, but are not required to fundamentally alter their zoning ordinance.

Although most local governments are aware of State and federal requirements to allow reasonable accommodations, if specific policies or procedures are not adopted by a jurisdiction, disabled residents may be unintentionally displaced or discriminated against. Lemon Grove is the only jurisdiction in the region that had not adopted a formal reasonable accommodation procedure as of February 2020.

Currently, most of the cities with adopted reasonable accommodations procedures (with the exception of Escondido, La Mesa, National City, Oceanside, and Santee) have a definition of disabled person in their Zoning Ordinance. A jurisdiction's definition of a disabled person can be considered an impediment to fair housing if it is not consistent with the definition of disability provided under the Fair Housing Act. The Act defines disabled person as "those individuals with mental or physical impairments that substantially limit one or more major life activities." All of the definitions used by San Diego jurisdictions are consistent with the Fair Housing Act and are not considered an impediment.

H. Local Housing Authorities

In the San Diego region, the HUD Housing Choice Voucher program is administered by six different local housing authorities, two of which also oversee a public housing program. The following housing authorities only administer housing choice vouchers: Carlsbad, Encinitas, Oceanside, and National City. The housing authorities for the City and County of San Diego also own and manage public housing in addition to administering the Housing Choice Voucher program. The availability and use of Housing Choice Vouchers and public housing units must also adhere to fair housing laws. Most local housing authorities in the county have adopted priorities or preferences for Housing Choice Vouchers and/or public housing. Typically, families with children, elderly families, disabled families, and veterans are given preferences.

Section 16(a)(3)(B) of the United States Housing Act (Housing Act) mandates that public housing authorities adopt an admissions policy that promotes the deconcentration of poverty in public housing. HUD emphasizes that the goal of deconcentration is to foster the development of mixed-income communities within public housing. In mixed-income settings, lower income residents are provided with greater access to employment and information networks.

For Housing Choice Vouchers, the Housing Act mandates that not less than 75 percent of new admissions must have incomes at or below 30 percent of the Area Median Income. The remaining balance of 25 percent may have incomes up to 50 percent of the Area Median Income. For public housing, the Housing Act mandates that not less than 40 percent of new admissions must have incomes at or below 30 percent of the Area Median Income. The balance of 60 percent of new admissions may have incomes up to 50 percent of the Area Median Income.

I. California Environmental Quality Act (CEQA)

CEQA is California's broadest environmental law as it applies to all discretionary projects proposed to be conducted or approved by a public agency, including private projects that require government approval. The primary purpose of CEQA is to disclose to the public the significant environmental effects of a proposed project. CEQA also requires that public agencies disclose to the public the decision making process utilized to approve projects and is intended to enhance public participation in the environmental review process.

In October 2011, the Governor signed into law SB 226, which allows for streamlined CEQA review for certain infill development projects, including some Transit Oriented Developments (TODs). The statute allows an exemption or limited environmental review of projects that meet certain criteria and are consistent with earlier policy documents such as General Plans, Specific Plans, or Master Plans. Subsequent environmental review of qualifying projects is limited to new or substantially greater impacts not adequately addressed in an earlier CEQA document.

The streamlined environmental process allowed by SB 226 makes it possible for the environmental impacts of documents like a General Plan, Specific Plan, or Master Plan area to be analyzed long before a physical development project is proposed. Because SB 226 does not include a time limit, CEQA's environmental review and public comment requirements could be satisfied by a document prepared years prior to the proposal of a specific development proposal. Because infill and TOD

projects are often proposed in under-served, lower-income and minority neighborhoods, the disjointed disclosure of potential environmental impacts resulting from SB 226 has potential for disproportionate adverse impacts on protected classes.

J. Community Representation and Participation

Adequate community involvement and representation is important to overcoming and identifying impediments to fair housing. Decisions regarding housing development in a community are typically made by the City Council or Board of Supervisors and applicable Planning Commissions. The Council or Board members are elected officials and answer to the constituents. Planning Commissioners are residents appointed by the Council or Board and often serve an advisory role.

In addition to the City Council, Board of Supervisors, and Planning Commission, most jurisdictions have appointed commissions, committees, and task forces to address specific issues. Commissions dealing directly with housing issues are most common in the region's 19 jurisdictions; however, only National City and the City of San Diego have commissions that specifically address special housing needs and only the City and County of San Diego have commissions specifically addressing the housing needs of persons with disabilities or families with children. These issues are often addressed in the remaining jurisdictions as part of a standing commission.

Community participation can be limited or enhanced by actions or inaction by a public agency. According to the results of the Fair Housing Survey, ten San Diego residents reported being discriminated against by a government staff person.

A broader range of residents may feel more comfortable approaching an agency with concerns or suggestions if that agency offers sensitivity or diversity training to its staff members that typically interface with the public. In addition, if there is a mismatch between the linguistic capabilities of staff members and the native languages of local residents, non-English speaking residents may be unintentionally excluded from the decision making process. Another factor that may affect community participation is the inadequacy of an agency or public facility to accommodate residents with various disabilities.

Most jurisdictions in San Diego County have bi-lingual capabilities to serve Spanish-speaking residents, and many have multi-lingual capabilities. For example, the City of El Cajon offers services in Arabic. The HUD Programs Administration Office at the City of San Diego accommodates Spanish, Arabic and Tagalog speakers, and San Diego (City) has other multilingual capabilities upon request. The cities of Escondido, Oceanside and Vista, as well as the County of San Diego, have contracts with various language lines and are able to accommodate all languages. And the City of San Marcos has multi-lingual capabilities in Vietnamese, Farsi, Mandarin, Russian, Ukrainian, Arabic, Armenian, Afrikaans and Sign Language, in addition to Spanish. In addition, the city halls of all participating jurisdictions and the County Administration Buildings are accessible to persons with disabilities.

The City of San Diego and the County of San Diego also have Community Planning Groups (CPGs) made up of local stakeholders that advise decision makers on land use issues. Planning group members are elected to their positions and their input to decision makers is nonbinding. The 2017/2018 San Diego County Grand Jury received a complaint that City of San Diego CPGs delay

hearing agenda items as a way to de facto restrict growth in the communities they represent. The Grand Jury found that membership of many CPGs in the City may not appropriately reflect diversity with community and that the City had not taken sufficient action to address fair community representation on CPGs. The Grand Jury recommended a number of actions to address these issues, including developing methods and providing resources to improve recruiting to CPGs that could result in more diverse membership, and considering more close monitoring of CPG meetings by City staff to preclude requests for inappropriate project additions or modifications that could delay developments.

Most jurisdictions in the county do not offer periodic sensitivity or diversity training for staff personnel. However, some jurisdictions do send their employees to periodic trainings. For example, both the City of Carlsbad and the City of Escondido send their employees to Respectful Workplace Training every two years. The City of Oceanside requires its Housing Staff to attend periodic trainings regarding Fair Housing Discrimination (Section 504 – Reasonable Accommodation training); these trainings are organized by North County Lifeline. The City of San Diego covers harassment and discrimination topics in its mandatory New Employee Orientation. In addition, a number of training opportunities (including EEO issues, sexual harassment prevention, reasonable accommodations, and customer service) are available to its supervisory employees. The County of San Diego provides at periodic training for its employees covering inclusion, diversity, age discrimination, cultural competency, unconscious bias. Furthermore, the City of Santee conducts mandatory training on a bi-annual basis. Topics covered in the mandatory training include: the types of behaviors that would constitute discrimination, harassment and/or retaliation as defined by the City of Santee; definitions of the types of behaviors that create a hostile, offensive and/or intimidating work environment; and what to do if an employee believes such behaviors have occurred in the workplace.

This chapter provides an overview of the institutional structure of the housing industry with regard to fair housing practices. In addition, this chapter discusses the fair housing services available to residents in San Diego County, as well as the nature and extent of fair housing complaints received by the fair housing providers. Typically, fair housing services encompass the investigation and resolution of housing discrimination complaints, discrimination auditing/testing, and education and outreach, including the dissemination of fair housing information. Tenant/landlord counseling services are usually offered by fair housing service providers, but are not considered fair housing services.

A. Fair Housing in the Homeownership Market

Part of the American dream involves owning a home in the neighborhood of one's choice. Not all Americans, however, have always enjoyed equal access to homeownership due to credit market distortions, "redlining," steering, and predatory lending practices. This sub-section analyzes potential impediments to fair housing in the home ownership sector.

1. The Homeownership Process

The following discussions describe the process of homebuying and likely situations when a person/household may encounter housing discrimination. However, much of this process occurs in the private housing market, over which local jurisdictions have little control or authority to regulate. The recourse lies in the ability of the contracted fair housing service providers in monitoring these activities, identifying the perpetrators, and taking appropriate reconciliation or legal actions.

Advertising

The first thing a potential buyer is likely to do when they consider buying a home is search advertisements either in magazines, newspapers, or the Internet to get a feel for what the market offers. Advertisements cannot include discriminatory references, such as the use of words describing:

- Current or potential residents;
- Neighbors or the neighborhood in racial or ethnic terms;
- Adults preferred;
- Perfect for empty-nesters;
- Conveniently located by a Catholic Church; or
- Ideal for married couples without kids.

In a survey of online listings for homes available for purchase in San Diego County in March 2020, a limited number of advertisements included potentially discriminatory language. Of the total 526

listings surveyed, 103 listings included references to something other than the physical description of the home or included amenities and services (Table 72). All of the potentially discriminatory advertisements were targeted specifically at families through the identification of quality school districts, nearby schools, and available family amenities.

Table 72: Potential Discrimination in Listings of For-Sale Homes

Discrimination Type	Number of Listings	Potentially Discriminatory Language
No Discriminatory Language	423	--
Household Size/Family Related	103	▪ The right home for a new couple looking to grow ▪ Home is located in a safe neighborhood with a lot of kids ▪ Easiest walk to local high-rated schools ▪ Perfect backyard ready for the family and entertaining! ▪ This home is right next to the ocean, perfect for an active family

Note: Examples are direct quotes from the listings (including punctuation and emphasis).
Source: realtor.com, accessed March 2020.

Lending

Initially, buyers must find a lender that will qualify them for a loan. This part of the process entails an application, credit check, ability to repay, amount eligible for, choosing the type and terms of the loan, etc. Applicants are requested to provide a lot of sensitive information including their gender, ethnicity, income level, age, and familial status. Most of this information is used for reporting purposes required of lenders by the Community Reinvestment Act (CRA) and the Home Mortgage Disclosure Act (HMDA). Chapter 4 of this AI provides a detailed analysis of HMDA data for the San Diego region.

Real Estate Agents

Real estate agents may act as agents of discrimination. Some unintentionally, or possibly intentionally, may steer a potential buyer to particular neighborhoods by encouraging the buyer to look into certain areas; others may choose not to show the buyer all choices available. Agents may also discriminate by who they agree to represent, who they turn away, and the comments they make about their clients.

The California Association of REALTORS® (CAR) has included language on many standard forms disclosing fair housing laws to those involved. Many REALTOR® Associations also host fair housing trainings/seminars to educate members on the provisions and liabilities of fair housing laws, and the Equal Opportunity Housing Symbol is also printed on all CAR forms as a reminder.

Covenants, Conditions, and Restrictions (CC&Rs)

Covenants, Conditions, and Restrictions (CC&Rs), are restrictive promises that involve voluntary agreements, running with the land with which they are associated and are listed in a recorded Declaration of Restrictions. The Statute of Frauds (Civil Code Section 1624) requires them to be in writing, because they involve real property. They must also be recorded in the County where the property is located in order to bind future owners. Owners of parcels may agree amongst themselves as to the restrictions on use, but in order to be enforceable they must be reasonable.

The California Department of Real Estate reviews CC&Rs for all subdivisions of five or more lots, or condominiums of five or more units. This review is authorized by the Subdivided Lands Act and mandated by the Business Professions Code, Section 11000. The review includes a wide range of issues, including compliance with fair housing law. The review must be completed and approved before the Department of Real Estate will issue a final subdivision public report. This report is required before a real estate broker or anyone can sell the units, and each prospective buyer must be issued a copy of the report. If the CC&Rs are not approved, the Department of Real Estate will issue a "deficiency notice", requiring the CC&Rs be revised. CC&Rs are void if they are unlawful, impossible to perform or are in restraint on alienation (a clause that prohibits someone from selling or transferring his/her property). However, older subdivisions and condominium/townhome developments may contain illegal clauses that are enforced by the homeowners associations.

As California laws regarding Accessory Dwelling Units (ADUs) have substantially changed in recent years, many jurisdictions are encountering issues with homeowners associations that have CC&Rs that require HOA approval for such construction.

Homeowners Insurance Industry

Without insurance, banks and other financial institutions lend less. For example, if a company excludes older homes from coverage, lower income and minority households who may only be able to afford to buy in older neighborhoods may be disproportionately affected. Another example includes private mortgage insurance (PMI). PMI obtained by applicants from Community Reinvestment Act (CRA) protected neighborhoods is known to reduce lender risk. Redlining of lower income and minority neighborhoods can occur if otherwise qualified applicants are denied or encouraged to obtain PMI.[47]

2. National Association of REALTORS® (NAR)

The National Association of REALTORS® (NAR) has developed a Fair Housing Program to provide resources and guidance to REALTORS® in ensuring equal professional services for all people. The term REALTOR® identifies a licensed professional in real estate who is a member of the NAR; however, not all licensed real estate brokers and salespersons are members of the NAR.

Code of Ethics

Article 10 of the NAR Code of Ethics provides that "REALTORS® shall not deny equal professional services to any person for reasons of race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity. REALTORS® shall not be parties to any plan or agreement to discriminate against a person or persons on the basis of race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity."

Additionally, Standard of Practice Article 10-1 states that, "When involved in the sale or lease of a residence, REALTORS® shall not volunteer information regarding the racial, religious or ethnic composition of any neighborhood nor shall they engage in any activity which may result in panic selling, however, REALTORS® may provide other demographic information." Standard of

[47] "Borrower and Neighborhood Racial Characteristics and Financial Institution Financial Application Screening"; Mester, Loretta J; Journal of Real Estate Finance and Economics; 9 241-243; 1994

Practice 10-3 adds that "REALTORS® shall not print, display or circulate any statement or advertisement with respect to selling or renting of a property that indicates any preference, limitations or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity."

Diversity Certification

NAR has created a diversity certification, "At Home with Diversity: One America" to be granted to licensed real estate professionals who meet eligibility requirements and complete the NAR "At Home with Diversity" course. The certification will signal to customers that the real estate professional has been trained on working with diversity in today's real estate markets. The coursework provides valuable business planning tools to assist real estate professionals in reaching out and marketing to a diverse housing market. The NAR course focuses on diversity awareness, building cross-cultural skills, and developing a business diversity plan.

3. California Department of Real Estate (DRE)

The California Department of Real Estate (DRE) is the licensing authority for real estate brokers and salespersons. As noted earlier, not all licensed brokers and salespersons are members of the National or California Association of REALTORs®.

The DRE has adopted education requirements that include courses in ethics and in fair housing. To renew a real estate license, each licensee is required to complete 45 hours of continuing education, including three hours in each of the four mandated areas: Agency, Ethics, Trust Fund, and Fair Housing. The fair housing course contains information that will enable an agent to identify and avoid discriminatory practices when providing real estate services to clients.

The law requires, as part of the 45 hours of continuing education, completion of five mandatory three-hour courses in Agency, Ethics, Trust Fund Handling and Fair Housing and Risk Management. These licensees will also be required to complete a minimum of 18 additional hours of courses related to consumer protection. The remaining hours required to fulfill the 45 hours of continuing education may be related to either consumer service or consumer protection, at the option of the licensee.

4. California Association of REALTORS® (CAR)

The California Association of Realtors (CAR) is a trade association of realtors statewide. As members of organized real estate, realtors also subscribe to a strict code of ethics as noted above. CAR has recently created the position of Equal Opportunity/Cultural Diversity Coordinator. CAR holds three meetings per year for its general membership, and the meetings typically include sessions on fair housing issues. Current outreach efforts in the Southern California area are directed to underserved communities and state-licensed brokers and sales persons who are not members of the CAR.

REALTOR® Associations Serving San Diego County

REALTOR® Associations are generally the first line of contact for real estate agents who need continuing education courses, legal forms, career development, and other daily work necessities. The frequency and availability of courses varies amongst these associations, and local association membership is generally determined by the location of the broker for which an agent works. Complaints involving agents or brokers may be filed with these associations.

Monitoring of services by these associations is difficult as detailed statistics of the education/services the agencies provide or statistical information pertaining to the members is rarely available. The following associations serve San Diego County:

- Greater San Diego Association of REALTORS (SDAR)
- North County Association of REALTORS (NSDCAR)
- Pacific Southwest Association of REALTORS (PSAR)

B. Fair Housing in the Rental Housing Market

1. Rental Process

Advertising

Like with ad listings for for-sale homes, rental advertisements cannot include discriminatory references. A total of 524 rental listings were surveyed in March 2020 and 123 advertisements were found to contain potentially discriminatory language (Table 73). The problematic language typically involved references to household size, familial status, schools or children (49 ads) and pets (74 ads).

Under California's fair housing law, source of income is a protected class. It is, therefore, considered unlawful to prefer, limit, or discriminate against a specific income source for a potential homebuyer. Until 2020, source of income protection did not include Section 8 assistance. In 2019, the State passed SB 329 (effective January 1, 2020), making Section 8 and other public assistance as legitimate source of income for rents.

Rental advertisements with references to pets in San Diego County were a significant issue in the listings surveyed. Persons with disabilities are one of the protected classes under fair housing law, and apartments must allow "service animals" and "companion animals," under certain conditions. Service animals are animals that are individually trained to perform tasks for people with disabilities such as guiding people who are blind, alerting people who are deaf, pulling wheelchairs, alerting and protecting a person who is having a seizure, or performing other special tasks. Service animals are working animals, not pets. Companion animals, also referred to as assistive or therapeutic animals, can assist individuals with disabilities in their daily living and as with service animals, help disabled persons overcome the limitations of their disabilities and the barriers in their environment.

Persons with disabilities have the right to ask their housing provider to make a reasonable accommodation in a "no pets" policy in order to allow for the use of a companion or service animal. However, in the case of rental ads that specifically state "no pets," some disabled persons may not be aware of their right to ask for an exception to this rule. Because of this, a person with a disability

may see themselves as limited in their housing options and a "no pets" policy could, therefore, be interpreted as potentially discriminatory. Of the rental listings surveyed, 74 ads included language to specifically ban pets.

Table 73: Potential Discrimination in Listings of Homes for Rent

Discrimination Type	Number of Listings	Potentially Discriminatory Language
No Discriminatory Language	401	--
Disability Related	74	▪ No dogs allowed in home ▪ Only a small dog may be considered. ▪ No pets ▪ Pets are not accepted, especially dogs. ▪ Only one pet allowed, preferably small. ▪ Additional deposit for pet may be required ▪ NO PETS ALLOWED
Household Size/Family Related	49	▪ Close distance to downtown close to shopping centers freeways and schools ▪ Good for a couple and baby ▪ Its located near schools and shopping centers ▪ with our convenient location to schools ▪ Great neighborhood- close to schools! ▪ Good for a couple and baby ▪ Easy walk to some of the best schools! ▪ Located in the highly rated Poway School District ▪ Big pool and spa perfect for a family and entertaining ▪ Close to Woodland Park Middle School ▪ Big house with plenty of room for a couple wanting to expand their family

Notes:
1. Examples are direct quotes from the listings (including punctuation and emphasis).
2. Ads may contain multiple types of potentially discriminatory language.

Source: www.craigslist.org, accessed March 2020.

Responding to Ads

Differential treatment of those responding to advertisements is a growing fair housing concern. In a 2011 study conducted nationally, comprehensive audit-style experiments via email correspondence were used to test for racial discrimination in the rental housing market. This study was particularly unique because it tested for two variables – discrimination based on race and social class. By responding to online rental listings using names associated with a particular racial/ethnic group and varying message content grammatically to indicate differing levels of education and/or income (i.e. social class), researchers found that, overall, Blacks continued to experience statistically significant levels of discrimination in the rental housing market. This discrimination was even more pronounced when the housing inquiry was made to look like it originated from a Black individual of a lower social class.[48]

[48] Do Landlords Discriminate in the Rental Housing Market? Evidence from an Internet Field Experiment in U.S. cities. Andrew Hanson and Zackary Hawley. May 2011.

Viewing the Unit

Viewing the unit is the most obvious place where the potential renters may encounter discrimination because landlords or managers may discriminate based on race or disability, or judge on appearance whether a potential renter is reliable or may violate any of the rules.

In a follow up to the study discussed above, researchers developed an experiment to test for subtle discrimination. Subtle discrimination is defined as unequal treatment between groups that occurs but is difficult to quantify, and may not always be identifiable through common measures such as price differences. Researchers found that, in general, landlords replied faster and with longer messages to inquiries made from traditional "white" names. The study also found that landlords were more likely to use descriptive language, extend invitations to view a unit, invite further correspondence, use polite language, and make a formal greeting when replying to e-mail inquiries from a white home seeker.[49]

Credit/Income Check

Landlords may ask potential renters to provide credit references, lists of previous addresses and landlords, and employment history/salary. The criteria for tenant selection, if any, are typically not known to those seeking to rent. Many landlords often use credit history as an excuse when trying to exclude certain groups. Legislation provides for applicants to receive a copy of the report used to evaluate applications.

The study on subtle discrimination mentioned earlier found no statistically significant evidence of discrimination in using language related to fees, asking for employment or rental history, or requesting background information.

The Lease

Typically, the lease or rental agreement is a standard form completed for all units within the same building. However, the enforcement of the rules contained in the lease or agreement may not be standard for all tenants. A landlord may choose to strictly enforce the rules for certain tenants based on arbitrary factors, such as race, presence of children, or disability.

Lease-related language barriers can impede fair housing choice if landlords and tenants do not speak the same language. In California, applicants and tenants have the right to negotiate lease terms primarily in Spanish, Chinese, Tagalog, Vietnamese or Korean. If a language barrier exists, the landlord must give the tenant a written translation of the proposed lease or rental agreement in the language used in the negotiation before the tenant signs it.50 This rule applies to lease terms of one month or longer and whether the negotiations are oral or in writing.

[49] Subtle Discrimination in the Rental Housing Market: Evidence from E-mail Correspondence with Landlords. Andrew Hanson, Zackary Hawley, and Aryn Taylor. September 2011.

[50] California Civil Code Section 1632(b)

Security Deposit

A security deposit is typically required. To deter "less-than-desirable" tenants, a landlord may ask for a security deposit higher than for others. Tenants may also face discriminatory treatment when vacating the units. For example, the landlord may choose to return a smaller portion of the security deposit to some tenants, claiming excessive wear and tear. A landlord may also require that persons with disabilities pay an additional pet rent for their service animals, a monthly surcharge for pets, or a deposit, which is also a discriminatory act.

During the Tenancy

During tenancy, the most common forms of discrimination a tenant may face are based on familial status, race, national origin, sex, or disability. Usually this type of discrimination appears in the form of varying enforcement of rules, overly strict rules for children, excessive occupancy standards, refusal to make a reasonable accommodation for handicapped access, refusal to make necessary repairs, eviction notices, illegal entry, rent increases, or harassment. These actions may be used as a way to force undesirable tenants to move on their own without the landlord having to make an eviction.

2. California Apartment Association (CAA)

The California Apartment Association has developed the California Certified Residential Manager (CCRM) program to provide a comprehensive series of courses geared towards improving the approach, attitude and professional skills of on-site property managers and other interested individuals. The CCRM program consists of 31.5 hours of training that includes fair housing and ethics along with the following nine course topics:

- Preparing the Property for Market
- Professional Leasing Skills and the Application Process
- The Move-in Process, Rent Collection and Notices
- Resident Issues and Ending the Tenancy
- Professional Skills for Supervisors
- Maintenance Management: Maintaining a Property
- Liability and Risk Management: Protecting the Investment
- Fair Housing: It's the Law
- Ethics in Property Management

The CAA supports the intent of all local, State, and federal fair housing laws for all residents without regard to color, race, religion, sex, marital status, mental or physical disability, age, familial status, sexual orientation, or national origin. Members of the CAA agree to abide by the provisions of their Code for Equal Housing Opportunity.

3. National Association of Residential Property Managers (NARPM)

The National Association of Residential Property Managers promotes a high standard of property management business ethics, professionalism and fair housing practices within the residential property management field. NARPM is an association of real estate professionals who are experienced in managing single-family and small residential properties. Members of the association adhere to a strict Code of Ethics to meet the needs of the community, which include the following duties:

- Protect the public from fraud, misrepresentation, and unethical practices of property managers.
- Adhere to the Federal Fair Housing Stature.
- Protect the fiduciary relationship of the Client.
- Treat all Tenants professionally and ethically.
- Manage the property in accordance with the safety and habitability standards of the community.
- Hold all funds received in compliance with state law with full disclosure to the Client.

NARPM offers three designations to qualified property managers and property management firms:

1. Residential Management Professional, RMP ®
2. Master Property Manager, MPM ®
3. Certified Residential Management Company, CRMC ®

Various educational courses are offered as part of attaining these designations including the following fair housing and landlord/tenant law courses:

- Ethnics (required for all members every four years)
- Habitability Standards and Maintenance
- Marketing
- Tenancy
- ADA Fair Housing
- Lead-Based Paint Law

4. Western Manufactured Housing Communities Association (WMA)

Western Manufactured Housing Communities Association (WMA) is a nonprofit organization created in 1945 for the exclusive purpose of promoting and protecting the interests of owners, operators and developers of manufactured home communities in California. WMA assists its members in the operations of successful manufactured home communities in today's complex business and regulatory environment. WMA has over 1,700 member parks located in all 58 counties of California.

WMA offers an award winning manager accreditation program as well as numerous continuing education opportunities. The Manufactured Home Community Manager (MCM) program is a manager accreditation program that provides information on effective community operations. WMA's industry experts give managers intensive training on law affecting the industry, maintenance standards, HCD inspections, discrimination, mediation, disaster planning, and a full range of other vital subjects.

C. Fair Housing Services

In general, fair housing services include the investigation and resolution of housing discrimination complaints, discrimination auditing and testing, and education and outreach, including the dissemination of fair housing information such as written material, workshops, and seminars. Landlord/tenant counseling is another fair housing service that involves informing landlords and tenants of their rights and responsibilities under fair housing law and other consumer protection regulations, as well as mediating disputes between tenants and landlords. This section reviews the fair housing services available in San Diego County, the nature and extent of fair housing complaints, and results of fair housing testing/audits.

1. CSA San Diego County (CSA)

The CSA San Diego County (CSA), is an agency whose mission is to actively support and promote fair housing through education and advocacy. CSA provides the following fair housing related services:

- Tenant-Landlord mediation
- Fair housing counseling and dispute mediation
- Educational fair housing seminars for tenants and landlords (English and Spanish and other languages upon request)
- Services to tenants, landlords, and apartment managers
- Real estate and rental practice discrimination audits
- Free rental housing handbooks in English, Spanish, and Arabic
- Legal services and advocacy
- Enforcement of fair housing laws through conciliation, litigation, or administrative referrals.

CSA assists residents and reports fair housing data for the cities of:

- Chula Vista
- La Mesa
- El Cajon
- Santee
- National City
- Unincorporated East County

2. Legal Aid Society of San Diego (LASSD)

The Legal Aid Society of San Diego (LASSD) provides fair housing services to guarantee equal housing opportunity for San Diego City and County residents. LASSD provides support through outreach, education, and enforcement of both federal and state fair housing laws. To receive services provided by LASSD the act of housing discrimination must have occurred within the County of San Diego. The LASSD Housing Team is the only full service resource in the County,

providing counseling, direct legal intervention and in-Court representation for eligible San Diego County residents. LASSD provides the following services:

- Assist or advise eligible clients
- Educate community groups and tenants to increase awareness of tenant's rights and the workings of the judicial system
- Conduct outreach
- Assist tenants in organizing themselves to take legal action

LASSD is currently under contract with the City of San Diego to provide fair housing services. However, the agency assists residents throughout the County and the cities of:

- Carlsbad
- Encinitas
- Lemon Grove
- San Diego
- Vista
- Coronado
- Escondido
- Oceanside
- San Marcos
- San Diego County
- Del Mar
- Imperial Beach
- Poway
- Solana Beach

3. Overall Service Coverage

Overall, the region is well served by multiple agencies for fair housing services. However, residents may find it hard to navigate the service system and identify the appropriate agency for contact. A jurisdiction's contract for fair housing service providers may also change year to year. To ensure the public is well aware of available services, the SDRAFFH and local jurisdictions should update their websites and outreach materials frequently. Furthermore, consistent recordkeeping formats would assist in the compilation and analysis of fair housing data across agencies.

D. California Department of Fair Employment and Housing (DFEH)

The California Department of Fair Employment and Housing (DFEH) investigates complaints of employment and housing discrimination based on race, sex, religious creed, color, national origin, medical condition (cured cancer only), ancestry, physical or mental disability, marital status, or age (over 40 only). DFEH also investigates complaints of housing discrimination based on the above classes, as well as children/age, and sexual orientation.

DFEH established a program in May 2003 for mediating housing discrimination complaints, which is a first for the State of California and is the largest fair housing mediation program in the nation to be developed under HUD's Partnership Initiative with state fair housing enforcement agencies. The program provides California's tenants, landlords, and property owners and managers with a means of resolving housing discrimination cases in a fair, confidential, and cost-effective manner. Key features of the program are: 1) program is free of charge to the parties; and 2) mediation takes place within the first 30 days of the filing of the complaint, often avoiding the financial and emotional costs associated with a full DFEH investigation and potential litigation.

After a person calls in for a complaint, an interview takes place, documentation is obtained and issues are discussed to decide on the course to proceed. Mediation/conciliation is offered as a viable alternative to litigation. If the mediation/conciliation is successful, the case is closed after a brief case follow-up. If the mediation/conciliation is unsuccessful, the case is then referred to DFEH or HUD. If during case development further investigation is deemed necessary, testing may be performed. Once the investigation is completed, the complainant is advised of the alternatives available in proceeding with the complaint, which include: mediation/ conciliation, administrative filing with HUD or DFEH, referral for consideration to the Department of Justice, Civil Rights Division, Housing and Civil Enforcement Section, or referral to a private attorney for possible litigation.

E. Fair Housing Statistics

As part of the enforcement and tracking services provided by the above mentioned fair housing service providers, intake and documentation of all complaints and inquiries result in the compilation of statistics provided to each jurisdiction in the form of quarterly and annual reports. However, because the various agencies that provide fair housing services in the County each have their own intake forms, the amount and specificity of available fair housing data is highly uneven throughout the County and difficult to use for regional comparisons and analyses. The following sections summarize fair housing statistics in San Diego County using available data and sources.

1. CSA San Diego County (CSA)

Housing Discrimination Complaints

Between FY 2014 and FY 2018, CSA provided fair housing services to approximately 1,000 San Diego County residents per year—for a total of 6, 276 clients over the five-year period (Table 74). The majority of CSA's clients during this period came from El Cajon (35 percent), Chula Vista (21 percent), and the unincorporated County.

Table 74: CSA Clients Served (FY 2014-2018)*

Jurisdiction	Clients Served FY 2014-2019	% of Total
Carlsbad	192	3%
Chula Vista	1,329	21%
El Cajon	2,191	35%
La Mesa	611	10%
National City	688	11%
Santee	276	4%
Unincorporated	989	16%
Total Clients	**6,276**	**100%**

Source: CSA San Diego, February 2020.
*Data provided only for FY 2014 and FY 2015 for Carlsbad and the Unincorporated communities.

Statistics reported throughout San Diego County indicate that low-income persons, regardless of race, are the most frequently impacted by fair housing issues. The vast majority of CSA's clients (95 percent) between FY 2014 and FY 2018 were either extremely low or very low income (Table 75). Consistent with the demographic makeup of the region, White residents represented a substantial proportion of clients served (41 percent, Table 76). However, there is some indication that fair housing issues disproportionately affect certain racial/ethnic groups. For example, Black residents made up less than an average 4.1 percent of the population in the cities that CSA serves (Table 76), but represented 10 percent of fair housing clients served.

Table 75: CSA Clients Served by Income Level (FY 2014-2018)*

Income	2014-15	2015-16	2016-17	2017-18	2018-19	Total	Percent
Extremely Low Income (<30% AMI)	1,410	1,474	890	843	587	5,204	83%
Low Income (<50% AMI)	152	111	104	113	294	774	**12%**
Moderate Income (<80% AMI)	31	35	15	13	68	162	**3%**
>80% AMI	40	24	24	10	38	136	**2%**
Total Clients	**1,633**	**1,644**	**1,033**	**979**	**987**	**6,276**	**100%**

Source: CSA San Diego, February 2020.
*Data provided only for FY 2014 and FY 2015 for Carlsbad and the Unincorporated communities

Table 76: CSA Clients Served by Race/Ethnicity (FY 2014-2018)*

Income	2014-15	2015-16	2016-17*	2017-18	2018-19	Total	Percent
Race							
Hispanic	527	561	423	395	486	2,392	**38%**
Non- Hispanic	1,106	1,083	610	584	500	3,883	**62%**
Total Clients	**1,633**	**1,644**	**1,033**	**979**	**986**	**6,275**	**100%**
Ethnicity							
White	757	741	402	373	269	**2,542**	**41%**
Black/African American	175	171	90	100	92	**628**	**10%**
Asian	27	32	45	38	22	**164**	**3%**
Hawaiian/Pacific Islander	32	18	5	19	75	**149**	**2%**
American Indian/Alaska Native	7	5	2	44	106	**164**	**3%**
Other/Multi-Racial	635	677	489	405	423	**2,629**	**42%**
Total Clients	**1,633**	**1,644**	**1,033**	**979**	**987**	**6,276**	**100%**

Source: CSA San Diego, February 2020.
*Data provided only for FY 2014 and FY 2015 for Carlsbad and the Unincorporated communities

Education and Outreach Efforts

CSA conducts regular workshops and educational presentations, including general Fair Housing workshops and those specifically held to educate and address the needs of small property owners. Workshops and presentations cover a wide range of issues including tenant and landlord rights and responsibilities, notices to vacate, substandard conditions, and foreclosures.

Additionally, as members of the Newcomer Network, which provides resources to new and non-English speaking immigrants/refugees, CSA commits to providing services to the local immigrant community. These include helping develop and distribute resource guides for this community such as the English as a Second Language (ESL) Resource Guide, and being a resource for landlord/tenants' rights, hate crime prevention and immigration advocacy. To remain involved and up-to-date on issues concerning fair housing, CSA attends the quarterly meetings and serves on the steering committee of the San Diego Regional Alliance for Fair Housing (SDRAFFH). During these meetings CSA and other fair housing providers discuss challenges, resources and strategies for addressing fair housing in San Diego County.

2. Legal Aid Society San Diego (LASSD)

Housing Discrimination Complaints

Between FY 2014 and FY 2018, LASSD served over 19,000 San Diego County residents (Table 77). The majority of LASSD client households during this five-year time period resided in the City of San Diego (53 percent), El Cajon (nine percent) and Oceanside (eight percent).

Table 77: LASSD- Clients Served (FY 2014-2018)

Jurisdiction	Clients Served FY 2014-2019	% of Total
Carlsbad	323	2%
Chula Vista	1,494	8%
Coronado	38	0%
Del Mar	17	0%
El Cajon	1,646	9%
Encinitas	116	1%
Escondido	861	4%
Imperial Beach	341	2%
La Mesa	597	3%
Lemon Grove	310	2%
National City	557	3%
Oceanside	1,452	8%
Poway	81	0%
San Diego	10,303	53%
San Marcos	287	1%
Santee	224	1%
Solana Beach	21	0%
Vista	658	3%
Total Clients	**19,326**	**100%**

Source: Legal Aid Society San Diego, February 2020.

The vast majority of clients served by LASSD were lower income (87 percent) and white (66 percent) (Table 77 and Table 78). Based on the data reported by LASSD, fair housing issues disproportionately affected some San Diego County residents. For example, Black residents made up less than five percent of the total County population, yet represented 24 percent of fair housing complainants.

Table 78: LASSD- Clients Served by Income Level (FY 2014-2018)*

Income	2014-15	2015-16	2016-17	2017-18	2018-19*	Total	Percent
Extremely Low Income (<30% AMI)	5,603	5,177	5,187	5,256	2,542	**23,765**	**54%**
Low Income (<50% AMI)	3,193	3,233	3,214	2,985	1,541	**14,166**	**32%**
Moderate Income (<80% AMI)	653	813	875	682	362	**3,385**	**8%**
>80% AMI	459	467	544	579	315	**2,364**	**5%**
Total Clients	**9,908**	**9,690**	**9,820**	**9,502**	**4,760**	**43,680**	**100%**

Source: LASSD, February 2020.
* Only includes data for Q1 and Q2 of FY2018-19

Table 79: LASSD- Clients Served by Race/Ethnicity (FY 2014-2018)

Race and Ethnicity	2014-15	2015-16	2016-17	2017-18*	2018-19	Total	Percent
Race							
Hispanic	1,138	1,134	1,160	1,144	1,231	**5,807**	**29%**
Non- Hispanic	2,673	2,655	2,854	2,860	2,977	**14,019**	**71%**
Total Clients	**3,811**	**3,789**	**4,014**	**4,004**	**4,208**	**19,826**	**100%**
Ethnicity							
White	2,532	2,532	2,651	2,610	2,782	**13,107**	**66%**
Black/African American	897	926	980	970	968	**4,741**	**24%**
Asian	152	141	159	137	117	**706**	**4%**
Hawaiian/Pacific Islander	0	0	0	0	0	**0**	**0%**
American Indian/ Alaska Native	33	51	38	54	50	**226**	**1%**
Other/Multi-Racial	197	139	186	238	291	**1,051**	**5%**
Total Clients	**3,811**	**3,789**	**4,014**	**4,009**	**4,208**	**19,831**	**100%**

Source: LASSD, February 2020.

Education and Outreach Efforts

LASSD works to stop housing discrimination, ensuring equal housing opportunities for all people in the City and County of San Diego; through outreach, education, and enforcement of Federal and State Fair Housing Laws. They provide free help for those who qualify that are having housing problems or questions about their rights as a tenant, as well as, those who have questions about their security deposits.

LASSD also meets monthly with the City of San Diego and Housing Opportunities Collaborative in order to evaluate service gaps and to ensure an adequate level of service is available to all residents.

In addition, LASSD has established a Fair Housing Hotline to ensure its Fair Housing services are readily available to the community and that a resident may promptly report any act of housing discrimination that may have occurred. Walk-in services are also offered at three office locations in San Diego County- Southeast, Midtown, and North County.

F. Fair Housing Testing

The purpose of fair housing testing is to determine if, and to what extent, discriminatory business practices exist in apartment rental housing and related markets. In response to the recommendation from the previous AI, some jurisdictions have begun to conduct fair housing testing routinely. Other jurisdictions contracted for fair housing testing for the purpose of this AI report in order to provide additional information on potential housing discrimination in their communities. However, it should be noted that since fair housing testing was not conducted consistently and systematically by all jurisdictions, more findings of discriminatory practices in one community that conducts regular fair housing tests cannot be interpreted as having more extensive housing discrimination, compared to other communities that have not conducted testing as frequently.

1. Methodology

Methodologies may vary, but generally, testing involves volunteer testers screened for appropriateness and then trained. Training may include an overview and history of fair housing laws, methodology of testing, and reinforcement of the qualities needed in a tester. Those qualities include objectivity, reliability, flexibility and the ability to maintain confidentiality throughout the project. A practice test and/or role-playing a site visit are also included to assure that testers are fully prepared. The project supervisor will find apartment vacancies by viewing advertisements on Craig's List, For Rent Magazine, other rental guides and online resources. A matched pair of testers, one representing the variable being tested, and the other as a control are then assigned and given their identity for each project.

Legal Aid Society provided the results of Fair Housing Testing between FY 2016 and FY 2018 in the cities of Carlsbad, Encinitas, Escondido, Oceanside, San Diego City, Vista, and San Diego County. All testing was done in the rental market. Detailed breakdown of tests by jurisdiction and testing variables can be found in Table 9.

2. Testing Results

Carlsbad: Between FY 2017 and FY 2018, Carlsbad tested for discrimination on the basis of disability, familial status, sexual orientation, and race. Of the 47 sites tested, four showed unequal treatment to the potential renter, three on the basis of disability (reasonable accommodation) and one on the basis of sexual orientation.

Encinitas: In Encinitas, during tests conducted in FY 2016 through FY 2018, only one out of 13 sites showed some disparity in treatment when testing for sexual orientation.

Escondido: Between FY 2016 and FY 2018, 53 sites were tested in Escondido for discrimination on the basis of disability, familial status, sexual orientation, and race. Of the 53 tests, eight showed

disparate treatment. Five showed unequal treatment when testing for disability (reasonable accommodation) and three showed unequal treatment on the basis of sexual orientation.

Oceanside: Oceanside tested for discrimination based on disability, familial status, sexual orientation, and race. Of the 47 sites tested, eight sites showed disparate treatment; six due to disability (reasonable accommodation) and two due to familial status. .

San Diego City: The City of San Diego conducted a total of 114 audit tests between FY 2016 and FY 2018. The following variables were tested in the rental housing market: disability (reasonable accommodation and reasonable modification), familial status and national origin. When testing for discrimination in San Diego, it was more likely to find disparate treatment requesting reasonable accommodations. Of the 13 sites tested that had disparate treatment, 11 of them were due to reasonable accommodations. Additionally, one site had unequal treatment due to familial status and one due to national origin,

San Marcos: Of the 28 audit tests conducted in the City of San Marcos between FY 2016 through FY 2018, two sites had discriminatory treatment- one based on sexual orientation and one based on race. The City also tested for familial status and disability (reasonable accommodation) but no discriminatory treatment was found.

Vista: In the 43 fair housing audits conducted in the City of Vista, four variables were tested: disability (reasonable accommodation and reasonable modification), sexual orientation, and race. The tests found that individuals were discriminated against on the basis of disability (reasonable accommodation) (two cases) and race (one case).

San Diego Urban County: Testing was conducted in the County with a total of 118 sites tested for familial status, race, and disability (reasonable accommodation). Disparate treatment was found at 16 sites for all variables: five cases for familial status, six cases for race, and five cases for disability.

Table 80: Fair Housing Audit Testing FY 2016-2018

City	FY	Test Variable	Test Market	Total # of Sites	Findings					
					Differential Treatment		Inconclusive		No Differential Treatment	
					Total	%	Total	%	Total	%
Carlsbad	2017	Dis-RA	Rental	15	1	4%	1	4%	13	54%
	2017	Familial Status	Rental	1	0	0%	0	0%	1	4%
	2017	Sexual Orientation	Rental	8	1	4%	0	0%	7	29%
	2018	Dis-RA	Rental	15	2	9%	3	13%	10	43%
	2018	Dis-RM	Rental	1	0	0%	0	0%	1	4%
	2018	Race	Rental	7	0	0%	0	0%	7	30%
	Total			**47**	**4**	**9%**	**4**	**9%**	**39**	**83%**
Encinitas	2016	Dis-RA	Rental	1	0	0%	0	0%	1	25%
	2016	Familial Status	Rental	3	0	0%	0	0%	3	75%
	2017	Dis-RA	Rental	1	0	0	0	0	1	0.25
	2017	Sexual Orientation	Rental	3	1	0.25	0	0	2	0.5
	2018	Dis-RA	Rental	3	0	0	0	0	3	0.6
	2018	Race	Rental	2	0	0	0	0	2	0.4
	Total			**13**	**1**	**8%**	**0**	**0%**	**12**	**92%**
Escondido	2016	Dis-RA	Rental	10	0	0%	1	7%	9	60%
	2016	Familial Status	Rental	3	0	0%	0	0%	3	20%
	2016	Familial Status	Rental	2	0	0%	1	7%	1	7%
	2017	Dis-RA	Rental	8	2	11%	0	0%	6	32%
	2017	Sexual Orientation	Rental	11	3	16%	0	0%	8	42%
	2018	Dis-RA	Rental	7	3	16%	0	0%	4	21%
	2018	Dis-RM	Rental	5	0	0%	0	0%	5	26%
	2018	Race	Rental	7	0	0%	0	0%	7	37%
	Total			**53**	**8**	**15%**	**2**	**4%**	**43**	**81%**

Table 80: Fair Housing Audit Testing FY 2016-2018

City	FY	Test Variable	Test Market	Total # of Sites	Findings					
					Differential Treatment		Inconclusive		No Differential Treatment	
					Total	%	Total	%	Total	%
Oceanside	2016	Dis-RA	Rental	10	2	13%	2	13%	6	40%
	2016	Familial Status	Rental	4	1	7%	0	0%	3	20%
	2016	Familial Status	Rental	1	1	7%	0	0%	0	0%
	2017	Dis-RA	Rental	8	3	19%	0	0%	5	31%
	2017	Sexual Orientation	Rental	8	0	0%	0	0%	8	50%
	2018	Dis-RA	Rental	6	1	6%	1	6%	4	25%
	2018	Dis-RM	Rental	5	0	0%	0	0%	5	31%
	2018	Race	Rental	5	0	0%	0	0%	5	31%
	Total			**47**	**8**	**17%**	**3**	**6%**	**36**	**77%**
San Diego City	2016	Dis-RA	Rental	27	4	9%	6	13%	17	36%
	2016	Familial Status	Rental	14	**0**	0%	3	6%	11	23%
	2016	Familial Status	Rental	6	1	2%	2	4%	3	6%
	2017	Dis-RA	Rental	21	3	14%	1	5%	17	81%
	2018	Dis-RA	Rental	24	4	9%	3	7%	17	37%
	2018	Dis-RM	Rental	1	0	0%	0	0%	1	2%
	2018	National Origin	Rental	21	1	2%	0	0%	20	43%
	Total			**114**	**13**	**11%**	**15**	**13%**	**86**	**75%**
San Marcos	2016	Familial Status	Rental	4	0	0%	0	0%	4	80%
	2016	Familial Status	Rental	1	0	0%	1	20%	0	0%
	2017	Dis-RA	Rental	5	0	0%	2	20%	3	30%
	2017	Sexual Orientation	Rental	5	1	10%		0%	4	40%
	2018	Dis-RA	Rental	9	0	0%	0	0%	9	69%
	2018	Race	Rental	4	1	8%	0	0%	3	23%
	Total			**28**	**2**	**7%**	**3**	**11%**	**23**	**82%**

Table 80: Fair Housing Audit Testing FY 2016-2018

City	FY	Test Variable	Test Market	Total # of Sites	Findings					
					Differential Treatment		Inconclusive		No Differential Treatment	
					Total	%	Total	%	Total	%
Vista	2016	Dis-RA	Rental	9	0	0%	2	22%	7	78%
	2017	Dis-RA	Rental	8	2	13%		13%	6	13%
	2017	Sexual Orientation	Rental	8	0	13%	1	13%	7	13%
	2018	Dis-RA	Rental	10	0	0%	0	0%	10	50%
	2018	Dis-RM	Rental	2	0	0%	0	0%	2	10%
	2018	Race	Rental	8	1	5%	0	0%	7	35%
	Total			**45**	**3**	**7%**	**3**	**7%**	**39**	**87%**
San Diego County	2016	Familial Status	Rental	40	5	13%	10	25%	25	63%
	2017	Race	Rental	37	6	16%	4	11%	27	73%
	2018	Dis-RA	Rental	39	5	12%	0	0%	34	83%
	2018	Familial Status	Rental	1	0	0%	0	0%	1	2%
	2018	Race	Rental	1	0	0%	0	0%	1	2%
	Total			**118**	**16**	**14%**	**14**	**12%**	**88**	**75%**

Source: LASSD, February 2020.

G. U.S. Department of Housing and Urban Development

The U.S. Department of Housing and Urban Development (HUD) maintains a record of all housing discrimination complaints filed in local jurisdictions. These grievances can be filed on the basis of race, color, national origin, sex, disability, religion, familial status and retaliation. From October 1, 2014 to September 30, 2019, 414 fair housing complaints in San Diego County were filed with HUD (Table 10). About 44 percent of complaints filed were from residents of the City of San Diego. A fair number of complaints were also filed from residents of Oceanside (11 percent) and Chula Vista (seven percent).

Overall, disability-related discrimination was the most commonly reported—comprising 53 percent of all cases (Table 11). Complaints concerning race (12 percent), retaliation (10 percent), and familial status (nine percent) were also regularly reported. Half of all complaints filed (50 percent or 206 cases) were deemed to have no cause and another 28 percent (115 cases) were conciliated or settled.

Table 81: Basis for Discrimination of Fair Housing Cases filed with HUD (FY 2014-2018)*

Jurisdiction	Color	Disability	Familial Status	National Origin	Race	Religion	Retaliation	Sex	Total	# of Cases	%
Carlsbad	1	11	1	0	3	1	0	0	17	14	3.4%
Chula Vista	1	18	5	3	2	1	4	1	35	29	7.0%
Coronado	0	2	0	0	0	0	0	0	2	2	0.5%
Del Mar	0	1	0	0	0	1	0	0	2	2	0.5%
El Cajon	0	10	10	6	5	3	2	3	39	25	6.0%
Encinitas	0	4	1	0	0	0	0	0	5	5	1.2%
Escondido	0	9	0	1	3	0	2	0	15	13	3.1%
Imperial Beach	0	4	1	0	2	0	2	1	10	7	1.7%
La Mesa	0	7	0	1	1	0	2	1	12	9	2.2%
Lemon Grove	0	3	0	0	0	0	0	0	3	3	0.7%
National City	0	10	0	0	1	0	2	0	13	11	2.7%
Oceanside	0	40	5	0	4		4	3	56	47	11.4%
Poway	0	2	0	0	0	2	0	1	5	4	1.0%
San Diego	1	122	14	17	30	4	24	24	236	183	44.2%
San Marcos	0	4	0	1	4	0	1	0	10	9	2.2%
Santee	0	6	1	0	1	0	2	1	11	9	2.2%
Solana Beach	0	3	0	1	0	0	1	0	5	4	1.0%
Vista	0	6	2	2	1	0	0	0	11	10	2.4%
Unincorporated	1	19	6	0	6		6	5	43	28	6.8%
Total	**4**	**281**	**46**	**32**	**63**	**12**	**52**	**40**	**530**	**414**	**100.0%**
%	**0.8%**	**53.0%**	**8.7%**	**6.0%**	**11.9%**	**2.3%**	**9.8%**	**7.5%**	**100.0%**		

Source: U.S. Department of Housing and Urban Development, February 2020.
* Data represents HUD's fiscal years (October 1-September 30)

Table 82: Closing Categories for Fair Housing Cases filed with HUD (FY 2014-2018)*

	Dismissed for Lack of Jurisdiction	Unable to Locate Compliant	Compliant Failed to Cooperate	No Cause Deter-mination	FHAP Judicial Consent Order	Complaint Withdrawn by Complainant Without Resolution	Complaint Withdrawn by Complainant After Resolution	Conciliation / Settlement successful	N/A	# of Cases	%
Carlsbad	0	0	0	5			2	6	1	14	3.4%
Chula Vista	0	0	0	11	1	1	4	11	1	29	7.0%
Coronado	0	0	0	1	0	0	0	1	0	2	0.5%
Del Mar	0	0	0	0	0	0	0	2	0	2	0.5%
El Cajon	0	0	0	12	0	0	3	6	4	25	6.0%
Encinitas	0	0	0	2	0	0	2	1	0	5	1.2%
Escondido	0	0	0	7	0	1	0	5	0	13	3.1%
Imperial Beach	0	0	0	4	0	1	0	1	1	7	1.7%
La Mesa	0	0	0	5	0	1	0	3	0	9	2.2%
Lemon Grove	0	0	0	1	0	0	1	0	1	3	0.7%
National City	0	0	0	6	0	0	2	3	0	11	2.7%
Oceanside	1	0	0	22	4	5	3	12	0	47	11.4%
Poway	0	0	0	3	0	0	1	0	0	4	1.0%
San Diego	5	0	4	101	0	4	8	47	14	183	44.2%
San Marcos	0	0	0	4	0	1	0	3	1	9	2.2%
Santee	0	0	0	4	0	0	1	3	1	9	2.2%
Solana Beach	0	0	0	3	0	0	0	1		4	1.0%
Vista	0	0	0	4	0	0	3	1	2	10	2.4%
Unincorporated	3	1	0	11	0	1	3	9	0	28	6.8%
Total County	**9**	**1**	**4**	**206**	**5**	**15**	**33**	**115**	**26**	**414**	**100.0%**
%	**2.2%**	**0.2%**	**1.0%**	**49.8%**	**1.2%**	**3.6%**	**8.0%**	**27.8%**	**6.3%**	**100.0%**	

Source: U.S. Department of Housing and Urban Development, February 2020. * Data represents HUD's fiscal years (October 1-September 30)

H. Hate Crimes

Hate crimes are crimes that are committed because of a bias against race, religion, disability, ethnicity, or sexual orientation. In an attempt to determine the scope and nature of hate crimes, the Federal Bureau of Investigation's (FBI) Uniform Crime Reporting Program collects statistics on these incidents.

To a certain degree, hate crimes are an indicator of the environmental context of discrimination. These crimes should be reported to the Police or Sheriff's department. On the other hand, a hate incident is an action or behavior that is motivated by hate but is protected by the First Amendment right to freedom of expression. Examples of hate incidents can include name-calling, epithets, distribution of hate material in public places, and the display of offensive hate-motivated material on one's property. The freedom guaranteed by the U.S. Constitution, such as the freedom of speech, allows hateful rhetoric as long as it does not interfere with the civil rights of others. Only when these incidents escalate can they be considered an actual crime.

Statistics compiled by the FBI found that a total of 479 hate crimes were committed in San Diego County from 2013 to 2018 (Table 83). Race-based hate crimes were the most common (54 percent); though, hate crimes motivated by sexual orientation (26 percent), and religion (19 percent) were also commonly reported.

During the six-year period from 2013 to 2018, the incidence of reported hate crimes in all of San Diego County was less than one per 1,000 people (0.15 per 1,000 persons). This figure has also substantially declined from a decade earlier (the seven-year period from 2007 to 2013) when the incidence of hate crimes in the County was 0.23 per 1,000 persons. Hate crime statistics varied somewhat from jurisdiction to jurisdiction—with the cities of Del Mar (zero incidents), Solana Beach (zero incidents), and Coronado (0.04) having the lowest incidence rates and the cities of Imperial Beach (0.22), Escondido (0.17), Oceanside (0.16), and San Diego (0.16) having the highest incidence rates. It should be noted that these statistics may also reflect a higher incidence of reporting crime in certain communities, which consistently have very low overall crime rates.

Table 83: Hate Crimes (FY 2013-2018)

Jurisdiction	Race/ Ethnicity/ Ancestry	Religion	Sexual Orientation	Disability	Gender	Gender Identity	Total	%	Incidence
Urban County Cities									
Coronado	0	1	0	0	0	0	1	0.2%	0.04
Del Mar	0	0	0	0	0	0	0	0.0%	0.00
Imperial Beach	4	1	1	0	0	0	6	1.3%	0.22
Lemon Grove	2	0	1	0	0	0	3	0.6%	0.11
Poway	0	2	1	0	0	0	3	0.6%	0.06
Solana Beach	0	0	0	0	0	0	0	0.0%	0.00
Entitlement Jurisdictions									
Carlsbad	10	5	1	0	0	0	16	3.3%	0.14
Chula Vista	8	3	6	0	0	0	17	3.5%	0.06
El Cajon	9	0	4	0	0	0	13	2.7%	0.12
Encinitas	4	4	0	0	0	0	8	1.7%	0.13
Escondido	23	2	1	0	0	0	26	5.4%	0.17
La Mesa	4	1	1	0	0	0	6	1.3%	0.10
National City	5	0	2	0	0	0	7	1.5%	0.11
Oceanside	19	5	5	0	0	0	29	6.1%	0.16
San Diego	102	51	72	0	0	7	232	48.4%	0.16
San Marcos	3	2	1	0	0	0	6	1.3%	0.06
Santee	5	1	2	0	0	0	8	1.7%	0.14
Vista	9	2	4	0	0	0	15	3.1%	0.15
Unincorporated	50	9	24	0	0	0	83	17.3%	0.02
Total County	257	89	126	0	0	7	479	100.0%	0.14
Percentage	53.7%	18.6%	26.3%	0.0%	0.0%	1.5%	100.0%		

Source: U.S. Department of Justice Federal Bureau of Investigation, Crime Statistics, 2013-2018.

This chapter builds upon the previous analyses and presents a list of specific actions jurisdictions in the region are planning to undertake in order to address the impediments. Impediments and recommendations are grouped in the following categories:

A. Regional Impediments

The following is a summary of recommended actions to address regional impediments. Impediments and recommended actions are modified to reflect current conditions, feasibility, and past efforts.

1. Lending and Credit Counseling

<u>Impediments</u>: Hispanics and Blacks continue to be under-represented in the homebuyer market and experienced large disparities in loan approval rates.

- White applicants were noticeably overrepresented in the loan applicant pool, while Hispanics were severely underrepresented. The underrepresentation of Hispanics was most acute in the cities of Imperial Beach (-30 percent), Vista (-32 percent), and Escondido (-33 percent).
- Approval rates for Black and Hispanic applicants were well below the approval rates for White and Asian applicants in the same income groups. Specifically, Black applicants consistently had the lowest approval rates compared to other racial/ethnic groups in the same income groups. The largest discrepancies (between loan approval rates for White and Asian applicants versus Black and Hispanic applicants) in 2017 were recorded in the cities of El Cajon, Encinitas, and San Marcos.
- Black and Hispanic applicants continued to get higher-priced (subprime) loans more frequently than White and Asian applicants.

Recommended Actions	Timeframe												
	Carlsbad	Chula Vista	Encinitas	El Cajon	Escondido	La Mesa	National City	Oceanside	San Diego City	San Diego Urban County	San Marcos	Santee	Vista
Coordinate with the Reinvestment Task Force to receive annual reporting from the Task Force on progress in outreach and education.	Annually												

2. Overconcentration of Housing Choice Vouchers

<u>Impediments:</u> Due to the geographic disparity in terms of rents, concentrations of Housing Choice Voucher use have occurred.

- El Cajon and National City continue to experience high rates of voucher use.

Recommended Actions	Timeframe												
	Carlsbad	Chula Vista	Encinitas	El Cajon	Escondido	La Mesa	National City	Oceanside	San Diego City	San Diego Urban County	San Marcos	Santee	Vista
Expand the affordable housing inventory, as funding allows.	Ongoing												
Promote the Housing Choice Voucher program to rental property owners, in collaboration with the various housing authorities in the region.	Ongoing												
Increase outreach and education, through the fair housing service providers, regarding the State's new Source of Income Protection (SB 329 and SB 222), defining Housing Choice Vouchers as legitimate source of income for housing. These new housing laws went into effect January 1, 2020.	By the end of 2020, and annually thereafter												

3. Housing Options

<u>Impediments</u>: Housing choices for special needs groups, especially persons with disabilities, are limited.

- Housing options for special needs groups, especially for seniors and persons with disabilities, are limited. Affordable programs and public housing projects have long waiting lists.
- Approximately 23 percent of the applicant-households on the waiting list for Public Housing and 22 percent on the waiting list for Housing Choice Vouchers include one disabled member.
- Approximately 10 percent of the applicant-households on the waiting list for Public Housing and 11 percent on the waiting list for Housing Choice Vouchers are seniors.

Recommended Actions	Timeframe												
	Carlsbad	Chula Vista	Encinitas	El Cajon	Escondido	La Mesa	National City	Oceanside	San Diego City	San Diego Urban County	San Marcos	Santee	Vista
Increase housing options for special needs populations, including persons with disabilities, senior households, families with children, farmworkers, the homeless, etc. Specifically, amend the Zoning Code to address the following pursuant to new State laws: ▪ Low Barrier Navigation Center (AB 101) ▪ Supportive Housing (AB 139) ▪ Emergency Shelter for the Homeless (AB 139) ▪ Accessory Dwelling Units (ABs 68, 671, 881, and 587 and SB 13) See actions under Jurisdictional - Specific Impediments – Public Policies.	Review zoning provisions as part of the 6th cycle Housing Element update, due April 15, 2021												
Encourage universal design principles in new housing developments.	Ongoing												
Educate city/county building, planning, and housing staff on accessibility requirements	Ongoing												
Encourage inter-departmental collaboration	Ongoing												

4. Enforcement

<u>Impediments</u>: Enforcement activities are limited.

- Fair housing services focus primarily on outreach and education; less emphasis is placed on enforcement.
- Fair housing testing should be conducted regularly.

Recommended Actions	Timeframe												
	Carlsbad	Chula Vista	Encinitas	El Cajon	Escondido	La Mesa	National City	Oceanside	San Diego City	San Diego Urban County	San Marcos	Santee	Vista
Provide press releases to local medias on outcomes of fair housing complaints and litigation.	Semi-annually												
Support stronger and more persistent enforcement activity by fair housing service providers.	Ongoing												
Conduct random testing on a regular basis to identify issues, trends, and problem properties. Expand testing to investigate emerging trends of suspected discriminatory practices	Conduct testing every other year or as warranted by emerging trends												

5. Outreach and Education

<u>Impediment</u>: Today, people obtain information through many media forms, not limited to traditional newspaper noticing or other print forms.

- Increasingly fewer people rely on the newspapers to receive information. Public notices and printed flyers are costly and ineffective means to reach the community at large.
- Frequent workshops with targeted population should be conducted to allow for meaningful discussions and dissemination of useful information.

Recommended Actions	Timeframe												
	Carlsbad	Chula Vista	Encinitas	El Cajon	Escondido	La Mesa	National City	Oceanside	San Diego City	San Diego Urban County	San Marcos	Santee	Vista
Education and outreach activities to be conducted as a multi-media campaign, including social media such as Facebook, Twitter, and Instagram, as well as other meeting/discussion forums such as chat rooms and webinars.	Ongoing												
Involve neighborhood groups and other community organizations when conducting outreach and education activities.	Ongoing												
Include fair housing outreach as part of community events.	Ongoing												

6. Racial Segregation and Linguistic Isolation

<u>Impediment</u>: Patterns of racial and ethnic concentration are present within particular areas of the San Diego region.

- In San Diego County, 15.4 percent of residents indicated they spoke English "less than very well" and can be considered linguistically isolated.
- The cities of National City, Chula Vista, El Cajon, and Escondido have the highest percentage of total residents who spoke English "less than very well". Most of these residents were Spanish speakers.
- Within San Diego County, there are RECAPs (Racially/Ethnically Concentrated Areas of Poverty) scattered in small sections of Escondido, El Cajon, La Mesa, Lemon Grove, National City, and Chula Vista. Larger RECAP clusters can be seen in the central/southern portion of the City of San Diego.

Recommendations	Timeframe												
	Carlsbad	Chula Vista	Encinitas	El Cajon	Escondido	La Mesa	National City	Oceanside	San Diego City	San Diego Urban County	San Marcos	Santee	Vista
Diversify and expand the housing stock to accommodate the varied housing needs of different groups.	As part of the 6th cycle Housing Element update, evaluate the community's varied housing needs and adjust housing and land use policies to accommodate the community's Regional Housing Needs Assessment (RHNA), by April 15, 2021												
Promote equal access to information for all residents. Update LEP plan to reflect demographic changes in community per Executive Order 13166 of August 11, 2000.	Periodically but at least when new Census data becomes available												

B. Jurisdiction-Specific Impediments

The following is a list of actions that will be taken to address jurisdiction-specific impediments carried over from previous AIs. Impediments and recommended actions are modified to reflect current conditions, feasibility, and past efforts.

1. Public Policies

Impediments: Various land use policies, zoning provisions, and development regulations may affect the range of housing choice available.

- **Recent Changes to Density Bonus Law:** The most recent changes to California density bonus law went into effect in January 2020. Because of this, while most San Diego County jurisdictions do include regulations allowing for density bonuses, jurisdictions must review their regulations to ensure continued compliance with state law.
- **Definition of Family:** The zoning ordinance of Solana Beach contains a definition of family that may be considered discriminatory.
- **Accessory Dwelling Units:** Most jurisdictions have not yet amended the ADU provisions to comply with the recent changes to State law (e.g., SB 13, AB 68, AB 881, AB 587, and AB 671).
- **Emergency Shelters:** The City of Poway does not have adequate provisions for emergency shelters in their zoning ordinance. The currently adopted Housing Element for Poway acknowledges the need to update the zoning ordinance, but no amendment has been completed at this time.

  Furthermore, recent changes to State law (AB 101 and AB 139) require additional revisions to local zoning regulations regarding the provision of Low Barrier Navigation Centers (LBNC) and emergency shelters. Specifically AB 139 requires the assessment of shelter needs be based on the most recent Point-in-Time Count and the parking standards for shelters be based on staffing levels.
- **Transitional and Supportive Housing:** The County of San Diego, La Mesa, and Vista do not fully comply with all of the requirements of SB 2. Furthermore, recent changes to State law AB 139 requires supportive housing to be permitted by right where multi-family and mixed uses are permitted. Jurisdictions should revise the zoning ordinance to specifically state supportive housing as a by-right use.
- **Farmworker Housing/Employee Housing:** Some jurisdictions allow employee housing for six or fewer employees but have not updated their zoning ordinance to permit the use in accordance with the California Housing Act.

Recommended Actions	Zoning Amendments Needed						
	Density Bonus	Accessory Dwelling Units	Emergency Shelters Zoning	LBNC and ES Capacity and Parking Standards	Transitional/ Supportive Housing	Farmworker Employee Housing	Definition of Family
Carlsbad	■	■		■	■		
Chula Vista	■	■		■	■		
Coronado	■	■		■	■	■	
Del Mar	■	■		■	■	■	
El Cajon	■	■		■	■		
Encinitas	■	■		■			
Escondido	■	■		■	■	■	
Imperial Beach	■	■		■	■		
La Mesa	■	■		■	■	■	
Lemon Grove	■	■		■	■	■	
National City	■	■		■	■	■	
Oceanside	■	■		■	■	■	
Poway	■	■	■	■	■	■	
San Diego City	■	■		■	■	■	
San Diego County	■	■		■	■	■	
San Marcos	■	■		■	■	■	
Santee	■	■		■	■	■	
Solana Beach	■	■		■	■	■	■
Vista	■	■		■	■		

CITY COUNCIL
Staff Report

Meeting Date: July 14, 2020

To: Mayor and City Council

From: Scott Chadwick, City Manager

Staff Contact: Maria Callander, IT Director
maria.callander@carlsbadca.gov or 760-685-0320

Kevin Branca, Finance Director
kevin.branca@carlsbadca.gov, 760-602-2418

Subject: Approval of an Agreement with CentralSquare, LLC to Upgrade the City Finance Software System and Provide Hosting Services

Recommended Action
Adopt a resolution authorizing the city manager to execute the agreement with CentralSquare, LLC to license the latest version of the city's existing finance system, provide professional services to upgrade our finance system, and provide ongoing hosting services for this software in an amount not to exceed $492,004 for a three-year period.

Executive Summary
The city's finance system is outdated and the city needs to upgrade its finance system to have a stable and reliable system, and a software version that can be updated to resolve issues. This upgrade project will include the migration from city-owned hardware to Central Square's hosted Finance Enterprise platform to leverage enterprise security and disaster recovery services.

The City Council is being asked to approve this agreement because Carlsbad Municipal Code Section 3.28.060, Procurement of Professional Services and Services, requires the City Council to approve procurement of professional services and services for which the cost to the city is more than $100,000 per agreement year.

Discussion
The city's current finance system was last upgraded in 2012 and is twelve major versions behind the latest version of the software (version 7 is installed and version 19 is now available). Our software version is no longer being supported by CentralSquare. There is significant risk in that any system defect or change in finance regulations that require a change to the software would not be supported. For example, if the Internal Revenue Service changes a form such as the 1099 template, the city's finance system would not be able to support the change.

Another risk that needs to be addressed is the instability of our legacy finance system. The finance system frequently crashes and requires unscheduled, emergency reboots by information technology department staff. The system is completely unavailable during system outages, resulting in significant business impacts for finance and IT staff, as well as to other city departments.

Finally, legacy technologies are vulnerable to attack from cyber criminals. It is critical to maintain modern security measures including security patches, modern backup and disaster recovery solutions to protect the city's financial data.

The finance system upgrade project includes licensing of the latest version of our existing finance system software. It also includes hosting of the finance system on the CentralSquare enterprise platform, which includes a modern disaster recovery solution and security services.

The finance system upgrade project includes professional services to migrate our finance system data to the CentralSquare enterprise platform, services to support system configuration, user acceptance testing and training for city staff. It also includes hiring part time staff or professional services to support normal finance operations allowing city staff to complete the system upgrade project, and change management to enable successful finance system training and adoption across the city.

Fiscal Analysis

The cost of the agreement for the CentralSquare finance system upgrade is not to exceed $492,004 over a three-year period. Additional costs associated with the upgrade include part-time staff or professional services to fill in for Finance Department personnel, change management services and contingencies in the amount of $192,927. There are sufficient funds available in the innovation fund for the first year of the system upgrade, a total of $466,148. Funding for subsequent years will be included in the annual Information Technology Department's operational budget. The cost of the financial system upgrade, including the CentralSquare agreement, temporary replacement of staff, change management and contingencies will not exceed $684,931 over a three-year period.

	Year 1	Year 2	Year 3	Total
CentalSquare				
Annual Fees	$ 101,641	$ 106,723	$ 112,059	$ 320,424
One-Time Costs	171,580	-	-	171,580
Total CentralSquare Fees & Costs	273,221	106,723	112,059	492,004
Other Costs				
Finance Operations	52,800	-	-	52,800
Change Management	97,750	-	-	97,750
Contingencies	42,377	-	-	42,377
Total Other Costs	192,927	-	-	192,927
Total Fees and Costs	$ 466,148	$ 106,723	$ 112,059	$ 684,931

Next Steps

With the City Council's approval, staff will execute the agreement with Central Square.

Environmental Evaluation (CEQA)

This action does not constitute a "project" within the meaning of the California Environmental Quality Act under California Public Resources Code Section 21065 in that it has no potential to cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and therefore does not require environmental review.

Public Notification and Outreach

Public notice of this item was posted in accordance with the Ralph M. Brown Act and it was available for public viewing and review at least 72 hours prior to the scheduled meeting date.

Exhibits

1. City Council resolution

RESOLUTION NO._____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT TO LICENSE THE LATEST VERSION OF THE CITY'S EXISTING FINANCIAL SYSTEM, PROVIDE PROFESSIONAL SERVICES TO UPGRADE THE FINANCIAL SYSTEM AND PROVIDE ONGOING HOSTING SERVICES FROM CENTRALSQUARE TECHNOLOGIES, LLC. FOR A TOTAL NOT TO EXCEED AMOUNT OF $492,004 FOR A THREE-YEAR PERIOD

WHEREAS, the City of Carlsbad has information technology systems and software that require annual maintenance and support for effective operations and the upgrade to the latest version for the city's financial system helps meet this need; and

WHEREAS, the City of Carlsbad currently is on version 7 and needs to upgrade to version 19 for the financial system;

WHEREAS, CentralSquare Technologies, LLC, is the vendor of the city's financial system; and

WHEREAS, CentralSquare Technologies, LLC, has provided an agreement for the upgrade in licenses to version 19 of the city's financial system, to provide professional services and ongoing hosting services in an amount not to exceed $492,004 for a three-year period (Attachment A); and

WHEREAS, there are additional cost for the upgrade for backfill of staff, change management and contingencies in the amount of $192,927; and

WHEREAS, the total for the financial systems upgrade will not exceed $684,931 over a three-year period; and

WHEREAS, under the provisions in Carlsbad Municipal Code Section 3.28.060, Procurement of Professional Services and Services, of the Carlsbad Municipal Code, the City Council shall be the awarding authority for procurement of professional services and services for which the cost to the city is more than $100,000 per agreement year; and

WHEREAS, the funding for Year 1 of the financial system upgrade in the amount of $466,148 is available in the Innovation Fund and subsequent years operational funding will be included in the Information Technology Department's annual budget request.

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

1. That the above recitations are true and correct.
2. That the City Manager is authorized to execute the agreement with CentralSquare

Technologies, LLC (Attachment A) for the not to exceed amount of $492,004 over a three-year period.

3. That the financial system upgrade including the CentralSquare Technologies, LLC agreement, back-fill of staff, change management and contingencies will not exceed $684,931 over a three-year period.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the __ day of _____, 2020, by the following vote, to wit:

AYES:

NAYS:

ABSENT:

_____
MATT HALL, Mayor

_____
BARBARA ENGLESON, City Clerk

(SEAL)

CentralSquare Solutions Agreement

This CentralSquare Solutions Agreement (the "**Agreement**"), effective as of the latest date shown on the signature block below (the "**Effective Date**"), is entered into between **CentralSquare Technologies, LLC**, a Delaware Limited Liability Company with its principal place of business in Lake Mary, FL ("**CentralSquare**") and the **City of Carlsbad, California** ("**Customer**"), together with CentralSquare , the "**Parties**", and each, a "**Party**".

WHEREAS, CentralSquare licenses and gives access to certain software applications ("**Solutions**") to its customers and also provides maintenance, support, migration, installation and other professional services; and

WHEREAS, Customer desires to license and/or gain access to certain Solutions and receive professional services described herein, and CentralSquare desires to grant and provide Customer license and access to such offerings as well as to support them with professional services, subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, terms, and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, by the signatures of their duly authorized representative below, the Parties intending to be legally bound, agree to all of the following provisions and exhibits of this Agreement:

CentralSquare Technologies, LLC	City of Carlsbad, California
1000 Business Center Dr. Lake Mary, FL 32746	1635 Faraday Ave Carlsbad, CA 92008
By: DocuSigned by: Danilo Gargiulo AAA5B6CEC387424...	By:
Print Name: Danilo Gargiulo	Print Name: Scott Chadwick
Print Title: SVP Business Transformation, PA	Print Title: City Manager
Date Signed: 7/7/2020	Date Signed:

1. **Solution: Finance Enterprise and HCM Employee PA Enterprise**
2. **Term.**
   - 2.1. Initial Term. The Initial Term of this Agreement commences as of the Effective Date and will continue in effect for three (3) years from such date, subject to the appropriation of funds by city council, unless terminated earlier pursuant to any of the Agreement's express provisions (the "**Initial Term**").
   - 2.2. Renewal Term. This Agreement will automatically renew for additional successive one (1) year terms, not to exceed a total of two one (1) year terms, unless earlier terminated pursuant to any of the Agreement's provisions (a "**Renewal Term**" and, collectively, with the Initial Term, the "**Term**").
   - 2.3. Non-Renewal. Either party may elect to end renewal of the contract by issuing a notice of non-renewal, in writing, to the other party sixty (60) days prior to the expiration of the current contract term.
3. **Fees**. In consideration of the rights and services granted by CentralSquare to Customer under this Agreement, Customer shall make payments to CentralSquare pursuant to the amounts and payment terms outlined in Exhibit 1 (the "**Project Cost Summary**").
4. **Definitions**. Capitalized terms not otherwise defined in this Agreement have the meanings set forth below:
   - 4.1. "**Action**" means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena, or investigation of any nature, civil, criminal, administrative, regulatory or other, whether at law, in equity, or otherwise.
   - 4.2. "**Affiliate**" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person.
   - 4.3. "**Authorized User**" means Customer's employees, consultants, contractors, and agents who are authorized by Customer to access and use the Solutions under the rights granted to Customer pursuant to this Agreement, and for whom access to the Solutions has been purchased.

4.4. "**Baseline**" means the version of a Solution updated to the particular time in question through CentralSquare 's warranty services and maintenance, but without any other modification whatsoever.

4.5. "**Component System**" means any one of the Solutions identified in Exhibit 1, including all copies of Source Code, Object Code and all related specifications, Documentation, technical information, and all corrections, modifications, additions, development work, improvements and enhancements to and all Intellectual Property Rights for such Component System.

4.6. "**Customer Data**" means information, data, and content, in any form or medium, collected, downloaded, or otherwise received, directly or indirectly from Customer, an Authorized User or end-users by or through the Solutions, provided the data is not personally identifiable and not identifiable to Customer.

4.7. "**Custom Modification**" means a change that CentralSquare has made at Customer's request to any Component System in accordance with a CentralSquare -generated specification, but without any other changes whatsoever by any Person.

4.8. "**Customer Systems**" means the Customer's information technology infrastructure, including computers, software, hardware, databases, electronic systems (including database management systems), and networks, whether operated by Customer or through the use of third-party services.

4.9. "**Defect**" means a material deviation between the Baseline Solution and its Documentation, for which Defect Customer has given CentralSquare enough information to enable CentralSquare to replicate the deviation on a computer configuration that is both comparable to the Customer Systems and that is under CentralSquare's control. Further, with regard to each Custom Modification, Defect means a material deviation between the Custom Modification and the CentralSquare generated specification and documentation for such Custom Modification, and for which Defect Customer has given CentralSquare enough information to enable CentralSquare to replicate the deviation on a computer configuration that is both comparable to the Customer Systems and that is under CentralSquare's control.

4.10. "**Documentation**" means any manuals, instructions, or other documents or materials that CentralSquare provides or makes available to Customer in any form or medium and which describe the functionality, components, features, or requirements of the Solutions, including any aspect of the installation, configuration, integration, operation, use, support, or maintenance thereof.

4.11. "**Enhancements**" means general release (as opposed to custom) changes to a Baseline Component System or Custom Modification which increase the functionality of the Baseline Component System or Custom Modification in question.

4.12. "**Harmful Code**" means any software, hardware, device or other technology, including any virus, worm, malware, or other malicious computer code, the purpose or effect of which is to (a) permit unauthorized access to, or to destroy, disrupt, disable, distort, or otherwise harm or impede any (i) computer, software, firmware, hardware, system, or network; or (ii) any application or function of any of the foregoing or the security, integrity, confidentiality, or use of any data Processed thereby; or (b) prevent Customer or any Authorized User from accessing or using the Solutions as intended by this Agreement.

4.13. "**Intellectual Property Rights**" means any and all registered and unregistered rights granted, applied for, or otherwise now or hereafter in existence under or related to any patent, copyright, trademark, trade secret, database protection, or other intellectual property rights laws, and all similar or equivalent rights or forms of protection, in any part of the world.

4.14. "**Maintenance**" means optimization, error correction, modifications, and updates to CentralSquare Systems to correct any known Defects and improve performance. Maintenance will be provided for each Component System, the hours and details of which are described in Exhibit 2 ("**Support Standards**").

4.15. "**New Releases**" means new editions of a Baseline Component System or Custom Modification.

4.16. "**Person**" means an individual, corporation, partnership, joint venture, limited liability entity, governmental authority, unincorporated organization, trust, association, or other entity.

4.17. "**Personal Information**" means any information that does or can identify a specific individual or by or from which a specific individual may be identified, contacted, or located. Personal Information includes all "nonpublic personal information" as defined under the Gramm-Leach-Bliley Act, "protected health information" as defined under the Health and Insurance Portability and Accountability Act of 1996, "Personal Data" as defined in the EU General Data Protection Regulation (GDPR 2018), "Personal Information" as defined under the Children's Online Privacy Protection Act of 1998, and all rules and regulations issued under any of the foregoing.

4.18. "**Professional Services**" means installation, implementation, development work, training or consulting services including custom modification programming, support relating to custom modifications, on-site support services, assistance with data transfers, system restarts and reinstallations provided by CentralSquare.

4.19. "**Representatives**" means, with respect to a Party, that Party's employees, officers, directors, agents, subcontractors, and legal advisors.

4.20. "**CentralSquare Personnel**" means all individuals involved in the performance of Support Services and Professional Services as employees, agents, Subcontractors or independent contractors of CentralSquare.

4.21. "**Solutions**" means the Component Systems, Documentation, Custom Modifications, development work, CentralSquare Systems and any and all other information, data, documents, materials, works, and other content, devices, methods, processes, hardware, software, technologies and inventions, including any deliverables, technical or functional descriptions, requirements, plans, or reports, provided or used by CentralSquare or any Subcontractor in connection with Professional Services or Support Services rendered under this Agreement.

4.22. "**CentralSquare Systems**" means the information technology infrastructure used by or on behalf of CentralSquare to deliver Solutions, including all computers, software, hardware, databases, electronic systems (including database management systems), and networks, whether operated directly by CentralSquare or through the use of third-party services.

4.23. **"Support Services"** means Maintenance, Enhancements, implementation of New Releases, and general support efforts to respond to incidents reported by Customer in accordance with the detailed Support Standards outlined in Exhibit 2.

4.24. "**Third-Party Materials**" means materials and information, in any form or medium, including any software, documents, data, content, specifications, products, related services, equipment, or components of or relating to the Solutions that are not proprietary to CentralSquare.

5. License, Access & Services and Audit.

5.1. Access and Scope of Use. Subject to and conditioned on Customer and their Authorized Users' compliance with the terms and conditions of this Agreement, CentralSquare hereby grants Customer a non-exclusive, non-transferable right to access and use the Solutions, solely by Authorized Users. Such use is limited to Customer's internal use.

5.2. Documentation License. CentralSquare hereby grants to Customer a non-exclusive, non-sublicenseable, non-transferable license to use the Documentation during the Term solely for Customer's internal business purposes in connection with its use of the Solutions.

5.3. Audit. Customer shall maintain for a reasonable period of time, but not less than three (3) years after expiration or termination of this Agreement, the systems, books, and records necessary to accurately reflect compliance with software licenses and the use thereof under this Agreement. Upon request, Customer shall permit CentralSquare and its directors, officers, employees, and agents to have on-site access at Customer's premises (or remote access as the case may be) during normal business hours to such systems, books, and records for the purpose of verifying such licensed use the performance of such obligations and amounts. Customer shall render reasonable cooperation to CentralSquare as requested. If as a result of any audit or inspection CentralSquare substantiates a deficiency or non-compliance, Customer shall promptly reimburse CentralSquare for all its costs and expenses incurred to conduct such audit or inspection and be required to pay for any delinquencies in compliance with software licenses.

5.4. Service and System Control. Except as otherwise expressly provided in this Agreement:

5.4.1. CentralSquare has and will retain sole control over the operation, provision, maintenance, and management of the Solutions; and

5.4.2. Customer has and will retain sole control over the operation, maintenance, and management of, and all access to and use of, the Customer Systems, and sole responsibility for access to and use of the Solutions by any Person by or through the Customer Systems or other means controlled by Customer or any Authorized User, including any reports or results obtained from any use of the Solutions, and conclusions, decisions, or actions based on such use.

5.5. Limitations. Customer must provide CentralSquare with such facilities, equipment and support as are reasonably necessary for CentralSquare to perform its obligations under this Agreement, including, if required by CentralSquare, remote access to the Customer Systems. CentralSquare is not responsible

or liable for any delay or failure of performance caused in whole or in part by any Customer delay or Customer's failure to perform any obligations under this Agreement.

5.6. Exceptions. CentralSquare has no obligation to provide Support Services relating to any Defect with the Solutions that, in whole or in part, arise out of or result from any of the following:

5.6.1. software, or media on which provided, that is modified or damaged by Customer or third-party;

5.6.2. any operation or use of, or other activity relating to, the Solutions other than as specified in the Documentation, including any incorporation, or combination, operation or use of the Solutions in or with, any technology (software, hardware, firmware, system, or network) or service not specified for Customer's use in the Documentation;

5.6.3. any negligence, abuse, misapplication, or misuse of the Solution other than by CentralSquare personnel, including any Customer use of the Solution other than as specified in the Documentation or expressly authorized in writing by CentralSquare;

5.6.4. any Customer's failure to promptly install any New Releases that CentralSquare has previously made available to Customer;

5.6.5. the operation of, or access to, Customer's or a third-party's system, materials or network;

5.6.6. any relocation of the Solution other than by CentralSquare personnel;

5.6.7. any beta software, software that CentralSquare makes available for testing or demonstration purposes, temporary software modules, or software for which CentralSquare does not receive a fee;

5.6.8. any breach of or noncompliance with any provision of this Agreement by Customer or any of its Representatives or any Force Majeure Event (including abnormal physical or electrical stress).

5.7. Reservation of Rights. Except for the specified rights outlined in this Section, nothing in this Agreement grants any right, title, or interest in or to any Intellectual Property Rights in or relating to the Support Services, Professional Services, Solutions, or Third-Party Materials, whether expressly, by implication, estoppel, or otherwise. All right, title, and interest in the Solutions, and the Third-Party Materials are and will remain with CentralSquare and the respective rights holders.

5.8. Changes. CentralSquare reserves the right, in its sole discretion, to make any changes to the Support Services and Solutions that it deems necessary or useful to: (a) maintain or enhance the quality or delivery of CentralSquare 's services to its customers, the competitive strength of or market for CentralSquare's services, or the Support Services' cost efficiency or performance; or (b) to comply with applicable law. Without limiting the foregoing, either Party may, at any time during the Term, request in writing changes to particular Support Services, Professional Services or their product suite of Solutions. The parties shall evaluate and, if agreed, implement all such requested changes. No requested changes will be effective unless and until memorialized in either a CentralSquare issued Add-On Quote signed by the Customer, or a written change order or amendment to this agreement signed by both parties.

5.9. Subcontractors. CentralSquare may from time to time in its discretion engage third parties to perform Professional Services or Support Services (each, a "**Subcontractor**"). CentralSquare will notify the Customer prior to engaging third parties to perform Professional Services or Support Services.

5.10. Security Measures. The Solution may contain technological measures designed to prevent unauthorized or illegal use of the Solution. Customer acknowledges and agrees that: (a) CentralSquare may use these and other lawful measures to verify compliance with the terms of this Agreement and enforce CentralSquare 's rights, including all Intellectual Property Rights, in and to the Solution; (b) CentralSquare may deny any individual access to and/or use of the Solution if CentralSquare, in its reasonable discretion, believes that person's use of the Solution would violate any provision of this Agreement, regardless of whether Customer designated that person as an Authorized User; and (c) CentralSquare may collect, maintain, process, use and disclose technical, diagnostic and related non-identifiable data gathered periodically which may lead to improvements in the performance and security of the Solutions.

6. Use Restrictions. Customer shall not, and shall not permit any other Person to, access or use the Solutions except as expressly permitted by this Agreement. For purposes of clarity and without limiting the generality of the foregoing, Customer shall not, except as this Agreement expressly permits:

6.1. copy, modify, or create derivative works or improvements of the Solutions, or rent, lease, lend, sell, sublicense, assign, distribute, publish, transfer, or otherwise make available any Solutions to any Person,

including on or in connection with the internet or any time-sharing, service bureau, software as a service, cloud, or other technology or service;

6.2. reverse engineer, disassemble, decompile, decode, adapt, or otherwise attempt to derive or gain access to the source code of the Solutions, in whole or in part;

6.3. bypass or breach any security device or protection used by Solutions or access or use the Solutions other than by an Authorized User through the use of his or her own then valid access;

6.4. input, upload, transmit, or otherwise provide to or through the CentralSquare Systems, any information or materials that are unlawful or injurious, or contain, transmit, or activate any Harmful Code;

6.5. damage, destroy, disrupt, disable, impair, interfere with, or otherwise impede or harm in any manner the CentralSquare Systems, or CentralSquare 's provision of services to any third-party, in whole or in part;

6.6. remove, delete, alter, or obscure any trademarks, Specifications, Documentation, warranties, or disclaimers, or any copyright, trademark, patent, or other intellectual property or proprietary rights notices from any Documentation or Solutions, including any copy thereof;

6.7. access or use the Solutions in any manner or for any purpose that infringes, misappropriates, or otherwise violates any Intellectual Property Right or other right of any third-party, or that violates any applicable law;

6.8. access or use the Solutions for purposes of competitive analysis of the Solutions, the development, provision, or use of a competing software service or product or any other purpose that is to CentralSquare's detriment or commercial disadvantage or otherwise access or use the Solutions beyond the scope of the authorization granted under this Section.

7. Customer Obligations.

7.1. Customer Systems and Cooperation. Customer shall at all times during the Term: (a) set up, maintain, and operate in good repair all Customer Systems on or through which the Solutions are accessed or used; (b) provide CentralSquare Personnel with such supervised access to Customer's premises and Customer Systems as is necessary for CentralSquare to perform the Support Services in accordance with the Support Standards and Specifications; and (c) provide all cooperation as CentralSquare may reasonably request to enable CentralSquare to exercise its rights and perform its obligations under and in connection with this Agreement.

7.2. Effect of Customer Failure or Delay. CentralSquare is not responsible or liable for any delay or failure of performance caused in whole or in part by Customer's delay in performing, or failure to perform, any of its obligations under this Agreement.

7.3. Corrective Action and Notice. If Customer becomes aware of any actual or threatened activity prohibited by Section 6, Customer shall, and shall cause its Authorized Users to, immediately: (a) take all reasonable and lawful measures within their respective control that are necessary to stop the activity or threatened activity and to mitigate its effects (including, where applicable, by discontinuing and preventing any unauthorized access to the Solutions and permanently erasing from their systems and destroying any data to which any of them gained unauthorized access); and (b) notify CentralSquare of any such actual or threatened activity.

8. Professional Services.

8.1. Compliance with Customer Policies. While CentralSquare Personnel are performing services at Customer's site, CentralSquare will ensure that such personnel comply with Customer's reasonable security procedures and site policies that are generally applicable to Customer's other suppliers providing similar services and that have been provided to CentralSquare in writing or in advance. Customer shall promptly reimburse CentralSquare for any out-of-pocket costs incurred in complying with such procedures and policies.

8.2. Contributed Material. In the process of CentralSquare's performing Professional Services, Customer may, from time to time, provide CentralSquare with designs, plans, or specifications, improvements, works or other material for inclusion in, or making modifications to, the Solutions, the Documentation or any other deliverables ("**Contributed Material**"). Customer grants to CentralSquare a nonexclusive, irrevocable, perpetual, transferable right, without the payment of any royalties or other compensation of any kind and without the right of attribution, for CentralSquare, CentralSquare's Affiliates and CentralSquare's licensees to make, use, sell and create derivative works of the Contributed Material.

9. Confidentiality. Confidential Information. Each Party possesses certain non-public proprietary information, which has economic value and is protected with reasonable safeguards to maintain its secrecy ("**Confidential Information**"). Confidential Information may include, but is not limited to any financial data, business and other

plans, specifications, equipment designs, electronic configurations, design information, product architecture algorithms, quality assurance plans, inventions (whether or not the subject of pending patent applications), ideas, discoveries, formulae, models, requirements, standards, trade and manufacturing secrets, drawings, samples, devices, demonstrations, technical information, as well as any and all intellectual and industrial property rights contained therein or in relation thereto. CentralSquare shall own the copyrights, trade secrets, patent rights and other proprietary rights in and may use without restriction knowledge, information, ideas, methods, know-how, and copyrightable expression learned or acquired. Confidential Information will be disclosed either: (i) in writing and conspicuously marked with a restrictive legend identifying it as being a Party's Confidential Information; or (ii) orally or visually and identified at the time of disclosure as Confidential Information and subsequently confirmed in writing by the disclosing Party within fifteen (15) days after such disclosure specifically identifying that portion of information that is Confidential Information. Customer shall not sell, transfer, publish, disclose or otherwise make available any portion of the Software or its associated documentation to others. Customer shall use its reasonable best efforts to cooperate with and assist CentralSquare in identifying and preventing any unauthorized use, copying or disclosure of the Software or any portion thereof or any of the algorithms or logic contained therein or any other deliverables.

9.1. Compelled Disclosures. If the either Party or any of its Representatives is compelled by applicable law to disclose any Confidential Information then, to the extent permitted by law, that Party shall: (a) promptly, and prior to such disclosure, notify the other Party in writing of such requirement so that they can seek a protective order or other remedy or waive its rights under Section .3; and (b) provide reasonable assistance to the Disclosing Party in opposing such disclosure or seeking a protective order or other limitations on disclosure. If the Disclosing Party waives compliance or, after providing the notice and assistance required under this Section, the Receiving Party remains required by law to disclose any Confidential Information, the Receiving Party shall disclose only that portion of the Confidential Information that the Receiving Party is legally required to disclose.

9.2. Upon expiration or termination of this Agreement, or upon demand by CentralSquare, Customer shall (i) return to CentralSquare all copies of CentralSquare's Confidential Information in Customer's possession or under CentralSquare's control, or (ii) destroy all copies of CentralSquare's Confidential Information in Customer's possession and so certify such destruction to CentralSquare in writing. Notwithstanding the foregoing, Customer may retain data or records in electronic form containing Confidential Information for the purposes of backup, recovery, contingency planning, or business continuity planning, so long as such data or records, to the extent not permanently deleted or overwritten in the ordinary course of business, are not accessible in the ordinary course of business and are not accessed except as required by Customer only for backup, recovery, contingency planning, or business continuity purposes.

9.3. Upon expiration or termination of this Agreement, or upon demand by Customer, CentralSquare shall provide to Customer copies of all data and supporting electronic file attachments.

10. Security.

10.1. CentralSquare will implement commercially reasonable administrative, technical and physical safeguards designed to ensure the security and confidentiality of Customer Data, protect against any anticipated threats or hazards to the security or integrity of Customer Data, and protect against unauthorized access or use of Customer Data. CentralSquare will review and test such safeguards on no less than an annual basis.

10.2. Customer shall maintain, in connection with the operation or use of the Solutions, adequate technical and procedural access controls and system security requirements and devices, necessary for data privacy, confidentiality, integrity, authorization, authentication and non-repudiation and virus detection and eradication.

10.3. To the extent that Authorized Users are permitted to have access to the Solutions, Customer shall maintain agreements with such Authorized Users that adequately protect the confidentiality and Intellectual Property Rights of CentralSquare in the Solutions and Documentation, and disclaim any liability or responsibility of CentralSquare with respect to such Authorized Users.

11. Personal Data. If CentralSquare processes or otherwise has access to any personal data or personal information on Customer's behalf when performing CentralSquare's obligations under this Agreement, then:

11.1. Customer shall be the data controller (where "**data controller**" means an entity which alone or jointly with others determines purposes for which and the manner in which any personal data are, or are to be,

processed) and CentralSquare shall be a data processor (where "**data processor**" means an entity which processes the data only on behalf of the data controller and not for any purposes of its own);

11.2. Customer shall ensure that it has obtained all necessary consents and it is entitled to transfer the relevant personal data or personal information to CentralSquare so that CentralSquare may lawfully use, process and transfer the personal data and personal information in accordance with this Agreement on Customer's behalf, which may include CentralSquare processing and transferring the relevant personal data or personal information outside the country where Customer and the Authorized Users are located in order for CentralSquare to provide the Solutions and perform its other obligations under this Agreement; and

11.3. CentralSquare shall process personal data and information only in accordance with lawful and reasonable instructions given by Customer and as set out in and in accordance with the terms of this Agreement; and

11.4. Each Party shall take appropriate technical and organizational measures against unauthorized or unlawful processing of the personal data and personal information or its accidental loss, destruction or damage so that, having regard to the state of technological development and the cost of implementing any measures, the measures taken ensure a level of security appropriate to the harm that might result from such unauthorized or unlawful processing or accidental loss, destruction or damage in relation to the personal data and personal information and the nature of the personal data and personal information being protected. If necessary, the parties will cooperate to document these measures taken.

12. Representations and Warranties.

12.1. LIMITED WARRANTY. CentralSquare warrants that it owns or otherwise has the rights in the Software and has the right to license the Software as described in this Agreement. CentralSquare further warrants and represents that the CentralSquare Software does not contain any "back door", "time bomb", "Trojan horse", "worm", "drop dead device" or other program routine or hardware device inserted and intended by CentralSquare to provide a means of unauthorized access to, or a means of disabling or erasing any computer program or data, or otherwise disabling the CentralSquare Software. Nothing herein shall be deemed to constitute a warranty against viruses. The provisions of section and its subsections below, shall constitute the agreement of the Parties with respect to viruses. Customer's sole remedy with respect to the foregoing warranty shall be to receive an Update to the CentralSquare Software that does not contain any of the above-described routines or devices.

12.2. **DISCLAIMER OF WARRANTY. EXCEPT FOR THE EXPRESS LIMITED WARRANTY SET FORTH ABOVE, CENTRALSQUARE MAKES NO WARRANTIES WHATSOEVER, EXPRESSED OR IMPLIED, WITH REGARD TO THE SOLUTIONS, PROFESSIONAL SERVICES, SUPPORT SERVICES, AND/OR ANY OTHER MATTER RELATING TO THIS AGREEMENT, AND THAT CENTRALSQUARE DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHER, INCLUDING ALL WARRANTIES ARISING FROM COURSE OF DEALING, USAGE OR TRADE PRACTICE, AND SPECIFICALLY DISCLAIMS IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NON-INFRINGEMENT. FURTHER, CENTRALSQUARE EXPRESSLY DOES NOT WARRANT THAT A SOLUTION, ANY CUSTOM MODIFICATION OR ANY IMPROVEMENTS WILL BE USABLE BY CUSTOMER IF THE SOLUTION OR CUSTOM MODIFICATION HAS BEEN MODIFIED BY ANYONE OTHER THAN CENTRALSQUARE PERSONNEL, OR WILL BE ERROR FREE, WILL OPERATE WITHOUT INTERRUPTION OR WILL BE COMPATIBLE WITH ANY HARDWARE OR SOFTWARE TO THE EXTENT EXPRESSLY SET FORTH IN THE DOCUMENTATION. ALL THIRD-PARTY MATERIALS ARE PROVIDED "AS-IS" AND ANY REPRESENTATION OR WARANTY OF OR CONCERNING ANY OF THEM IS STRICTLY BETWEEN CUSTOMER AND THE THIRD-PARTY OWNER. THIS AGREEMENT DOES NOT AMEND, OR MODIFY CENTRALSQUARE'S WARRANTY UNDER ANY AGREEMENT OR ANY CONDITIONS, LIMITATIONS, OR RESTRICTIONS THEREOF.**

13. Notices. All notices and other communications required or permitted under this Agreement must be in writing and will be deemed given when delivered personally, sent by United States registered or certified mail, return receipt requested; transmitted by facsimile or email confirmed by United States first class mail, or sent by overnight courier. Notices must be sent to a Party at its address shown below, or to such other place as the Party may subsequently designate for its receipt of notices in writing by the other Party.

If to CentralSquare :	**CentralSquare** **1000 Business Center Dr.** **Lake Mary, FL 32746**

Phone: 407-304-3235 **email:** info@CentralSquare .com
Attention: Senior Counsel / Contracts Department

If to Customer: **City of Carlsbad, California**
1635 Faraday Ave
Carlsbad, CA 92008
Phone: 760-602-2498 **email:** brent.gerber@carlsbadca.gov
Attention: Brent Gerber

14. Force Majeure. Neither Party shall be responsible for failure to fulfill its obligations hereunder or liable for damages resulting from delay in performance as a result of war, fire, strike, riot or insurrection, natural disaster, delay of carriers, governmental order or regulation, complete or partial shutdown of plant, unavailability of Equipment, software, or services from suppliers, default of a subcontractor or vendor to the Party if such default arises out of causes beyond the reasonable control of such subcontractor or vendor, the acts or omissions of the other Party, or its officers, directors, employees, agents, contractors, or elected officials, and/or other occurrences beyond the Party's reasonable control ("Excusable Delay" hereunder). In the event of such Excusable Delay, performance shall be extended on a day for day basis or as otherwise reasonably necessary to compensate for such delay.

15. Indemnification.

15.1. CentralSquare Indemnification. CentralSquare shall indemnify, defend, and hold harmless Customer from any and all claims, lawsuits or liability, including attorneys' fees and costs, allegedly arising out of, in connection with, or incident to any loss, damage or injury to persons or property or arising solely from a wrongful or negligent act, error or omission of CentralSquare, its employees, agents, contractors, or any subcontractor as a result of CentralSquare's or any subcontractor's performance pursuant to this Agreement; however, CentralSquare shall not be required to indemnify Customer for any claims or actions caused to the extent of the negligence or wrongful act of Customer, its employees, agents, or contractors. Notwithstanding anything to the contrary in the foregoing, if a claim, lawsuit or liability results from or is contributed to by the actions or omissions of Customer, or its employees, agents or contractors, CentralSquare's obligations under this provision shall be reduced to the extent of such actions or omissions based upon the principle of comparative fault.

15.2. Customer Indemnification. Customer shall indemnify, defend, and hold harmless CentralSquare from any and all claims, lawsuits or liability, including attorneys' fees and costs, allegedly arising out of, in connection with, or incident to any loss, damage or injury to persons or property or arising solely from a wrongful or negligent act, error or omission of Customer, its employees, agents, contractors, or any subcontractor as a result of Customer's or any subcontractor's performance pursuant to this Agreement; however, Customer shall not be required to indemnify CentralSquare for any claims or actions caused to the extent of the negligence or wrongful act of CentralSquare, its employees, agents, or contractors. Notwithstanding anything to the contrary in the foregoing, if a claim, lawsuit or liability results from or is contributed to by the actions or omissions of CentralSquare, or its employees, agents or contractors, Customer's obligations under this provision shall be reduced to the extent of such actions or omissions based upon the principle of comparative fault.

15.3. Sole Remedy. THIS SECTION SETS FORTH CUSTOMER'S SOLE REMEDIES AND CENTRALSQUARE'S SOLE LIABILITY AND OBLIGATION FOR ANY ACTUAL, THREATENED, OR ALLEGED CLAIMS THAT THE SERVICES AND SOLUTIONS OR ANY SUBJECT MATTER OF THIS AGREEMENT INFRINGES, MISAPPROPRIATES, OR OTHERWISE VIOLATES ANY INTELLECTUAL PROPERTY RIGHTS OF ANY THIRD-PARTY.

16. Termination. This Agreement may be terminated:

16.1. For cause by either Party, effective on written notice to the other Party, if the other Party materially breaches this Agreement and: (i) is incapable of cure; or (ii) being capable of cure, remains uncured thirty (30) days after the non-breaching Party provides the breaching Party with written notice of such breach.

16.2. For lack of payment by written notice to Customer, if Customer's failure to pay amounts due under this Agreement has continued more than ninety (90) days after delivery of written notice of non-payment.

16.3. For convenience by Customer, effective upon sixty (60) days written notice to CentralSquare.

17. Effect of Termination or Expiration. On the expiration or earlier termination of this Agreement:

17.1. Upon the expiration or earlier termination of this Agreement, each Party shall continue to hold such Confidential Information in confidence pursuant to Section 9; and

17.2. Upon the expiration of this Agreement, each Party shall pay to the other all amounts accrued prior to and through the date of termination of this Agreement.

18. Assignment. Neither this Agreement nor any rights or obligations hereunder shall be assigned or otherwise transferred by either Party without the prior written consent of the other Party, which consent will not be unreasonably withheld; provided however, that in the event of a merger or acquisition of all or substantially all of CentralSquare's assets, CentralSquare may assign this Agreement to an entity ready, willing and able to perform CentralSquare's executory obligations hereunder, as evidenced by an express written assumption of the obligations hereunder by the assignee.

19. Dispute Resolution.

19.1. Exclusive Dispute Resolution Mechanism. The Parties agree to resolve any dispute, controversy, or claim arising out of or relating to this Agreement (each, a "Dispute"), exclusively under the provisions of this Section. Either Party may seek interim or provisional relief in any court of competent jurisdiction in San Diego County, California, if necessary, to protect the rights or property of that Party.

19.2. Good Faith Negotiations. The Parties agree to send written notice to the other Party of any Dispute ("Dispute Notice"). After the other Party receives the Dispute Notice, the parties agree to undertake good faith negotiation between themselves to resolve the Dispute. Each Party shall be responsible for its associated travel costs. The parties agree to attend no fewer than three negotiation sessions attended by Vice Presidents of each Party (or employees of equivalent or superior position).

19.3. Escalation to Mediation. If the Parties cannot resolve any Dispute during the good faith negotiations either Party may initiate mediation under Section 19.4.

19.4. Mediation. Subject to Sections 19.2 and 19.3, the Parties may escalate a Dispute to a mutually agreed to mediator. Parties agree to act in good faith in selecting a neutral mediator and in scheduling the mediation proceedings. The parties agree to use commercially reasonable efforts in participating in the mediation. The parties agree the mediator's fees and expenses, and the mediator's costs incidental to the mediation will be shared equally between the parties. The parties shall bear their own fees, expenses, and costs.

19.5. Confidential Mediation. The Parties further agree all written or oral offers, promises, conduct, and statements made in the course of the mediation are confidential, privileged, and inadmissible for any purpose in any litigation, arbitration or other proceeding involving the Parties. However, evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation.

19.6. Litigation as a Final Resort. If the Parties cannot resolve a Dispute through mediation, then once an impasse is issued by the mediator either Party may commence litigation. The resolution of the Dispute is governed by the laws the State of California and the venue for any litigation between the parties is in any court of competent jurisdiction in San Diego County, California.

20. Waiver/Severability. The failure of any Party to enforce any of the provisions hereof will not be construed to be a waiver of the right of such Party thereafter to enforce such provisions. If any provision of this Agreement is found to be unenforceable, that provision will be enforced to the maximum extent possible, and the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby.

21. LIABILITY. NOTWITHSTANDING ANY PROVISION WITHIN THIS AGREEMENT TO THE CONTRARY, AND REGARDLESS OF THE NUMBER OF LOSSES, WHETHER IN CONTRACT, EQUITY, STATUTE, TORT, NEGLIGENCE, OR OTHERWISE:

21.1. NEITHER PARTY SHALL HAVE LIABILITY TO THE OTHER PARTY FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, EXEMPLARY, LIQUIDATED, OR CONSEQUENTIAL DAMAGES OF ANY KIND, AND NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR LOSSES OF PROFIT, REVENUE, INCOME, BUSINESS, ANTICIPATED SAVINGS, DATA, REPUTATION, AND MORE GENERALLY, ANY LOSSES OF AN ECONOMIC OR FINANCIAL NATURE, REGARDLESS OF WHETHER SUCH LOSSES MAY BE DEEMED AS CONSEQUENTIAL OR ARISING DIRECTLY AND NATURALLY FROM THE INCIDENT GIVING RISE TO THE CLAIM, AND REGARDLESS OF WHETHER SUCH LOSSES ARE FORESEEABLE OR WHETHER EITHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES; AND

21.2. CENTRALSQUARE'S OR CUSTOMER'S TOTAL LIABILITY ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT SHALL NOT EXCEED THE AMOUNT(S) ACTUALLY PAID BY CUSTOMER TO CENTRALSQUARE HEREUNDER FOR THE LAST TWELVE MONTHS.

22. Third-Party Materials. CentralSquare may from time to time, in its discretion engage third parties to perform services, provide software, or provide equipment. Customer acknowledges and agrees CentralSquare provides front-line support services for third parties, but these third parties assume all responsibility and liability in connection with the third-party software, equipment, or related services. CentralSquare is not authorized to make any representations or warranties that are binding upon the third-party or to engage in any other acts that are binding upon the third-party, excepting specifically that CentralSquare is authorized to represent third-party fees in the Agreement and to accept payment of such amounts from Customer on behalf of the third-party for as long as such third-party authorizes CentralSquare to do so. As a condition precedent to installing or accessing any third-party Materials, Customer may be required to execute a click-through, shrink-wrap End User License Agreement (EULA) or similar agreement provided by the Third-Party Materials provider. All third-party materials are provided "as-is" and any representation or warranty concerning them is strictly between Customer and the third-party.

23. Entire Agreement. This Agreement, and any Exhibits specifically incorporated therein by reference, constitutes the entire agreement between the Parties with respect to the subject matter. These documents supersede and merge all previous and contemporaneous proposals of sale, communications, representations, understandings and agreements, whether oral or written, between the Parties with respect to the subject hereof. This Agreement may not be modified except by a writing subscribed to by authorized representatives of both Parties.

24. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the Parties and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer on any other person any legal or equitable right, benefit, or remedy of any nature under or by reason of this Agreement.

25. Counterparts. This Amendment may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts shall constitute one and the same instrument. This Amendment shall be considered properly executed by a Party if executed by that Party and transmitted by facsimile or other electronic means including, without limitation, Docusign, Tagged Image Format Files (TIFF), or Portable Document Format (PDF).

26. Material Adverse Change. If any Law, Regulatory Approval, applicable standard, process, OEM requirement is changed or comes into force after the Effective Date, including but not limited to PCI standards (collectively, a "Material Adverse Change"), which is not explicitly addressed within this Agreement and results in *significant extra* costs for either Party in relation to the performance of this Agreement, both Parties shall promptly meet, discuss in good faith, and agree upon reducing the technical, operational, and/or commercial impact of such Material Adverse Change.

27. Cooperative Purchases. This Contract may be used by other government agencies. CentralSquare has agreed to offer similar services to other agencies under the same terms and conditions as stated herein except that the compensation may be negotiated between CentralSquare and other agencies based on the specific revenue expectations, agency reimbursed costs, and other agency requirements. The Customer will in no way whatsoever incur any liability in relation to specifications, delivery, payment, or any other aspect of purchases by such agencies.

28. Order of Precedence.

28.1. In the event of any conflict or inconsistency between this Agreement, the Exhibits, or any purchase order, then the following priority shall prevail:

28.1.1. The main body of this Agreement and any associated amendments or change orders.

28.1.2. The attached Exhibits to this Agreement.

28.1.3. Purchase Orders placed with CentralSquare in accordance with this Agreement.

Customer's purchase terms and conditions or CentralSquare's sales terms and conditions are not applicable and shall have no force and effect, whether referenced or not in any document in relation to this Agreement.

28.2. Incorporated Exhibits to this Agreement:

Exhibit 1 – Project Cost Summary

Exhibit 2 - Maintenance & Support Standards

Exhibit 3 – Travel Expense Guidelines

Exhibit 4 – Insurance Requirements

Exhibit 5 – Scope of Work

EXHIBIT 1

Project Cost Summary

CENTRALSQUARE TECHNOLOGIES
Superion, a CentralSquare Company

Superion, LLC Cloud Proposal
for

HORIZON GOVERNMENT CLOUD SOLUTIONS

Carlsbad, CA
IFAS to Finance Enterprise (ONESolution) Cloud Hosted Migration
June 15, 2020

Description	Applications and/or Services	1X Cloud Start-Up Fee	1X Professional Services	Annual Subscripton & Access Fee
Existing IFAS Products covered by this proposal (Currently under Maintenance)	- Accounts Payable - Accounts Receivable - Bank Reconciliation - Budgeting w/ Budget Item Detail - Cash Receipts - Click, Drag, and Drill - Documents Online - Easy Laser Forms - Finance Other - Financials Core-IFAS - Fixed Assets - General Ledger - Hassle Free Support - Human Resources - Job/Project Ledger - Payroll - Person/Entity - Purchasing	N/A	N/A	N/A
Finance Enterprise: Advanced Subscription (Migration & Implementation services included for these modules)	- Accounts Payable - PA Enterprise - Accounts Recievable - PA Enterprise - Bank Reconcilition - PA Enterprise - Budgeting - PA Enterprise - Cash Receipts - PA Enterprise - Click, Drag and Drill - Documents Online - PA Enterprise - Easy Laser Forms - PA Enterprise - Fixed Assets - PA Enterprise - General Ledger - PA Enterprise - Job/Project Ledger - PA Enterprise - PA Enterprise MKS - PA Enterprise Foundation - PA Enterprise Plus Printer Control - Purchasing - PA Enterprise - Analytics Option PA Enterprise (Cognos Business Intelligence) includes multi-data source for 1 BI Administrator (includes Meta Data Models, Framework, Café, and SDK) and Anonymous BI Users. Framework Manager is a metadata modeling tool used to map and normalize data sources. CentralSquare provides standard metadata with the licensing of Analytics. Additional professional services for Framework Manager are only necessary if you wish to modify, customize and maintain customer specific versions of the metadata or if the customer wishes to use Analytics to report on sources other than CentralSquare data - MicroFocus Server Express RunTime (4 Ten Packs exist today; 40 Concurrent Users for PROD Environment & 1Ten Pack for TEST or 10 Concurrent Users for TEST environment)	$ 10,000.00	See Below	$ 34,503.18
Human Captial Mgt. (HCM) Enterprise: Standard Subscription (Migration & Implementation services included for these modules)	- Human Resources - PA Enterprise - Payroll - PA Enterprise - Documents Online - PA Enterprise	Incl in Above		$ 4,359.65

1X Finance Enterprise Migration Services	**MIGRATION SERVICES - BASE MODULES** **Remote Installation** -Install and Initial Data Migration-40/hrs -Post Installation Verification-40/hrs -SA/DBA Training-8/hrs -Mock Data Roll-24/hrs -Final Data Roll and Go Live-24/hrs -Test Account Creation-24/hrs **Installation Total-160/hrs @ $180/Hr **Development** -Workflow/Report Dev Asst.-150/hrs -Review of Custom-24/hrs **Development Total -174/hrs @ $180/Hr **Training & Consulting** Finance 170/Hrs Est'd HR & Payroll 45/Hrs Est'd **Training & Consulting Total -215/hrs @ $180/Hr **Project Management-120/hrs @ $180/Hr	N/A	$ 120,420.00	N/A
1X Analytics (powered by Cognos) Services	****COGNOS V11x SERVICES DETAIL*** - Installation 16/hrs @$180/Hr for both a PROD & TEST instance of Cognos BI - Training & Consulting - 40/hrs @ $180/Hr - CDD to Cognos V11x Remote Workshops - 80/hrs @ $180/Hr - Remote Project Mgt for Cognos - 26/hrs @ $180/Hr	N/A	$ 29,160.00	N/A
Horizon Cloud Services	Hardware and software will be hosted and managed by Superion. Site to Site VPN, Setup, Implementation, Disaster Recovery Plan for Superion applications.	N/A	N/A	See Above
	Sub-Total Proposed System - Prior to Travel:	**$ 10,000.00**	**$ 149,580.00**	**$ 38,862.83**
	1X Travel Budget	**$ -**	**$ 12,000.00**	**$ -**
	Total	**$ 10,000.00**	**$ 161,580.00**	**$ 38,862.83**

NOTES

Quote is subject to change if additional hosting requirements are identified.

Annual Recurring Pricing	Annual Hosting*+ & Access Fees	Existing Maintenance++	Total
Full Year 1 - July 1, 2020-June 30, 2021	$ 38,862.83	$ 62,778.42	$ 101,641.25
Full Year 2 - July 1, 2021-June 30, 2022	$ 40,805.97	$ 65,917.34	$ 106,723.31
Full Year 3 - July 1, 2022-June 30, 2023	$ 42,846.27	$ 69,213.21	$ 112,059.48
TOTAL* *	$ 122,515.07	$ 197,908.97	$ 320,424.04
Optional Year 4		Year 3 Total + (either 5% or CPI-U*, whichever is higher)	
Optional Year 5		Year 4 Total + (either 5% or CPI-U*, whichever is higher)	

* National Consumer Price Index-Urban for prior 12/mo period (July-June)
** Maint was pre-paid on all applications thru 6/30/20

EXPIRATION

Superion, LLC prices are valid until 7/30/2020

***Annual Hosting & Maintenance Fee Includes:**

- Software & Hardware Hosting, Maintenance & Support for above
- Two environments in Data Center (Production & Test)
- Disaster Recovery
- Performance Monitoring
- Software Upgrades & Hot Fixes (Requested or Required Add'l Training is T&M)
- CentralSquare provided VPN Device

Travel, meals, and incidentals (not to exceed): $12,000

PAYMENT TERMS:

ONE TIME FEES

a. One Time Cloud Start-Up Fees are due: 100% on the Execution Date.
b. Superion Professional Services Fees are due as follows:

Superion Professional Services Fees are due as follows: **Milestone Payment**	**Milestone**	**Description**	**Percent of Services**
1	Kick Off Complete	The project kickoff meeting is scheduled within 30 days of contract signing as an onsite engagement. The purpose is to review all contract documents, statement of work, and discuss overall project organization. Kickoff is considered complete once the onsite meeting has occurred and meeting minutes have been provided. A proof of delivery (POD) will be provided to the customer to acknowledge the completion of the kickoff meeting with the Customer triggering milestone invoicing.	10%
2	Baseline Project Schedule Provided	The baseline project schedule is developed, inclusive of all deliverables detailed in the SOW, within the first 60 days of the project through careful planning with both the CentralSquare project manager and the CUSTOMER project manager. The baseline project schedule is considered to be the initial agreed upon schedule for the project, inclusive of all tasks from both project teams. Once the baseline project schedule has been delivered, this task is considered complete. (Note, project schedules often will change over the course of the project. This task is tied to the initial baseline scheduled.) A proof of delivery (POD) will be provided to the customer to acknowledge the delivery of the baseline project schedule triggering milestone invoicing.	10%
3	User Acceptance Testing/Integration Testing	Once data migration is complete and all modules are online, the CentralSquare team alongside the CUSTOMER will participate in comprehensive user acceptance testing which includes end-to-end testing of all licensed modules within OneSolution, validation of data migration and testing of all integrations. This testing is considered complete when the engagement for testing has concluded, results have been provided to the customer and no urgent or critical errors exist. A proof of delivery (POD) is provided to the customer to acknowledge the delivery of the testing results, triggering milestone invoicing.	30%
4	Training	System Admin and End-User training for CUSTOMER staff is considered complete once 80% of the participants, as identified and documented in the planning phase of the project, have passed the training program. A proof of delivery (POD) is provided to the customer to acknowledge the 80% completion of System Admin and End-User training, triggering milestone invoicing.	20%
5	Go Live	Customer is considered Live on the applications, including data conversion and integrations, after 15 consecutive days of live operations in a production environment with no urgent or critical error codes recorded. A proof of delivery (POD) will be provided to the customer to acknowledge the Go Live activities triggering milestone invoicing.	30%

c. Third Party Professional Services Fees are due: Not applicable for this Agreement.

d. Travel: travel expenses will be invoiced on an actual basis in compliance with Central Square's Travel Policy (Exhibit 3).

RECURRING FEES

e. The Annual Subscription Access Fee is due based upon the payment table above. The first year's pro-rata Subscription Access Fee shall be due upon execution, and annually thereafter by July 1 of each successive subscription period. Annual Support & Maintenance Fees are included in the Total Annual Subscription and Hosting Fees:
   i. End Billing with Continued Support. Upon commencement of billing for the Annual Access Fee, Customer acknowledges the termination of the current maintenance billing structure for any legacy products that will be effectively replaced by modules listed in Exhibit 1. Superion shall continue to provide Customer with Support of these products until the transition to a new environment is complete.
   ii. Credit. A credit in the amount of the unused portion of Maintenance paid by Customer, if any, shall be applied towards Customer's first Subscription Fee. The unused portion of paid Maintenance will consist of the amount unused as of Execution Date.

f. Third Party Subscription & Access Fees: Third party Subscription & Access fees are due based upon the payment table above. The first year's pro-rata Subscription Access Fee shall be due upon execution, and annually thereafter by July 1 of each successive subscription period.

ANCILLARY FEES

g. Reimbursement of travel and living expenses will be governed by Exhibit 3 ("**Travel Expense Guidelines**") attached hereto and will be invoiced monthly in arrears and due within thirty (30) days from date of invoice.

h. Customer is responsible for paying all taxes relating to this Agreement. Applicable tax amounts (if any) are not included in the fees set forth in this Agreement. If Customer is exempt from the payment of any such taxes, Customer must provide Superion valid proof of exemption; otherwise, Superion will invoice Customer and Customer will pay to Superion all such tax amounts.
   If Customer fails to make any payment when due, then Superion may charge interest on the past due amount at the rate of 1.5% per month calculated daily and compounded monthly, or, if lower, the highest rate permitted under applicable law; and If such failure continues for 90 days following written notice thereof, Superion may suspend performance or access until past due amounts have been paid.

EXHIBIT 2
Support Standards

1. CentralSquare Cloud Security Program

1.1. Access & Continuity. Logical access restrictions include VLAN data segregation, extensive deny-by-default access control lists, and Multi-Factor authentication required for System Administration. Business continuity is prioritized via daily encrypted backup stored offsite, virtual tape backup technology to counter loss of physical media, and full replication to disaster recovery site, with redundancy an availability through multiple carriers.

1.2. Security & Monitoring. SSL and IPSEC VPN with 256 bit encryption, web application firewalls, multi-layered infrastructure model with recorded internal and external CCTV, card access control, best of breed HVAC/fire suppression/physical security, and backed by 24-7 x 365 monitoring by a staffed operations facility for: Intrusion detection & prevention, DDOS mitigation, and automated network incident creation and escalation.

1.3. Testing, Audits & Compliance. third-party internal, external, perimeter vulnerability and penetration testing. Centrally managed patching, OS hardening program, and endpoint protection on all servers. Industry standard compliance includes annual completion of: SSAE18/ISAE Data Center Audit, SSAE18 Operations Audit, PCI-DSS Compliance Audit, Vulnerability Testing & CVSS Audit, and Control Self-Assessment Audit.

2. Service Level Commitments

2.1. Target**.** In each Service Period, the target for availability of the Solutions is 99.9% ("Availability Target"). "**Service Period**" means 24 hours per day Monday through Sunday each calendar month that Customer receives the Solutions, excluding Sundays between 12:00 AM and 12:00 PM Eastern Time for scheduled maintenance. During this time, Customers may experience intermittent interruptions. CentralSquare will make commercially reasonable efforts to minimize the frequency and duration of these interruptions and CentralSquare will notify the Customer if the entire maintenance window will be required.

2.2. Support Terms**.** Beginning on the Execution Date and continuing for twelve (12) months thereafter ("**Initial Support Term")**, CentralSquare shall provide the ongoing Support Services described herein for the corresponding Fees outlined in Exhibit 1. Upon expiration of the Initial Support Term, ongoing Support Services shall automatically renew, with customer paying for additional annual support periods, each a ("**Renewal Support Term")**. This renewal will continue for up to two one-year terms or until termination of this Agreement provided that, CentralSquare shall not give notice of termination if it would be effective prior to a period equal to two times the Agreement's Initial Term.

2.3. Measurement. Service availability is measured as the total time that the Solutions are available during each Service Period for access by Customer ("**Service Availability**"). Service Availability measurement shall be

applied to the production environment, and the points of measurement for all monitoring shall be the servers and the Internet connections at CentralSquare 's hosted environment. CentralSquare has technology monitoring, measuring, and recording Service Availability. The Customer, at their discretion, may also employ monitoring tools, not to override CentralSquare 's measurements for the purposes of calculating Service Availability. Additionally, the use must be:

2.3.1.1. mutually agreed upon by CentralSquare and the Customer.

2.3.1.2. paid, installed and maintained by the Customer.

2.3.1.3. non-invasive and may not reside on CentralSquare 's systems.

2.4. Calculation. Service Availability for a given month shall be calculated using the following calculation:

2.4.1. The total number of minutes which the service was NOT available in a given month shall be subtracted from the total number of minutes available in the given month. The resulting figure is divided by the total number of minutes available in the given month.

2.4.2. Service Availability Targets are subject to change due to the variance of the number of days in a month.

2.4.3. The total number of minutes which the service was NOT available in a given month shall exclude minutes associated with scheduled or emergency maintenance.

2.5. Remedy. If the Service Period target measurement is not met then the Customer shall be entitled to a credit calculated as follows:

Service Availability in the relevant Service Period	Percentage Reduction in Monthly Fee for the Subsequent Service Period
Less than 99.9% but greater than or equal to 99.0%	5%
Less than 99.0% but greater than or equal to 95.0%	10%
Less than 95%	20%

2.6. If not directly reported by CentralSquare , Credit entitlement must be requested by the Customer within sixty (60) days of the failed Target. Customer shall not be entitled to offset any monthly Solutions fee payments, nor withhold fee payments, on account of a pending credit. Customer shall not be eligible for credits for any period where Customer is more than thirty (30) days past due on their account. CentralSquare will provide reporting, showing performance and service levels.

3. Server Performance & Capacity.

3.1. CentralSquare shall provide sufficient server capacity for the duration of this hosting Agreement to meet the reasonable performance requirements for the number of concurrent system users provided for in this Agreement. If the Customer requests, at some later date, to add additional Solutions, increase user licenses, increase storage or processing requirements, and/or request additional environments, these requests will be evaluated and if additional resources are required to support modifications, additional fees may apply.

3.2. "In-network" is defined as any point between which the data packet enters the CentralSquare environment and subsequently departs the CentralSquare environment. Any point of communications outside of the CentralSquare protected network environment shall be deemed as "out-of-network." CentralSquare is not responsible for Internet connectivity and/or performance out-of-network.

4. System Maintenance.

4.1. Solutions maintenance and upgrades. CentralSquare will provide all hosted systems and network maintenance as deemed appropriate and necessary by CentralSquare. Maintenance and upgrades will be scheduled in advance with the Customer's primary contact if they fall outside of the designated hours set aside for this function of Sundays from 12:00AM to 12:00 PM.

4.2. Hardware maintenance and upgrades. Hardware maintenance and upgrades will be performed outside of the Customer's standard business hours of operation and the Customer will be notified prior to the upgrade.

4.3. Emergency maintenance. Emergency situations will be handled on a case-by-case basis in such a manner as to cause the least possible disruption to overall system operations and availability without negatively affecting system stability and integrity. CentralSquare will attempt to notify the Customer promptly, however if no contact can be made, CentralSquare management may deem it necessary to move forward with the emergency maintenance.

5. Incident Response. Incidents are defined as interruptions to existing service and can range in priority from urgent

to low depending on the impact to the Customer. CentralSquare will make commercially reasonable efforts to respond to Solutions incidents for live production systems using the following guidelines:

Priority Level	Impact	Description	Performance Target	Minimum Performance Goal %
1	Urgent	An Incident that results in loss of Customer connectivity to all of the Solutions or results in loss, corruption or damage to Customer's Data.	CentralSquare will respond within 1 hour of the issue being reported.	95%
2	Critical	An Incident that has an adverse material impact on the performance of the Solutions or materially restricts Customer's day-to-day operations.	CentralSquare will respond within 2 hours of the issue being reported.	95%
3	Non-Critical	An Incident that does not result in a failure of the Solutions but a fault exists that restricts the Customer's use of the Solutions.	CentralSquare will respond within 4 hours of the issue being reported.	95%
4	Minor	An Incident that does not affect or which has minimal adverse impact on the use of the Solutions.	CentralSquare will respond within 24 hours of the issue being reported.	95%

5.1. Measurement. CentralSquare shall track and report on response and resolution time for application and hosting support issues identified by the Customer.

6. **Disaster Recovery.** CentralSquare provides disaster recovery services for Solutions. The costs for these disaster recovery services are included in the monthly fees. In the event that a disaster renders the Customer's data center is inaccessible or rendered non-functional, CentralSquare will provide the ability to connect to the appropriate data center using software provided by CentralSquare within 24 hours of the incident. This will allow the Customer to connect to their systems from a remote site to the previously identified critical functions, however functionality may be diminished due to lack of access to hardware and/or software located in the Customer's facilities.

7. **Exceptions.** CentralSquare shall not be responsible for failure to carry out its service and maintenance obligations under this Agreement if the failure is caused by adverse impact due to:

7.1. defectiveness of the Customer's environment, Customer's systems, or due to Customer corrupt, incomplete, or inaccurate data reported to the Solutions, or documented Defect.

7.2. denial of reasonable access to Customer's system or premises preventing CentralSquare from addressing the issue.

7.3. material changes made to the usage of the Solutions by Customer where CentralSquare has not agreed to such changes in advance and in writing or the modification or alteration, in any way, by Customer or its subcontractors, of communications links necessary to the proper performance of the Solutions.

7.4. a force majeure event, or the negligence, intentional acts, or omissions of Customer or its agents.

8. **Incident Resolution.** Actual response times and resolutions may vary due to issue complexity and priority. For critical impact level and above, CentralSquare provides a continuous resolution effort until the issue is resolved.

9. **Service Requests.** Service requests are new requests that will take less than 8 hours to accomplish. For new requests that require additional time, CentralSquare will prioritize these requests, and determine if extra time is needed to order equipment or software.

10. **Non-Production Environments.** CentralSquare will make commercially reasonable efforts to provide non-production environment(s) during Customer business hours. Non-production environments are not included under the metrics or service credit schedules discussed in this Exhibit.

10.1. Maintenance. All forms of maintenance to be performed on non-production environments will follow the exact structure and schedules outlined above in Section 3 for regular System Maintenance.

10.2. Incidents and service requests. Non-production environment incidents are considered priority 3 or 4, dictated by circumstances and will be prioritized and scheduled similar to production service requests.

11. Responsibility Summary Matrix.

Responsibility Summary Matrix		
Description	CentralSquare Responsibility	Customer Responsibility
ASP Server Hardware management	X	
ASP Server File system management	X	
ASP Server OS upgrades and maintenance	X	
ASP Database product upgrades and maintenance	X	
ASP third-party product upgrades and maintenance	X	
Application Update Installation		
Request to install application updates		X
Installation of application updates	X	
ASP Backup Management	X	
Data and or File restoration		
Request to restore data and or files		X
Restoration of data and or files	X	
Network		
ASP Network up to and including the router at CentralSquare 's location	X	
ASP Router at Customer's location	X	
Customer's network up to the router at Customer's location		X
Customer Workstations		X
System Performance	X	X
Add/Change users		
User add/change requests		X
User add/change implementation for System Access	X	
User add/change implementation for Solutions		X
Add/Change Printers		
Printer add/change requests		X
Printer add/change implementation on ASP network	X	
Printer add/change implementation for Solutions		X
Disaster Recovery	X	
Password Management	X	X
Application Management		
Application Configuration		X
Application Security Management		X
Accuracy and Control of Data		X
Security		
Intrusion and Penetration Testing	X	

12. Virtual Private Network (VPN) Concentrator. If Customer's desired system configuration requires the use of a VPN concentrator, including router, this will be provided by customer.

13. Customer Cooperation. Customer may be asked to perform problem determination activities as suggested by CentralSquare . Problem determination activities may include capturing error messages, documenting steps taken and collecting configuration information. Customer may also be requested to perform resolution activities including, for example, modification of processes. Customer agrees to cooperate with such requests, if reasonable.

14. Training. Outside the scope of training services purchased, if any, Customer is responsible for the training and organization of its staff in the operation of the Solutions.

15. Development Work. The Support Standards do not include development work either (i) on software not licensed from CentralSquare or (ii) development work for enhancements or features that are outside the documented functionality of the Solutions, except such work as may be specifically purchased and outlined in Exhibit 1. CentralSquare retains all Intellectual Property Rights in development work performed and Customer may request consulting and development work from CentralSquare as a separate billable service.

16. Telephone Support & Support Portal

16.1. Hours. CentralSquare shall provide to Customer, Monday through Friday, 8:00 A.M. to 5:00 P.M. Customer's Local Time within the continental United States, excluding holidays ("5x9"). CentralSquare shall provide to Customer, during the Support Hours, commercially reasonable efforts in solving errors reported by the Customer as well as making available an online support portal. Customer shall provide to CentralSquare reasonably detailed documentation and explanation, together with underlying data, to substantiate errors and to assist CentralSquare in its efforts to diagnose, reproduce and correct the error. This support shall be provided by CentralSquare at Customer location(s) if and when CentralSquare and Customer agree that on-site services are necessary to diagnose or resolve the problem. If a reported error did not, in fact, exist or was not attributable to a defect in the Solutions or an act or omission of CentralSquare , then Customer shall pay for CentralSquare 's investigation and related services at CentralSquare 's standard professional services rates. Customer must provide CentralSquare with such facilities, equipment and support as are reasonably necessary for CentralSquare to perform its obligations under this Agreement, including remote access to the Specified Configuration

16.2. Releases**.** Customer shall promptly install and/or use any Release provided by CentralSquare to avoid or mitigate a performance problem or infringement claim. All modifications, revisions and updates to the Solutions shall be furnished by means of new Releases of the Solutions and shall be accompanied by updates to the Documentation whenever CentralSquare determines, in its sole discretion, that such updates are necessary.

16.3. Case Number. Measured from the moment a Case number is created. As used herein a "Case number" is created when a) a CentralSquare support representative has been directly contacted by Customer either by phone, in person, or through CentralSquare 's online support portal, and b) when CentralSquare 's support representative assigns a case number and conveys that case number to the Customer.

EXHIBIT 3

Travel Expense Guidelines

CentralSquare will adhere to the following guidelines when incurring travel expenses:

All arrangements for travel are to be made through the CentralSquare Corporate Travel Agent unless other arrangements have been made with the Customer and are documented in writing.

AIR TRAVEL – CentralSquare will use the least expensive class of service available with a minimum of seven (7) day, maximum of thirty (30) day, advance purchase. Upon request, CentralSquare shall provide the travel itinerary as the receipt for reimbursement of the airfare and any fees. Fees not listed on the itinerary will require a receipt for reimbursement.

Trips fewer than 250 miles round are considered local. Unless a flight has been otherwise approved by the Customer, Customer will reimburse the current IRS approved mileage rate for all local trips.

LODGING –CentralSquare will use the most reasonable accommodations possible, dependent on the city. All movies, and phone/internet charges are not reimbursable.

RENTAL CAR – Compact or Intermediate cars will be required unless there are three or more CentralSquare employees sharing the car in which case the use of a full size car is authorized. Gas is reimbursable however, pre-paid gas purchases will not be authorized and all rental cars are to be returned with a full tank of gas. Upon request, receipts for car rental and gas purchases will be submitted to Customer. CentralSquare shall decline all rental car insurance offered by the car rental agency as staff members will be covered under the CentralSquare auto insurance policy. Fines for traffic violations are not reimbursable expenses.

OTHER TRANSPORTATION – CentralSquare staff members are expected to use the most economical means for traveling to and from the airport (Airport bus, hotel shuttle service). Airport taxi or mileage for the employee's personal vehicle (per IRS mileage guidelines) are reimbursable if necessary. Upon request, receipt(s) for the taxi will be submitted to Customer. Proof of mileage may be required and may be documented by a readily available electronic mapping service. The mileage rate will be the then-current IRS mileage guideline rate (subject to change with any change in IRS guidelines).

OTHER BUSINESS EXPENSES – Parking at the airport is reimbursable. Tolls to and from the airport and while traveling at the Customer site are reimbursable. Tipping on cab fare exceeding 15% is not reimbursable. Porter tips are reimbursable, not exceeding $1.00 per bag. Laundry is reimbursable when travel includes a weekend day or Company Holiday and the hotel stay is four nights or more. Laundry charges must be incurred during the trip and the limit is one shirt and one pair of pants/skirt per day. With the exception of tips, receipts shall be provided to Customer upon request for all of the aforementioned items.

MEALS – Standard per Diem. Subject to change due to cost of living. Alcohol is not a reimbursable expense.

EXHIBIT 4

Minimum Insurance Requirements and Business License

Contractor will obtain and maintain for the duration of the Agreement and any and all amendments, insurance against claims for injuries to persons or damage to property which may arise out of or in connection with performance of the services by Contractor or Contractor's agents, representatives, employees or subcontractors. The insurance will be obtained from an insurance carrier authorized to do business in the State of California. The insurance carrier is required to have a current Best's Key Rating of not less than "A-:VII"; **OR** with a surplus line insurer on the State of California's List of Approved Surplus Line Insurers (LASLI) with a rating in the latest Best's Key Rating Guide of at least "A:X"; **OR** an alien non-admitted insurer listed by the National Association of Insurance Commissioners (NAIC) latest quarterly listings report.

Coverage and Limits.

Contractor will maintain the types of coverage and minimum limits indicated below, unless the Risk Manager or City Manager approves a lower amount. These minimum amounts of coverage will not constitute any limitations or cap on Contractor's indemnification obligations under this Agreement. City, its officers, agents and employees make no representation that the limits of the insurance specified to be carried by Contractor pursuant to this Agreement are adequate to protect Contractor. If Contractor believes that any required insurance coverage is inadequate, Contractor will obtain such additional insurance coverage, as Contractor deems adequate, at Contractor's sole expense. The full limits available to the named insured shall also be available and applicable to the City as an additional insured.

- Commercial General Liability **(CGL)** Insurance. Insurance written on an "occurrence" basis, including personal & advertising injury, with limits no less than **$1,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
- Automobile Liability. (if the use of an automobile is involved for Contractor's work for City). $1,000,000 combined single-limit per accident for bodily injury and property damage.
- Workers' Compensation and Employer's Liability. Workers' Compensation limits as required by the California Labor Code. Workers' Compensation will not be required if Contractor has no employees and provides, to City's satisfaction, a declaration stating this.
- Professional Liability. Technology Errors and omissions liability appropriate to Contractor's profession with limits of not less than $1,000,000 per claim. Coverage must be maintained for a period of three year following the date of completion of the work.
- Cyber Liability Insurance, with limits not less than $2,000,000 per claim, $2,000,000 aggregate. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Vendor in this agreement and shall include claims involving infringement of intellectual property, infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations.
- Additional Provisions. Contractor will ensure that the policies of insurance required under this Agreement contain, or are endorsed to contain, the following provisions:
    - The City will be included as an additional insured on Commercial General Liability which shall provide primary coverage to the City.

- Contractor will obtain occurrence coverage, excluding Professional Liability and Cyber Liability, which will be written as claims-made coverage.
- This insurance will be in force during the life of the Agreement and any extensions of it and will not be canceled without thirty (30) days prior written notice to City sent by certified mail pursuant to the Notice provisions of this Agreement, with the exception of cancellation for non-payment of premium.

- Providing Certificates of Insurance and Endorsements. Prior to City's execution of this Agreement, Contractor will furnish certificates of insurance and endorsements to City.
- Failure to Maintain Coverage. If Contractor fails to maintain any of these insurance coverages, then City will have the option to declare Contractor in breach, or may purchase replacement insurance or pay the premiums that are due on existing policies in order to maintain the required coverages. Contractor is responsible for any payments made by City to obtain or maintain insurance and City may collect these payments from Contractor or deduct the amount paid from any sums due Contractor under this Agreement.

BUSINESS LICENSE

Contractor will obtain and maintain a City of Carlsbad Business License for the term of the Agreement, as may be amended from time-to-time.

EXHIBIT 5
Scope of Work

1. 1.0 Implementation Statement of Work

This document is the Statement of Work (SOW) and contains the approach for the implementation of CentralSquare's Technology's ("CentralSquare") Public Administration Finance Enterprise migration (Enterprise Solution). This upgrade is solely related to the services expressly identified in the Solutions Agreement (the "Agreement") for Carlsbad, CA (the "Customer"). CentralSquare will provide implementation services identified in the Agreement and as further described in this SOW to assist the Customer in implementing the software solution. The SOW is an attachment incorporated as part of the Agreement signed by CentralSquare and the Customer, and all actions directed herein shall be performed in accordance with the aforementioned Agreement.

This SOW is intended to be a planning and control document, not the detailed requirements or design of the Enterprise Solution.

2. 2.0 Scope Overview

The purpose of this project is to migrate the Customer's current Financial software (IFAS v7) to CentralSquare's Finance Enterprise solution. The following solutions are a part of the Enterprise Solution: Finance Professional and Human Capital Management. The project scope is comprised of the Enterprise Solution applications and services identified in the Agreement and further described throughout this SOW. Anything not specifically designated in the Agreement or SOW should be considered out of scope and not part of this project.

Current IFAS Modules	Finance Enterprise Modules	HCM Modules
☒ General Ledger	☒ General Ledger	☒ Human Resources
☒ Job/Project Accounting Ledger	☒ Job/Project Accounting Ledger	☒ Payroll
☒ Accounts Payable	☒ Accounts Payable	☐ Employee Online
☒ Accounts Receivable	☒ Accounts Receivable	☐ Applicant Online
☒ Bank Reconciliation	☒ Bank Reconciliation	☐ Professional Development
☒ Purchasing	☒ Purchasing	☐ Personnel Actions
☒ Fixed Assets	☒ Fixed Assets	☐ Time Card Online
☒ Easy Laser Forms	☒ Easy Laser Forms	☐ Position Budgeting
☒ Documents Online	☒ Documents Online	☐ Project Allocation
☒ Human Resources	☐ Grants Management	☒ Budgeting
☒ Payroll	☐ PunchOut	
☐ Employee Online	☐ Bid and Quote Management	
☐ Applicant Online	☐ Stores Inventory	
☐ Check Management	☒ Finance ASP/RSP	
☒ Click, Drag, and Drill	☒ Cognos	
	☐ Contract Management	

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- Note: Existing CDD reports will continue to be available for use with OneSolution but development of new reports is supported with Cognos only. Insight reports will be migrated to Cognos prior to go live.

2.1 Services Scope

The following outlines the proposed services for the project management, installation, configuration, training, testing, and other services work necessary for the implementation of the Enterprise Solution and represents a good-faith estimate based on our knowledge at time of the Agreement.

Service Description

Engagement	High Level Tasks	Key Deliverables

Planning/Project Initiation/Analysis	Completion of this following tasks are accomplished through a combination of onsite and remote visits:
	• Kick-Off meeting
	• Formal discovery sessions at start of project
	• Detailed scope and contract review
	  ○ Discovery/design and workflow review
	  ○ Conversion scope review
	• Assignment of project team and identify key team members
	• Identify improvement opportunities through a workflow analysis
	• Collaboratively develop a project schedule that drives implementation
		1. Project Management Plan
		2. Integrated Project Schedule
		3. Communication Plan
		4. Decision Workbook

Monitoring and Control/ Configuration	Remote installation tasks consisting of the following: • Software installation • Application installation • Network architecture review Comprehension design and configuration task for the software solution: • Creation of workflow • Report development • System configuration • Data converted • Third-party software Integration, where applicable Remote Data Conversion and Testing: • After initial data load occurred within respective processes, CentralSquare will upload the subsequent rounds of corrected Customer provided legacy extract files into “software”	5. Monthly Status Report 6. Issues Log 7. Risk Register
Testing	Shared responsibilities for the following tasks: • System validation • Application tests • Integration testing • Parallel testing Completion of the following tasks are accomplished through a combination of onsite and distance learning sessions: • End user training System administration training	8. Test Workbook
Deployment/ Closeout	Tasks to be completed at or near the end of the implementation project: • Mock Go Live/Go Live Readiness review • Go Live activities • Complete project documentation • Transition to support team • Transition to customer success manager	9. Go Live Plan 10. Services to Support/CSM Project Closeout Report

Service Assumptions

- CentralSquare is implementing a Commercially Available Off-the-Shelf solution.
- Customer and CentralSquare will jointly develop the detailed and fully integrated project plan and schedule. Any significant or material changes to the project, once the project plan is finalized, may result in the need for a change order.
- Customer may obtain the services of an additional consultant to provide project review, advice, and consultation at their own cost. CentralSquare will make every attempt to cooperate with the efforts of this consultant within the context of Customer's participation, deliverable review, and approval timeframes identified within this SOW and the Agreement.
- Both the Customer and CentralSquare will furnish resources with appropriate skills and experience to handle the roles and responsibility described in this SOW.

Customer Responsibilities

- Customer will change business processes as necessary to maximize efficiencies in the Enterprise Solution.
- Customer will make resources available to assist as needed to fulfill the responsibilities herein.
- Customer will form a Project Team and will make their Project Team members available for meetings; consulting and training sessions; discussions and conference calls; and, other related project tasks or events requested by CentralSquare, or as indicated in the project plan.
- Customer Project Team members will respond to information requests from CentralSquare staff in a timely manner as to minimize delays in the project.
- Customer Project Manager, Project Team, Subject Matter Experts, and other key personnel (as determined by Customer) will participate in the Kick-Off Meeting.
- Customer will cooperate with CentralSquare Project Manager to develop a mutually agreeable schedule and agenda for the workflow discovery.
- Customer will review recommendations in the Workflow Analysis Report and attend the scheduled presentation of the findings. Customer will make best effort to submit written questions or requests for clarification/revision to the CentralSquare Project Manager within five (5) business days of the presentation.
- Customer will participate in planning activities (conference calls, emails) with CentralSquare Application Installation Consultant and Technical Lead.
- Customer will provide access to servers as required for CentralSquare Technical Lead and Application Installation Consultant to perform installation tasks.
- Customer will designate a representative as the Project Team's Project Manager. The Project Manager will be the primary point of contact for project coordination throughout the project.
- Customer will provide adequate breakout and conference space, as well as an adequate workspace for each onsite CentralSquare consultant, with access to network, Wi-Fi, telephone, and close proximity to the Customer Project Team.
- Customer will provide adequate training space and computers for the scheduled training throughout the project. The training spaces will include fully functioning networked computers,

meeting the required CentralSquare hardware standards. CentralSquare may consider alternative meeting options such as WebEx, video conferencing, remote desktop, and conference calls when appropriate.

- Customer will act as the primary point of contact with non-CentralSquare third parties, including other vendors, state agencies, and local agencies that control products and/or databases with which CentralSquare products are to be interfaced.
- Customer will provide expertise in third-party data, data mapping, and data validation.
- Customer will be responsible for validating all data transferred into the Enterprise Solution and data transferred from Enterprise Solution into other third-party applications.
- Customer application owners will participate in testing activities.
- Customer will provide verification and validation of the converted data into the designated non-production environment according to the Test Plan.
- Approval to proceed: Customer will provide sign off of the converted data set in a non-production environment, approving the cycle to be completed in a production environment.
- Customer will identify and schedule appropriate personnel to attend training.
- Customer will complete all tasks on the Customer Go Live preparation checklist in the designated timeframes.
- Customer Project Manager and other key personnel (as determined by Customer) provide support and assistance throughout Go Live event.
- Customer will provide sign off of the converted data set into the production environment.

Out of Scope

- Modifications to baseline reports, forms, web pages.

3. Interfaces and Integrations

The software Integrations and Interfaces identified during the sales process are described below. During the project, further discussion and discovery will take place and the Customer may request that modifications to the integration and/or interface services scope be performed by CentralSquare. If substantial changes to the integration or interface scope is requested to be modified by Customer, it may become the subject of a separately executed Change Order. A Change Order will describe changes in scope of services and payment of fees due for such modified hours/pricing. If the scope change is the result of adding and deleting interfaces, then CentralSquare will determine the net effect of the change during the Change Order process. All Change Orders associated with interfaces will be based on CentralSquare's Services current hourly rates.

CentralSquare and Customer will conduct the following Integration and Interfaces services as part of this project.

Interfaces Scope

Interfaces are process where data from the IFAS Solution is compiled in a format (stored procedure/batch export) for use into another Customer system. This is typically a single direction data transfer.

Integrations Scope

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Integrations allow for the automatic communication and data transfer between systems. Integration development is the joint responsibility of the Customer and CentralSquare. Customer will be responsible for integration development work to/from existing legacy systems. The integrations included in this SOW were identified by CentralSquare based on discovery. During the project, further discussion and discovery will take place and the Customer may request that modifications to the integration services scope be performed by CentralSquare. CentralSquare will provide necessary assistance with integration setup, testing, and implementation to verify communications and basic functionality. Upon completion of the Discovery work session(s), CentralSquare will provide the Customer with a list of triggers for extracting data from the CentralSquare database(s) to be submitted to the Customer's third-party vendors and with the configuration details for data import. CentralSquare agrees to answer any database/interface questions and work with Customer's vendors to complete integrations as necessary.

Roles and Responsibilities

CentralSquare:

- CentralSquare consultants will advise and train Customer on using the CentralSquare standard file uploads to complete the data integration if applicable. CentralSquare will assist and advise on data mapping as required. CentralSquare supplies numerous API's for integration the Customer can use should they choose. The API's are part of the Fusion integration tool.
- CentralSquare will assist and advise Customer on API integration.
- CentralSquare will work with the Customer on testing and perfecting the integrations, until Customer signs off on each integration. Customer understands that any delay on their part may have an impact on the overall project schedule. CentralSquare understands that any delay on their part may also have an impact on the overall project schedule.
- Where a CentralSquare relationship exists, CentralSquare may provide assistance to the Customer to facilitate the communication with third parties, including other vendors, state agencies, and local agencies that control products and/or databases with which CentralSquare products are to be integrated.
- Install all integrations/interfaces required for Go Live prior to system integration testing.
- Training for SME's on functionality and maintenance of each integration/interface as installed and configured.
- Provide interface/integration control documents to Customer, upon request.
- Where interfaces are custom, CentralSquare will work with the third-party consultants to receive a detailed statement of work around each custom item. CentralSquare will assist Customer as necessary in performing the integration testing and validation.

Customer:

- Customer will share with CentralSquare the planning and tasks of creating the interfaces/integrations.
- Act as the primary point of contact with third parties, including other vendors, state agencies, and local agencies that control products and/or databases with which CentralSquare products are to be interfaced/integrated.
- Provide detailed schema, protocol, query specifications, as needed, and as available per interface.
- Ensure design decisions are made conclusively and in a timely fashion.
- Provide a Customer point of contact for each interface who is knowledgeable of the workflow and data requirements.
- Responsible for validating all data transferred into the Solution and data transferred from the IFAS Solution to another application.
- Provide SME(s) familiar with existing data structures in the legacy system to assist with the interface/integration process.
- Provide expertise in third-party data, data mapping, and data validation.
- Customer will make best effort to review and provide written feedback on interface/integration control documents within ten (10) business days of delivery.

Assumptions:

- CentralSquare is not responsible for the applicable third-party software, third-party hardware or third-party system software costs which may be required for the development of the interfaces described.
- CentralSquare will provide SQL read-only access to the Finance Enterprise database for real-time data reads to support external systems and reporting.
- Following is a description of the interfaces to be provided.

Integration/Interface Name	Description of Integration/Interface (i.e. what data is expected to interface)	Type of Integration/Interface (i.e. API, Web service, Batch)	1-way/2-way/Bi-directional	Standard/ Custom	Automated / manual
SQL database	SQL read-only access to all tables in the Finance Enterprise database for real-time data reads to support external systems and reporting. Ability to create, edit and drop additional SQL stored procedures and views within the CentralSquare hosted database for READ transactions.	VPN/SQL	Bi-directional	Standard	Automated

4.

Application Software Installation

CentralSquare and Customer will conduct the following Installation as part of this project.

Tasks	Name	Description	Customer Role	CentralSquare Role
1)	Installation	Initial Installation of CentralSquare's Enterprise Solution software	• Attend Discovery Call	• Discovery Call

				• Complete install and data migration
2)	Test Account Creation	Test Account Creation is the creation of the test account which is cloned from the pre-production environment.	• Validate Account	• Create Test Account

Assumptions

- CentralSquare will provide the Enterprise Solution software.
- CentralSquare will create one (1) Production Account and one (1) Test Account as part of the Agreement. Additional accounts will require additional hours added under separate quote by mutual written agreement at CentralSquare's prevailing rates currently $180.
    - Production Environment may have up to 4 application servers
    - Test and any Additional Environments will each have (1) application server
- System Administrative training comes standard with all the Enterprise Solution installations which will be completed remotely. CentralSquare will train Customer on doing a data refresh from Production to other environments as part of admin training.

Roles and Responsibilities

CentralSquare:

- Load files and perform initial configuration of all licensed CentralSquare applications, including base and add-on modules, and interfaces to third-party applications. Configuration includes activating appropriate modules, table set up, and selection of mandatory configuration settings based on combination of CentralSquare applications purchased.
- Set up test environment as mirror copy of the production environment.
- Conduct knowledge transfer of installation/set up procedures to Customer IT staff and/or other designated personnel responsible for set up and maintenance of end-user computers (4-6 people maximum).
- Conduct a test to verify that CentralSquare applications have been installed and configured successfully, operating properly, and are ready to begin the implementation and configuration process. Note: Not all CentralSquare components may be ready at this point, for a full test, but a reasonable effort ensures CentralSquare components are ready for the next step in the process. CentralSquare installation services will ensure that all needed components are prepared and ready prior to conducting subsequent activities for the specific application area according to the agreed upon Project Schedule.

Customer:

- Participate in planning activities (conference calls, emails) with CentralSquare Application Installation Consultant and Technical Lead.
- Attend knowledge transfer sessions focusing on how to prepare workstations or mobile computers to run CentralSquare applications.

5. Project Governance

The purpose of the project governance is to define the resources required to adequately establish the business needs, objectives and priorities of the project, communicate the goals to other Project participants and provide support and guidance to accomplish these goals. Project governance also defines the structure for issue escalation and resolution, change control review and authority, and organizational change management activities.

The preliminary governance structure establishes a clear escalation path when issues and risks require escalation above the Project Manager level. Further refinement to the structure, the process and specific roles and responsibilities may occur throughout the project. Changes to the governance will be mutually agreed upon, properly documented, and communicated to all impacted parties.

Organizational change management plays a vital role in achieving high levels of user adoption and realization of benefits from efficiencies gained during prescriptive process changes throughout the implementation. Managing the organizational change acceptance through the establishment of a formal Change Management Team is a key function that drives project success.

Customer Personnel

Steering Committee (SC)

The Customer's SC provides support to the project by allocating resources, providing strategic direction, communicating key issues about the project and the project's overall importance to the organization. When called upon, the SC will also act as the final authority on all escalated project issues. The SC engages in the project, as needed, to provide necessary support, oversight, guidance, and escalation, and may participate in day-to-day activities in their normal job roles. The SC will empower the Product Owner, Project Manager, Change Manager, Project Management Team and the functional team leads to make critical business decisions for the Customer. Specifically, the SC will:

- Understand and support the cultural change necessary for the project
- Oversee the project team and the project as a whole
- Participate in regular meetings so it is current on all project progress, project decisions, and achievement of project milestones
- Communicate the importance of the project to internal departments along with other department directors and the Change Manager.

Be responsible for making timely decisions on critical project or policy issues.

The Project Team (PT)

This team is made up of the Customer Project Manager and subject matter experts from major departments within the organization. It will meet on a regular basis to monitor that overall project goals are realized. This team will formulate strategy to the execution of the project plan and make decisions and recommendations

regarding project activities, changes, resources, issues, and risks. This team will also provide oversight and guidance for Change Management, ensuring project and change management activities are properly aligned with overall objectives. In short, this team will serve as a liaison between the Steering Committee and the day-to-day activities of the project. Meeting frequency between this group and the CentralSquare Project Manager will be defined in the Communications Plan.

Project Sponsor

The Project Sponsor is the management level resource that will be responsible for accurately communicating the requirements, assumptions and constraints of the business unit to the team. The work performed by the PS will include the clarification of business requirements, testing and communication of project status to staff. The PS will work closely with the Client's PM and Central Square's PM.

- The Customer's Project Sponsor will communicate and reinforce the vision
- Collaborate with stakeholders and the team to define and communicate the roadmap
- Collaborate with the Change Management Team
- Clarify requirements and priorities with stakeholders and team
- Manage the Functional Team Leads and SMEs

Project Manager

The Customer's Project Manager will:

- Be the primary contact for the project
- Coordinate Customer's project team members
- Coordinate all CentralSquare activities with the CentralSquare Project Manager
- Coordinate the subject matter experts (SMEs) at the Customer
- Be responsible for reporting to the ST
- Ensure all deliverables are reviewed on a timely basis by the Customer
- Co-manage the overall implementation schedule with the CentralSquare Project Manager
- Collaborate with the Change Management Team

Functional Team Leads

Customer project team members will work under the direction of the designated Functional Team Leads for each area in the system. The functional leads have detailed subject matter expertise and are empowered to make or obtain from the ST appropriate business process and configuration decisions in their respective areas.

The functional leads are tasked, by the Customer Project manager, with carrying out all project tasks described in the SOW including business process analysis, configuration, documentation, testing, training, and all other required Customer tasks. The functional leads will be responsible for and empowered to implement the new system in the best interests of the Customer consistent with the project goals, project vision, and direction from the Project Manager, the PMT and the ST.

Subject Matter Experts (SMEs)

SMEs have special, in-depth knowledge of Customer's current legacy systems and processes. Their opinions will be sought in defining business needs, test requirements, and software functionality. During the implementation, the Customer's SMEs will dedicate a considerable amount of their time to the project because they may be involved in multiple roles, including participating in training and other workshops, conducting end user training, reviewing project deliverables, performing various testing tasks, etc.

Quality Assurance Team (QAT)

The Customer will form a QAT made up of individual(s) who will participate in the review and acceptance of each CentralSquare deliverable and conduct periodic project health checks to ensure tasks are completed on time, on budget and to the satisfaction of the Customer. Furthermore, the QAT will work closely with the Project Manager to ensure all contractual matters are in compliance and services delivered are in accordance with the terms and conditions of the CentralSquare/Customer agreement as well as with the SOW.

Assumptions:

- The Customer may have multiple staff providing the roles outlined above and the same staff providing multiple roles.

CentralSquare Personnel

Project Sponsor

CentralSquare Project Sponsor will have indirect involvement with the project and is part of the escalation process. The sponsor will offer additional support to the CentralSquare project team and collaborate with other third-party consultants who are involved on this project. Specifically, the Project Sponsor will:

- Provide support to Project Managers in reporting project progress to ST.
- Approve and sign-off on any material changes to project scope or staffing changes.

Project Manager

The CentralSquare Project Manager will coordinate all project activities with the Customer and perform the following:

- Serve as the point person for all project issues (the first escalation point)
- Be responsible for project performance, deliverables as they are outlined in the SOW, and the milestones.
- Provide periodic updates to the Customer's ST and the PMT.
- Fulfill Go Live dates
- Support the Customer Project Manager in monitoring and reporting overall implementation progress
- Monitor and report progress on CentralSquare's responsibilities on a weekly basis

- Immediately notify the Customer Project Manager, the PMT and the ST of any issue that could delay the project
- Ensure Software installation occurs as per the project schedule.
- Schedule CentralSquare Staff according to the project plan.
- Facilitate coordination between all CentralSquare departments.
- Monitor the work plan and schedule and make course corrections as necessary.
- Prepare bi-weekly status reports along with notes from meetings and calls.
- Develop meeting agendas.
- Provide issue resolution status, tracking, and procedures.
- Identify personnel, equipment, facilities and resources that will be required to perform services by CentralSquare.

Functional Leads (Consultants, Developers, and Technical resources)

- Install application in agreed upon environments.
- Work with the Customer functional leads and SMEs to design and configure the functional components of the Enterprise Solution software for optimal long-term use.
- Document decisions made during configuration in the weekly site reports.
- Lead the Enterprise Solution software configuration with assistance from the Customer's functional leads.
- Check that software operates after configuration as per its documentation.
- Assist with the resolution of issues and tasks.
- Schedule the training of the Customer functional leads and SMEs during the configuration of software.
- Provide and assist with data conversion guides.
- Create and deliver interface programs according to Customer specifications and this SOW.
- Provide training on security and assist with set up.
- Provide training on workflow and assist with set up.
- Provide samples of and training on the creation of forms and reports.

6. Quality Assurance

Project Oversight

The CentralSquare Project Management Organization (PMO) will provide Project Oversight throughout the project life cycle.

Assuring a project of this type is progressing as outlined in the project management plan and is achieving the goals of the Customer is critical to overall project success and eventual adoption of the system by all stakeholders. Said oversite includes, but is not necessarily limited to:

- Providing assistance with any areas of high risk identified throughout the project.

- Holding a monthly meeting with the Customer PMT to discuss and assess their view of the project progress.
- Communicating any challenges internally to leadership throughout CentralSquare's organization to assist in resolving issues.
- Providing feedback to CentralSquare project staff and CentralSquare PMO on the results of the oversight activities.
- Helping identify lessons learned that can improve performance on future phases.
- Issues that will impact the quality, timeline, and overall goals will be identified, tracked, resolved and documented in the Issues/Tasks Log. These issues will be presented to the PMT and the ST during the regular cadence meetings as required.

7. Deliverable and Milestone Approval & Acceptance

The Customer will review, approve and provide written acceptance for all Milestones outlined in the Agreement by following the below process:

- The Customer will make best effort to identify in writing any required changes, deficiencies, and/or additions necessary, within ten (10) business days from the form being delivered to the customer for each completed Deliverable, unless the review timeframe is deemed to be insufficient for a proper review. In such cases, the Customer Project Manager will request an extension in writing to the CentralSquare Project Manager, and the parties will mutually agree to a reasonable alternative to the original deadline.
- CentralSquare will review deliverables which are not approved and create a plan to address the deficiencies. Once the deliverable has been corrected or the milestone achieved, a revised completion form will be submitted. The Customer will then review the deliverable or milestone and provide any additional comments on any required changes, deficiencies, and/or additions necessary within ten (10) business days from the updated completion form being delivered to Customer. Again, if the review timeframe is deemed to be insufficient for a proper review, the Customer Project Manager will request an extension in writing to the CentralSquare Project Manager, and the parties will mutually agree to a reasonable alternative to the original deadline. This process will be repeated until the Customer grants approval and signoff on the deliverable or milestone.
- Upon approval of the deliverable or milestone, the Customer Project Manager will sign the completion form and return it to CentralSquare Project Manager.

8. Dispute Resolution Procedures

The Customer and CentralSquare should anticipate challenging issues to arise throughout the implementation process due to the complex magnitude of this project. In order for these issues to be remedied in a timely fashion, the Customer and CentralSquare will utilize the following Dispute Resolution Procedure:

All communication regarding the project should be directed to the respective Project Managers of CentralSquare and the Customer to maintain consistent communication between the parties. Scheduled weekly calls/meetings will be maintained between the two Project Managers and the Customer's PMT.

All issues or concerns will be discussed actively and openly between all parties. If issues begin to interfere with the progression of the implementation project, the Customer and/or CentralSquare should escalate issues to CentralSquare management in the sequence below, as needed:

Name and Role	Phone	Email
Michael DiOrio, Sr. Director of Professional Services	407-304-3024	Michael.DiOrio@CentralSquare.com
George Slyman, Sr. Director of Professional Services	360-303-9362	George.Slyman@CentralSquare.com
Aydin Asil, VP Professional Services	604-340-1720	Aydin.Asil@CentralSquare.com

9.

10. Change Requests and Changes to this Scope of Work

The Customer and CentralSquare may request a change to this scope of work by following the process outlined in the Agreement.

Either party may request changes in scope. Such a request is honored by the parties only if it becomes a formal Change Order. Customer will work with CentralSquare to document all requested changes in a change request form ("Change Order Form").

The change order will provide sufficient detail including the following.

- Detailed description of resources (both Customer and CentralSquare) required to perform the change.
- Specifications if applicable
- Implementation plans
- Schedule for completion
- Verification and approval criteria
- Impact on current milestones and payment schedule
- Additional milestones (if applicable)
- Impact on project goals and objectives
- Price

Either CentralSquare or Customer management may propose a change by submittal of a Change Request to the other party. The other party has seven (7) business days (or as mutually agreed upon) to determine whether it agrees to the Change Request. If both parties agree to the Change Request, the change will become a Change Order documented and signed by both parties. If agreement to pursue a Change Order does not occur in seven (7) business days of the initiation of the Change Request (or as mutually agreed upon), it is assumed that the Change Request has been rejected and any remaining issues will be identified on the Issues Log and/or follow the above-mentioned dispute resolution process.

11. Acts or Omissions of Customer

If CentralSquare's performance of its obligations under this SOW is prevented or delayed by any act or omission of Customer, any Authorized Service Recipient, or their agents, subcontractors, consultants, or employees outside of CentralSquare's control, CentralSquare Provider shall not be deemed in breach of its obligations under this SOW or otherwise liable for any costs, charges, or losses sustained or incurred by Customer, in each case, or for any delays in delivery of any services, products or deliverables under this SOW to the extent arising directly or indirectly from such prevention or delay.

To avoid penalties associated with cancelation or delay of any deliverables, products, or services that were to be provided in accordance with the terms of this SOW as defined in the mutually agreed upon project schedule, Customer must provide notice of cancellation a minimum of five (5) business days prior to scheduled event.

CITY COUNCIL
Staff Report

Meeting Date: July 14, 2020

To: Mayor and City Council

From: Scott Chadwick, City Manager

Staff Contact: Brandon Miles, Associate Engineer
brandon.miles@carlsbadca.gov, 760-602-2745

Subject: Plans and Specifications Approval and Authorization to Advertise for Bids for the El Camino Real and College Boulevard Intersection Improvements Project

Recommended Action

Adopt a resolution approving the plans and specifications, and authorizing the city clerk to advertise for bids for the El Camino Real and College Boulevard Intersection Improvements, Capital Improvement Program Project No. 6071.

Executive Summary

The project, which is located at El Camino Real and College Boulevard, would improve mobility for pedestrians and bicyclists and upgrade existing curb ramps and crosswalks to meet Americans with Disabilities Act standards. The improvements include enhanced bicycle lanes and pedestrian access as well as traffic signal timing modifications to improve traffic flow. These improvements will bring the existing bike lanes up to current design standards.

City of Carlsbad Municipal Code Section 3.28.080(E) requires the City Council to approve plans and specifications for all construction projects that are to be formally bid when the value exceeds the limits established by California Public Contract Code Section 22032(c), including the alternative provisions of the Uniform Public Construction Cost Accounting Act. The estimated cost for the construction contract is $468,600, excluding construction contingency and construction management costs, putting it above the public code limit of $200,000.

Staff recommends approval of the project plans and specifications, and requests authorization for the city clerk to advertise for construction bids for the project. The plans are available for review in the City Clerk's Office.

Discussion

Background

As identified in the Growth Management Plan Monitoring Report for fiscal year 2017-18, and as staff presented to the City Council on July 16, 2019, southbound El Camino Real from Cannon

Road to College Boulevard is a deficient street facility[1] because it does not meet the required level of service performance standard required by the city's Growth Management Plan.

Staff provided a presentation on these four deficient street facilities to the City Council on May 5, 2020. The streets included northbound and southbound El Camino Real from College Boulevard to Cannon Road. The presentation also included measures to address the deficiencies, including a project to build the missing stretch of College Boulevard.

The council directed staff to return with three revised resolutions for determining the four street facilities to be deficient, built out and exempt from the vehicular level of service performance standard, as laid out in General Plan Mobility Element Policy 3-P.9, as well as for expediting a capital improvement project that would improve conditions on one street facility.

On June 9, 2020, the council determined the street facilities to be deficient, as well as built out and exempt from meeting the level of service standards. Two of the street facilities are northbound and southbound El Camino Real from College Boulevard to Cannon Road.

What this project will do

The intersection of El Camino Real and College Boulevard currently has a pedestrian refuge island and a free right-turn slip lane at the southwest corner. A slip lane allows vehicles to turn at the intersection without actually entering it and interfering with through traffic.

This project would convert the existing right-turn slip lane to a standard right-turn only lane from eastbound El Camino Real to southbound College Boulevard and remove the pedestrian refuge island on the southwest corner of the intersection. Removing the right-turn slip lane will provide safer crossing for pedestrians, because it will slow down right-turning vehicles at this approach. It will also reduce pedestrian crossing distances for the southwest corner of the intersection and provide better mobility for the future connection with College Boulevard.

The El Camino Real median will also be realigned to the north to accommodate a left-turn lane on southbound El Camino Real to northbound College Boulevard, three southbound through lanes on El Camino Real, a southbound dedicated bike lane on El Camino Real with green paint approaching the intersection and a southbound right turn-only lane on El Camino Real onto southbound College Boulevard.

Additionally, the existing curb ramps will be upgraded to meet current ADA standards, and high-visibility crosswalks will be added to all legs of the intersection. The improvements will also include traffic signal timing modifications to improve operations. See Exhibit 2 for the project location map.

While the project will improve pedestrian and bicycle safety and mobility at El Camino Real and College Boulevard, the street facility is still not expected to meet the performance standard and is expected to remain deficient after completion of the project.

[1] A street facility is a portion of a roadway with the same characteristics, such as the number of lanes. It includes not only the street, but the sidewalks, bike lanes, medians, traffic signals and lighting and even the landscaping that makes up a road.

This item received unanimous support from the Traffic and Mobility Commission on Feb. 3, 2020. Attached as Exhibit 3 are the minutes from that meeting.

Fiscal Analysis

Sufficient funds are available from the general capital construction and gas tax funds to complete the project. The available funds and estimated construction are shown in the following tables. Remaining funds will be available for future projects.

EL CAMINO REAL AND COLLEGE BOULEVARD INTERSECTION IMPROVEMENTS, CAPITAL IMPROVEMENT PROJECT NO. 6071	
Total funds available (general capital construction and gas tax)	$766,565
Construction (engineer's estimate)	$468,600
Construction contingency (15%)	$70,290
Construction management and inspection (15%)	$70,290
TOTAL ESTIMATED CONSTRUCTION COSTS	$609,180
REMAINING BALANCE AFTER CIP PROJECT NO. 6071	$157,385
ADDITIONAL APPROPRIATION NEEDED	**$0**

Next Steps

After approval of the project plans and specifications and authorization to bid, the city clerk will advertise for construction bids. Received bid packages will be evaluated and the lowest responsive and responsible bidder will be identified by city staff. Staff will then return to the City Council with a recommendation to award a construction contract to the identified bidder. Construction is expected to begin in late 2020 and take about six months to complete.

Environmental Evaluation (CEQA)

The project is exempt from the California Environmental Quality Act under CEQA Guidelines Section 15301(c) – minor alteration of existing facilities including streets, sidewalks and similar facilities involving negligible or no expansion.

Public Notification

Public notice of this item was posted in accordance with the Ralph M. Brown Act and it was available for public viewing and review at least 72 hours prior to the scheduled meeting date.

Exhibits

1. City Council resolution
2. Location map
3. Minutes from the Feb. 3, 2020, Traffic and Mobility Commission meeting

RESOLUTION NO._____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, APPROVING PLANS AND SPECIFICATIONS AND AUTHORIZING THE CITY CLERK TO ADVERTISE FOR BIDS FOR THE EL CAMINO REAL AND COLLEGE BOULEVARD INTERSECTION IMPROVEMENTS, CAPITAL IMPROVEMENT PROGRAM (CIP) PROJECT NO. 6071 (PROJECT).

WHEREAS, the City Council of the City of Carlsbad, California has determined that it is necessary and in the public interest to improve the intersection at El Camino Real and College Boulevard, CIP Project No. 6071; and

WHEREAS, the plans, specifications and contract documents for El Camino Real and College Boulevard Improvements, CIP Project No. 6071, have been prepared and are on file at the city clerk's office and are incorporated herein by reference; and

WHEREAS, funding for said Project has been appropriated from the General Capital Construction (GCC) fund and Gas Tax fund and are sufficient; and

WHEREAS, the Project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301(d); and

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

1. That the above recitations are true and correct.
2. That the plans, specifications, and contract documents are hereby approved.
3. The city clerk of the City of Carlsbad is hereby authorized and directed to publish in accordance with state law, a Notice to Contractors Inviting Bids for construction of the Project, in accordance with the plans, specifications and contract documents referred to herein.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the __ day of _____, 2020, by the following vote, to wit:

AYES:

NAYS:

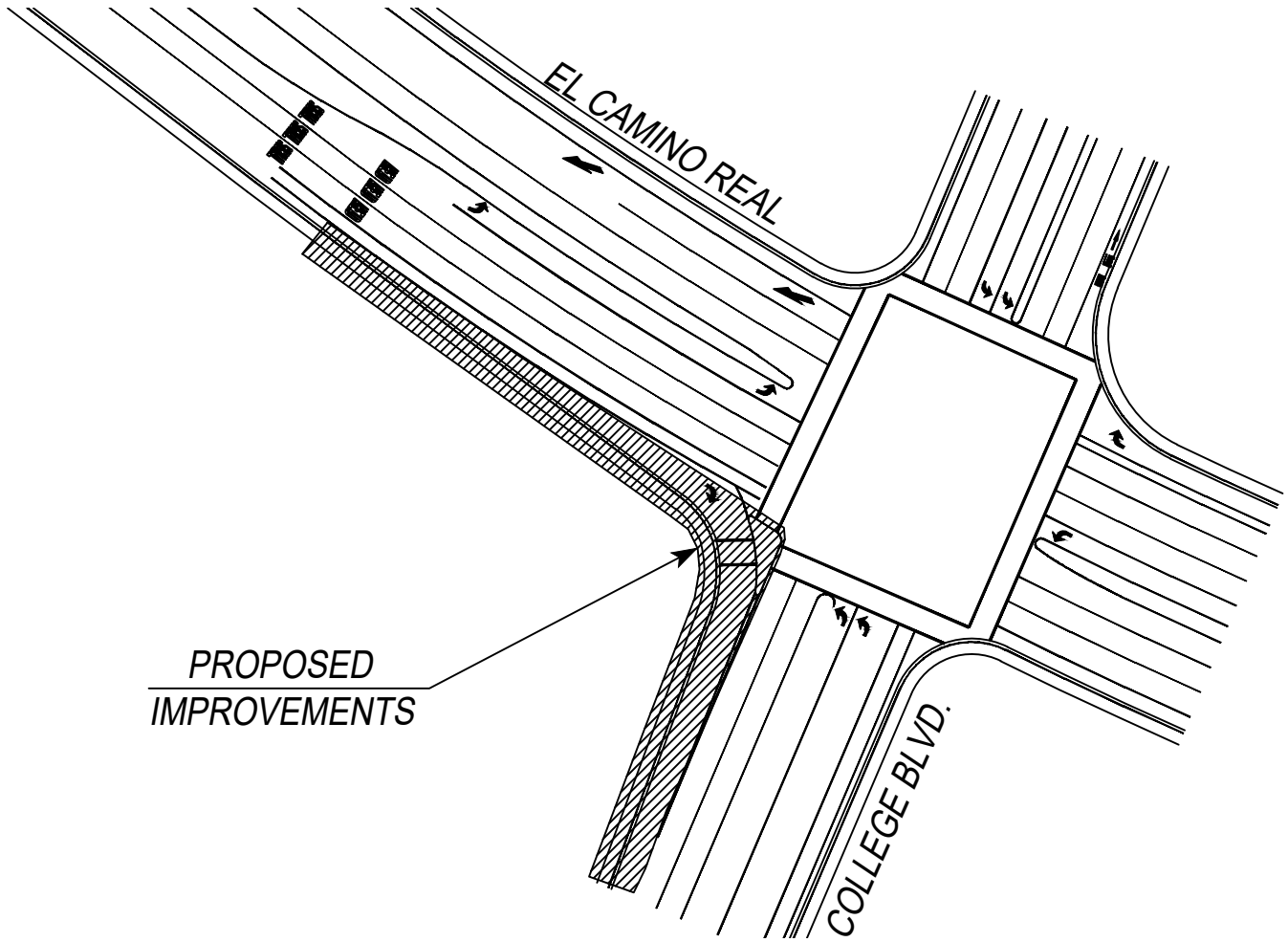
ABSENT:

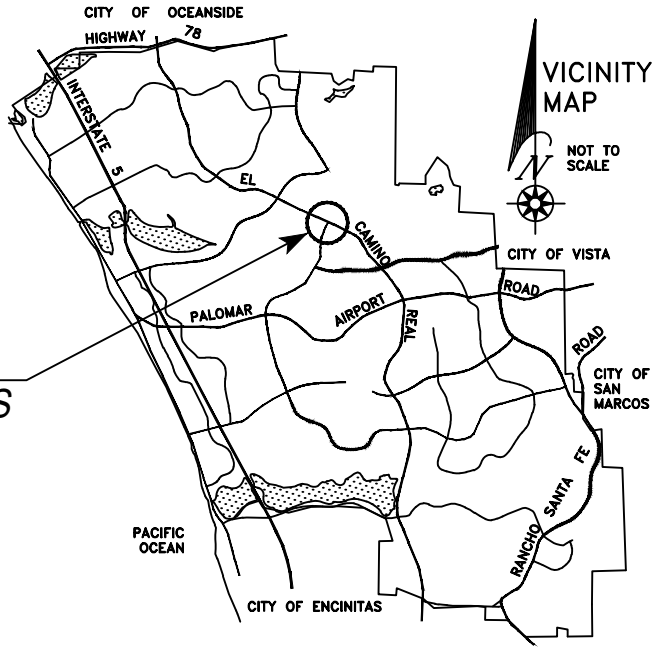
_____
MATT HALL, Mayor

_____
BARBARA ENGLESON, City Clerk

(SEAL)

LOCATION MAP





NOT TO SCALE

PROJECT NAME	PROJECT NUMBER	EXHIBIT
EL CAMINO REAL & COLLEGE BLVD. INTERSECTION IMPROVEMENTS	6071	2

PLOTTED BY: SCOTT EVANS PLOT DATE:3/18/19 PATH:D:\TRANSPORTATION DEPARTMENT\DESIGN DIVISION\BRANDON MILES\ECR-COLLEGE\ECR-COLLEGE RT TURN.DWG

TRAFFIC AND MOBILITY COMMISSION
Minutes

Council Chambers
1200 Carlsbad Village Drive
Carlsbad, CA 92008

Monday, Feb. 3, 2020, 5:02 p.m.

CALL TO ORDER: Chair Gocan called the Meeting to order at 5:00 p.m.

ROLL CALL: Present: Gocan, Johnson, Hunter, Penseyres, Fowler, Linke and Perez.

APPROVAL OF MINUTES:

Motion by Vice-Chair Johnson, seconded by Commissioner Perez, to approve the minutes for Jan. 6, 2020.
Motion carried: 5/0/2 (Abstained: Gocan and Hunter)

PUBLIC COMMENTS ON ITEMS NOT LISTED ON THE AGENDA:

▫ Lela Panagides, a Carlsbad resident, requested staff to study the possibility of getting a left turn signal light going from Tamarack Avenue to College Boulevard.

▫ Sophia Gocan, Josie Mitchell, Isabel Owens and Sophia Owens (Valley Girls 2.0 Robotics team), from Valley Middle School, presented a comprehensive study about safety on the sidewalks in various cities and proposed an installation of sensors on the sidewalks to detect any danger situation.

DEPARTMENTAL REPORTS:

1. **POLICE MONTHLY REPORT** – (Staff contact: Lieutenant Christie Calderwood, Police Department) – Cancelled

2. **EL CAMINO REAL AND COLLEGE BOULEVARD INTERSECTION IMPROVEMENTS –** (Staff Contact: Brandon Miles, Public Works).
Staff Recommendation: Approve staff recommendations
Associate Engineer Miles described the improvements for bicycle and pedestrian access with upgrades to the curb ramps and crosswalks at the intersection of El Camino Real and College Boulevard.

▫ Commissioner Linke inquired about the segment on El Camino Real that it is one of the segments that is deficient on the Level of Service(LOS) and how this project will impact the LOS. Will the new design be able to accommodate the high volume of cars on the intersection?
He also asked if an intersection analysis has been done on the intersection of El Camino Real and College Boulevard.
▫ City Traffic Engineer Kim explained that the use of a right turn overlap will compensate for the high volume of cars eastbound turning right.

▫ Associate Engineer Miles explained that the project was designed with the vision of the extension of College Boulevard southbound.
▫ Commission Hunter expressed his concern of improving pedestrian service without a documented need to address a specific issue, especially if it comes at degrading service to auto users.
▫ Commissioner Fowler supports the project and understands the need to make the intersection safe for bicyclists and pedestrians.
▫ Commissioner Penseyres recommended adding R4-4 “Begin Right Turn Lane Yield to Bikes” sign, based on the California MUTCD. Green paint before and after the merge area would provide clearer guidance for bicyclists and motorists in the "weaving" area.
▫ Commissioner Perez inquired if there is an estimated date for the extension of College Boulevard project.
▫ City Traffic Engineer Kim replied that the item about the extension of College Boulevard will come to the T&MC next month.
▫ Commissioner Linke recommended staff conduct an intersection LOS analysis on El Camino Real and College Boulevard
▫ Commissioner Linke would like the minutes to show that the city should continue to conduct intersection LOS. He stated that staff should identify a solution to address the deficiencies on ECR instead of proposing an exemption on the segment.

Motion by Commissioner Hunter, seconded by Commissioner Linke, to support staff recommendation of improvements to the intersection of El Camino Real and College Boulevard, CIP Project No. 6071.
Motion carried: 7/0

3. AMERICAN WITH DISABILITIES ACT BEACH ACCESS FEASIBILITY STUDY– (Staff Contact: Nathan Schmidt, Public Works) – Approve Staff recommendations
Transportation Planning and Mobility Manager Schmidt is asking the T&MC to approve the Americans with Disabilities Act (ADA) Beach Access Feasibility Study and the Trails Connectivity to Tamarack State Beach Feasibility Study.

▫ Commissioner Perez recommended a barrier/protection along the edge lines of the pathway along ECR to prevent the bicyclist from hitting a pedestrian or getting slammed on incoming traffic.
▫ Commissioner Linke inquired if City Council has a priority list on projects to develop within the city.
▫ Deputy City Manager Gomez explained that until a year ago we did not have a scoring matrix within the city, however, last year staff institute a scoring matrix that was presented to the City Council. If there are specific projects that City Council wants to prioritize they vote on it and staff move forward.
▫ Commissioner Fowler asked about if a lawsuit was the motive to improve the Beach Accessibility.
▫ Transportation Planning and Mobility Manager Schmidt explained that we had no lawsuit involved in the process of improving beach accessibility.
▫ Commissioner Penseyres inquired if there are plans to improve the trail beyond the cut-cover tunnel that connects to the neighborhood.

▫ Transportation Planning and Mobility Manager Schmidt answered that now there are no plans to improve the trail connectivity but the Sustainable Mobility Plan could potentially address the issue and work on better access to the neighborhood.
▫ Vice-Chair Johnson inquired if this project requires Coastal Commission approval.
▫ Transportation Planning and Mobility Manager Schmidt said yes, they are working with the Coastal Commission.

Motion by Commissioner Hunter, seconded by Commissioner Perez to approve staff recommendation of the ADA Beach Access Feasibility Study - CIP 6065
Motion carried: 7/0

Motion by Commissioner Perez, seconded by Commissioner Penseyres to approve staff recommendation on Trail Connectivity to Tamarack State Beach Feasibility Study - CIP 4063
Motion carried: 5/2 – (No: Johnson and Linke)
▫ Commissioner Linke would like the minutes to show that he is not opposed to the project, but he is voting 'No" to show that in his opinion this project should be the lowest priority among the three, due to the lack of a projected usage study or public outreach.

4. **ELECT A NEW TRAFFIC AND MOBILITY COMMISSION CHAIR AND VICE-CHAIR –** (Staff Contact: Doug Bilse, Public Works)
   Staff Recommendation: Elect a new Chair and Vice-Chair

Motion by Commissioner Hunter, seconded by Commissioner Perez, to elect Vice-Chair Johnson to be the Chair and Commission Fowler to be the Vice-Chair.
Motion was retracted by Commissioner Hunter

Motion by Chair Gocan, seconded by Vice-Chair Johnson, to extend the Chair and Vice-Chair term to June 30, 2020.
Motion approved: 6/0/1 (Abstained: Fowler)

CITY TRAFFIC ENGINEER COMMENTS:

City Traffic Engineer Report – Attachment A

TRAFFIC & MOBILITY COMMISSION COMMENTS:

Commissioner Perez would like to get information from the Police Department about an occurrence on January 17, 2020, of a car following two students of HOPE Elementary School.
City Traffic Engineer Kim will get in touch with Lt. Calderwood and send an email to all commissioners with the requested information.
Commissioner Linke inquired about the resident request on a left turn signal light going from Tamarack Avenue to College Boulevard.
Commissioner Linke informed the commissioners and staff that he will not be present at T&MC March 2, 2020 meeting but he would like to submit written inputs to the items on the Agenda.

Commissioner Hunter reported, on behalf of Lt. Calderwood, on some police activities on the month of January. Motorcycle officers working on the weekend and City Council approved parking enforcement on Carlsbad Village.
Vice-Chair Johnson requested staff to investigate the different speed limits on Avenida Encinas from Cannon Road to Poinsettia Lane.
Commissioner Penseyres suggested that the Motorcycle Officers should focused on drivers using cellular phones that are not hands free.

ADJOURNMENT:

Chair Gocan adjourned the Traffic & Mobility Commission Meeting on Feb. 3, 2020, at 7:15 p.m.

Eliane Paiva

Eliane Paiva, Minutes Clerk

CITY COUNCIL
Staff Report

Meeting Date: July 14, 2020

To: Mayor and City Council

From: Scott Chadwick, City Manager

Staff Contact: James Wood, Environmental Manager
james.wood@carlsbadca.gov, 760-602-7584

Subject: Amendment No. 1 to the Agreement with Mikhail Ogawa Engineering, Inc. for the Carlsbad Watershed Management Area Program Professional Services

Recommended Action

Adopt a resolution authorizing Amendment No. 1 to the Agreement with Mikhail Ogawa Engineering, Inc. to provide professional services for the Carlsbad Watershed Management Area Program for an amount not to exceed $131,372.

Executive Summary

The Carlsbad Watershed Management Area program consists of the cities of Carlsbad, Encinitas, Escondido, Oceanside, San Marcos, Solana Beach and Vista and the County of San Diego, which operate under a permit from the California Regional Water Quality Control Board.[1] This permit requires the City of Carlsbad to coordinate with the other agencies in the program to produce an annual report. The city has been working with an outside consultant, Mikhail Okawa Engineering, for the past year to prepare this report under a professional services agreement approved by the council on Aug. 20, 2019, for an amount not to exceed $117,000 a year (Resolution No. 2019-142). Staff recommends amending this agreement by extending the term for one additional year and to increase the yearly not-to-exceed amount to $131,372. This increase is needed to cover the additional cost that Mikhail Okawa Engineering will incur in preparing a required update to the program's Water Quality Improvement Plan.

The total agreement cost for a period of one year amounts to $131,372. Carlsbad Municipal Code Section 3.28.060 (D)(5) dictates that the City Council be the awarding authority for professional services that will cost the city more than $100,000 per agreement year.

Discussion

Urban runoff does not follow jurisdictional boundaries and often travels through many jurisdictions while flowing to the bodies of water that receives it. So the actions of multiple municipalities within a watershed can have a cumulative impact upon the bodies of water they

[1] The permit the City of Carlsbad is subject to is California Regional Water Quality Control Board San Diego Region National Pollutant Discharge Elimination System Order No. R9-2013-0001, as amended by National Pollutant Discharge Elimination System order nos. R9-2015-0001 and R9-2015-0100.

share. As noted above, the agencies in the watershed management program, known as co-permittees because they share the mandate of the permit, are required to cooperate in developing and implementing a water quality improvement plan and submit an annual report each January. The water quality improvement plan is intended to attain the reasonable protection, preservation, enhancement and restoration of water quality by identifying and addressing the highest priority water quality issues and pollutants in the watershed.

The City of Carlsbad serves as the lead agency in the Carlsbad Watershed Management Area in keeping with the permit from the state. City staff agreed to manage an agreement for a consultant to help coordinate among the copermittees, implement the water quality improvement plan, prepare the plan's annual report and assist with various miscellaneous tasks as needed. The city issued a request for proposals for a consultant to assist with this work in May 2019.

The city received a proposal from one qualified bidder and performed a best-value evaluation with a rating panel staff representing three of the agencies in the program. Through Resolution No. 2019-142, the City Council authorized and the city awarded a professional services agreement to Mikhail Okawa Engineering on Aug. 20, 2019, for an amount not to exceed $117,000. Both parties wish to amend the agreement by extending the term for one additional year and increasing the yearly not-to-exceed amount to $131,372. This increase will cover the additional cost of preparing an update to the Water Quality Improvement Plan that is required by the Regional Water Quality Control Board.

The initial term of the agreement was one year starting Aug. 20, 2019, with the option to amend the agreement to extend the term for up to five additional one-year periods for a total term of up to six years. This will be the first amendment to the agreement. Additional amendments may include annual cost increases of up to 15% beyond the not-to-exceed amount if (1) all work and materials subject to the amendment are within the scope of services of the contract and amendment, and (2) if both parties agree to such percentage increase.

As noted above, Mikhail Okawa Engineering will assist staff in managing the Water Quality Improvement Plan as coordinator and in preparing the annual report.

The coordination work will include facilitating monthly meetings with the agencies in the program as well as additional communication and coordination with other watershed groups, environmental nonprofits, regulators and other stakeholders in the region. Coordination could include writing correspondence, setting meetings, requesting review of watershed management area documents or sharing information and receiving input.

Preparation of the Water Quality Improvement Plan's annual report includes:

- Developing a project schedule
- Requesting and collecting data and information from the agencies
- Documenting how the plan's strategy has been implemented
- Documenting what progress has been made in meeting goals
- Assessing monitoring data
- Preparing two draft reports and a final report
- Submitting the final report as required to the Regional Water Quality Control Board

Miscellaneous tasks may be performed as needed to help the watershed management area's agencies comply with the permit. Tasks may include the following services:

- Additional data evaluation and assessment
- Regulatory support for the permit reissuance process
- Water Quality Improvement Plan updates and associated tasks
- Response to Regional Water Quality Control Board correspondence or requests
- Preparation for regulatory hearings
- Represent the agencies at regional meetings
- Presentations to the City Councils of the cities in the program
- Coordination of guest speakers for program meetings
- Research and review of watershed programs in other parts of the state and country
- Other regulatory support for the watershed area copermittees

Fiscal Analysis

The proposed amendment with Mikhail Ogawa Engineering, Inc., amounts to $131,372. The cost for this agreement will be shared between the copermittees in keeping with the regional memorandum of understanding approved by Carlsbad City Council Resolution No. 2019-107 and fully executed by all parties.

To calculate the per-jurisdiction costs of this agreement, staff used the formula agreed upon by the copermittees in the memorandum of understanding: 45% of the costs to be assigned by the amount of urbanized land in their jurisdictions, 45% according to population and 10% to be equally divided. The City of Carlsbad collects an annual 5% management fee.

Exhibit 2 contains the detailed cost share breakdown per jurisdiction. The following table outlines the cost per jurisdiction for the contracted services:

Jurisdiction	Share of total	5% management fee	Total
City of Carlsbad	$23,049	$0	$23,049
City of Encinitas	13,095	655	13,749
City of Escondido	19,772	989	20,760
City of Oceanside	15,522	776	16,299
San Diego County	25,941	1,297	27,238
City of San Marcos	16,475	824	17,299
City of Solana Beach	2,129	106	2,236
City of Vista	15,389	769	16,158
Total	**$131,372**	**$5,416**	**$136,788**

* The detailed figures are shown in Exhibit 2 and may differ from these totals slightly due to rounding.

There are adequate funds in the Watershed Protection Division's operating budget to fully fund the city's $23,049 obligation for this proposed contract. Staff requests that the $113,739 collected from the other watershed management area copermittees under the memorandum of understanding – that is, is the total of $136,788 minus the city's $23,049 share – be appropriated to this program budget to pay for the cost of the contract.

Next Steps

With the City Council's approval and once the amendment is executed, city staff will direct Mikhail Ogawa Engineering, to begin work on the Carlsbad Watershed Management Area Program Water Quality Improvement Plan annual report, the plan's update and copermittee coordination. The Water Quality Improvement Plan annual report and update will be submitted to the Regional Water Quality Control Board by Jan. 30, 2021, and coordination efforts will continue for the term of the agreement.

Environmental Evaluation (CEQA)

This action does not constitute a "project" within the meaning of the California Environmental Quality Act under Public Resources Code section 21065 in that it has no potential to cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and therefore does not require environmental review.

Public Notification and Outreach

Public notice of this item was posted in accordance with the Ralph M. Brown Act and it was available for public viewing and review at least 72 hours prior to the scheduled meeting date.

Exhibits

1. City Council resolution
2. Watershed Cost-Sharing Budget

RESOLUTION NO._____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, AUTHORIZING AMENDMENT NO. 1 TO THE AGREEMENT WITH MIKHAIL OGAWA ENGINEERING, INC., TO PROVIDE PROFESSIONAL SERVICES FOR THE CARLSBAD WATERSHED MANAGEMENT AREA (CWMA) PROGRAM IN AN AMOUNT OF $131,372.

WHEREAS, the California Regional Water Quality Control Board San Diego Region issued National Pollutant Discharge Elimination System (NPDES) Order No. R9-2007-0001 and subsequent NPDES Order No. R9-2013-0001, as amended by NPDES Order Nos. R9-2015-0001 and R9-2015-0100 (Permit), to regulate discharges from municipal separate storm sewer systems in the San Diego region; and

WHEREAS, Copermittees within the Carlsbad Watershed Management Area (CWMA) consist of the following jurisdictions, collectively known as the CWMA Copermittees: County of San Diego and incorporated cities of Carlsbad, Encinitas, Escondido, Oceanside, San Marcos, Solana Beach and Vista; and

WHEREAS, the CWMA Copermittees are required by the Permit to cooperate in implementation of a Water Quality Improvement Plan (WQIP), and submit a WQIP Annual Report each year; and

WHEREAS, City of Carlsbad staff agreed to provide contract management services as the Principal Watershed Copermittee for the CWMA; and

WHEREAS, on Aug. 20, 2019, the City Council, through Resolution No. 2019-142, authorized execution of a professional services agreement with Mikhail Ogawa Engineering, Inc. (Agreement), for total contract costs for fiscal year (FY) 2019-20 of $117,000; and

WHEREAS, the initial term of the Agreement was one year commencing upon Aug. 20, 2019, with the option to amend the Agreement to extend the term for up to five additional one-year periods for a total term of up to six years; and

WHEREAS, both parties wish to extend the Agreement for one additional one year and increase the total costs for FY 2020-21 to $131,372; and

WHEREAS, on June 25, 2019, the City Council, through Resolution No. 2019-107, authorized the Mayor to execute the fourth amended NPDES San Diego Regional Stormwater Copermittees Memorandum of Understanding 2019 (Regional MOU); and

WHEREAS, as the Principal Watershed Copermittee, the city will collect an additional non-refundable administrative fee from each CWMA Copermittee equal to 5% of the total contract costs, with the total agreed-upon cost as $131,372 for FY 2020-21; and

WHEREAS, staff is requesting that the $113,739 collected from the CWMA Copermittees under the Regional MOU be appropriated to the Watershed Protection Division budget to fund contract expenditures; and

WHEREAS, the City of Carlsbad's proportionate share of costs for FY 2020-21 is $23,049, which is included in the Watershed Protection Division FY 2020-21 budget.

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

1. That the above recitations are true and correct.
2. The Mayor is hereby authorized and directed to execute Amendment No. 1 to the professional services agreement with Mikhail Ogawa Engineering, Inc., attached hereto as Attachment A.
3. That the City Manager is authorized to execute amendments to the Agreement to extend the term for five additional one-year terms, or parts thereof, in an amount not to exceed $131,372.
4. Each additional one-year amendment may increase the not-to-exceed amount by up to 15% if (a) all work and materials subject to the amendment are within the scope of services of the Agreement and amendment, and (b) if both parties agree to such percentage increase.
5. The deputy city manager, administrative services, or designee is authorized to appropriate revenue of $113,739 for FY 2020-21 to be collected via the Regional MOU to the Watershed Protection fund, and appropriate revenue collected via the Regional MOU to the Watershed Protection fund in future years in which the city serves as Principal Watershed Copermittee.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the __ day of _____, 2020, by the following vote, to wit:

AYES:

NAYS:

ABSENT:

_____
MATT HALL, Mayor

_____
BARBARA ENGLESON, City Clerk

(SEAL)

DocuSign Envelope ID: 4C75CE10-28BF-4205-96BD-F1C788C6C4A5

AMENDMENT NO.1 TO EXTEND AND AMEND THE AGREEMENT FOR CARLSBAD WATERSHED MANAGEMENT AREA WATER QUALITY IMPROVEMENT PLAN (WQIP) COORDINATION AND ANNUAL REPORT SERVICES MIKHAIL OGAWA ENGINEERING, INC.

This Amendment No.1 is entered into and effective as of the _____ day of _____, 2020, extending and amending the agreement dated August 21, 2019, (the "Agreement") by and between the City of Carlsbad, a municipal corporation, ("City"), and Mikhail Ogawa Engineering, Inc., ("Contractor") (collectively, the "Parties") for Carlsbad WQIP Coordination and Annual Report services.

RECITALS

A. The Parties desire to alter the Agreement's scope of work to include additional miscellaneous tasks for the Carlsbad Water Quality Improvement Plan Coordination and Annual Report; and

B. The Parties desire to extend the Agreement for a period of one (1) year and amend the not-to-exceed amount as described below; and

C. The Parties have negotiated and agreed to a supplemental scope of work and fee schedule, which is attached to and incorporated in by this reference as Exhibit "A", Scope of Services and Fee Schedule.

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, City and Contractor agree as follows:

1. In addition to those services contained in the Agreement, as may have been amended from time to time, Contractor will provide those services described in Exhibit "A". With this Amendment, the total annual Agreement amount shall not exceed one hundred thirty-one thousand three hundred seventy-two dollars ($131,372).

2. City will pay Contractor for all work associated with those services described in Exhibit "A" on a time and materials basis not-to-exceed fourteen thousand, three hundred seventy-two dollars ($14,372). Contractor will provide City, on a monthly basis, copies of invoices sufficiently detailed to include hours performed, hourly rates, and related activities and costs for approval by City.

3. Each additional one-year amendment may increase the not-to-exceed amount by up to fifteen percent if (1) all work and materials subject to the amendment are within the scope of services of the Agreement and amendment, and (2) if both parties agree to such percentage increase.

4. Contractor will complete all work described in Exhibit "A" by August 19, 2021.

5. All other provisions of the Agreement, as may have been amended from time to time will remain in full force and effect.

///

6. All requisite insurance policies to be maintained by the Contractor pursuant to the Agreement, as may have been amended from time to time, will include coverage for this Amendment.

7. The individuals executing this Amendment and the instruments referenced in it on behalf of Contractor each represent and warrant that they have the legal power, right and actual authority to bind Contractor to the terms and conditions of this Amendment.

CONTRACTOR

MIKHAIL OGAWA ENGINEERING, INC., a California corporation

By:

Mikhail Ogawa
(sign here)

Mikhail Ogawa / President & Secretary
(print name/title)

By:

Kelly Ogawa
(sign here)

Kelly Ogawa / Vice-President
(print name/title)

CITY OF CARLSBAD, a municipal corporation of the State of California

By:

Matt Hall, Mayor

ATTEST:

Barbara Engleson, City Clerk

If required by City, proper notarial acknowledgment of execution by Contractor must be attached. If a corporation, Agreement must be signed by one corporate officer from each of the following two groups:

Group A	Group B
Chairman,	Secretary,
President, **or**	Assistant Secretary,
Vice-President	CFO **or** Assistant Treasurer

Otherwise, the corporation **must** attach a resolution certified by the secretary or assistant secretary under corporate seal empowering the officer(s) signing to bind the corporation.

APPROVED AS TO FORM:

CELIA A. BREWER, City Attorney

BY: _____
Assistant City Attorney

City Attorney Approved Version 1/30/13

6 Cost Estimate *(Submitted Separately)*

The tables below are the completed Attachment 1 – Cost Estimate Worksheet from RFP19-781ENV. The tasks and sub-tasks are itemized for ease of review. The grand total cost estimate for tasks 1, 2 and 4 is $87,094 *without* the miscellaneous activities task 3 included. The grand total cost estimate *with Task 3 Miscellaneous Activities* included is $131,372.

Cost Estimate

Work Item	Total Staff Hours	Total Labor Costs	Total Reimbursable	Total Costs
Task 1 - WQIP Annual Report				
WQIP AR Development Project Schedule	2	$296	-	$296
CWMA Copermittee Data and Info Requests, Collection, and Coordination	107	$14,467	-	$14,467
WQIP Annual Report Draft	117	$15,357	-	$15,357
WQIP Annual Report Final Draft	112	$14,912	-	$14,912
WQIP Annual Report Final	77	$10,970	-	$10,970
Subtotal Task 1	**397**	**$56,002**	**-**	**$56,002**
Task 2 – CWMA Copermittee Coordination				
WQIP Monthly Meetings attendance	72	$9,594	$360	$9,594
Management Meeting with Lead Copermittee (2 hrs/month)	24	$3,552	-	$3,552
Meeting agendas, summaries	36	$5,328	-	$5,328
Technical materials and documents for group	46	$6,218	-	$6,218
Monthly link check - Regional Clearinghouse	8	$948	-	$948
Coordination with RWQCB and stakeholders	24	$3,552		$3,552
Subtotal Task 2	**180**	**$29,192**	**$360**	**$29,552**
Task 3 – Miscellaneous Activities				
Miscellaneous Tasks – Recommended Not to Exceed Amount to be scoped and budgeted on a per task basis				$44,278
Subtotal Task 3				**$44,278**
Task 4 – Contract Completion				
Submittal of electronic versions of documents developed as requested by Copermittees	12	$1,540	-	$1,540
Subtotal Task 4	**12**	**$1,540**	**-**	**$1,540**
			Subtotal w/out Miscellaneous Services	**$87,094**
			Subtotal w/ Miscellaneous Services	**$131,372**

Subconsultant List

Subconsultant	General Scope of Work		Approximate % of Work of Total Proposed
Wood	• Annual Report Monitoring Data and Assessment Review	• Miscellaneous Tasks	5%
LWA	• Annual Report Review	• Miscellaneous Tasks	5%

CITY COUNCIL
Staff Report

Meeting Date:	July 14, 2020
To:	Mayor and City Council
From:	Scott Chadwick, City Manager
Staff Contact:	Avecita Jones, Senior Program Manager Avecita.Jones@carlsbadca.gov, 760-602-7542
Subject:	Authorize City Manager to Execute an Agreement with the Regional Solid Waste Association for Household Hazardous Waste Collection Program Services

Recommended Action
Adopt a resolution authorizing the city manager to execute an agreement with the Regional Solid Waste Association for residential household hazardous waste collection program services for a five-year term.

Executive Summary
The City of Carlsbad is mandated by the California Integrated Waste Management Act to provide for safe disposal of household hazardous waste generated by residents.[1] The city is also responsible for implementing and managing programs intended to divert household hazardous waste from disposal in area landfills.

For the past 20 years, the city has provided these services as part of a joint powers agency known as the Regional Solid Waste Association. This item requests the council's approval to continue this partnership.

Discussion
Many common products that are used in our daily lives contain potentially hazardous materials and must be disposed of carefully. It is illegal to dispose of hazardous waste in the garbage, down storm drains or onto the ground. Chemicals in illegally or improperly disposed hazardous waste can be released into the environment and contaminate our air, water and possibly the food we eat. Examples of household hazardous waste include batteries, paint, household cleaners, pesticides, fertilizers, automotive fluids and compact fluorescent bulbs.

Beginning in 2000, the city partnered with the Regional Solid Waste Association, a joint powers agency comprised of the cities of Del Mar, Encinitas, Escondido, National City, Poway, Solana Beach and Vista, to provide stable, long-term, environmentally responsible and cost-effective options for all aspects of solid waste disposal, including recyclables and household hazardous

[1] The California Integrated Waste Management Act, Assembly Bill 939, was approved by the legislature in 1989 because of an increase in waste and a decrease in landfill capacity.

waste. Staff recommends continuing this partnership for a five-year term to continue providing these services to residents.

The services available through this agreement include access to a regional household hazardous waste drop-off facility in the City of Vista that is open every Saturday, a door-to-door pick-up program that allows residents to schedule pick-ups of household hazardous waste from their homes and an annual one-day household hazardous waste collection event held in Carlsbad.

The city reports the amounts of waste diverted through these programs to the State of California Department of Resources Recycling and Recovery, also known as CalRecycle, on an annual basis.

Fiscal Analysis

The cost per carload charged at the regional household hazardous waste drop-off facility in Vista will be approximately $72.00 in fiscal year 2020-21 with a 3.5% annual increase in each of the 2021-22, 2022-23, 2023-24 and 2024-25 fiscal years. There will be no charge for carloads disposing of only electronic waste at the Vista facility. The charge for car loads disposing of only universal waste – batteries, fluorescent tubes and needles and other sharp medical devices – shall increase 7% in fy 2020-21 and then be fixed through fy 2024-25.

The cost of the door-to-door collection program shall be approximately $82.00 in fy 2020-21 and be fixed through fy 2024-25. There will be no charge for disposing of only electronic waste. Carlsbad residents will pay a $10.00 co-pay for the use of the door-to-door service, unless they are only disposing of electronic waste, for which there is no charge. The Regional Solid Waste Association's contractor will collect the co-payment directly from each resident and then invoice the city for the price per collection minus the $10.00 co-payment amount.

The cost of the annual household hazardous waste collection event shall be approximately $85.00 per carload in fy 2020-21 and be fixed through fy 2024-25. The Regional Solid Waste Association contractor will work with city staff to select an appropriate site, obtain the necessary permits and schedule the collection event or events. The Regional Solid Waste Association contractor will be responsible for disposal of the household hazardous waste collected in accordance with applicable federal, state and local regulations, along with any incidental expenses required to operate the event.

Funds for these programs are included in the Sustainable Materials Management Division's operating budget for fy 2020-21.

Environmental Evaluation (CEQA)

This action does not constitute a "project" within the meaning of the California Environmental Quality Act under Public Resources Code section 21065 in that it has no potential to cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and therefore does not require environmental review.

Public Notification and Outreach

Public notice of this item was posted in accordance with the Ralph M. Brown Act and it was available for public viewing and review at least 72 hours prior to the scheduled meeting date.

Exhibits

1. City Council resolution

RESOLUTION NO._____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH THE REGIONAL SOLID WASTE ASSOCIATION (RSWA) FOR RESIDENTIAL HOUSEHOLD HAZARDOUS WASTE (HHW) COLLECTION PROGRAM SERVICES FOR A FIVE-YEAR TERM.

WHEREAS, Assembly Bill (AB) 939 mandates all jurisdictions in the State of California provide for the safe collection, recycling, treatment and disposal of hazardous wastes generated by households within the jurisdiction; and

WHEREAS, AB 939 further requires all jurisdictions to prepare an HHW plan which identifies program elements; and

WHEREAS, RSWA is a Joint Powers Agency (JPA) comprised of the cities of Del Mar, Encinitas, Escondido, National City, Poway, Solana Beach and Vista. RSWA's primary purpose is to provide stable, long-term, environmentally responsible, cost-effective options for all aspects of solid waste disposal, including recyclables and HHW; and

WHEREAS, the city sponsors various HHW collection programs: door-to-door HHW program, HHW drop-off service at the Vista facility and the annual one-day HHW drop-off event; and

WHEREAS, the city reports the amounts diverted through these programs to the State of California Department of Resources Recycling and Recovery (CalRecycle) on an annual basis; and

WHEREAS, the City Council for the City of Carlsbad has determined it is in the city's best interest to partner again with RSWA for a 5-year HHW disposal agreement and has appropriated funds in the fiscal year 2020-21 Sustainable Materials Management operating budget.

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

1. That the above recitations are true and correct.
2. That the RSWA Household Hazardous Waste Inter-Jurisdictional Use Agreement between the City of Carlsbad and the RSWA, attached hereto as Attachment A, is hereby approved.

3. That the City Manager is authorized to execute said agreement, and any subsequent amendments as needed.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the __ day of _____, 2020, by the following vote, to wit:

AYES:

NAYS:

ABSENT:

_____
MATT HALL, Mayor

_____
BARBARA ENGLESON, City Clerk

(SEAL)

Inter-Jurisdictional Agreement

REGIONAL SOLID WASTE ASSOCIATION
HOUSEHOLD HAZARDOUS WASTE INTER-JURISDICTIONAL USE AGREEMENT
FOR THE FACILITY LOCATED IN THE CITY OF VISTA

THIS AGREEMENT (the "Agreement") is made and entered into, to be effective the 1st day of July, 2020, by and between the Regional Solid Waste Association ("RSWA"), a joint powers agency, and the City of Carlsbad ("Participating Jurisdiction" or "City").

RECITALS

WHEREAS, RSWA has contracted with EDCO Disposal Services ("EDCO") for the operation of regional permanent household hazardous waste collection facility (the "Facility") in the City of Vista (located at 1145 E. Taylor Street, Vista) that is available through RSWA to residents within the County of San Diego;

WHEREAS, EDCO has subcontracted with Stericycle Environmental Solutions ("Stericycle") to operate the Facility, to provide household hazardous waste door-to-door pick-up services described herein and to coordinate with the City for the conduct of household hazardous waste collection special events;

WHEREAS, the Facility provides the ability for residents to dispose of household hazardous waste;

WHEREAS, the proper disposal of household hazardous waste benefits all residents of the County of San Diego;

WHEREAS, the Facility is required to comply with all federal, state and local laws and regulations concerning the disposal of household hazardous waste; and

WHEREAS, Participating Jurisdiction agrees to share in the cost of operating the Facility according to the number of residents that use the Facility.

AGREEMENT

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, RSWA and Participating Jurisdiction agree as follows:

1. The above recitals are true and correct.

2. Duties: RSWA shall contract with EDCO for the collection and disposal of household hazardous waste ("HHW") and to operate the Facility in accordance with all applicable federal, state and local laws and regulations. The parties acknowledge that EDCO will subcontract with a licensed subcontractor to provide HHW services which are the subject of this Agreement. RSWA shall require the contractor to document and maintain records of individuals using the Facility and provide

Participating Jurisdiction access to records for review. Facility shall be open every Saturday, excluding legal holidays and the weekends associated with such legal holidays. RSWA reserves the right to close the Facility on any Saturday, if necessary, for RSWA's administrative convenience or for operational reasons. RSWA's obligation to contract with EDCO for operation of the Facility pursuant to this Agreement is subject to the continued authorization by the City of Vista, which owns the Facility.

RSWA will contract with EDCO to provide, through EDCO's subcontractor, door-to-door HHW collection for Carlsbad residents. The City agrees to reimburse EDCO or EDCO's subcontractor (Stericycle) for each pickup of HHW from door-to-door participants in the City. Each resident using the services will pay $10.00 directly to EDCO or EDCO's subcontractor (Stericycle) upon collection of their HHW. The City will be invoiced by EDCO's subcontractor (Stericycle) on a monthly basis in the same manner as invoices are generated when City residents use the permanent HHW Facility in the City of Vista, with invoices including the name and address of each door-to-door program participant.

RSWA will contract with EDCO to have EDCO's subcontractor to work with City staff in selecting an appropriate site, in obtaining the necessary permits, and scheduling up to two residential HHW collection events per year. EDCO's subcontractor (Stericycle) will be responsible for the disposal of the HHW collected, and any incidentals required to operate the event(s). The HHW special collection event(s) shall consist of a payment per vehicle charged to the City. The City reserves the right to cancel the event(s) for operational or budgetary reasons.

3. Term: The term of this Agreement shall end at midnight on June 30, 2025. However, either party may terminate this Agreement prior to the termination date, upon thirty (30) days prior written notice to the other party. RSWA will continue to allow residents from Participating Jurisdiction to dispose of household hazardous waste at the Facility up to the termination date in the notice and Participating Jurisdiction agrees to reimburse EDCO's subcontractor for those residents disposing of household hazardous waste between the time of filing the notice and the termination date.

4. Billings and Payments: The fees and services are described in Exhibit A attached hereto. Each month, EDCO's subcontractor shall bill Participating Jurisdiction for the services provided. Participating Jurisdiction shall pay the subcontractor within thirty (30) days of receipt of the bill.

5. Dispute: If a dispute should arise regarding the performance of this Agreement, the parties hereby agree to attempt to settle the dispute by subsequent agreement between the subcontractor's staff and Participating Jurisdiction's staff. In the event that a dispute continues, a representative of each of the Participating Jurisdiction's staff and the subcontractor's staff shall state their respective views of the dispute in a letter to the RSWA General Manager, sending copies to each other. The RSWA General Manager shall, within ten (10) days of receiving the letter from both parties, consider the facts and solutions recommended by each party. In such cases, the action of the RSWA General Manager shall be binding upon both the subcontractor and the Participating Jurisdiction. Nothing in this procedure shall prohibit the parties from seeking remedies available to them at law.

6. Oral Agreement: No oral agreement or representation by an officer, agent or employee of either party or the contractor (EDCO) or EDCO's subcontractor (Stericycle), made before, during or after the execution of this Agreement shall become part of this Agreement except to the extent such oral agreement or representation is expressly reflected in this written Agreement or a written amendment to this Agreement.

7. Counterparts: This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument. These counterparts may be transmitted by facsimile or other electronic signature (including Portable Document Format (PDF)) by either of the parties and the receiving party may rely on the receipt of such document so executed and delivered electronically or by facsimile as if the original had been received.

REGIONAL SOLID WASTE ASSOCIATION

By: James H. Eggart
James H. Eggart
General Manager

CITY OF CARLSBAD

By:_____
Scott Chadwick
City Manager

Approved as to Form

By:_____
Celia A. Brewer
City Attorney

EXHIBIT A

SCOPE OF SERVICES AND FEES

City and RSWA agree as follows:

The parties have negotiated the fee schedule and services as follows:

1. The drop off collection and disposal program at the Vista facility is billable to the City at a cost of $72.00 per car load for fiscal year 2020-21; and shall increase to $74.00 per car load for fiscal year 2021-22 ; and shall increase to $76.00 per car load for fiscal year 2022-23; and shall increase to $78.00 per car load for fiscal year 2023-24; and shall increase to $80.00 per car load for fiscal year 2024-25; and there will be no charge for E-Waste (electronic waste) only loads disposed of at the Facility. Universal waste only loads (batteries, florescent tubes and sharps) shall be billed to the City at a cost of $36.00 per car load for fiscal years 2020-21 through 2024-2025.

2. The cost of the door-to-door collection is billable to the City at a cost of $82.00 for each collection in fiscal years 2020-21 through 2024-25. There will be a reduced charge of $65.00 for universal waste only service per door-to-door collection; and no charge for E-Waste (electronic waste) only service per door-to-door collection. Carlsbad residents using the services will pay $10.00 directly to EDCO or EDCO's subcontractor (Stericycle) upon collection of their HHW unless there is no charge for service. The City will be invoiced by EDCO or EDCO's subcontractor (Stericycle) on a monthly basis, the price per collection minus the residential co-payment of $10.00 in the same manner as invoices are generated when City residents use the permanent HHW facilities operated by RSWA in the City of Vista, with invoices including the name and address of each door-to-door program participant.

3. The Special Event Collection and Disposal Program is billable to the City at a cost of $85.00 per vehicle load. Stericycle will work with City staff in selecting an appropriate site, in obtaining the necessary permits and in scheduling the collection events. Stericycle will be responsible for disposal of the HHW collected and any incidentals required to operate the event.

JOINT CITY COUNCIL AND
CARLSBAD MUNICIPAL WATER DISTRICT

Staff Report

Meeting Date: July 14, 2020

To: Mayor / President and City Council / Board

From: Scott Chadwick, City Manager

Staff Contact: Stephanie Harrison, Utilities Asset Manager
Stephanie.harrison@carlsbadca.gov, 760-603-7310

Subject: Master Purchase Agreements with OneSource Distributors for Supervisory Control and Data Acquisition Programmable Logic Controller Equipment

Recommended Action

1. As the Carlsbad City Council, adopt a resolution authorizing execution of a five-year master purchase agreement with OneSource Distributors for supervisory control and data acquisition programmable logic controller equipment as part of Capital Improvement Program Project No. 5542-1 for an amount not to exceed $150,000.
2. As the Board of Directors of the Carlsbad Municipal Water District, adopt a resolution authorizing execution of a five-year master purchase agreement with OneSource Distributors for supervisory control and data acquisition programmable logic controller equipment as part of Capital Improvement Program Project No. 5542-2 and Project No. 5542-3, for an amount not to exceed $400,000.

Executive Summary

These resolutions would allow the city to purchase equipment needed to implement new system identified in the 2019 SCADA Master Plan for the Utilities Department, which was approved by Carlsbad City Council Resolution 2019-184 and Carlsbad Municipal Water District Board of Directors Resolution No. 1621 on Sept 17, 2019. SCADA stands for supervisory control and data acquisition. SCADA systems are used to remotely monitor and control equipment at water and wastewater sites, which must be monitored on a 24-hour per day basis to assure public health and environmental protection.

The 2019 SCADA Master Plan identified the need to replace the SCADA systems in use by the Utilities Department to monitor the water and recycled water and wastewater systems and established a proposed schedule and budget. Replacement of these SCADA systems includes replacing programmable logic controller equipment at each site that is monitored by SCADA. This equipment is used to monitor and control other equipment at remote sites. Much of the city's current controller equipment is at the end of its useful life and must be upgraded to work properly.

The Utilities Department staff also recommends standardizing the system with a specific brand of programmable logic controllers to make programming easier and more integrated. Staff

issued a request for proposals and a staff selection committee chose Rockwell Automation PLC equipment as the best choice for the city. OneSource Distributors is the local distributor for Rockwell Automation equipment.

The proposed purchasing agreement secures discount percentages over the five-year term of the agreement for new equipment needed for the new SCADA system. The total not-to-exceed amount of the five-year contract is $400,000 for the water district and $150,000 for the city. The Utilities Department recommends executing an agreement with OneSource to provide SCADA equipment at the discounted price. No purchases are being made at this time. The city manager or the water district's executive manager may extend the agreement on behalf of the city or water district, respectively, for two additional five-year periods, at a cost not to exceed $100,000 per agreement year.

Discussion

Reliable water and wastewater services are vital for protection of human health and safety and environmental protection. The Carlsbad Municipal Water District's water system and the city's wastewater system, which are both managed and operated by city Utilities Department staff, are comprised of intricate networks of pipes, pump and lift stations, tanks and reservoirs and pressure-reducing stations that control the flow of water and wastewater. Maintaining reliable water service requires continually balancing water pressure, water quality and water levels.

Equipment such as pumps and grinders must operate correctly to efficiently and safely convey wastewater to the Encina Wastewater Treatment Plant and strictly manage the amount of flow through lift stations to prevent spills. The Utilities Department uses SCADA systems to remotely monitor the water and wastewater systems to make sure that everything is working properly. Without the SCADA systems, the Utilities Department would have to travel to each site to perform the monitoring functions manually. The SCADA systems must be monitored on a 24-hour per-day basis to assure public health and environmental protection.

The current SCADA systems used by the Utilities Department to monitor the water and recycled water systems have been largely custom built over the last 25 years. It's hard to find programmers who can work on the aging system and it will soon no longer be supportable. Additionally, this water district system, and a separate system used by the city for wastewater, lack the modern functionality needed to efficiently and effectively operate these critical infrastructure systems, gather data needed for decision making and regulatory reporting and provide system security.

In July 2018, the city and the water district jointly issued a request for proposals for master service agreements for the programmable logic controller equipment needed to monitor and control the equipment at remote water and wastewater sites. This equipment communicates with a software system by providing system updates to water operators, which allow operators to move water around the district. The equipment also provides alerts and alarms when conditions at sites deviate from set parameters. For example, if a reservoir has a low water level, operators can use SCADA to fill it, or if water pressure suddenly falls in an area, or wastewater levels rise above set levels at a station, the programmable logic controller are the mechanisms that alert water or wastewater operators to these conditions.

Four proposals were received through the RFP process, and copies were distributed to a selection panel made up of staff from the Utilities Department and the city's Information Technology Department. This panel reviewed and ranked the applicants' qualifications, negotiated with the applicants and ultimately rated Rockwell Automation's programmable logic controller equipment as best meeting the city's needs. As noted above, OneSource is the local distributor for Rockwell Automation.

Staff recommends a five-year agreement term because staff expects implementing a new SCADA system for both water and wastewater will take up to five years to complete, and because programmable logic controller equipment will be purchased intermittently during this five-year period.

Fiscal Analysis

The agreements with OneSource are in an amount not to exceed $400,000 for the water district and $150,000 for the city. Sufficient funds to pay for this agreement are budgeted in Capital Improvement Plan Project 5542-1 ($150,000), CIP Project No. 5542-2 ($300,000) and CIP Project No. 5542-3 ($100,000).

INTEGRATED SCADA MASTER PLAN PROJECT CIP PROJECT NO. 5542	
Current appropriation	$2,870,000
Current expenditures and encumbrances	$730,880
TOTAL AVAILABLE	**$2,139,120**
ADDITIONAL PROJECT COSTS	
Master purchase agreements	$550,000
TOTAL ESTIMATED ADDITIONAL PROJECT COSTS	**$550,000**
REMAINING APPROPRIATION AVAILABLE	**$1,589,120**

Next Steps

With the council's approval, Utilities Department staff will work with a consultant to develop the design for the wastewater portion of the SCADA system. Once that is complete, and prior to construction, programmable logic controller equipment will be purchased for that portion of the project. The water and recycled water SCADA system will be replaced after the wastewater portion is complete.

Environmental Evaluation (CEQA)

The project is exempt from the California Environmental Quality Act under CEQA Guidelines Section 15301(b) – repair and maintenance of existing facilities of public utility services involving negligible or no expansion of use.

Public Notification

Public notice of this item was posted in accordance with the Ralph M. Brown Act and it was available for public viewing and review at least 72 hours prior to the scheduled meeting date.

Exhibits

1. City Council resolution
2. Carlsbad Municipal Water District Board resolution

RESOLUTION NO._____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, AUTHORIZING EXECUTION OF A 5-YEAR MASTER PURCHASE AGREEMENT WITH ONESOURCE DISTRIBUTORS FOR SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA) PROGRAMMABLE LOGIC CONTROLLER EQUIPMENT AS PART OF CAPITAL IMPROVEMENT PROGRAM PROJECT NO. 5542-1 IN AN AMOUNT NOT TO EXCEED $150,000.

WHEREAS, the City Council in the City of Carlsbad, California has determined that the city would benefit from a master purchase agreement that secures an agreed upon discount for SCADA programmable logic controller equipment over a five-year term to support implementation of a new wastewater SCADA system; and

WHEREAS, the city solicited a request for proposals for master agreements for programmable logic controllers; and

WHEREAS, staff has received a total of four proposals to the request for proposals and has conducted a qualifications-based evaluation of the four proposals in accordance with Carlsbad Municipal Code Section 3.28.050(C) and has identified Rockwell Automation programmable logic controller equipment as best meeting the needs identified; and

WHEREAS, OneSource Distributors is the local distributor for Rockwell Automation programmable logic controller equipment; and

WHEREAS, there is sufficient funding in the Capital Improvement Program, Project No. 5542-1 to complete purchases under the not-to-exceed amount of $150,000 for the proposed master purchase agreement.

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

1. That the above recitations are true and correct.

2. That the mayor is authorized and directed to execute the agreement with OneSource Distributors to provide wastewater SCADA programmable logic controller equipment at an agreed upon discount in an amount not to exceed $150,000, which is attached hereto as Attachment A.

3. The city manager is authorized to amend the Agreement to extend it for two (2) additional five (5) year periods or parts thereof in an amount not to exceed $100,000 per Agreement year.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council of the City of Carlsbad on the __ day of _____, 2020, by the following vote, to wit:

AYES:

NAYS:

ABSENT:

_____
MATT HALL, Mayor

_____
BARBARA ENGLESON, City Clerk

(SEAL)

MASTER PURCHASE AGREEMENT FOR ROCKWELL SCADA PLC EQUIPMENT
ONESOURCE DISTRIBUTORS, A SONEPAR COMPANY

THIS AGREEMENT is made and entered into as of the _____ day of _____, 2020, by and between the CITY OF CARLSBAD, a municipal corporation, hereinafter referred to as "City", and ONESOURCE DISTRIBUTORS, LLC, a Delaware limited liability company, hereinafter referred to as "Seller."

RECITALS

A. The parties to this Agreement will purchase from Seller and Seller will sell to City, Rockwell SCADA PLC equipment during the term of this Agreement.

B. To expedite these contemplated purchases, the parties are willing to enter into this exclusive Agreement that sets forth the terms and conditions that will govern all such transactions between them.

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, City and Seller agree as follows:

1. Definitions

1.1. Buyer. With respect to purchase orders issued by City, the term "Buyer" means City of Carlsbad.

1.2. Products. The term "Product" means those goods listed in Table 1 for which Buyer issues to Seller a purchase order during the term of this Agreement. Products and specified terms are described in Table 1 and Exhibit "A" – Request for Bid, which are attached hereto and incorporated herein by this reference in accordance with the terms and conditions set forth in this Agreement. In the event of an inconsistency between the Product description of Table 1 and Exhibit "A", the inconsistency will be resolved with Exhibit "A" taking precedence.

2. Issuance of Purchase Orders. Buyer may issue purchase orders to Seller from time to time for the purchase of Products. Each purchase order shall contain a description of the Products ordered, the quantities and prices, the terms and place of delivery, and will reference City of Carlsbad Bid # RFP19-48UTIL. Every purchase order issued by Buyer to Seller following the date of this Agreement and bearing such a notation shall be governed by and be deemed to include the provisions of this Agreement, Exhibit "A" or the placed purchase order, the inconsistency will be resolved in the following descending order of precedence: (1) this Agreement, (2) Exhibit "A", and (3) the purchase order.

The City will indicate its specific requirements on its purchase order documents including but not limited to delivery address and instructions. There will be no minimum order and all items must be available for the term of this Agreement. All items will be delivered F.O.B. Destination, Freight Prepaid and Allowed, and at the prices set forth in Table 1.

3. Term. This Agreement will be effective for a period of five (5) years from the date first above written. The total amount for the purchase of ROCKWELL SCADA PLC EQUIPMENT over the five (5) year period shall not exceed one hundred fifty thousand dollars ($150,000).

The City Manager may amend the Agreement to extend it for two (2) additional five (5) year period or parts thereof in an amount not to exceed $100,000 per Agreement year. Extensions

will be based upon a satisfactory review of Contractor's performance, City needs, and appropriation of funds by the City Council. The parties will prepare a written amendment indicating the effective date and length of the extended Agreement.

4. Termination. City may terminate this Agreement at any time with thirty (30) days written notice to Seller. Seller may terminate this Agreement at any time with ninety (90) days written notice to City.

5. Delivery.

5.1. The delivery for purchase orders placed pursuant to this Agreement shall be as specified in the City's purchase order.

5.2. Time is of the essence on orders and delay in delivery will cause injury to the Buyer. Should the Seller be obstructed or delayed in the production or delivery of Product(s) required hereunder by any act or omission of the City or by strikes, and act of God, or by no fault of the Seller in its ability to obtain materials ("Delaying Event"), then the time for delivery of the order shall be extended for such period as may be either agreed to between Seller and City or equal to the period of time of the Delaying Event.

5.3. Notwithstanding any other provision of this Agreement, if delivery cannot be made within forty-five (45) days after receipt of a purchase order, Buyer may, upon knowledge of the fact and regardless whether or not the delay would be excusable, terminate the purchase order by written notice to Seller. The termination shall be without cost to Buyer and shall discharge all obligations and liabilities of the Buyer/Seller under the purchase order except as to Products previously delivered and accepted by Buyer.

6. Passage of Title and Risk of Loss. Unless otherwise specified in a particular purchase order placed pursuant to this Agreement, title to and risk of any loss of or damage to the Products shall pass from Seller to Buyer when the Products are accepted in writing by the Buyer using a shipping acknowledgement form submitted by the Seller with each shipment.

7. Inspection of Product. Seller shall inspect and test all Products prior to shipment to Buyer. In addition, all Products shall be subject to final inspection and acceptance by Buyer at Buyer's facility. Final inspection and acceptance or rejection will be made by Buyer within thirty (30) days after receipt of Products, and failure of Buyer to reject any Product within thirty (30) days after receipt shall constitute acceptance. Should Buyer reject any Product for failure to conform to the requirements of a purchase order, Buyer shall notify Seller in writing of the rejection, giving detailed reasons for the rejection. Seller shall then have the option to repair or replace the nonconforming Product within ten (10) days at Buyer's designated delivery facility. If Seller fails to act to correct any nonconforming Product within this time period, then Buyer may return any nonconforming Product(s) to Seller. Rejected items to be returned to Seller shall be shipped at Seller's risk and expense.

8. Warranty. Seller warrants to Buyer that all Products delivered under this Agreement shall be free from defects in materials and workmanship, that all Products will conform to the requirements of the order including, but not limited to, the applicable descriptions, specifications, and drawings agreed to by the parties and, to the extent the items are not manufactured pursuant to detailed designs furnished by Buyer, that all Products will be free from defects in design and suitable for the intended purposes. In addition, Seller warrants that all Products will, at the time of deliver, be free from any security interest or other lien or encumbrance.

9. Indemnification. Seller agrees to indemnify and hold harmless the City and its officers, officials, employees and volunteers from and against all claims, damages, losses and expenses including attorney's fees arising out of the performance of the work described herein caused by any willful misconduct or negligent act or omission of the Seller, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable.

The parties expressly agree that any payment, attorney's fee, costs or expense City incurs or makes to or on behalf of an injured employee under the City's self-administered workers' compensation is included as a loss, expense or cost for the purposes of this section, and that this section will survive the expiration or early termination of this Agreement.

10. Insurance. Seller will obtain and maintain for the duration of the Agreement and any and all amendments, insurance against claims for injuries to persons or damage to property which may arise out of or in connection with performance of the services by Seller or Seller's agents, representatives, employees or subcontractors. The insurance will be obtained from an insurance carrier admitted and authorized to do business in the State of California. The insurance carrier is required to have a current Best's Key Rating of not less than "A-:VII"; **OR** with a surplus line insurer on the State of California's List of Approved Surplus Line Insurers (LASLI) with a rating in the latest Best's Key Rating Guide of at least "A:X"; **OR** an alien non-admitted insurer listed by the National Association of Insurance Commissioners (NAIC) latest quarterly listings report.

10.1 Coverages and Limits. Seller will maintain the types of coverages and minimum limits indicated below, unless Risk Manager or City Manager approves a lower amount. These minimum amounts of coverage will not constitute any limitations or cap on Seller's indemnification obligations under this Agreement. City, its officers, agents and employees make no representation that the limits of the insurance specified to be carried by Seller pursuant to this Agreement are adequate to protect Seller. If Seller believes that any required insurance coverage is inadequate, Seller will obtain such additional insurance coverage, as Seller deems adequate, at Seller's sole expense. The full limits available to the named insured shall also be available and applicable to the City as an additional insured.

10.1.1 Commercial General Liability Insurance. $2,000,000 combined single-limit per occurrence for bodily injury, personal injury and property damage. If the submitted policies contain aggregate limits, general aggregate limits will apply separately to the work under this Agreement or the general aggregate will be twice the required per occurrence limit.

10.2. Additional Provisions. Seller will ensure that the policies of insurance required under this Agreement contain, or are endorsed to contain, the following provisions:

10.2.1 The City will be named as an additional insured on Commercial General Liability which shall provide primary coverage to the City.

10.2.2 Seller will obtain occurrence coverage, excluding Professional Liability, which will be written as claims-made coverage.

10.2.3 This insurance will be in force during the life of the Agreement and any extensions of it and will not be canceled without thirty (30) days prior written notice to City sent by certified mail pursuant to the Notice provisions of this Agreement.

10.3 Providing Certificates of Insurance and Endorsements. Prior to City's execution of this Agreement, Seller will furnish certificates of insurance and endorsements to City.

10.4 Failure to Maintain Coverage. If Seller fails to maintain any of these insurance coverages, then City will have the option to declare Seller in breach or may purchase replacement insurance or pay the premiums that are due on existing policies in order to maintain the required coverages. Seller is responsible for any payments made by City to obtain or maintain insurance and City may collect these payments from Seller or deduct the amount paid from any sums due Seller under this Agreement.

10.5 Submission of Insurance Policies. City reserves the right to require, at anytime, complete and certified copies of any or all required insurance policies and endorsements.

11. Notices. All notices and other communications require or authorized under this Agreement shall be given in writing either by personal delivery or by first class mail addressed to the respective party.

The name of the persons who are authorized to give written notice or to receive written notice on behalf of City and on behalf of Seller under this Agreement are:

For City:		For Seller:	
Name	Stephanie Harrison	Name	Daniel Yonovich
Title	Asset Manager	Title	Account Manager
Dept	Utilities	Address	3951 Oceanic Drive
	City of Carlsbad		Oceanside, CA 92056
Address	5950 El Camino Real	Phone	773-398-3145
	Carlsbad, CA 92008	Email	dyonovich@1sourcedist.com
Phone	760-603-7310		

Each party will notify the other immediately of any changes of address that would require any notice or delivery to be directed to another address.

12. Compliance with Laws. Seller will comply with all applicable local, state and federal laws and regulations prohibiting discrimination and harassment and, if required, will obtain and maintain a City of Carlsbad Business License for the term of this Agreement and any amendments to the Agreement.

13. Claims and Lawsuits. By signing this Agreement, Seller agrees it may be subject to civil penalties for the filing of false claims as set forth in the California False Claims Act, Government Code sections 12650, et seq., and Carlsbad Municipal Code sections 3.32.025 et seq. Seller further acknowledges that debarment by another jurisdiction is grounds for the City of Carlsbad to terminate this Agreement.

14. Venue and Jurisdiction. Seller agrees and stipulates that the proper venue and jurisdiction for resolution of any disputes between the parties arising out of this Agreement is the Superior Court of California, County of San Diego, California.

15. Assignment. Seller may not assign this Agreement or any part of it, nor may it assign any monies due or that may become due under it, without the prior written consent of City.

16. **Amendments.** This Agreement may be amended by mutual consent of the City and Contractor. Any amendment will be in writing, signed by both parties, with a statement of estimated changes in charges or time schedule.

17. **Authority.** The individuals executing this Agreement and the instruments referenced in it on behalf of Seller each represent and warrant that they have the legal power, right and actual authority to bind Seller to the terms and conditions of this Agreement.

Executed by Contractor this 29th day of January, 2020.

SELLER

ONESOURCE DISTRIBUTORS, LLC, a Delaware limited liability company

By: _____
(sign here)

Shawn Bodnar/Vice-President of Sales
(print name/title)

By: _____
(sign here)

_____
(print name/title)

CITY OF CARLSBAD, a municipal corporation of the State of California

By: _____
Matt Hall, Mayor

ATTEST:

_____
Barbara Engleson, City Clerk

Proper notarial acknowledgment of execution by Contractor must be attached. If a corporation, Agreement must be signed by one corporate officer from each of the following two groups:

Group A	Group B
Chairman,	Secretary,
President, **or**	Assistant Secretary,
Vice-President	CFO **or** Assistant Treasurer

Otherwise, the corporation **must** attach a resolution certified by the secretary or assistant secretary under corporate seal empowering the officer(s) signing to bind the corporation.

CITY OF CARLSBAD, a municipal corporation of the State of California
APPROVED AS TO FORM:
CELIA A. BREWER, City Attorney

BY: _____
Deputy City Attorney

See attached notary certificate

CALIFORNIA ALL-PURPOSE
Certificate of Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF San Diego

On January 29, 2020 before me, Robyn Carlson, Notary Public,

personally appeared Shawn Bodnar

,

who proved to me on the basis of satisfactory evidence to be the person(~~s~~) whose name(~~s~~) ~~is~~/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he~~/~~she~~/~~they~~ executed the same in ~~his~~/~~her~~/~~their~~ authorized capacity(~~ies~~), and that by ~~his~~/~~her~~/~~their~~ signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Robyn Carlson

Robyn Carlson, Notary Public

NCC1 ROBYN CARLSON
Commission No. 2241609
NOTARY PUBLIC-CALIFORNIA
SAN DIEGO COUNTY
My Comm. Expires JUNE 5, 2022 NCC1

OPTIONAL INFORMATION

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document Master Purchase Agreement for Rockwell Scada PLC Equipment OneSource Distributors, A Sonepar Company

Document Date January 29, 2020 Number of Pages - 7 -

Signer(s) Other Than Named Above City of Carlsbad -
- Matt Hall - Mayor
- Barbara Engleson - City Clerk
- Deputy City Attorney

EXHIBIT "A"
TABLE 1 - COST OF EQUIPMENT

OneSource
A Sonepar Company

DATE 7-Jan-20
PAGE 1
QUOTE DY010720

Product	Description	List Price	Sell Mult	Net (Ea)
1756-A4	4 Slot ControlLogix Chassis	$405.00	0.7	$283.50
1756-A7	7 Slot ControlLogix Chassis	$620.00	0.7	$434.00
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1756-L72	ControlLogix 5570 Controller with 4 MB Memory, USB Port, 4 Character Alpha/Numeric Display.	$8,960.00	0.7	$6,272.00
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9324-RLD300ENE	ESD - Studio 5000 Standard, ENG	$3,800.00	1	$3,800.00
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Terms and Conditions will be agreed upon via Contract
Pricing per Rockwell Fiscal Year 2020 - Oct 1 2019 thru Sept 30 2020 - Annual Increase averages 5% per year

Pricing reflects the percentage discount off of list price that will remain in effect for the Term of the Agreement

Quotation written by Dan Yonovich

Dyonovich@1sourcedist.com

Ph: 773-398-3145

TABLE 2

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Rockwell Automation can offer an Extended Parts Warranty when the 12 Month Warranty is still in place. The cost for the extended warranty is 4% of the list price per year.

TechConnect: Technical Support & Software Maintenance		Year 2019 Pricing (Not to exceed an annual 3% pricing increase)
9800-DC24AUTOA	AUTOMATION 1-4 PROCESSORS 24X7 PRODUCT SUPPORT	$1,105.17
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PLC System Training: Instructor Lead Training at One Source Distributors, Oceanside CA	Year 2019 Pricing (Not to exceed an annual 5% pricing
CCP146 Studio 5000 Logix Designer Level 1: ControlLogix Systems Fundamentals, 6-students	$10,058.82
CCP151 Studio 5000 Logix Designer Level 2: Basic Ladder Logic Programing, 6-students	$10,058.82
CCP153 Studio 5000 Logix Designer Level 2: ControlLogix Maintenance and Troubleshooting, 6-students	$13,658.82
CCCL21 Studio 5000 Logix Designer Level 3: Basic Ladder Logic Interpretation, 6-students	$10,058.52

Onsite Field Labor Services 2019 Pricing (Not to exceed an annual 5% pricing increase)

Customer Block of Time (CBOT) 80-hours prepaid field labor services 1 year: $17,200

Standard Field Labor Services Call-Out Rates:		
	Standard Product Support	LV Drive Start-Up Assistance
Scheduled	$234/Hour	$197/Hour
Emergency	$302/Hour	$302/Hour

Travel	On Call	Overnight	Expenses	Receipts
$197/Hour	$197/Hour	Upto $450 night	Cost + 10%	$50/day, $250 event minnimum

RESOLUTION NO._____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CARLSBAD MUNICIPAL WATER DISTRICT, AUTHORIZING EXECUTION OF A 5-YEAR MASTER PURCHASE AGREEMENT WITH ONESOURCE DISTRIBUTORS FOR SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA) PROGRAMMABLE LOGIC CONTROLLER EQUIPMENT AS PART OF CAPITAL IMPROVEMENT PROGRAM, PROJECT NO. 5542-2 AND 5542-3, IN AN AMOUNT NOT TO EXCEED $400,000.

WHEREAS, the Board of Directors of the Carlsbad Municipal Water District (CMWD) has determined that CMWD would benefit from a master purchase agreement that secures an agreed upon discount for SCADA PLC equipment over a five-year term to support the implementation of a new SCADA system for potable and recycled water; and

WHEREAS, CMWD solicited request for proposals for master agreements for programmable logic controllers; and

WHEREAS, staff has received a total of four proposals to the request for proposals and has conducted a qualifications-based evaluation of the four proposals in accordance with Carlsbad Municipal Code Section 3.28.050(C) and has identified Rockwell Automation programmable logic controller equipment as best meeting the needs identified; and

WHEREAS, OneSource Distributors is the local distributor for Rockwell Automation programmable logic controller equipment; and

WHEREAS, there is sufficient funding in the Capital Improvement Program (CIP), Project No. 5542-2 ($300,000) and CIP Project No. 5542-3 ($100,000) to complete purchases under the not-to-exceed amount of $400,000 for the proposed Master Purchase Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Carlsbad Municipal Water District in the City of Carlsbad, California, as follows:

1. That the above recitations are true and correct.

2. That the president is authorized and directed to execute the agreement with OneSource Distributors to provide water SCADA programmable logic controller equipment at agreed upon discount in an amount not to exceed $400,000, which is attached hereto as Attachment A.

3. That the executive manager may amend the Agreement to extend it for two (2) additional five (5) year periods or parts thereof in an amount not to exceed $100,000 per Agreement year.

PASSED, APPROVED AND ADOPTED at a Special Meeting of the Board of Directors of the Carlsbad Municipal Water District in the City of Carlsbad, California on the __ day of _____, 2020, by the following vote, to wit:

AYES:

NAYS:

ABSENT:

_____
MATT HALL, PRESIDENT

_____
BARBARA ENGLESON, SECRETARY

(SEAL)

MASTER PURCHASE AGREEMENT FOR ROCKWELL SCADA PLC EQUIPMENT ONESOURCE DISTRIBUTORS, A SONEPAR COMPANY

THIS AGREEMENT is made and entered into as of the _____ day of _____, 2020, by and between the CARLSBAD MUNICIPAL WATER DISTRICT, a municipal corporation, hereinafter referred to as "CMWD", and ONESOURCE DISTRIBUTORS, LLC, a Delaware limited liability company, hereinafter referred to as "Seller."

RECITALS

A. The parties to this Agreement will purchase from Seller and Seller will sell to CWMD, Rockwell SCADA PLC equipment during the term of this Agreement.

B. To expedite these contemplated purchases, the parties are willing to enter into this exclusive Agreement that sets forth the terms and conditions that will govern all such transactions between them.

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, CMWD and Seller agree as follows:

1. Definitions

1.1. Buyer. With respect to purchase orders issued by CMWD, the term "Buyer" means Carlsbad Municipal Water District.

1.2. Products. The term "Product" means those goods listed in Table 1 for which Buyer issues to Seller a purchase order during the term of this Agreement. Products and specified terms are described in Table 1 and Exhibit "A" – Request for Bid, which are attached hereto and incorporated herein by this reference in accordance with the terms and conditions set forth in this Agreement. In the event of an inconsistency between the Product description of Table 1 and Exhibit "A", the inconsistency will be resolved with Exhibit "A" taking precedence.

2. Issuance of Purchase Orders. Buyer may issue purchase orders to Seller from time to time for the purchase of Products. Each purchase order shall contain a description of the Products ordered, the quantities and prices, the terms and place of delivery, and will reference Carlsbad Municipal Water District Bid # RFP19-48UTIL. Every purchase order issued by Buyer to Seller following the date of this Agreement and bearing such a notation shall be governed by and be deemed to include the provisions of this Agreement, Exhibit "A" or the placed purchase order, the inconsistency will be resolved in the following descending order of precedence: (1) this Agreement, (2) Exhibit "A", and (3) the purchase order.

The CMWD will indicate its specific requirements on its purchase order documents including but not limited to delivery address and instructions. There will be no minimum order and all items must be available for the term of this Agreement. All items will be delivered F.O.B. Destination, Freight Prepaid and Allowed, and at the prices set forth in Table 1.

3. Term. This Agreement will be effective for a period of five (5) years from the date first above written. The total amount for the purchase of ROCKWELL SCADA PLC EQUIPMENT over the five (5) year period shall not exceed four hundred thousand dollars ($400,000).

The Executive Manager may amend the Agreement to extend it for two (2) additional five (5) year period or parts thereof in an amount not to exceed $100,000 per Agreement year.

Extensions will be based upon a satisfactory review of Contractor's performance, CMWD needs, and appropriation of funds by the CMWD Board of Directors. The parties will prepare a written amendment indicating the effective date and length of the extended Agreement.

4. Termination. CMWD may terminate this Agreement at any time with thirty (30) days written notice to Seller. Seller may terminate this Agreement at any time with ninety (90) days written notice to CMWD.

5. Delivery.

5.1. The delivery for purchase orders placed pursuant to this Agreement shall be as specified in the CMWD's purchase order.

5.2. Time is of the essence on orders and delay in delivery will cause injury to the Buyer. Should the Seller be obstructed or delayed in the production or delivery of Product(s) required hereunder by any act or omission of the CMWD or by strikes, and act of God, or by no fault of the Seller in its ability to obtain materials ("Delaying Event"), then the time for delivery of the order shall be extended for such period as may be either agreed to between Seller and CMWD or equal to the period of time of the Delaying Event.

5.3. Notwithstanding any other provision of this Agreement, if delivery cannot be made within forty-five (45) days after receipt of a purchase order, Buyer may, upon knowledge of the fact and regardless whether or not the delay would be excusable, terminate the purchase order by written notice to Seller. The termination shall be without cost to Buyer and shall discharge all obligations and liabilities of the Buyer/Seller under the purchase order except as to Products previously delivered and accepted by Buyer.

6. Passage of Title and Risk of Loss. Unless otherwise specified in a particular purchase order placed pursuant to this Agreement, title to and risk of any loss of or damage to the Products shall pass from Seller to Buyer when the Products are accepted in writing by the Buyer using a shipping acknowledgement form submitted by the Seller with each shipment.

7. Inspection of Product. Seller shall inspect and test all Products prior to shipment to Buyer. In addition, all Products shall be subject to final inspection and acceptance by Buyer at Buyer's facility. Final inspection and acceptance or rejection will be made by Buyer within thirty (30) days after receipt of Products, and failure of Buyer to reject any Product within thirty (30) days after receipt shall constitute acceptance. Should Buyer reject any Product for failure to conform to the requirements of a purchase order, Buyer shall notify Seller in writing of the rejection, giving detailed reasons for the rejection. Seller shall then have the option to repair or replace the nonconforming Product within ten (10) days at Buyer's designated delivery facility. If Seller fails to act to correct any nonconforming Product within this time period, then Buyer may return any nonconforming Product(s) to Seller. Rejected items to be returned to Seller shall be shipped at Seller's risk and expense.

8. Warranty. Seller warrants to Buyer that all Products delivered under this Agreement shall be free from defects in materials and workmanship, that all Products will conform to the requirements of the order including, but not limited to, the applicable descriptions, specifications, and drawings agreed to by the parties and, to the extent the items are not manufactured pursuant to detailed designs furnished by Buyer, that all Products will be free from defects in design and suitable for the intended purposes. In addition, Seller warrants that all Products will, at the time of deliver, be free from any security interest or other lien or encumbrance.

9. Indemnification. Seller agrees to indemnify and hold harmless CMWD and the City of Carlsbad, their officers, officials, employees and volunteers from and against all claims, damages, losses and expenses including attorney's fees arising out of the performance of the work described herein caused by any willful misconduct or negligent act or omission of the Seller, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable.

The parties expressly agree that any payment, attorney's fee, costs or expense CMWD or the City of Carlsbad incurs or makes to or on behalf of an injured employee under CMWD's self-administered workers' compensation is included as a loss, expense or cost for the purposes of this section, and that this section will survive the expiration or early termination of this Agreement.

10. Insurance. Seller will obtain and maintain for the duration of the Agreement and any and all amendments, insurance against claims for injuries to persons or damage to property which may arise out of or in connection with performance of the services by Seller or Seller's agents, representatives, employees or subcontractors. The insurance will be obtained from an insurance carrier admitted and authorized to do business in the State of California. The insurance carrier is required to have a current Best's Key Rating of not less than "A-:VII"; **OR** with a surplus line insurer on the State of California's List of Approved Surplus Line Insurers (LASLI) with a rating in the latest Best's Key Rating Guide of at least "A:X"; **OR** an alien non-admitted insurer listed by the National Association of Insurance Commissioners (NAIC) latest quarterly listings report.

10.1 Coverages and Limits. Seller will maintain the types of coverages and minimum limits indicated below, unless Risk Manager or Executive Manager approves a lower amount. These minimum amounts of coverage will not constitute any limitations or cap on Seller's indemnification obligations under this Agreement. CMWD, its officers, agents and employees make no representation that the limits of the insurance specified to be carried by Seller pursuant to this Agreement are adequate to protect Seller. If Seller believes that any required insurance coverage is inadequate, Seller will obtain such additional insurance coverage, as Seller deems adequate, at Seller's sole expense. The full limits available to the named insured shall also be available and applicable to CMWD as an additional insured.

10.1.1 Commercial General Liability Insurance. $2,000,000 combined single-limit per occurrence for bodily injury, personal injury and property damage. If the submitted policies contain aggregate limits, general aggregate limits will apply separately to the work under this Agreement or the general aggregate will be twice the required per occurrence limit.

10.2. Additional Provisions. Seller will ensure that the policies of insurance required under this Agreement contain, or are endorsed to contain, the following provisions:

10.2.1 CMWD will be named as an additional insured on Commercial General Liability which shall provide primary coverage to CMWD.

10.2.2 Seller will obtain occurrence coverage, excluding Professional Liability, which will be written as claims-made coverage.

10.2.3 This insurance will be in force during the life of the Agreement and any extensions of it and will not be canceled without thirty (30) days prior written notice to CMWD sent by certified mail pursuant to the Notice provisions of this Agreement.

10.3 Providing Certificates of Insurance and Endorsements. Prior to CMWD's execution of this Agreement, Seller will furnish certificates of insurance and endorsements to CMWD.

10.4 Failure to Maintain Coverage. If Seller fails to maintain any of these insurance coverages, then CMWD will have the option to declare Seller in breach or may purchase replacement insurance or pay the premiums that are due on existing policies in order to maintain the required coverages. Seller is responsible for any payments made by CMWD to obtain or maintain insurance and CMWD may collect these payments from Seller or deduct the amount paid from any sums due Seller under this Agreement.

10.5 Submission of Insurance Policies. CMWD reserves the right to require, at anytime, complete and certified copies of any or all required insurance policies and endorsements.

11. Notices. All notices and other communications require or authorized under this Agreement shall be given in writing either by personal delivery or by first class mail addressed to the respective party.

The name of the persons who are authorized to give written notice or to receive written notice on behalf of CMWD and on behalf of Seller under this Agreement are:

For CMWD:

Name	Stephanie Harrison
Title	Asset Manager
Dept	Utilities
	Carlsbad Municipal Water District
Address	5950 El Camino Real
	Carlsbad, CA 92008
Phone	760-603-7310

For Seller:

Name	Daniel Yonovich
Title	Account Manager
Address	3951 Oceanic Drive
	Oceanside, CA 92056
Phone	773-398-3145
Email	dyonovich@1sourcedist.com

Each party will notify the other immediately of any changes of address that would require any notice or delivery to be directed to another address.

12. Compliance with Laws. Seller will comply with all applicable local, state and federal laws and regulations prohibiting discrimination and harassment and, if required, will obtain and maintain a City of Carlsbad of Carlsbad Business License for the term of this Agreement and any amendments to the Agreement.

13. Claims and Lawsuits. By signing this Agreement, Seller agrees it may be subject to civil penalties for the filing of false claims as set forth in the California False Claims Act, Government Code sections 12650, et seq., and Carlsbad Municipal Code sections 3.32.025 et seq. Seller further acknowledges that debarment by another jurisdiction is grounds for CMWD to terminate this Agreement.

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17. Authority. The individuals executing this Agreement and the instruments referenced in it on behalf of Seller each represent and warrant that they have the legal power, right and actual authority to bind Seller to the terms and conditions of this Agreement.

Executed by Contractor this 13th day of March, 2020.

SELLER

ONESOURCE DISTRIBUTORS, LLC, a Delaware limited liability company

By: _____
(sign here)

Shawn Bodnar - VP Sales
(print name/title)

By: _____
(sign here)

_____
(print name/title)

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By: _____
Matt Hall, President

ATTEST:

_____
Barbara Engleson, Secretary

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Chairman,	Secretary,
President, **or**	Assistant Secretary,
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Otherwise, the corporation **must** attach a resolution certified by the secretary or assistant secretary under corporate seal empowering the officer(s) signing to bind the corporation.

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APPROVED AS TO FORM:
CELIA A. BREWER, General Counsel

BY: _____
Assistant General Counsel

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Dyonovich@1sourcedist.com

Ph: 773-398-3145

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PLC System Training: Instructor Lead Training at One Source Distributors, Oceanside CA	Year 2019 Pricing (Not to exceed an annual 5% pricing
CCP146 Studio 5000 Logix Designer Level 1: ControlLogix Systems Fundamentals, 6-students	$10,058.82
CCP151 Studio 5000 Logix Designer Level 2: Basic Ladder Logic Programing, 6-students	$10,058.82
CCP153 Studio 5000 Logix Designer Level 2: ControlLogix Maintenance and Troubleshooting, 6-students	$13,658.82
CCCL21 Studio 5000 Logix Designer Level 3: Basic Ladder Logic Interpretation, 6-students	$10,058.52

Onsite Field Labor Services 2019 Pricing (Not to exceed an annual 5% pricing increase)

Customer Block of Time (CBOT) 80-hours prepaid field labor services 1 year: $17,200

Standard Field Labor Services Call-Out Rates:		
	Standard Product Support	LV Drive Start-Up Assistance
Scheduled	$234/Hour	$197/Hour
Emergency	$302/Hour	$302/Hour

Travel	On Call	Overnight	Expenses	Receipts
$197/Hour	$197/Hour	Upto $450 night	Cost + 10%	$50/day, $250 event minnimum

CITY COUNCIL
Staff Report

Meeting Date:	July 14, 2020
To:	Mayor and City Council
From:	Scott Chadwick, City Manager
Staff Contact:	John Kim, City Traffic Engineer John.kim@carlsbadca.gov, 760-602-2757
Subject:	Introduce an Ordinance to Decrease the Speed Limit on Avenida Encinas from Cannon Road to Palomar Airport Road

Recommended Action
Introduce an Ordinance amending the City of Carlsbad Municipal Code Section 10.44.280 to decrease the speed limit on Avenida Encinas from Cannon Road to Palomar Airport Road to 35 mph.

Executive Summary
The California Vehicle Code gives local agencies the authority to determine and establish by ordinance a reasonable and safe speed limit that facilitates the orderly movement of vehicle traffic. The speed limit becomes effective when appropriate signs are installed along the roadway.

Avenida Encinas' roadway configuration changed as part of the 2017 Vista/Carlsbad Interceptor Sewer project, which included roadway resurfacing. Because of these changes, staff proposes to decrease the speed limit on Avenida Encinas from Cannon Road to Palomar Airport Road from 40 to 35 mph. The proposed speed limit is reasonable and defensible, and complies with the state's vehicle code and the California Manual on Uniform Traffic Control Devices. The proposed speed limit of 35 mph is supported by a valid engineering and traffic survey.

Discussion
Avenida Encinas is classified in the Mobility Element of the General Plan as a neighborhood connector street. According to the plan, "neighborhood connector streets are intended to "connect people to different neighborhoods and land uses of the city" and to be "designed to safely move all modes of travel while enhancing mobility for pedestrians and bicyclists." The portion of Avenida Encinas between Cannon Road and Palomar Airport Road (see Exhibit 3) has a roadway width between 50 and 64 feet and was previously striped with two vehicle lanes in each direction with no bicycle lane. Surrounding land uses include light industrial, professional offices and restaurants.

As part of the Vista/Carlsbad Interceptor Sewer project, the roadway surface of Avenida Encinas was repaved. The roadway striping was modified by reducing the number of vehicular

travel lanes from two lanes in each direction to one lane each to accommodate buffered bicycle lanes that align with the Mobility Element.

After this significant change in the roadway configuration, staff conducted the necessary engineering studies to compile a revised engineering and traffic survey, including a speed survey. The results of the speed survey, which was conducted on June 18, 2018, indicated a critical speed of 36 mph. The critical speed, otherwise known as the 85th percentile speed, is the speed at which 85% of the surveyed vehicles are traveling at or below. (For example, if the speeds of 100 vehicles were surveyed, and 85 of them were at or below 36 mph, the critical speed would be 36 mph.) The California Manual on Uniform Traffic Control Devices requires that when a speed limit is posted, it shall be established at the nearest 5 mph increment of the 85th percentile speed of free-flowing traffic. The nearest 5 mph increment on Avenida Encinas is 35 mph. Based on these findings, staff recommends that the posted speed limit on Avenida Encinas, from Cannon Road to Palomar Airport Road, be decreased to 35 mph.

On Sept. 10, 2018, the Traffic Safety Commission (now known as the Traffic and Mobility Commission) supported staff's recommendation with a vote of 5-0. Based on the results of the engineering and traffic survey, the commissioners recommended unanimously that the existing prima facie 40 mph speed limit be reduced to 35 mph on Avenida Encinas from Cannon Road to Palomar Airport Road.

Fiscal Analysis

The installation of two new 35 mph speed limit signs and removal of the two existing 40 mph signs will cost about $600. Sufficient funds are available in the streets maintenance operating budget to pay for the proposed installation.

Next Steps

After the ordinance is introduced and adopted, appropriate regulatory speed limit signs will be posted in compliance with California Manual on Uniform Traffic Control Devices.

Environmental Evaluation (CEQA)

This project is exempt from the California Environmental Quality Act under CEQA Guidelines Section 15301(c) – minor alteration of existing facilities including streets, sidewalks, gutters and similar facilities involving negligible or no expansion.

Public Notification

Public notice of this item was posted in accordance with the Ralph M. Brown Act and it was available for public viewing and review at least 72 hours prior to the scheduled meeting date. The city clerk shall certify the adoption of this ordinance and publish it at least once in a newspaper of general circulation in the City of Carlsbad within 15 days after its adoption.

Exhibits

1. Ordinance introduction
2. Ordinance revisions
3. Location map
4. Engineering and traffic survey

ORDINANCE NO._____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, AMENDING CARLSBAD MUNICIPAL CODE SECTION 10.44.280 TO DECREASE THE SPEED LIMIT ON AVENIDA ENCINAS FROM CANNON ROAD TO PALOMAR AIRPORT ROAD TO 35 MILES PER HOUR (MPH)

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Carlsbad, California, ordains as follows that:

1. Title 10, Chapter 10.44 of the Carlsbad Municipal Code is amended by revision of Section 10.44.280 to read as follows:

"10.44. Avenida Encinas

A. Upon Avenida Encinas from Carlsbad Boulevard to a point 3,000 feet northerly of Poinsettia Lane, the prima facie speed limit shall be 35 miles per hour.

B. Upon Avenida Encinas from a point 3,000 feet northerly of Poinsettia Lane to a point 3,500 feet southerly of Palomar Airport Road, the prima facie speed limit shall be 30 miles per hour.

C. Upon Avenida Encinas from a point 3,500 feet southerly of Palomar Airport Road to its intersection with Palomar Airport Road, the prima facie speed limit shall be 40 miles per hour.

D. Upon Avenida Encinas from Palomar Airport Road to its intersection with Cannon Road, the prima facie speed limit shall be 35 miles per hour."

EFFECTIVE DATE: This Ordinance shall be effective 30 days after its adoption; and the city clerk shall certify the adoption of this Ordinance and cause the full text of the Ordinance or a summary of the Ordinance prepared by the city attorney to be published at least once in a newspaper of general circulation in the City of Carlsbad within 15 days after its adoption.

INTRODUCED AND FIRST READ at a Regular Meeting of the City Council of the City of Carlsbad on the _____ day of _____, 2020, and thereafter

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the __ day of _____, 2020, by the following vote, to wit:

AYES:

NAYS:

ABSENT:

APPROVED AS TO FORM AND LEGALITY:

_____
CELIA A. BREWER, City Attorney

_____
MATT HALL, Mayor

_____
BARBARA ENGLESON, City Clerk

(SEAL)

1. Title 10, Chapter 10.44 of the Carlsbad Municipal Code is amended by revision of Section 10.44.280 to read as follows:

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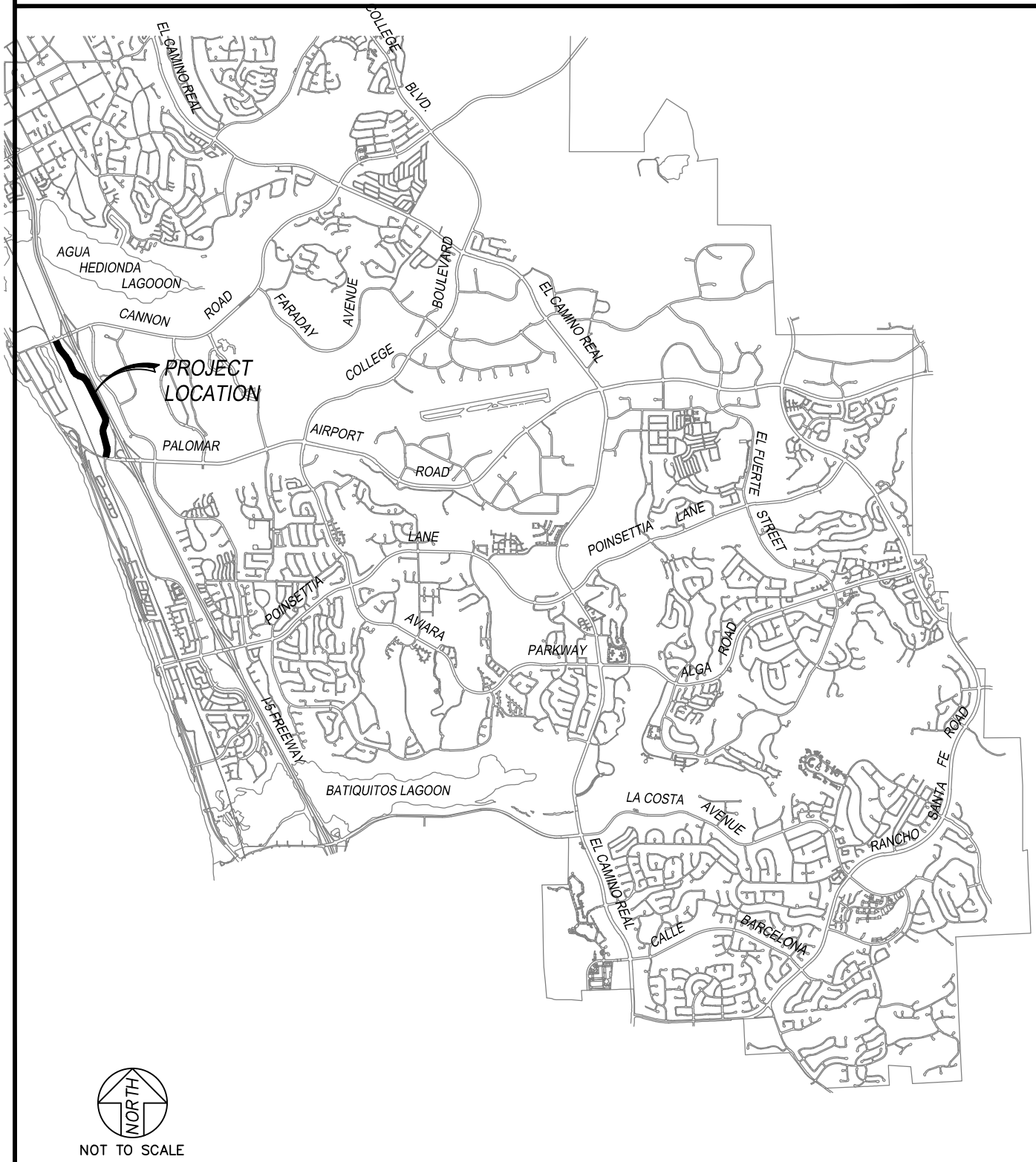
A. Upon Avenida Encinas from Carlsbad Boulevard to a point 3,000 feet northerly of Poinsettia Lane, the prima facie speed limit shall be 35 miles per hour.

B. Upon Avenida Encinas from a point 3,000 feet northerly of Poinsettia Lane to a point 3,500 feet southerly of Palomar Airport Road, the prima facie speed limit~~s~~ shall be 30 miles per hour.

C. Upon Avenida Encinas from a point 3,500 feet southerly of Palomar Airport Road to its intersection with Palomar Airport Road, the prima facie speed limit shall be 40 miles per hour.

D. Upon Avenida Encinas from Palomar Airport Road to its intersection with Cannon Road, the prima facie speed limit shall be ~~40~~ 35 miles per hour."

LOCATION MAP



Avenida Encinas Speed Limit

EXHIBIT
3

CITY OF CARLSBAD
ENGINEERING AND TRAFFIC SURVEY

EXHIBIT 4

STREET: Avenida Encinas

LIMITS: Cannon Road to Palomar Airport Road

FACTORS

A. **Prevailing Speed Data:**	**Direction:** Northbound/Southbound	
Date of Speed Survey	6/18/18	
Location of Speed Survey	1,100 feet north of Palomar Airport Road	
85th Percentile	**36 MPH**	
10 MPH Pace	28 to 38 MPH	
Percent in Pace	89%	
B. **Accident History:** (6/01/16 through 5/31/18)		
Speed-Related Accidents	2	
Pedestrian and/or Bicyclist Accidents	1	
Total Accidents	6	

REGISTERED PROFESSIONAL ENGINEER
DOUG P. BILSE
No. 2279
Exp. 6-30-20
TRAFFIC
STATE OF CALIFORNIA

C. **Traffic Factors:**	
Average Daily Traffic	10,970 – North of Palomar Airport Road (6/12/18); 7,043 – South of Cannon Road (6/12/18)
Traffic Controls	Traffic Signal at Cannon Road and Palomar Airport Road
Pedestrian/Bicycle Traffic	Light
Bicycle Lanes	Bicycle Lanes Have Been Striped on the Roadway
On-Street Parking	Parking Prohibited on Each Side
Other	Bike Route per Circulation Element of the General Plan

D. **Roadway Factors:**	
Circulation Element Street Classification	Secondary Arterial
Length of Segment	0.93 Mi.
Roadway Width	50 to 64 Feet
Number of Lanes	One Lane Each Direction on Majority of Roadway Segment
Vertical Alignment	Relatively Flat; 4% Grade Near Palomar Airport Road
Horizontal Alignment	Curvilinear
Sidewalks	Sidewalk on Majority of Road
Driveways	Numerous Closely Spaced Driveways
Street Lighting	Street Lights on Each Side

E. **Special Conditions:** Roadway used by industrial park traffic, delivery trucks and commuters. Travel lanes are separated by either a two-way left-turn lane, painted median, or raised median.

F. **Adjacent Land Uses:** Freeway, Light Industrial, Restaurants, Hotel, Professional Offices, USPS Mailboxes

G. **Remarks/Conditions Not Readily Apparent:** The curvilinear alignment limits sight distance at some driveways.

H. **Traffic Engineer's Recommendation (Explanation):** This speed zone satisfies the conditions of Section 627 of the California Vehicle Code and has been prepared and evaluated in accordance with the California Manual on Uniform Traffic Control Devices, effective April 7, 2017 with respect to design and prevailing speeds, accident records, pedestrian and bicyclist safety, intersection and driveway spacing, and roadside and traffic conditions not readily apparent to the driver. A speed limit posting of 35 MPH is found to be appropriate and justified.

I. **Approvals:**

☐ Recertification of existing speed zone per Sections 22357, 22358 and 40802 of the California Vehicle Code.
☑ Establishment of new speed zone.

Approved Doug Bilse, T.E. 7-27-18
Doug Bilse — Date
Senior Engineer
CA TR 2279

NOTE: Appropriate speed survey is attached hereto and made a part hereof.

CITY OF CARLSBAD
SPEED SURVEY

DATE: 6/18/18 TIME: 1:30 PM TO 2:25 PM

WEATHER: Sunny & Mild

LOCATION: Avenida Encinas~1,100' n/o Palomar Airport Rd.

OBSERVER/RECORDER: J. Gale

TOTAL VEHICLES: 100

CRITICAL SPEED: 36 MPH

VEHICLES IN PACE: 89 %

PACE SPEED(S): 28 TO 38 MPH

NORTHBOUND

DIRECTION OF TRAVEL

SOUTHBOUND

DIRECTION OF TRAVEL

MPH															#	%	Σ#	%	%tile	%	#																	MPH
65																																						65
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41																	1	1	100	2	1																X	41
40																	2	2	99	4	2															X	X	40
39	X														1	2	1	1	97																			39
38	X	X													2	4	4	4	96	4	2															X	X	38
37	X														1	2	3	3	92	4	2															X	X	37
36	X	X	X												3	6	8	8	89	10	5										X	X	X	X	X			36
35	X	X													2	4	7	7	81	10	5										X	X	X	X	X			35
34	X	X													2	4	6	6	74	8	4											X	X	X	X			34
33	X	X	X	X											4	8	13	13	68	18	9						X	X	X	X	X	X	X	X	X			33
32	X	X	X	X	X	X	X								7	14	12	12	55	10	5										X	X	X	X	X			32
31	X	X	X	X	X	X	X	X	X						9	18	13	13	43	8	4											X	X	X	X			31
30	X	X	X	X	X	X	X								7	14	11	11	30	8	4											X	X	X	X			30
29	X	X	X	X											4	8	8	8	19	8	4											X	X	X	X			29
28	X	X	X	X	X										5	10	8	8	11	6	3												X	X	X			28
27	X														1	2	1	1	3																			27
26	X	X													2	4	2	2	2																			26
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CITY COUNCIL
Staff Report

Meeting Date: July 14, 2020

To: Mayor and City Council

From: Scott Chadwick, City Manager

Staff Contact: Jason Rosado, Assistant to the Treasurer
jason.rosado@carlsbadca.gov, 760-602-2473

Subject: Fiscal Year 2020-21 Final Engineer's Report and Annual Levy of Assessments in Street Lighting and Landscaping District No. 1

Recommended Action
Hold a public hearing and adopt a resolution approving the diagram or map of the assessment district and assessment amounts, ordering maintenance work to be performed and authorizing the levy of the annual assessment for fiscal year 2020-21 for Street Lighting and Landscaping District No. 1, a special assessment district.

Executive Summary
The City Council's approval is needed to process the annual levy of assessments within the city's Street Lighting and Landscaping District No. 1 for FY 2020-21 in compliance with the procedures of the California Streets and Highways Code Section 22620-22641.

Discussion
Background
The City of Carlsbad Street Lighting and Landscaping District No. 1 was created in 1983 to pay for the cost of operating and maintaining the city's street lighting system through assessments from each parcel in the city.[1]

The Street Lighting Improvement Zone is a citywide zone formed with the intent for all assessable parcels within the city to pay assessments for the benefits they derive from the district as the parcels are developed and streetlights are added.

The district includes two landscaping zones, a Street Tree Improvement Zone and a Median Landscaping Improvement Zone, which the City Council added to the original district in 1989.The Street Tree Improvement Zone is not a citywide zone. It includes only the properties in which street trees exist within the public right of way areas. The maintenance program provides a programmed schedule of tree trimming, treatment of damaged trees and emergency response to fallen trees within the public right of way. The Median Improvement Zone funds

[1] The district was formed as a citywide district according to the provisions of California Streets and Highways Code Section 22500 et seq., known as the Landscaping and Lighting Act of 1972.

the cost of maintaining street medians throughout the city. This funding covers plant and tree maintenance care and structural replacement of the medians when necessary.

California's Streets and Highways Code Section 22622 requires the City Council to have an engineer prepare and file a report each fiscal year for which assessments are to be levied.

Proposed assessments

As shown in the table below, a single-family residential parcel that benefits from the Street Lighting Improvement Zone, the Street Tree Improvement Zone, and the Median Landscaping Improvement Zone would have an anticipated assessment of $70.44 for fy 2020-21. The rates have remained the same for the last 24 fiscal years because District No. 1 was formed without an allowable rate inflator. Proposition 218[2] requires a notice and ballot be sent to each property owner assessed, followed by a public hearing, before assessment rates can be increased.

Lighting and Landscaping District No. 1
Proposed assessments for average single-family parcel

Improvement zone	Average assessments FY 2020-21
Street lighting	$26.00
Street tree	$36.10
Median landscaping	$8.34
Total	**$70.44**

Staff will present a summary of the maintenance to be performed in District No. 1 during fy 2020-21 and the associated maintenance costs for each zone within the district as detailed in the attached final annual Engineer's Report. At the close of the public hearing, staff recommends the City Council adopt the attached resolution confirming the diagram and assessment and providing the levy of the annual assessments for fy 2020-21.

Fiscal Analysis

The actual total to be collected from property assessments is $1,568,285. A further funding breakdown of the three zones follows:

[2] Proposition 218 is a 1996 state constitutional initiative that requires that all taxes and most charges on property owners are subject to voter approval and includes restrictions on the use of assessments and property-related fees to pay for general governmental services rather than property-related services.

Funding sources	Street lighting	Street trees	Medians	Total
Assessment collection	$740,242	$468,644	$359,399	$1,568,285
General benefit (General Fund)	119,766	0	0	119,766
Contributions from District #2	93,435	82,945	186,504	362,884
Misc. revenue & interest earnings	56,000	0	0	56,000
Transfer from the General Fund	0	0	700,000	700,000
Amount from/(to) fund reserves	275,672	408,010	160,183	843,865
Total funding sources	**$1,285,115**	**$959,599**	**$1,406,086**	**$3,650,800**
Total cost estimate	**$1,285,115**	**$959,599**	**$1,406,086**	**$3,650,800**

The fy 2020-21 Street Lighting and Landscaping District No. 1 total budget for the three zones is $3,650,800. These budgets were approved by the City Council with the city's fy 2020-21 Operating Budget on June 23, 2020.

The Street Lighting Improvement Fund is projected to receive $56,000 in miscellaneous revenue and interest earnings. This amount includes the city's General Fund contribution of $28,000 to cover the operations and maintenance costs for the city street lights adjacent to city properties, because city-owned parcels are non-assessable on the County of San Diego tax rolls. It also includes loss recovery revenue of $5,000 and interest earned on cash reserves of $23,000.

The city's Street Lighting and Landscaping District No. 2 will contribute $93,435 to the Street Lighting Improvement Fund, $82,945 to the Street Trees Improvement Fund and $186,504 to the Median Landscaping Improvement Fund to cover the cost of maintaining the improvements within that district. These contributions from District No. 2 are made because all costs for the city street lights, street trees and medians are charged through District No. 1. The contribution from District No. 2 is made to reimburse District No. 1 for those street light, street tree and median landscaping costs attributable to District No. 2.

The city's General Fund will also contribute $119,766 to the Street Lighting Improvement Fund as General Benefit assessments, as further described in the Engineer's Report. Any share of benefits received from an improvement that does not provide a special benefit to the assessed properties is considered a general benefit provided by the improvements. The cost of the general benefit is contributed by the city from the General Fund. The city has determined that there is no general benefit in the Street Tree Improvement Fund and the Median Landscaping Improvement Fund.

Total revenues and accumulated fund reserves in the Median Landscaping Improvement Fund will not be sufficient to cover anticipated costs for the upcoming fiscal year. Beginning in fy 2004-05, the General Fund began transferring funds to the Median Landscaping Improvement Fund to cover the fund's annual deficit. Another transfer from the General Fund to the Median Landscaping Improvement Fund was approved by the City Council in the fy 2020-21 Operating Budget on June 23, 2020 in the amount of $700,000.

Next Steps

City staff will work with the assessment engineer to submit annual assessments to the County of San Diego for placement on the property tax rolls for fy 2020-21 for Street Lighting and Landscaping District No. 1.

Environmental Evaluation (CEQA)

This action does not constitute a "project" within the meaning of the California Environmental Quality Act under California Public Resources Code Section 21065 in that it has no potential to cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and therefore does not require environmental review.

Public Notification

Public notice of this item was posted in accordance with the Ralph M. Brown Act and it was available for public viewing and review at least 72 hours prior to the scheduled meeting date. Notice of the public hearing was published at least 10 days prior to the meeting date in accordance with the procedures of the California Streets and Highways Code.

Exhibits

1. City Council resolution

RESOLUTION NO._____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, CONFIRMING THE DIAGRAM AND ASSESSMENT AND PROVIDING FOR THE LEVY OF THE ANNUAL ASSESSMENT FOR FISCAL YEAR 2020-21 FOR STREET LIGHTING AND LANDSCAPING DISTRICT NO. 1, A SPECIAL ASSESSMENT DISTRICT

WHEREAS, the City Council of the City of Carlsbad, California, has initiated proceedings for the levy of the annual special assessment district pursuant to the terms of the Landscaping and Lighting Act of 1972 (California Streets and Highways Code Section 22500 et seq.); the special assessment district is known and designated as Street Lighting and Landscaping District No. 1 (the "Assessment District"); and

WHEREAS, the Assessment District is an existing assessment district in which assessments are not proposed to be increased as defined by Article XIIID of the California Constitution (Proposition 218) and the Proposition 218 Omnibus Implementation Act, and is therefore exempt from the procedures and requirements pursuant to California Constitution Article XIIID Section 5(a); and

WHEREAS, a public hearing has been held relating to the levy of the annual assessments and the City Council is satisfied with the assessment and diagram and all other matters as contained in the Engineer's Report dated June 30, 2020 (the "Report") as now submitted for final consideration and approval and attached as Attachment A.

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

1. That the above recitations are true and correct.
2. That all protests and objections of every kind and nature are overruled and denied.
3. That the final assessment and diagram for the proceedings as contained in the attached Report are approved and confirmed.
4. That the public interest and convenience requires and the City Council orders the maintenance work to be made and performed as set forth in the attached Report and as previously declared and set forth in the Resolution of Intention.
5. That the assessments contained in the attached Report for fiscal year 2020-21 are confirmed and levied upon the respective lots or parcels of land in the Assessment District in the amounts as set forth in the attached Report.

6. That all assessments have been apportioned properly in accordance with the benefits that each parcel receives from the proposed maintenance works of improvement.
7. That the above-referenced diagram and assessment shall be filed in the office of the city clerk and open for public inspection.
8. That the finance department is directed to file a certified copy of the diagram and assessment with the San Diego County Auditor by no later than the third Monday in August, or as required by the County of San Diego.
9. That after the filing of the diagram and assessment, the San Diego County Auditor shall enter on the County of San Diego Assessment Roll, opposite each lot or parcel of land, the amount assessed on the lot or parcel.
10. The assessments shall be collected at the same time and in the same manner as County of San Diego taxes are collected, and all laws providing for the collection and enforcement of County of San Diego taxes shall apply to the collection and enforcement of the assessments.
11. That the assessments as above authorized and levied for these proceedings will provide revenue and relate to the fiscal year commencing July 1, 2020 and ending June 30, 2021.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the __ day of _____, 2020, by the following vote, to wit:

AYES:

NAYS:

ABSENT:

_____
MATT HALL, Mayor

_____
BARBARA ENGLESON, City Clerk

(SEAL)

CITY OF CARLSBAD

FINAL ENGINEER'S REPORT
FISCAL YEAR 2020-21
STREET LIGHTING AND LANDSCAPING DISTRICT NO. 1

June 30, 2020

PREPARED BY

Harris & Associates

K. Dennis Klingelhofer, P.E.
RCE 50255 Exp. 06/30/21
www.WeAreHarris.com

REGISTERED PROFESSIONAL ENGINEER
K. DENNIS KLINGELHOFER
NO. 50255
CIVIL
STATE OF CALIFORNIA

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INTRODUCTION

This report constitutes the Engineer's Report for City of Carlsbad Street Lighting and Landscaping District No. 1 ("Assessment District") and was prepared at the Direction of the Carlsbad City Council pursuant to the requirements of the Landscaping and Lighting Act of 1972, being Division 15, Part 2 of the Streets and Highways Code of the State of California, commencing with Section 22500 ("Act").

The report applies to Fiscal Year 2020-21 commencing July 1, 2020 and ending on June 30, 2021 ("Fiscal Year"). The report has been prepared in three parts corresponding to the three special improvement zones within the Assessment District; Street Lighting, Street Trees and Median Landscaping. Pursuant to the requirements of the Act, each part contains the following four components:

1. PLANS AND SPECIFICATIONS FOR THE IMPROVEMENTS. The plans and specifications describe the general nature, location and extent of the improvements to be maintained.
2. A DIAGRAM FOR THE ASSESSMENT DISTRICT. The diagram shows the exterior boundaries of the Assessment District, the boundaries of the specified improvement zone within the Assessment District, and the lines and dimensions of each lot or parcel within the District. Each lot or parcel is identified by a distinctive number or letter. The lines and dimensions of each lot conform to those shown on the San Diego County Assessor's maps. For purposes of clarity, only a generalized diagram is included within the report. The detailed assessment diagram is on file at the city's Public Works Department.
3. AN ESTIMATE OF THE COSTS OF THE IMPROVEMENTS. The estimate of costs of the improvements contains estimates for the following:
    a. The total cost of maintaining and servicing the improvements for the specified improvement zone including all incidental expenses for the fiscal year.
    b. The amount of any surplus or deficit in the improvement fund to be carried over from the preceding fiscal year.
    c. The amount of any contributions to be made from sources other than assessments levied pursuant to the Assessment District.
    d. The amount, if any, of the annual installment for the fiscal year where the City Council has ordered an assessment for the estimated cost of any improvements to be levied and collected in annual installments.
    e. The net amount to be assessed upon assessable lands within the Assessment District, being the total improvement costs referred to in sub-section a, increased or decreased, as the case may be, by any of the amounts referred to in sub-sections b, c or d.
4. AN ASSESSMENT OF THE ESTIMATED COSTS OF THE IMPROVEMENTS. The assessment shall refer to the new fiscal year and shall do all of the following:
    a. State the net amount to be assessed upon the assessable lands within the Assessment District.

b. Describe each assessable lot or parcel of land within the Assessment District. Due to the large number of parcels within the Assessment District, the city uses the assessor's parcel number from San Diego County records assessment rolls for a description of the lots. A copy of the assessment roll including such description is kept on file at the city's Finance Department.

c. Assess the net amount upon all assessable lots or parcels of land within the Assessment District by apportioning that amount among the several lots or parcels in proportion to the estimated benefits to be received by each lot or parcel from the improvements.

PART 1 – STREET LIGHTING IMPROVEMENT ZONE

PLANS AND SPECIFICATIONS

The improvement work consists of maintenance and servicing of the 7,363 street lights within the boundaries of the Assessment District including all supporting poles, mast arms, pull boxes, wiring, conduits and other appurtenances. The total number of street lights maintained and serviced includes approximately 208 streetlights that were repaired during the previous Fiscal Year. The general location of the street light improvements are as shown on the city's full-scale map titled "Street Lighting Improvement Zone and Lighting Facilities Location Diagram for Fiscal Year 2020-21" on file at the city's Public Works Department. A reduced copy of the map is included as Figure 1 in this report.

DIAGRAM OF THE ASSESSMENT DISTRICT

The diagram of the Assessment District is as shown on the city's full scale map titled "Street Lighting Improvement Zone and Lighting Facilities Location Diagram for Fiscal Year 2020-21" on file at the city's Public Works Department. A reduced copy of the map is included as Figure 1 in this report. The lines and dimensions of each lot or parcel within the Street Lighting Improvement Zone and the distinctive assessor's parcel number are shown on the San Diego County Assessor's map which is also on file at the city's Public Works Department.

ESTIMATED COST OF THE IMPROVEMENTS

The estimated total cost of maintaining and servicing the city's inventory of public street lighting improvements is $1,285,115.

The estimated total cost includes the furnishing of all services and materials for the ordinary and usual operation, maintenance and servicing of installed streetlights and the provision of electric current. For budgetary purposes, the costs are segregated into two categories of Personnel, and Maintenance and Operations. These two categories include the following services and expenditures:

> City staff assigned to Street Lighting services, city administration (updating expenditures and segregation of the assessments), engineering and legal expenses, coordination between residents and city staff for the maintenance of city street lights, providing expertise to city inspectors during inspection of lighting systems, coordinating underground service alert mark-outs for various city departments, performing mark-outs for street light systems, maintaining as-built records of city street light system for future maintenance, updating of the street lighting mapping and inventory database, performing routine night surveillance, checking proposed improvement plans for conformance with city standards regarding street lights, coordinating with Planning, Transportation, Traffic and Engineer's of Work to ensure that departmental needs are met, the provision of electrical current and the cost for purchase of capital equipment and new street light facilities.

The following table shows the breakdown of the estimated total costs into the two budgetary categories.

TOTAL ESTIMATED FY 2020-21 STREET LIGHTING MAINTENANCE & SERVICE COSTS

Personnel	$236,625
Maintenance & Operations	$1,048,490
Total Cost Estimate	**$1,285,115**

The net assessable amount to be levied upon the assessable lands within the Assessment District is $740,242. This amount is derived by subtracting the amounts of the current improvement fund surplus and contributions from other funding sources from the total cost estimate. The following table shows how the net assessable amount is derived:

FY 2020-21 NET ASSESSABLE AMOUNT – STREET LIGHTING MAINTENANCE

Total Cost Estimate	$1,285,115
Less:	
Contribution for Services to Public Parcels	$28,000
Contribution from LLD No. 2	$93,435
General Benefit Contribution	$119,766
Interest Earned	$23,000
Misc Revenues	$28,000
Projected Fund Balance from Previous Fiscal Year	$2,822,564
Plus:	
Estimated Fund Reserve at end of Fiscal Year	$2,569,892
Net Assessable Amount	**$ 740,242**

The contribution for services to public parcels has been estimated at $28,000. This contribution is made since public parcels are non-assessable on the County tax rolls. The city's General Fund will contribute $119,766.

Any share of the benefits received from an improvement that does not provide a special benefit to the assessed properties is considered to be a general benefit provided by the improvements. The cost of such general benefit is not to be assessed to the properties in the Assessment District, but instead is contributed by the city from the city's General Fund. For street lighting the city has determined that general benefit is derived exclusively along the city's arterial roads. The amount of general benefit is established by multiplying the number of arterial street lights by the difference between the average annual cost to maintain a light on an arterial street and a local street. The table on the following page shows the calculation of the cost estimate for general benefit for Street Lights.

COST ESTIMATE FOR GENERAL BENEFIT
STREET LIGHT SUMMARY PER SAN DIEGO GAS & ELECTRIC CO.

Lamp Size (Watts)	Number Lights	Monthly Rate	Monthly Amount	Annual Amount	Annual Cost per	General Benefit
Low wattage lights for collector streets:						
40	4,847	$2.18	$10,566.46	$126,797.52	$26.16	$0.00
Subtotal-1	**4,847**			**$126,797.52**		**$0.00**
High wattage lights for arterial streets:						
70	103	$3.75	$386.25	$4,635.00	$45.00	$1,940.52
85	41	$4.58	$187.78	$2,253.36	$54.96	$1,180.80
100	1,671	$5.45	$9,106.95	$109,283.40	$65.40	$65,570.04
150	688	$8.15	$5,607.20	$67,286.40	$97.80	$49,288.32
200	0	$10.89	$0.00	$0.00	$130.68	$0.00
250	13	$13.63	$177.19	$2,126.28	$163.56	$1,786.20
Subtotal-2	**2,516**			**$185,584.44**		**$119,765.88**
Total	**7,363**			**$312,381.96**		**$119,765.88**

General Benefit =	**$119,765.88**
FY 2020-21 Lighting Budget Amount	$1,285,115
FY 2020-21 Public Parcel Contribution	$28,000
Total Est. Cost Less Public Parcel Contribution*	**$1,257,115**
General Benefit Percentage	9.53%

* Based on preliminary budget estimates

AN ASSESSMENT OF THE ESTIMATED COSTS OF THE IMPROVEMENTS

The lighting and the orderly circulation of traffic directly benefit the developments within the District. The improvements and annexation into the Street Lighting Zone are required for the approval of, and as a consequence of, new development, and thus benefit the respective developments. The lighting is of benefit to abutting parcels as it provides increased property protection, personal safety, visibility, traffic safety, and enhances those areas fronting upon the illuminated street.

All of the parcels within the Assessment District are located within the City of Carlsbad and are approved developments or are in the final stages of obtaining approval for a proposed development. As a condition of approval, the developer is required by the city to provide certain standard street lighting for the entire area within the development and pay the energy costs for the initial 18-month period. The units in a development are assessed the following fiscal year after the street lights are energized.

Two Zones of benefit have been created within the citywide Street Lighting Zone as follows:

Zone 1 – City owned and maintained street lights

Zone 2 – Undeveloped property – non-benefiting, not assessed

Zone 1 consists of the following eight sub-codes.

CODE A1*	Street lights at intersections only (residential)
CODE B1*	Street lights at intersections and mid-block (residential)
CODE C1*	Street light spacing at current city engineering standards (residential)
CODE D1*	City owned street lights on surrounding streets, private lighting within the development (single-family residential, only adjacent city lights will be calculated for code assessment cost)
CODE E2**	Street light spacing at current city standard, condos and apartment buildings, ten units and above
CODE F2**	Street light spacing at current city standard, commercial and industrial parcels
CODE G2**	Special lighting and spacing standard, downtown redevelopment area
CODE H1***	Street light spacing at current city standard, time shares only

* The unit rate of assessment for these codes was based on equal shares of cost of maintenance and operation of the total lights within each code at the time of formation.

** The unit rate of assessment for these codes at the time of formation was based on the share of cost of maintenance and operation of total lights as determined by front footage percentage of each parcel in relation to total footage within each code.

*** The unit rate of assessment for this code at the time of formation was based on a flat rate per unit.

The method of assessment for codes within Zone 1 is based on units as shown in the following table. In the case of codes A1, B1, C1, and D1, a residential dwelling is equal to one benefit unit. In Code E2 condominium dwelling units or apartment buildings with ten units and above are assigned units based on the front footage of these developments. In Code F2 commercial and industrial parcels are assigned units based on the front footage of these developments. Code G2 includes the downtown redevelopment area and units in this code are also based on front footage. Code H1 only includes time share units, which are all assigned the same cost per unit.

METHOD OF ASSESSMENT FOR STREET LIGHTING

Street Lighting Code	Benefit Unit
A1, B1, C1, D1	Residential dwelling unit = one benefit unit
E2, F2, G2	Commercial, residential and redevelopment area = one front foot of street frontage = one benefit unit
H1	Time shares = $0.20 per weekly unit

The Street Lighting Zone assessments will not increase in Fiscal Year 2020-21, and will remain at the same unit rates as assessed in the last 24 fiscal years. All new assessors' parcels, which by petition of the property owner(s) have been added to the Street Lighting Zone, will be calculated at the same unit rates as used in the last 24 fiscal years.

The rate per assessment unit for Fiscal Year 2020-21 in each of the eight codes is shown in the following table.

STREET LIGHTING ASSESSMENT UNIT RATES

Street Lighting Code	Rate per Unit
A1	$14.84 / Unit
B1	$23.94 / Unit
C1	$26.00 / Unit
D1	$6.90 / Unit
H1	$0.20 / Unit
E2	$0.372765 / Foot
F2	$0.580858 / Foot
G2	$2.690464 / Foot

For specific assessment on each parcel, reference is made to the Assessment Roll on file in the city's Finance Department, which is incorporated herein by this reference as though set forth in full.

PART 2 – STREET TREE IMPROVEMENT ZONE

PLANS AND SPECIFICATIONS

The existing number of trees within the public right of way that the city has maintenance responsibility for is approximately 7,096 trees. The work consists of maintenance to all the city accepted and inventoried trees within the public right-of-ways. Tree maintenance includes planting, canopy pruning, root pruning, removing and replacing. The district annually responds to approximately 600 street tree requests/work orders and provides storm or other emergency assistance as necessary. The district also funds a Block Pruning Program where every tree within the district is inspected/pruned on a 4 – 4 ½ year cycle and selective genus (e.g. Eucalyptus, Ficus, Podocarpus, Pyrus, Washingtonia) are also pruned on a supplemental 2 - 2 ¼ year cycle. The general location of the street tree improvements are as shown on the city's full-scale map titled "Street Tree Improvement Zone Location Diagram for Fiscal Year 2020-21" on file at the city's Public Works Department. A reduced copy of the map is included as Figure 2 in this report.

DIAGRAM OF THE ASSESSMENT DISTRICT

The diagram of the Assessment District is as shown on the city's full-scale map titled "Street Tree Improvement Zone Location Diagram for Fiscal Year 2020-21" on file at the city's Public Works Department. A reduced copy of the map is included as Figure 2 in this report. The lines and dimensions of each lot or parcel within the Street Tree Improvement Zone and the distinctive assessor's parcel number are shown on the San Diego County Assessor's map which is also on file at the city's Public Works Department.

ESTIMATE OF THE COST OF THE IMPROVEMENTS

The estimated total cost of maintaining and servicing the city's inventory of public street tree improvements is $959,599.

The estimated total cost includes the furnishing of all services and materials for the ordinary and usual maintenance and servicing of street trees. For budgetary purposes, the costs are segregated into two categories of Personnel and Maintenance and Operations. These two categories include the following services and expenditures:

City staff assigned to Street Tree services, city administration (updating expenditures and segregation of the assessments), engineering and legal expenses, coordination between citizens and city staff for the maintenance of city street trees, providing expertise to city inspectors during inspection of the trees, maintaining as-built records of city street tree system for future maintenance, updating of the street tree mapping and inventory database, checking proposed improvement plans for conformance with city standards regarding street trees, coordinating with Planning, Transportation, Traffic, Park Maintenance and Engineer's of Work to ensure that departmental needs are met, the provision of supplies such as pesticides, fertilizer, and water, and the cost for purchase of capital equipment and new/replacement street trees.

The following table shows the breakdown of the estimated total costs into the two budgetary categories.

TOTAL ESTIMATED FY 2020-21 STREET TREE MAINTENANCE & SERVICE COSTS	
Personnel	$303,213
Maintenance & Operations	$656,386
Total Cost Estimate	**$959,599**

The net assessable amount to be levied upon the assessable lands within the Assessment District is $468,644. This amount is derived by subtracting the amounts of the current improvement fund surplus and contributions from other funding sources from the total cost estimate. The following table shows how the net assessable amount is derived:

FY 2020-21 NET ASSESSABLE AMOUNT – STREET TREE MAINTENANCE	
Total Cost Estimate	$959,599
Less:	
Contribution from LLD No. 2	$82,945
Projected Fund Balance from Previous Fiscal Year	$627,072
General Fund Transfer	$0
Plus:	
Estimated Fund Reserve at end of Fiscal Year	$219,061
Net Assessable Amount	**$468,644**

Any share of the benefits received from an improvement that does not provide a special benefit to the assessed properties is considered to be a general benefit provided by the improvements. The cost of such general benefit is not to be assessed to the properties in the Assessment District, but instead is contributed by the city from the city's General Fund. For street trees, the city has determined that there is no general benefit.

AN ASSESSMENT OF THE ESTIMATED COSTS OF THE IMPROVEMENTS

The existing number of trees within the public right of way that the city only has maintenance responsibility for is approximately 7,096 trees.

Street trees that are in the street right-of-way are generally located between the curb and sidewalk and/or property line in the areas of the city as shown in Figure 2. Each property within the Street Tree Improvement Zone receives approximately the same degree of benefit to their property. Therefore, staff established a benefit formula in which each zoned parcel is given an equivalent dwelling unit (EDU) based on the average size of a single-family residential lot in the City of Carlsbad (7,500 square feet or 0.17 acres). Thus, each single-family parcel is given an EDU of 1.0, while most other parcels, as shown on the following table, are given assessments based on acreage to establish an EDU value based on the following formula: Acreage of parcel divided by 0.17 acres = EDUs. This formula was approved by City Council at the June 6, 1989 regular meeting.

STREET TREE BENEFIT UNITS AND LAND USE CODES

BEN. UNITS	L.U. CODE	LAND USE DESCRIPTION	BEN. UNITS	L.U. CODE	LAND USE DESCRIPTION
Formula	00	Unzoned	1.0	50	Vacant irrigated
			1.0	51	Citrus
.1/DU	07	Timeshare	1.0	52	Avocados
.1/DU	09	Mobile home	1.0	53	Vines
1.0	10	Vacant residential	1.0	54	Misc. trees
1.0	11	Single-family residence	1.0	55	Livestock
.5/DU	12	Duplex or double	1.0	56	Poultry
.1/DU	13	Res. 2-4 units/2 houses	1.0	57	Misc. irrigated crops
.1/DU	14	Res. 5-15 units	1.0	58	Growing houses
.1/DU	15	Res. 16-60 units	1.0	59	Special/misc. irrigated
.1/DU	16	Res. 61 units and up			
.1/DU	17	Condominium	1.0	61	Non-irrigated 1-10 AC
.1/DU	18	Co-op	1.0	62	Non-irrigated 11-40 AC
.1/DU	19	Misc. residential	1.0	63	Non-irrigated 41-160 AC
			1.0	64	Non-irrigated 161-360 AC
Formula	20	Vacant commercial	1.0	65	Non-irrigated 361 & up AC
Formula	21	1-3 story misc. store bldgs.			
Formula	22	4 story & up office/store	0.0	70	Vacant institutional
Formula	23	Regional shopping ctr.	0.0	71	Church
Formula	24	Community shopping ctr.	0.0	72	Church parking/related
Formula	25	Neighborhood shopping ctr.	0.0	73	Cemetery
Formula	26	Hotel, motel	0.0	74	Mausoleum
Formula	27	Service station	0.0	75	Mortuary
Formula	28	Med., dental, animal hospital			
Formula	29	Con. Hospital, rest home	Formula	77	Hospital
			Formula	79	Spec./misc. institutional
Formula	30	Office condominiums			
Formula	31	Parking lot, garage, used cars	Formula	80	Vacant recreational
Formula	32	Trailer park	Formula	81	Meeting hall, gym
Formula	33	Theater	Formula	82	Golf course
Formula	34	Bowling alley	Formula	83	Marine, dock
Formula	35	Restaurant	Formula	84	Recreational camps
Formula	36	Car wash	0.0	85	Non-tax recreational
Formula	37	Large chain grocery/drug	0.0	86	Open space easements
Formula	38	Auto sales/service agency	0.0	87	Agr. Preserve (no contract)
Formula	39	Misc. comm., radio stn., bank	0.0	88	Agr. Preserve (contract)
			Formula	89	Spec./misc. recreational
Formula	40	Vacant industrial			
Formula	41	Factory – light manufacturer	0.0	90	Vacant tax. Govt. property
Formula	42	Factory – heavy manufacturer			
Formula	43	Warehouse – proc. Or stor.			
Formula	44	Bulk storage (tanks, etc.)			
Formula	45	Extractive & mining			
Formula	46	Small automotive garage			
Formula	47	Industrial condos			
Formula	49	Spec./misc. industrial			

Formula: *If acres < .20, then* Benefit Units (BU) = 1.0, otherwise BU = 5.9 x Acres (i.e. Acres/0.17)

The Street Tree Improvement Zone assessments will not increase in Fiscal Year 2020-21, and will remain at the same unit rate of $36.10 per EDU as assessed in the last 24 fiscal years. All new assessor's parcels, that by petition of the property owner(s) have been added to the Street Tree Improvement Zone, will be calculated at the same unit rate as used in the last 24 fiscal years.

This unit assessment is applied to 14,498 parcels in the Street Tree Improvement Zone. The total number of EDUs for these parcels amounts to approximately 12,983.07 EDUs. The revenue generated by these parcels amounts to $468,643.50. For the specific assessment on each parcel, reference is made to the Assessment Roll at the city's Finance Department, which is incorporated herein by this reference as though set forth in full.

PART 3 – MEDIAN LANDSCAPING IMPROVEMENT ZONE

PLANS AND SPECIFICATIONS

The Street Median program provides landscape maintenance and litter collection to all city-controlled medians, parkways and downtown village landscaped areas. It includes maintenance on approximately 68 acres of landscaped medians and 9 acres of parkways, flower baskets, planter boxes and other landscaped pockets. Maintenance includes trash pick-up, weed control, pruning, planting, pesticide/fertilizer application, removals, replanting, irrigation-including repairs and adjustments, and hardscape cleaning. Contractual operations provide for the routine maintenance of each of the described areas. The general location of the median landscaping improvements are as shown on the city's full scale map titled "Street Median Improvement Zone and Median Facilities Location Diagram for Fiscal Year 2020-21" on file at the city's Public Works Department. A reduced copy of the map is included as Figure 3 in this report.

DIAGRAM OF THE ASSESSMENT DISTRICT

The diagram of the Assessment District is as shown on the city's full scale map titled "Street Median Improvement Zone and Median Facilities Location Diagram for Fiscal Year 2020-21" on file at the city's Public Works Department. A reduced copy of the map is included as Figure 3 in this report. The lines and dimensions of each lot or parcel within Median Landscaping Improvement Zone and the distinctive assessor's parcel number are shown on the San Diego County Assessor's map which is also on file at the city's Public Works Department.

ESTIMATE OF THE COST OF THE IMPROVEMENTS:

The estimated total cost of maintaining and servicing the city's inventory of public street median improvements is $1,406,086.

The estimated total cost includes the furnishing of all services and materials for the ordinary and usual maintenance and servicing of the median landscaping. For budgetary purposes, the costs are segregated into two categories of Personnel and Maintenance and Operations. These two categories include the following services and expenditures:

City staff assigned to Median Landscaping services, city administration (updating expenditures and segregation of the assessments), engineering and legal expenses, coordination between citizens and city staff for the maintenance of city medians, providing expertise to city inspectors during inspection of the medians, maintaining as-built records of city street median system for future maintenance, updating of the median mapping and inventory database, checking proposed improvement plans for conformance with city standards regarding medians, coordinating with Planning, Transportation, Traffic, Parks Maintenance and Engineer's of Work to ensure that departmental needs are met, the provision of supplies such as pesticides, fertilizer, and water, and the cost for purchase of capital equipment and refurbishment of the medians.

The following table shows the breakdown of the estimated total costs into the two budgetary categories.

TOTAL ESTIMATED FY 2020-21 MEDIAN LANDSCAPING MAINTENANCE & SERVICE COSTS

Personnel	$293,541
Maintenance & Operations	$1,112,545
Total Cost Estimate	**$1,406,086**

The net assessable amount to be levied upon the assessable lands within the Assessment District is $359,399. This amount is derived by subtracting the amounts of the current improvement fund surplus and contributions from other funding sources from the total cost estimate. The following table shows how the net assessable amount is derived:

FY 2020-21 NET ASSESSABLE AMOUNT – MEDIAN MAINTENANCE

Total Cost Estimate	$1,406,086
Less:	
LLD #2 Contribution	$186,504
Projected Fund Balance from Previous Fiscal Year	$265,955
General Fund Transfer	$700,000
Plus:	
Estimated Fund Reserve at end of Fiscal Year	$105,772
Net Assessable Amount	**$359,399**

Any share of the benefits received from an improvement that does not provide a special benefit to the assessed properties is considered to be a general benefit provided by the improvements. The cost of such general benefit is not to be assessed to the properties in the Assessment District, but instead is contributed by the city from the city's General Fund. For median landscaping, the city has determined that there is no general benefit.

AN ASSESSMENT OF THE ESTIMATED COSTS OF THE IMPROVEMENTS

This service generally benefits all parcels and residents within the city boundaries. Thus, all parcels in the city boundary share in the cost of median maintenance using the same EDU formula as in effect for the Street Tree Improvement Zone. City staff established the benefit formula in which each zoned parcel is given an equivalent dwelling unit (EDU) based on the average size of a single-family residential lot in the City of Carlsbad (7,500 square feet or 0.17 acres). Thus, each single-family parcel is given an EDU of 1.0, while most other parcels, as shown on the following table, are given assessments based on acreage to establish an EDU value based on the following formula: Acreage of parcel divided by 0.17 acres = EDUs. This formula was approved by City Council at the June 6, 1989 regular meeting.

LANDSCAPE MAINTENANCE BENEFIT UNITS AND LAND USE CODES

BEN. UNITS	L.U. CODE	LAND USE DESCRIPTION	BEN. UNITS	L.U. CODE	LAND USE DESCRIPTION
Formula	00	Unzoned	1.0	50	Vacant irrigated
			1.0	51	Citrus
.1/DU	07	Timeshare	1.0	52	Avocados
.1/DU	09	Mobile home	1.0	53	Vines
1.0	10	Vacant residential	1.0	54	Misc. trees
1.0	11	Single-family residence	1.0	55	Livestock
.5/DU	12	Duplex or double	1.0	56	Poultry
.1/DU	13	Res. 2-4 units/2 houses	1.0	57	Misc. irrigated crops
.1/DU	14	Res. 5-15 units	1.0	58	Growing houses
.1/DU	15	Res. 16-60 units	1.0	59	Special/misc. irrigated
.1/DU	16	Res. 61 units and up			
.1/DU	17	Condominium	1.0	61	Non-irrigated 1-10 AC
.1/DU	18	Co-op	1.0	62	Non-irrigated 11-40 AC
.1/DU	19	Misc. residential	1.0	63	Non-irrigated 41-160 AC
			1.0	64	Non-irrigated 161-360 AC
Formula	20	Vacant commercial	1.0	65	Non-irrigated 361 & up AC
Formula	21	1-3 story misc. store bldgs.			
Formula	22	4 story & up office/store	0.0	70	Vacant institutional
Formula	23	Regional shopping ctr.	0.0	71	Church
Formula	24	Community shopping ctr.	0.0	72	Church parking/related
Formula	25	Neighborhood shopping ctr.	0.0	73	Cemetery
Formula	26	Hotel, motel	0.0	74	Mausoleum
Formula	27	Service station	0.0	75	Mortuary
Formula	28	Med., dental, animal hospital			
Formula	29	Con. Hospital, rest home	Formula	77	Hospital
			Formula	79	Spec./misc. institutional
Formula	30	Office condominiums			
Formula	31	Parking lot, garage, used cars	Formula	80	Vacant recreational
Formula	32	Trailer park	Formula	81	Meeting hall, gym
Formula	33	Theater	Formula	82	Golf course
Formula	34	Bowling alley	Formula	83	Marine, dock
Formula	35	Restaurant	Formula	84	Recreational camps
Formula	36	Car wash	0.0	85	Non-tax recreational
Formula	37	Large chain grocery/drug	0.0	86	Open space easements
Formula	38	Auto sales/service agency	0.0	87	Agr. Preserve (no contract)
Formula	39	Misc. comm., radio stn., bank	0.0	88	Agr. Preserve (contract)
			Formula	89	Spec./misc. recreational
Formula	40	Vacant industrial			
Formula	41	Factory – light manufacturer	0.0	90	Vacant tax. Govt. property
Formula	42	Factory – heavy manufacturer			
Formula	43	Warehouse – proc. Or stor.			
Formula	44	Bulk storage (tanks, etc.)			
Formula	45	Extractive & mining			
Formula	46	Small automotive garage			
Formula	47	Industrial condos			
Formula	49	Spec./misc. industrial			

Formula: *If acres < .20, then* Benefit Units (BU) = 1.0, otherwise BU = 5.9 x Acres (i.e. Acres/0.17)

The Median Landscaping Improvement Zone assessments will not increase in Fiscal Year 2020-21, and will remain at the same unit rate of $8.34 per EDU as assessed in the last 24 fiscal years. All new assessors' parcels that have been added within the city boundaries are automatically added to the Median Landscaping Improvement Zone and will be calculated at the same unit rate as used in the last 24 fiscal years.

This unit assessment is applied to 50,461 parcels in the Median Landscaping Improvement Zone. The total number of EDUs for these parcels amounts to approximately 43,137.74 EDUs. The revenue generated by these parcels amounts to $359,398.80. For the specific assessment on each parcel, reference is made to the Assessment Roll on file at the city's Finance Department, which is incorporated herein by this reference as though set forth in full.

EXHIBIT A – PARCELS NO LONGER IN LLD NO. 1

Exhibit A contains a list the parcels that were incorporated into Street Lighting and Landscaping District No. 2 and are therefore being exempted from this Street Lighting and Landscaping District No. 1. These parcels were previously assessed for median benefit.

Anna Tan-Gatue, PE
Project Manager
Anna.Tan-Gatue@WeAreHarris.com
P: 949-536-2507

Street Lighting Improvement Zone and Lighting Facilities Location Diagram for Fiscal Year 2020-21

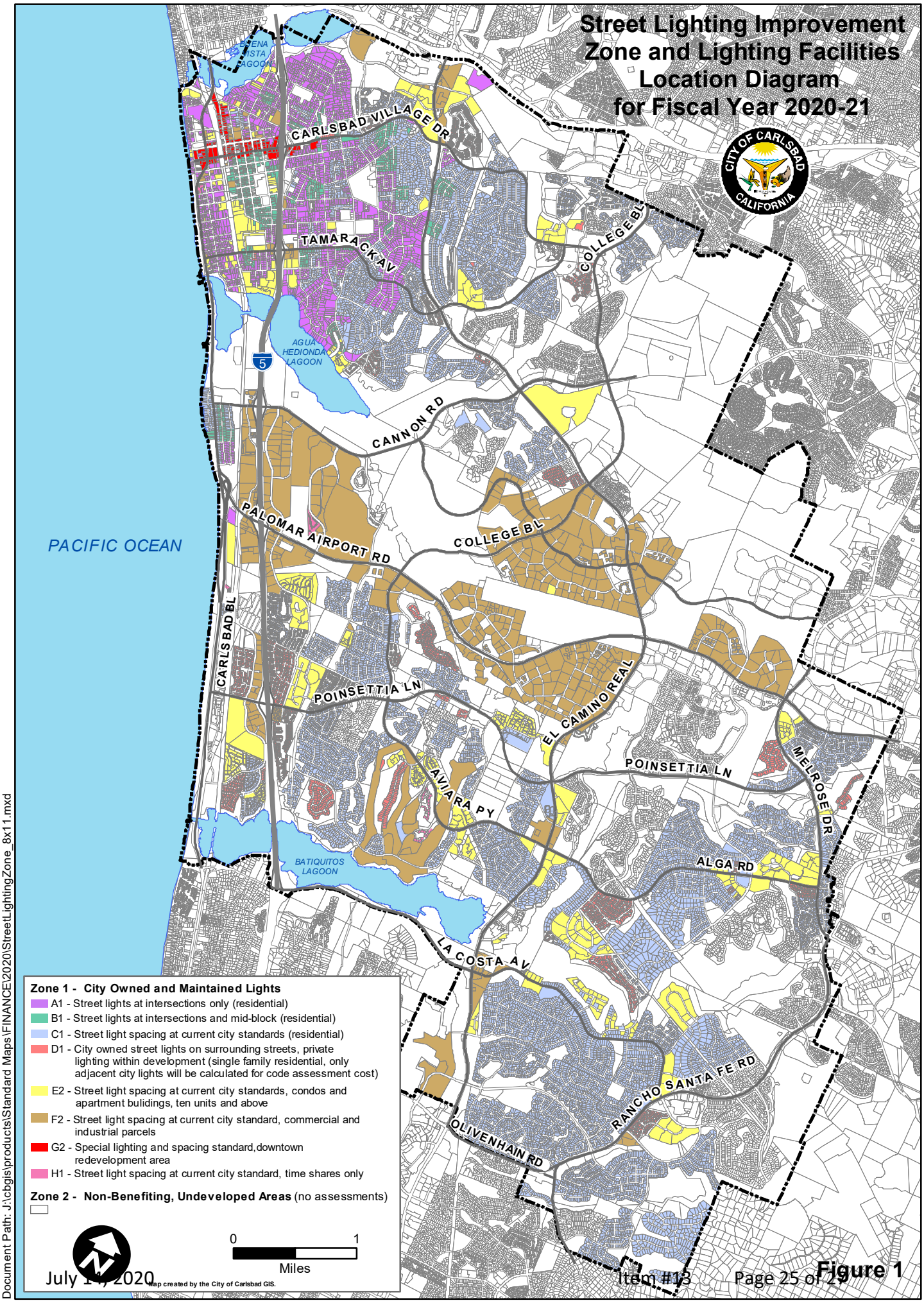

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Figure 1

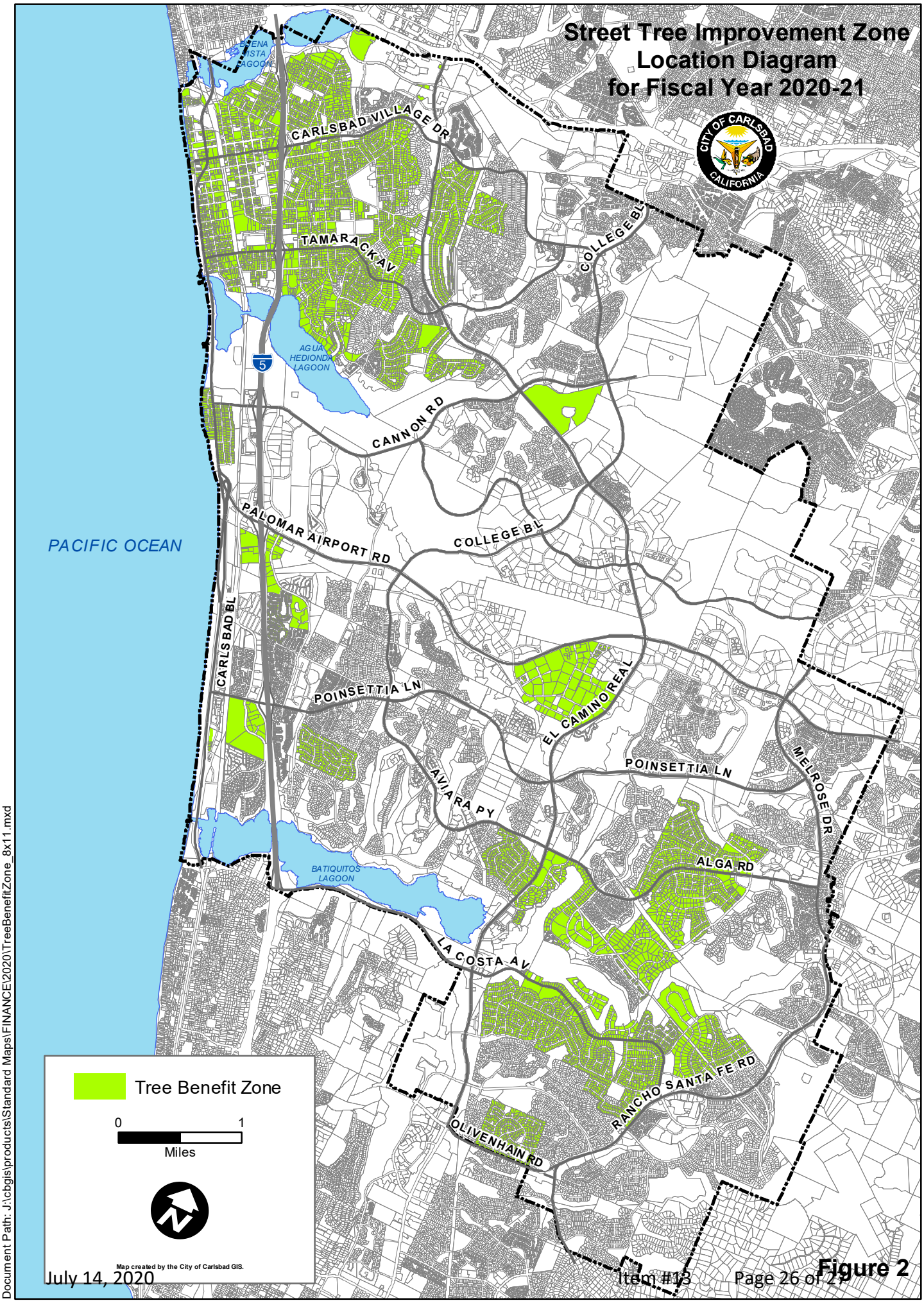

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Figure 2

Street Median Improvement Zone and Median Facilities Location Diagram for Fiscal Year 2020-21

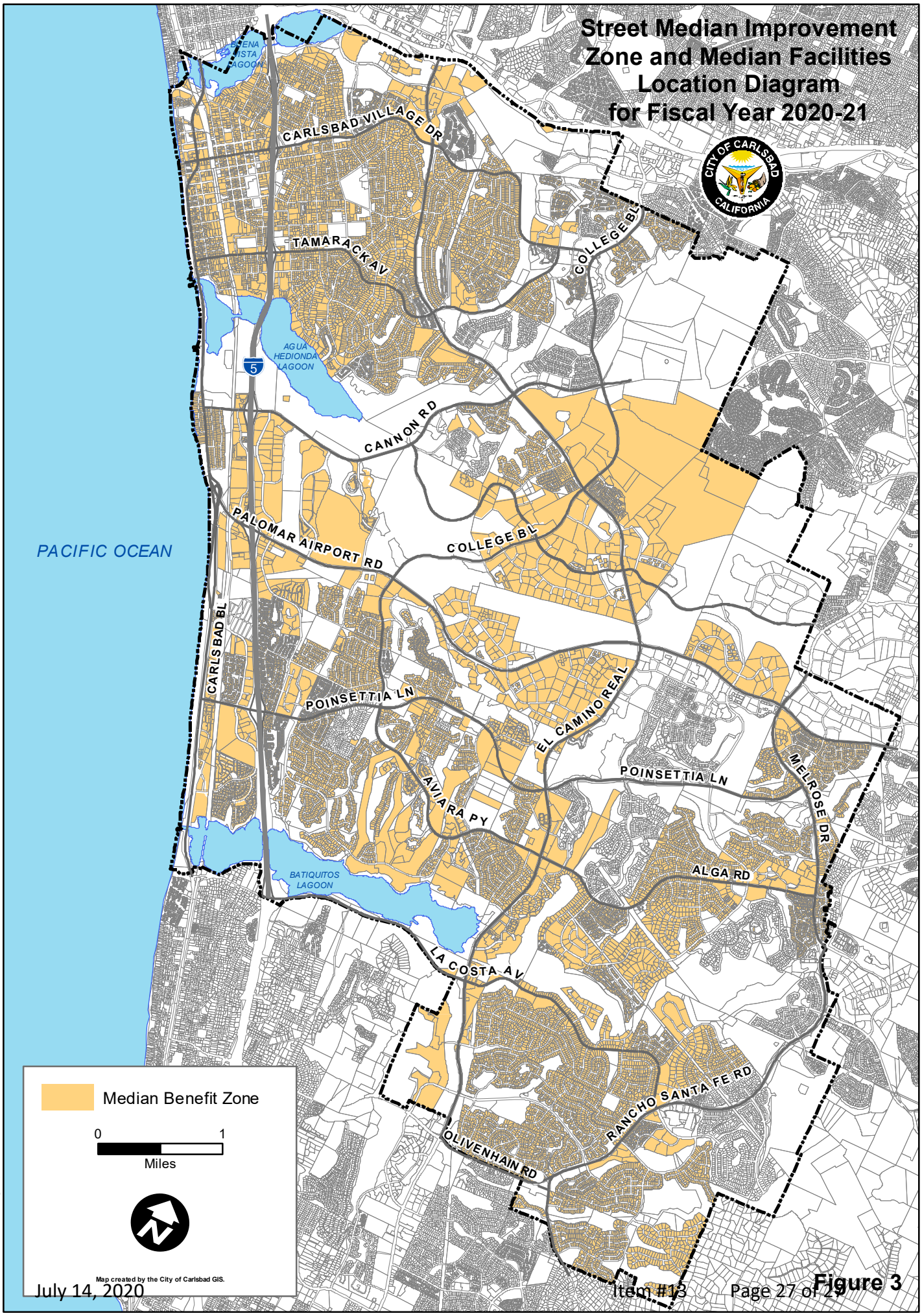

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Figure 3

CITY COUNCIL
Staff Report

Meeting Date: July 14, 2020

To: Mayor and City Council

From: Scott Chadwick, City Manager

Staff Contact: Jason Rosado, Assistant to the Treasurer
jason.rosado@carlsbadca.gov, 760-602-2473

Subject: Fiscal Year 2020-21 Final Engineer's Report for the annual levy of assessments within Street Lighting and Landscaping District No. 2

Recommended Action
Hold a public hearing and adopt a resolution approving the diagram and assessment, ordering maintenance work to be performed, and authorize the levy of the annual assessment for fiscal year 2020-21 for Street Lighting and Landscaping District No. 2, a special assessment district.

Executive Summary
The City Council's approval is needed to process the annual levy of assessments within the city's Street Lighting and Landscaping District No. 2 for FY 2020-21 in compliance with the procedures of California Streets and Highways Code Section 22620-22641.

Discussion
Street Lighting and Landscaping District No. 2, formed by the City Council in 2003, pays for the maintenance and replacement costs of street lights, street trees, and medians in new development in the city. (The cost of street lights, street trees, and medians in the other developed parts of the city are paid from assessments within Street Lighting and Landscaping District No. 1.) California Streets and Highways Code Section 22622 requires the City Council to order an engineer to prepare and file a report each fiscal year for which assessments are to be levied.

Each development within District No. 2 is considered a separate zone, each with its own assessment based on the costs for that particular area of the city. There are 15 zones in District No. 2 and in each zone a maximum and actual assessment rate is calculated on an annual basis. The maximum annual assessment rate is the maximum annual rate that can be assessed on a particular parcel and is calculated by adding up all the costs of maintenance and replacements, assuming that the improvements in each zone were fully maintained by the city. However, in District No. 2, several zones have a portion of their improvements maintained by their homeowners' associations. The calculated cost of maintaining any improvement that will be borne by a homeowners' association has been subtracted from the maximum annual assessment to determine the actual annual assessment. The maximum assessments can

increase by the increase in the consumer price index on an annual basis. The change in the San Diego County Consumer Price Index from March 2019 to March 2020 was 1.8% and is reflected in the maximum assessment rates for fy 2020-21.

The actual annual assessment is the amount that will be charged to property owners on their annual property tax statements. If, at any point in the future the city determines a homeowners' association is not maintaining the improvements to the city's standard, the city has the ability to assume the maintenance of the improvements and charge the property owners up to the maximum annual assessment. This would be done to recover the city's costs of maintaining the improvements.

As shown in the table below, the proposed assessment rates for a single-family residential parcel per year range from a low of $4.91 per parcel to a high of $178.20 per parcel. These assessments vary between developments depending on the density of each development, and the amount and types of improvements being maintained in each development.

Development zones	Maximum annual assessment rate FY 2020-21	Actual annual assessment rate FY 2019-20	Proposed annual assessment rate FY 2020-21	Explanation of proposed change to assessment rates for FY 2020-21
Calavera Hills II	$234.05	$123.46	$129.50	Slight increase in both lighting and median maintenance costs
Kelly Ranch	$141.89	$123.62	$128.26	Slight increase in both lighting and median maintenance costs
The Oaks South	$496.95	$4.51	$4.91	Slight increase in lighting maintenance costs
Thompson/Tabata	$262.00	$154.69	$161.47	Slight increase in both lighting and median maintenance costs
Palomar Forum/ Carlsbad Raceway (no residential)	$194.05	$103.48	$105.88	Slight increase in both lighting and median maintenance costs
Bressi Ranch	$257.72	$55.75	$56.82	Slight increase in both lighting and median maintenance costs
La Costa Greens	$462.73	$50.58	$51.76	Slight increase in both lighting and median maintenance costs
La Costa Ridge	$44.58	$27.93	$28.96	Slight increase in both lighting and median maintenance costs

Development zones	Maximum annual assessment rate FY 2020-21	Actual annual assessment rate FY 2019-20	Proposed annual assessment rate FY 2020-21	Explanation of proposed change to assessment rates for FY 2020-21
Oaks North Industrial (no residential)	$62.12	$61.02	$62.12	Increase in the per unit maintenance cost for trees along with a slight increase in lighting maintenance costs
Robertson Ranch East	$282.98	$165.00	$171.47	Slight increase in both lighting and median maintenance costs
Oaks North Residential	$394.91	$8.38	$9.12	Slight increase in lighting maintenance costs
La Costa Town Square	$479.88	$161.64	$178.20	Decrease of one EDU* and slight increase in both lighting and median maintenance costs
Fair Oaks Valley	$509.93	$0.00	$0.00	No assessment, HOA is maintaining all improvements.
Quarry Creek	$134.63	$23.18	$24.21	Slight increase in lighting maintenance costs
Robertson Ranch West	$302.83	$113.81	$118.96	Increase in the per unit maintenance cost for trees and a slight increase in both lighting and median maintenance costs

*Equivalent dwelling unit

Staff will present a summary of the maintenance to be performed in District No. 2 during fy 2020-21 and the associated maintenance costs for each zone within the district as detailed in the attached final annual Engineer's Report. At the close of the public hearing, staff recommends the City Council adopt the attached resolution confirming the diagram and assessment and providing the levy of the annual assessments for fy 2020-21.

Fiscal Analysis

The total assessments for the 15 zones in Street Lighting and Landscaping District No. 2 for FY 2020-21 are projected to be $721,483. The assessment rates in each zone of District No. 2 have been set so that the maintenance and operations, as well as the replacement of improvements, will be funded entirely by levies from the property owners that benefit from the improvements. Of the total projected fy 2020-21 assessments, $362,884 will be spent on maintenance operations and $350,624 will be set aside for replacement of improvements.

Next Steps

With the City Council's approval, City Staff will work with the assessment engineer to submit annual assessments to the County of San Diego for placement on the property tax rolls for fy 2020-21 for Street Lighting and Landscaping District No. 2.

Environmental Evaluation (CEQA)

This action does not constitute a "project" within the meaning of the California Environmental Quality Act under California Public Resources Code Section 21065 in that it has no potential to cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and therefore does not require environmental review.

Public Notification

Public notice of this item was posted in accordance with the Ralph M. Brown Act and it was available for public viewing and review at least 72 hours prior to the scheduled meeting date. Notice of the public hearing was published at least 10 days prior to the meeting date in accordance with the procedures of the California Streets and Highways Code.

Exhibits

1. City Council resolution

RESOLUTION NO._____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, CONFIRMING THE DIAGRAM AND ASSESSMENT AND PROVIDING FOR THE LEVY OF THE ANNUAL ASSESSMENT FOR FISCAL YEAR 2020-21 FOR STREET LIGHTING AND LANDSCAPING DISTRICT NO. 2, A SPECIAL ASSESSMENT DISTRICT

WHEREAS, the City Council of the City of Carlsbad, California, has initiated proceedings for the levy of the annual special assessment district pursuant to the terms of the Landscaping and Lighting Act of 1972 (California Streets and Highways Code Section 22500 et seq.); the special assessment district is known and designated as Street Lighting and Landscaping District No. 2 (the "Assessment District"); and

WHEREAS, the Assessment District is an existing assessment district in which the maximum allowable assessment rates for each zone have been increased by the annual change in the San Diego County Consumer Price Index, as was approved by the City Council following a property owner vote, and the proposed assessments to be levied are less than or equal to the allowable maximum rates and; therefore, this Assessment District is exempt from the procedures and requirements pursuant to California Article XIIID Section 5(a); and

WHEREAS, a public hearing has been held relating to the levy of the annual assessments, and the City Council is satisfied with the assessment and diagram and all other matters as contained in the Engineer's Report dated June 30, 2020 (the "Report") as now submitted for final consideration and approval and attached as Attachment A.

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

1. That the above recitations are true and correct.
2. That all protests and objections of every kind and nature are overruled and denied.

3. That the final assessment and diagram for the proceedings as contained in the attached Report are approved and confirmed.
4. That the public interest and convenience requires and the City Council orders the maintenance work to be made and performed as set forth in the attached Report and as previously declared and set forth in the Resolution of Intention.
5. That the assessments contained in the attached Report for fiscal year 2020-21 are confirmed and levied upon the respective lots or parcels of land in the Assessment District in the amounts as set forth in the attached Report.
6. That all assessments have been apportioned properly in accordance with the benefits that each parcel receives from the proposed maintenance works of improvement.
7. That the above-referenced diagram and assessment shall be filed in the office of the city clerk and open for public inspection.
8. That the finance department is directed to file a certified copy of the diagram and assessment with the San Diego County Auditor by no later than the third Monday in August, or as required by the County of San Diego.
9. That after the filing of the diagram and assessment, the San Diego County Auditor shall enter on the County of San Diego Assessment Roll, opposite each lot or parcel of land, the amount assessed on the lot or parcel.
10. The assessments shall be collected at the same time and in the same manner as County of San Diego taxes are collected, and all laws providing for the collection and enforcement of County of San Diego taxes shall apply to the collection and enforcement of the assessments.
11. That the assessments as above authorized and levied for these proceedings will provide revenue and relate to the fiscal year commencing July 1, 2020 and ending June 30, 2021.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the __ day of _____, 2020, by the following vote, to wit:

AYES:

NAYS:

ABSENT:

_____
MATT HALL, Mayor

_____
BARBARA ENGLESON, City Clerk

(SEAL)

CITY OF CARLSBAD

FINAL ENGINEER'S REPORT
FISCAL YEAR 2020-2021
STREET LIGHTING AND LANDSCAPING DISTRICT NO. 2

June 30, 2020

PREPARED BY

Harris & Associates

K. Dennis Klingelhofer, P.E.
RCE 50255 Exp. 06/30/21
www.WeAreHarris.com

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STATEMENT OF ASSESSMENT ENGINEER

FISCAL YEAR 2020-21
ENGINEER'S REPORT PREPARED PURSUANT
TO THE PROVISIONS OF THE
LANDSCAPING AND LIGHTING ACT OF 1972
SECTION 22500 THROUGH 22679
OF THE CALIFORNIA STREETS AND HIGHWAYS CODE,
ARTICLE XIIID OF THE CALIFORNIA CONSTITUTION, AND
THE PROPOSITION 218 OMNIBUS IMPLEMENTATION ACT
(GOVERNMENT CODE SECTION 53750 ET SEQ.)

Pursuant to Landscaping and Lighting Act of 1972 (Part 2 of Division 15 of the Streets and Highways Code) (the "1972 Act"), Article XIIID of the California Constitution ("Article XIIID") and the Proposition 218 Omnibus Implementation Act (Government Code Section 53750 and following) (the "Implementation Act" and together with the 1972 Act and Article XIIID, the "Assessment Law") and in accordance with the Resolution of Initiation, adopted by the City Council of the City of Carlsbad, State of California, in connection with the proceedings for:

STREET LIGHTING AND LANDSCAPING DISTRICT NO. 2

hereinafter referred to as the "Maintenance District" or "District", I, K. Dennis Klingelhofer, P.E., the authorized representative of Harris & Associates, the duly appointed ASSESSMENT ENGINEER, submit herewith the "Report" consisting of five (5) parts as follows:

PART A – PLANS AND SPECIFICATIONS

Contains a description of the improvements that are to be maintained or serviced by the District.

PART B – ESTIMATE OF COST

Identifies the estimated cost of the services or maintenance to be provided by the District, including incidental costs and expenses in connection therewith.

PART C – METHOD OF APPORTIONMENT

Describes the basis on which the costs have been apportioned to each parcel of land within the Maintenance District, in proportion to the estimated special benefits to be received by such lots and parcels from the improvements to be maintained and serviced.

PART D – ASSESSMENT ROLL

Identifies the maximum assessment to be levied on each lot or parcel of land within the Maintenance District to receive special benefits from the improvements to be maintained and serviced.

PART E – ASSESSMENT DIAGRAM

Contains a Diagram of the Maintenance District Boundaries showing the exterior boundaries of the Maintenance District, the boundaries of any zones within the Maintenance District and the lines and dimensions of each lot or parcel of land within the Maintenance District.

PART A – PLANS AND SPECIFICATIONS

The improvements, which have been constructed or which may be subsequently constructed within and adjacent to the Maintenance District and that will be serviced and maintained, and the proposed maintenance and services are generally described as follows:

DESCRIPTION OF IMPROVEMENTS TO BE MAINTAINED AND SERVICED

The proposed improvements (collectively, the "Improvements") proposed to be maintained and serviced are generally described as follows:

Landscaping and Appurtenant Improvements

Landscaping improvements (collectively, the "Landscaping Improvements") include but are not limited to: landscaping, planting, shrubbery, trees, irrigation systems, hardscapes and fixtures in public street and sidewalk rights-of-way, including medians, parkways and other easements dedicated to the City of Carlsbad within the boundaries of the Maintenance District.

Street Lighting and Appurtenant Improvements

Street lighting improvements (collectively, the "Street Lighting Improvements") include but are not limited to: poles, fixtures, bulbs, conduits, conductors, equipment including guys, anchors, posts and pedestals, metering devices and appurtenant facilities as required to provide lighting and traffic signals in public street and sidewalk rights-of-way and other easements dedicated to the City of Carlsbad within the boundaries of the Maintenance District.

The public lighting system shall be maintained to provide adequate illumination. Electricity for streetlights shall be furnished by San Diego Gas & Electric (SDG&E), and it shall be adequate for the intended purpose. Rates for power shall be those authorized by the California Public Utilities Commission.

DESCRIPTION OF MAINTENANCE AND SERVICES

Maintenance means the furnishing of services and materials for the ordinary and usual maintenance, operation and servicing of the Landscaping Improvements and the Street Lighting Improvements facilities and appurtenant facilities, including repair, refurbishment, removal or replacement of all or part of any of the Landscaping Improvements and the Street Lighting Improvements or appurtenant facilities; providing for the life, growth, health and beauty of the Landscaping Improvements, including cultivation, irrigation, trimming, spraying, fertilizing and treating for disease or injury; the removal of trimmings, rubbish, debris and other solid waste; and the cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

Servicing means the furnishing of water and electrical current or energy for the irrigation of the Landscaping Improvements and the maintenance of any Street Lighting Improvements or appurtenant facilities and the furnishing of electric current or energy, gas or other illuminating agent for the Street

Lighting Improvements, or for the lighting or operation of the Landscaping Improvements or appurtenant facilities.

The Street Lighting Improvements shall be maintained to provide adequate illumination. Electricity for streetlights shall be furnished by SDG&E, and it shall be adequate for the intended purpose. Rates for power shall be those authorized by the California Public Utilities Commission.

The following provides descriptions of the Zones of Benefit within the Maintenance District:

Zone 1 – Encompasses the Calavera Hills II Development and funds the operation and maintenance of street lighting, street trees, and medians.

Zone 2 – Encompasses the Kelly Ranch Core Development and funds the operation and maintenance of street lighting and medians.

Zone 3 – Encompasses the Oaks South Development and funds the operation and maintenance of street lighting, street trees and medians.

Zone 4 – Encompasses the Thompson/Tabata Development and funds the operation and maintenance of street lighting, street trees, and medians.

Zone 5 – Encompasses the Palomar Forum Development and the Carlsbad Raceway Development and funds the operation and maintenance of street lighting and medians.

Zone 6 – Encompasses the Bressi Ranch Development and funds the operation and maintenance of street lighting, street trees, and medians.

Zone 7 – Encompasses the La Costa Greens Development and funds the operation and maintenance of street lighting, street trees, and medians.

Zone 8 – Encompasses the La Costa Ridge Development, including Village 2.6, and funds the operation and maintenance of street lighting, street trees, and medians.

Zone 9 – Encompasses the Oaks North Business Park Development and funds the operation and maintenance of street lighting and street trees.

Zone 10 – Encompasses the east village of the Robertson Ranch Development and funds the operation and maintenance of street lighting, street trees, and medians.

Zone 11 – Encompasses the Oaks North Residential Development and funds the operation and maintenance of street lighting, street trees, and medians.

Zone 12 – Encompasses the La Costa Town Square Development and funds the operation and maintenance of street lighting, street trees, and medians.

Zone 13 – Encompasses the Fair Oaks Valley Development and funds the operation and maintenance of street lighting and street trees.

Zone 14 – Encompasses the Quarry Creek Development and funds the operation and maintenance of street lighting and street trees.

Zone 15 – Encompasses the west village of the Robertson Ranch Development and funds the operation and maintenance of street lighting, street trees, and medians.

The plans and specifications for the Improvements, showing the general nature, location and the extent of the Improvements, are on file in the city's Public Works Department and are by reference herein made a part of this report.

PART B – ESTIMATE OF COSTS

The estimated costs for the operation, maintenance and servicing of the Improvements, shown on the following page, are the estimated costs of maintenance if the Improvements were fully maintained for Fiscal Year 2020-21. The 1972 Act provides that the total cost of the maintenance and services, together with incidental expenses, may be financed from the assessment proceeds. The incidental expenses may include engineering fees, legal fees, printing, mailing, postage, publishing, and all other related costs identified with the district proceedings.

Please see Part C of this Report for a description of Equivalent Dwelling Units (EDU's) and the apportionment formula.

The Assessment Law requires that a special fund be set-up for the revenues and expenditures of the District. Funds raised by assessment shall be used only for the purpose as stated herein. The city may advance funds to the District, if needed, to ensure adequate cash flow, and will be reimbursed for any such advances upon receipt of assessments. Any surplus or deficit remaining on June 30 must be carried over to the next fiscal year.

FY 2020-21 BUDGET

	Assessed Quantity	O&M Unit Cost	Repl. Unit Cost	Total O&M/Repl. Costs	Admin. Costs	FY 20-21 Annual Costs	FY 20-21 Annual Cost / EDU
Zone 1 (Calavera Hills II)							
40W Light	50 each	$158.27	$188.35	$17,331	$194	$17,525	$53.60 / EDU
* 100W Light	26 each	$178.69	$170.41	$9,077	$101	$9,178	$15.03 / EDU
** Trees	0 each	$151.45		$0	$0	$0	$0.00 / EDU
*** Medians	37,558 sf	$0.42	$0.56	$36,777	$411	$37,188	$60.87 / EDU
						$63,891	
Zone 2 (Kelly Ranch Core)							
40W Light	54 each	$158.27	$188.35	$18,718	$209	$18,927	$42.20 / EDU
* 100W Light	6 each	$178.69	$170.41	$2,095	$23	$2,118	$4.48 / EDU
Medians	38,250 sf	$0.42	$0.56	$37,455	$419	$37,874	$81.58 / EDU
						$58,918	
Zone 3 (The Oaks South)							
** 100W Light	0 each	$197.51	$188.35	$0	$0	$0	$0.00 / EDU
* 100W Light	7 each	$178.69	$170.41	$2,444	$27	$2,471	$4.91 / EDU
** Trees	0 each	$151.45		$0	$0	$0	$0.00 / EDU
** Medians	0 sf	$0.42	$0.56	$0	$0	$0	$0.00 / EDU
						$2,471	

* These lights are on arterial roadways, therefore the O&M and Repl. costs have been multiplied by 90.47% (This is to account for the 9.53% General Benefit for Arterial Roadways)
** These budgets are $0 due to HOA maintenance and servicing
*** Portion of total median area attributable only to Calavera Hills II
**** 40W or 100W lights are local to Non-Res properties in Zones 5 and 6 and costs are spread to those parcels only

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FY 2020-21 BUDGET (CONT'D)

	Assessed Quantity	O&M Unit Cost	Repl. Unit Cost	Total O&M/Repl. Costs	Admin. Costs	FY 20-21 Annual Costs	FY 20-21 Annual Cost / EDU
Zone 4 (Thompson/Tabata)							
40W Light	45 each	$158.27	$188.35	$15,598	$174	$15,772	$62.79 / EDU
* 100W Light	8 each	$178.69	$170.41	$2,793	$31	$2,824	$11.25 / EDU
** Trees	0 each	$151.45		$0	$0	$0	$0.00 / EDU
Medians	22,180 sf	$0.42	$0.56	$21,719	$243	$21,962	$87.43 / EDU
						$40,558	
Zone 5 (Palomar Forum/Carlsbad Raceway)							
40W Light	15 each	$158.27	$188.35	$5,199	$58	$5,257	$7.77 / EDU
**** 100W Light	4 each	$197.51	$188.35	$1,543	$17	$1,560	$10.21 / EDU
* 100W Light	14 each	$178.69	$170.41	$4,887	$55	$4,942	$5.96 / EDU
Medians	77,211 sf	$0.42	$0.56	$75,606	$845	$76,451	$92.15 / EDU
						$88,211	
Zone 6 (Bressi Ranch)							
** 100W Light	0 each	$197.51	$188.35	$0	$0	$0	$0.00 / EDU
**** 40W Light	25 each	$158.27	$188.35	$8,666	$97	$8,763	$9.83 / EDU
**** 100W Light	24 each	$197.51	$188.35	$9,261	$104	$9,365	$10.50 / EDU
* 100W Light	15 each	$178.69	$170.41	$5,237	$59	$5,296	$3.50 / EDU
** Trees	0 each	$151.45		$0	$0	$0	$0.00 / EDU
Medians	81,510 sf	$0.42	$0.56	$79,816	$892	$80,708	$53.32 / EDU
						$104,130	
Zone 7 (La Costa Greens)							
** 100W Light	0 each	$197.51	$188.35	$0	$0	$0	$0.00 / EDU
** Collector 100W Light	0 each	$197.51	$188.35	$0	$0	$0	$0.00 / EDU
* 100W Light	21 each	$178.69	$170.41	$7,331	$82	$7,413	$6.12 / EDU
** Local Trees	0 each	$151.45		$0	$0	$0	$0.00 / EDU
** Collector Trees	0 each	$151.45		$0	$0	$0	$0.00 / EDU
Medians	55,917 sf	$0.42	$0.56	$54,755	$612	$55,367	$45.64 / EDU
						$62,780	
Zone 8 (La Costa Ridge)							
Collector 100W Light	0 each	$197.51	$188.35	$0	$0	$0	$0.00 / EDU
* 100W Light	2 each	$178.69	$170.41	$698	$8	$706	$2.22 / EDU
Collector Trees	0 each	$151.45		$0	$0	$0	$0.00 / EDU
Medians	8,579 sf	$0.42	$0.56	$8,400	$94	$8,494	$26.74 / EDU
						$9,200	
Zone 9 (Oaks North Business Park)							
40W Light	18 each	$158.27	$188.35	$6,239	$70	$6,309	$6.27 / EDU
100W Light	17 each	$197.51	$188.35	$6,560	$73	$6,633	$6.59 / EDU
Trees	455 each	$151.45		$68,911	$770	$69,681	$69.20 / EDU
						$82,622	
Zone 10 (Robertson Ranch East Village)							
40W Light	72 each	$158.27	$188.35	$24,957	$279	$25,236	$45.57 / EDU
* 100W Light	23 each	$178.69	$170.41	$8,029	$90	$8,119	$13.82 / EDU
** Trees	0 each	$151.45		$0	$0	$0	$0.00 / EDU
Medians	66,500 sf	$0.42	$0.56	$65,118	$728	$65,846	$112.08 / EDU
						$99,201	

* These lights are on arterial roadways, therefore the O&M and Repl. costs have been multiplied by 90.47%
(This is to account for the 9.53% General Benefit for Arterial Roadways)
** These budgets are $0 due to HOA maintenance and servicing
*** Portion of total median area attributable only to Calavera Hills II
**** 40W or 100W lights are local to Non-Res properties in Zones 5 and 6 and costs are spread to those parcels only

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FY 2020-21 BUDGET (CONT'D)

	Assessed Quantity	O&M Unit Cost	Repl. Unit Cost	Total O&M/Repl. Costs	Admin. Costs	FY 20-21 Annual Costs	FY 20-21 Annual Cost / EDU
Zone 11 (The Oaks North Residential)							
** 100W Light	0 each	$197.51	$188.35	$0	$0	$0	$0.00 / EDU
** Collector 100W Light	0 each	$197.51	$188.35	$0	$0	$0	$0.00 / EDU
* 100W Light	12 each	$178.69	$170.41	$4,189	$47	$4,236	$9.12 / EDU
** Trees	0 each	$151.45		$0	$0	$0	$0.00 / EDU
** Collector Trees	0 each	$151.45		$0	$0	$0	$0.00 / EDU
** Medians	0 sf	$0.42	$0.56	$0	$0	$0	$0.00 / EDU
** Collector Medians	0 sf	$0.42	$0.56	$0	$0	$0	$0.00 / EDU
						$4,236	
Zone 12 (La Costa Town Square)							
40W Light	11 each	$158.27	$188.35	$3,813	$43	$3,856	$61.20 / EDU
Collector 40W Light	7 each	$158.27	$188.35	$2,426	$27	$2,453	$8.15 / EDU
* 100W Light	7 each	$178.69	$170.41	$2,444	$27	$2,471	$7.42 / EDU
** Local Trees	0 each	$151.45		$0	$0	$0	$0.00 / EDU
** Collector Trees	0 each	$151.45		$0	$0	$0	$0.00 / EDU
** Arterial Trees	0 each	$151.45		$0	$0	$0	$0.00 / EDU
Medians	34,105 sf	$0.42	$0.56	$33,396	$373	$33,769	$101.42 / EDU
						$42,549	
Zone 13 (Fair Oaks Valley)							
** 40W Light	0 each	$158.27	$188.35	$0	$0	$0	$0.00 / EDU
** Collector 100W Light	0 each	$197.51	$188.35	$0	$0	$0	$0.00 / EDU
** Local Trees	0 each	$151.45		$0	$0	$0	$0.00 / EDU
** Collector Trees	0 each	$151.45		$0	$0	$0	$0.00 / EDU
						$0	
Zone 14 (Quarry Creek)							
Collector 100W Light	26 each	$197.51	$188.35	$10,032	$112	$10,144	$24.21 / EDU
** Collector Trees	0 each	$151.45		$0	$0	$0	$0.00 / EDU
						$10,144	
Zone 15 (Robertson Ranch West Village)							
40W Light	23 each	$158.27	$188.35	$7,972	$89	$8,061	$45.68 / EDU
Collector 40W Light	10 each	$158.27	$188.35	$3,466	$39	$3,505	$5.87 / EDU
Collector 100W Light	3 each	$197.51	$188.35	$1,158	$13	$1,171	$1.96 / EDU
* 40W Light	1 each	$143.19	$170.41	$314	$4	$318	$0.52 / EDU
* 100W Light	7 each	$178.69	$170.41	$2,444	$27	$2,471	$4.06 / EDU
** Local Trees	0 each	$151.45		$0	$0	$0	$0.00 / EDU
** Collector Trees	0 each	$151.45		$0	$0	$0	$0.00 / EDU
+ Arterial Trees	104 each	$134.94		$14,034	$157	$14,191	$23.32 / EDU
Medians	23,083 sf	$0.42	$0.56	$22,603	$253	$22,856	$37.56 / EDU
						$52,573	
			Subtotal Annual Costs:	**$713,508**	**$7,975**	**$721,483**	

* These lights are on arterial roadways, therefore the O&M and Repl. costs have been multiplied by 90.47%
(This is to account for the 9.53% General Benefit for Arterial Roadways)

** These budgets are $0 due to HOA maintenance and servicing

\+ These trees are on arterial roadways, therefore the O&M costs have been multiplied by 89%
(This is to account for the 11% General Benefit for Street Trees on Arterial Roadways)

FY 2020-21 BUDGET (CONT'D)

Administrative Costs	
Annual Administration	$7,378
County Levy Fee	$597
Replacement Reserve	$371,046
Fund Balance as of July 1 of Current FY	($371,046)
Subtotal Administrative Costs:	**$7,975**
FY 20-21 Annual Assessment:	**$721,483**

The O&M Unit Cost is the operation and maintenance cost per improvement unit. These amounts are derived from the FY 2020-21 city wide budget amounts and improvement totals shown in Landscape and Lighting District No. 1.

- For the light improvements, this unit cost is calculated by dividing the total budgeted cost by the total number of street lightings within the City plus the annual energy cost. There is an annual cost per light that is calculated for each light wattage. For lights located on arterial roadways, the O&M Unit Costs have been reduced by 9.53% to account for general benefit, as calculated on the table shown on Page 13.
- For the street tree improvements, the unit cost is calculated by dividing the total budget by the number of trees.
- For the median improvements, the unit cost is calculated by dividing the total median budget amount by the total square footage of medians.

The Replacement Unit Cost is the cost to replace each improvement unit. These amounts were established in FY 2004-05 when the District was formed and increased for cost of living each year according to the change in Consumer Price Index (CPI) for the San Diego County area.

The Administrative Costs have been allocated to each Zone based on the improvements being maintained by the District in each Zone. There are no administration costs associated with Zone 13 (Fair Oaks Valley) because the HOA is maintaining all improvements within the Fair Oaks Valley Development. The Administrative Costs consists of the following:

- The Annual Administration cost of $7,378 for the tracking and administration of 14 zones at $527 per zone.
- The County Levy Fee of $597 for submitting the assessments of approximately 5,969 parcels at $0.10 to the County of San Diego for inclusion on the Tax Bills.

The Replacement Reserve amount consists of the following:

- A total of $371,046 in replacement costs calculated by multiplying the Assessed Quantity by the Replacement Unit Cost for each Improvement.

- A total of $20,422 is associated with exceeding costs not included in the FY 2020-21 assessment rate. For Zones 4, 9, and 15, the calculated budgeted rate exceeds the maximum rate, therefore the FY 2020-21 Assessment Rate was limited to the maximum rate. The difference of $20,422 has been added to the total Replacement Reserve amount to be covered by the City's General Fund.

PART C – METHOD OF APPORTIONMENT

GENERAL

The 1972 Act permits the establishment of assessment districts by cities for the purpose of providing certain public improvements which include the construction, maintenance and servicing of street lights, traffic signals and landscaping facilities.

Streets and Highways Code Section 22573 requires that maintenance assessments be levied according to benefit rather than according to assessed value. This section states:

> "The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements."

The 1972 Act permits the designation of zones of benefit within any individual assessment district if "by reason of variations in the nature, location, and extent of the improvements, the various areas will receive different degrees of benefit from the improvements." (Sec. 22574). Thus, the 1972 Act requires the levy of a true "assessment" rather than a "special tax."

In addition, Article XIIID and the Implementation Act requires that a parcel's assessment may not exceed the reasonable cost for the proportional special benefit conferred on that parcel. Article XIIID and the Implementation Act further provides that only special benefits are assessable and the city must separate the general benefits from the special benefits. They also require that publicly owned properties which specially benefit from the improvements be assessed.

SPECIAL BENEFIT ANALYSIS

Proper maintenance and operation of the streetlights, street trees and street medians provides special benefit to adjacent properties by providing security, safety, and community character and vitality.

Local Lighting.

Special Benefit. The operation, maintenance and servicing of lighting along local streets in close proximity to certain lots or parcels provides a special benefit to such lots or parcels by providing illumination resulting in: 1) improved security of such lots or parcels, 2) improved ingress and egress from such lots or parcels by illuminating access after sunset, and 3) improved nighttime visibility for the local access of emergency vehicles. Local lighting typically consists of 40 watt lights.

Street lights on or associated with traffic signals located at arterial-to-local connectors are considered to be 100% special benefit to those developments taking direct access at these intersections.

General Benefit. There are no general benefits associated with local lighting.

Arterial Lighting.

Special Benefit. The operation, maintenance and servicing of arterial lighting provides a special benefit to each and every assessable lot or parcel within the development or vicinity which are adjacent to such lighting resulting in: 1) improved nighttime visibility for the access of emergency vehicles, and 2) improved safety and traffic circulation to and from parcels. Arterial lighting typically consists of 100 watt lights; however, special benefit is assigned consistent with local lighting wattage.

General Benefit. The city recognizes that a portion of the maintenance, operation and servicing of those Street Lighting Improvements that are a part of the city's arterial lighting improvements provide a general benefit to the public at large, which equates to the higher level of lighting required on arterial roads.

The general benefits associated with Arterial Lighting are attributable to the higher level of lighting required for an arterial roadway. That higher level of lighting provides a measure of safety for the additional width of the street. Local and collector roadways require only 9,500 lumen lights (typically 40 watt lights) and arterial roadways require 22,000 lumen lights (typically 100 watt lights).

The amount of general benefit is established by multiplying the number of arterial streetlights currently in the city by the difference between the average annual electrical costs to illuminate a light on an arterial street and a local street. (Electrical costs are used in this comparison, as the personnel and replacement costs for the various lumens and wattages of lights are virtually the same.) The following table shows the calculation of the cost estimate for general benefit for streetlights.

FY 2020-21 COST ESTIMATE COMPARISON OF ELECTRICAL COSTS FOR THE VARIOUS STREET LIGHTS WITHIN THE CITY						
Lamp Size (Watts)	**Number Lights**	**Monthly Rate**	**Monthly Amount**	**Annual Amount**	**Annual Cost per**	**General Benefit**
Low wattage lights for collector streets:						
40	4,847	$2.18	$10,566.46	$126,797.52	$26.16	$0.00
Subtotal-1	**4,847**			**$126,797.52**		**$0.00**
High wattage lights for arterial streets:						
70	103	$3.75	$386.25	$4,635.00	$45.00	$1,940.52
85	41	$4.58	$187.78	$2,253.36	$54.96	$1,180.80
100	1,671	$5.45	$9,106.95	$109,283.40	$65.40	$65,570.04
150	688	$8.15	$5,607.20	$67,286.40	$97.80	$49,288.32
200	0	$10.89	$0.00	$0.00	$130.68	$0.00
250	13	$13.63	$177.19	$2,126.28	$163.56	$1,786.20
Subtotal-2	**2,516**			**$185,584.44**		**$119,765.88**
Total	**7,363**			**$312,381.96**		**$119,765.88**

General Benefit =	**$119,765.88**
FY 2020-21 Lighting Budget Amount	$1,285,115
FY 2020-21 Public Parcel Contribution	$28,000
Total Est. Cost Less Public Parcel Contribution*	**$1,257,115**
General Benefit Percentage	9.53%

* Based on preliminary budget estimates

Therefore, 9.53% of the Street Lighting Improvements on the city's arterial roadways are considered general benefit, and only 90.47% of these Street Lighting Improvements will be used to estimate the special benefit costs.

Streetlights on or associated with traffic signals located at arterial-to-arterial connectors are considered to be 100% general benefit.

In addition to the above, streetlights fronting upon open space areas owned by governmental agencies and/or managed by a non-profit environmental trust and which are considered part of the major habitat core areas and/or linkages of the city's Habitat Management Plan shall be considered as having 100% general benefit.

Street Landscaping.

Special Benefit. Trees, landscaping, hardscaping and appurtenant facilities, if well maintained, provide beautification, shade and enhancement of the desirability of the surroundings, and therefore increase property value.

- Street trees within the public street parkways provide special benefit to those properties directly adjacent to those tree-lined parkways.
- Landscaping and hardscaping within medians in the public streets provide special benefit to those developments that are directly adjacent to the public medians. These medians are located in the arterial roadways.

General Benefit.

- There are no general benefits associated with local street trees.
- Street trees along the arterial roadways provide aesthetic benefits to people walking through the city. Per the 2005 Traveler Opinion and Perception Survey conducted by the Federal Highway Administration, approximately 10.9% of all trips are considered Walking Trips. Therefore, 10.9% of the Street Tree Improvements of the city's arterial roadways are considered general benefit, and only 89.1% of these Street Tree improvements will be used to estimate the special benefit costs.
- Landscaping and hardscaping within medians in the arterial roadways provide only incidental aesthetic benefits to motorists travelling to, from or through the city. Therefore, it is deemed that there are no general benefits associated with the landscaped medians.

  Vehicular safety associated with the traffic channelization provided by raised medians is independent of the landscaping and hardscaping improvements funded through this Maintenance District. However, median curb replacement costs are included in the overall replacement costs for the medians. Because raised median curbs are required for both landscaping and traffic channelization, 50% of the median curb replacement costs have been removed from the budget.

Benefit Zones

Benefit Zones are used to differentiate between the different types of Improvements to be maintained and serviced within each such zone. There are currently 15 zones of benefit in this District.

Zone 1 – Calavera Hills II

The Calavera Hills II development is located in and around the intersection of Carlsbad Village Drive and College Boulevard and is comprised of villages of varying types of land uses that will receive special benefit from the street lighting, street trees and medians within and directly adjacent to the development. It is anticipated that the Home Owners Association ("HOA") will maintain the street trees. The city and the owners of the land within Calavera Hills II have an agreement to provide for the maintenance of the street trees by the HOA; therefore, annual assessments will be levied within Zone 1 for the maintenance of street trees only if (a) the HOA fails to maintain such street trees pursuant to the Agreement, (b) as a result of the failure of the HOA to maintain such street trees, the city is required to undertake such maintenance and (c) the HOA has failed to reimburse the city for the cost of such maintenance as required pursuant to the Agreement.

Villages K, L-2, W and X are comprised of single family detached ("SFD") units and have local streetlights and street trees within the public streets. Village X also has a 0.08-acre of non-residential ("Non-Res") land use that takes access off of College Boulevard. This property is a utility with no local streetlights or street tress adjacent to it.

Villages E, U and Y are comprised of single family attached ("SFA"), apartment ("APT") units, and 1 acre of Non-Res land use, and do not have any local lighting or street trees. Village "Y" also has a 1.05-acre of Non-Res use.

Village H is comprised of 2 acres of Non-Res use and does not have local lighting and street trees.

All of the villages receive special benefit from the arterial street lighting on Carlsbad Village Drive, College Boulevard and Tamarack Avenue that is directly adjacent to these village areas.

The entire Calavera Hills development (not just Calavera Hills II) benefits from the medians within College Boulevard and Carlsbad Village Drive within the boundaries of the development. An analysis has been performed to allocate the appropriate share of the medians to the Calavera Hills II development based on the assessment apportionment methodology shown in this Report.

Zone 2 – Kelly Ranch Core

The Kelly Ranch Core development is located southeast of the intersection of Cannon Drive and Faraday Avenue and is comprised of varying types of land uses that receive special benefit from the street lighting and medians within and directly adjacent to the development.

The core development consists of SFD and APT units, 2.61 acres of Non-Res, a park and vacant property (future development details have not been determined) that have local streetlights in the public streets directly adjacent to them. All of these properties benefit from the local lights within this core development. There are an additional 6 SFD units planned for the Kirgis development, which is directly adjacent to Kelly Ranch and takes access through the development. A 2.63 acres site of Non-Res does not have local lighting. Part of this development also includes a city-owned 1.48-acre wastewater pumping plant site taking access off of Cannon Road. This property is considered Non-Res utility property that has no local streetlights adjacent to it. Although this property is a utility with essentially no value, it does receive the arterial lighting special benefits; however, this utility property is not deemed to benefit from the landscaped median improvements.

All of the development receives special benefit from the arterial street lighting and medians on Cannon Road.

Zone 3 – The Oaks South

The Oaks South development is located to the northeast of the intersection of Rancho Santa Fe Road and Camino de los Coches and is comprised of varying types of land uses that receive special benefit from the street lighting, street trees and medians within and directly adjacent to the development. It is anticipated that the HOA will maintain the street trees, local street lights and medians. The city and the owners of the land within the Oaks South have an Agreement to provide for the maintenance of such improvements by the HOA; therefore, annual assessments will be levied within Zone 3 for the maintenance of such improvements only if (a) the HOA fails to maintain

any such improvements pursuant to the Agreement, (b) as a result of the failure of the HOA to maintain any such Improvements, the city is required to undertake such maintenance and (c) the HOA has failed to reimburse the city for the cost of such maintenance as required pursuant to the Agreement.

The development consists of SFD units, and 1.62 acres of Non-Res property that have local street lights and street trees in the public streets directly adjacent to them.

All of the development receives special benefit from the arterial street lighting and medians on Rancho Santa Fe Road. The median improvements on Rancho Santa Fe Road extend into an open space area that separates The Oaks South from The Oaks North development. This median provides an aesthetic link between the two developments and therefore 50% of the costs of the medians within the open space area to the north of The Oaks South is apportioned to The Oaks South, and 50% is apportioned to The Oaks North.

Zone 4 – Thompson / Tabata

The Thompson/Tabata development is located along Poinsettia Lane west of Aviara Parkway and is comprised of varying types of land uses that benefit from the operation and maintenance of street lighting, street trees and medians within and directly adjacent to the development. It is anticipated that the HOA will maintain the street trees. The city and the owners of the land within the Thompson/Tabata property have an Agreement to provide for the maintenance of such improvements by the HOA; therefore, annual assessments will be levied within Zone 4 for the maintenance of street trees only if (a) the HOA fails to maintain such street trees pursuant to the Agreement, (b) as a result of the failure of the HOA to maintain such street trees, the city is required to undertake such maintenance and (c) the HOA has failed to reimburse the city for the cost of such maintenance as required pursuant to the Agreement.

The development consists of SFD units that have local street lights and street trees in the public streets directly adjacent to them, and SFA units that take access off streets with local streetlights but do not have street trees directly adjacent to them.

All of the development receives special benefit from the arterial street lighting and medians on Poinsettia Lane.

The existing SFD property, Assessor's Parcel Number 214-170-81-00, is already assessed in Street Lighting and Landscaping District No. 1 and is therefore exempted from this District.

Zone 5 – Palomar Forum / Carlsbad Raceway

Zone 5 includes two non-residential developments that are directly adjacent to each other, Palomar Forum and Carlsbad Raceway.

The Palomar Forum development is located along the northerly side of Palomar Airport Road, east of Melrose Drive, and is comprised of 51.63 acres of Non-Res and 1.71 acres of Park that have 100 watt local street lights in the public streets directly adjacent to them.

The Carlsbad Raceway development is located north of Palomar Airport Road and west of Business Park Drive and is comprised of 86.22 acres of Non-Res that has 200 watt local street lights in the public street directly adjacent to them.

Both developments receive special benefit from the arterial street lighting and medians on Melrose Drive and Palomar Airport Road.

Zone 6 – Bressi Ranch

The Bressi Ranch development is located on the southeast corner of Palomar Airport Road and El Camino Real. It is comprised of varying types of land uses that receive special benefit from the street trees, medians, street lighting within and directly adjacent to the development. The entire development benefits from the street lighting within and directly adjacent to the development, except the residential estate area that has private streets and so does not have any local public street light benefits. It is anticipated that the HOA will maintain the local streetlights and the street trees within the residential areas and the medians in Poinsettia Lane. The city and the owners of the land within Bressi Ranch have an Agreement to provide for the maintenance of such improvements by the HOA; therefore, annual assessments will be levied within Zone 6 for the maintenance of the local street lights only if (a) the HOA fails to maintain any such street lights pursuant to the Agreement, (b) as a result of the failure of the HOA to maintain any such Improvements, the city is required to undertake such maintenance and (c) the HOA has failed to reimburse the city for the cost of such maintenance as required pursuant to the Agreement.

The development consists of SFD units and 8 Parks that have trees and local street lights in the public streets directly adjacent to them. There are SFA units that have local street lights adjacent to them, but do not have street trees directly adjacent to them. There are 25 SFD estate units on private streets, with no public local street lights or street trees. There are also 148.71 acres of Non-Res development that have 40 watt and 100 watt local lighting adjacent to them.

All of the development receives special benefits from medians in Palomar Airport Road, El Camino Real, and Poinsettia Lane.

Zone 7 – La Costa Greens

The Greens development is located on the northeast corner of Alga Road and El Camino Real. It is comprised of varying types of land uses that receive special benefit from the street trees, medians, street lighting within and directly adjacent to the development.

There is a 12.77 acre School, a total of 7.6 acres of Park, 86 SFA units, and 591 SFD units that all have local trees and local street lights in the public streets directly adjacent to them. There is 14.96 acres of Non-Res and 38 SFA units that have local street trees, but do not have local street lights, in the streets directly adjacent to them. There are 64 SFD units on private streets, with no public local street lights or street trees. There are 180 APT units, a Pump Station, and a Golf Course that are within the development and are taken into consideration when spreading the special benefits, but are not part of this district and are assessed in Street Lighting and Landscaping District No. 1.

Street trees and street lights along Alicante Road are classified as Collector Trees and Collector 100W Lights. The annual cost to maintain these trees and street lights will be spread among the development areas that are directly adjacent to and take access from Alicante Road.

It is anticipated that the HOA will maintain the local streetlights and the street trees within the residential areas and the medians within Poinsettia Lane. The city and the owners of the land within the Greens have an Agreement to provide for the maintenance of such improvements by the HOA; therefore, annual assessments will be levied within Zone 7 for the maintenance of the local street lights and the medians only if (a) the HOA fails to maintain any such street lights and medians pursuant to the Agreement, (b) as a result of the failure of the HOA to maintain any such Improvements, the city is required to undertake such maintenance and (c) the HOA has failed to reimburse the city for the cost of such maintenance as required pursuant to the Agreement.

The entire development receives special benefit from the arterial street lighting on El Camino Real, Alga Road, and Poinsettia Lane.

All of the development receives special benefits from medians in El Camino Real, Alga Road, and Poinsettia Lane.

Zone 8 – La Costa Ridge

The Ridge development is located east of El Fuerte Street, south of Alga Road, west of Rancho Santa Fe Road, and northwest of San Marcos Creek. It is comprised of residential land uses that receive special benefit from the medians and street lighting directly adjacent to the development.

There are 263 SFD units on private streets, with no public local street lights or street trees directly adjacent to them. In Village 2.6, there are 53 SFD units and a 0.18 acre park on private streets, with no public local street lights or street trees within this area. There are also 2 acres of Non-Res parcels within the development that are taken into consideration when spreading the special benefit, but are not part of this district and are assessed in Street Lighting and Landscaping District No. 1.

Though the streets within the Ridge development are private, the entire development receives special benefit from the collector street lighting directly adjacent to the development on El Fuerte Street along the westerly side of the development and the public portion of Corintia Street on the easterly side of the development.

Village 2.6 is the only portion of the Ridge development that benefits from the street trees on the public portion of Corintia Street on the westerly side of Village 2.6.

It is anticipated that the HOA will maintain the local streetlights and the street trees within the residential areas. The city and the owners of the land within the Ridge have an Agreement to provide for the maintenance of such improvements by the HOA; therefore, annual assessments will be levied within Zone 8 for the maintenance of the local street lights and street trees only if (a) the HOA fails to maintain any such street lights pursuant to the Agreement, (b) as a result of the failure of the HOA to maintain any such Improvements, the city is required to undertake such maintenance

and (c) the HOA has failed to reimburse the city for the cost of such maintenance as required pursuant to the Agreement.

All of the development receives special benefit from the arterial street lighting and medians in Alga Road and Rancho Santa Fe Road.

Zone 9 – Oaks North Business Park

The Oaks North Business Park is located north of Palomar Airport Road, abutting the City of Vista on the north and east sides of the development. It is comprised of industrial and commercial land uses that receive special benefit from the street lighting and street trees within and directly adjacent to the development.

There are 167.83 acres of non-residential use parcels with public local street lights and street trees within and directly adjacent to them. There is also 219.50 acres of open space.

The development is not adjacent to any arterial roads, and therefore does not receive special benefit from arterial street lights or medians.

Zone 10 – Robertson Ranch East Village

The Robertson Ranch East Village development is located on the north east corner of Cannon Road and College Boulevard. It is comprised of varying types of land uses that receive special benefit from the street trees, street lighting, and medians within and directly adjacent to the development.

The development consists of 78 APT units, 84 SFA units, 320 SFD units, a total of 2.02 acres of designated recreation areas, and a 15.51 acre Fire Station that all have local trees and local street lights in the public streets directly adjacent to them. There are anticipated to be 23 SFD units and a 0.44 acre Park that is part of the Robertson Ranch West Village, but will be directly adjacent to the East Village and take access off of Cannon Road and Wind Trail Way. There is a 3.2 acre unplanned area and a 2.84 Water Quality Facility that do not have public local street lights or street trees.

It is anticipated that the HOA will maintain the local street trees. The city and the owners of the land within Robertson Ranch have an Agreement to provide for the maintenance of such improvement by the HOA; therefore, annual assessments will be levied within Zone 10 for the maintenance of the local street trees only if (a) the HOA fails to maintain any such street trees and medians pursuant to the Agreement, (b) as a result of the failure of the HOA to maintain any such Improvements, the city is required to undertake such maintenance and (c) the HOA has failed to reimburse the city for the cost of such maintenance as required pursuant to the Agreement.

The entire development receives special benefit from the arterial street lighting and medians on College Blvd and Cannon Rd.

Zone 11 – Oaks North Residential

The Oaks North Residential Development is located south west of the intersection at Rancho Santa Fe Rd and Questhaven Road, abutting the open space area that separates the Oaks North development from the Oaks South development. It is comprised of residential and non-residential

land uses that receive special benefit from the street lighting, street trees, and medians within and directly adjacent to the development.

It is anticipated that the HOA will maintain the local streetlights and the street trees, and the medians within the residential areas. The city and the owners of the land within the Oaks North have an Agreement to provide for the maintenance of such improvements by the HOA; therefore, annual assessments will be levied within Zone 11 for the maintenance of the local street lights and street trees only if (a) the HOA fails to maintain any such street lights pursuant to the Agreement, (b) as a result of the failure of the HOA to maintain any such Improvements, the city is required to undertake such maintenance and (c) the HOA has failed to reimburse the city for the cost of such maintenance as required pursuant to the Agreement.

There are 283 SFD units and a 2.26 acre park on public streets, with local street lights and street trees within and directly adjacent to them. There are a total of 168 APT units, a 5.71 acre RV Parking lot, and 43 SFD units on private streets, with no public local street lights or street trees.

All of the development receives special benefit from the collector street lighting, street trees, and medians on San Elijo Road and Avenida Soledad.

All of the development receives special benefit from the arterial street lighting and medians on Rancho Santa Fe Road. The median improvements on Rancho Santa Fe Road extend into an open space area that separates The Oaks South from The Oaks North development. This median provides an aesthetic link between the two developments and therefore 50% of the costs of the medians within the open space area to the south of The Oaks North is apportioned to The Oaks North, and 50% is apportioned to The Oaks South.

Zone 12 – La Costa Town Square

The La Costa Town Square development is located on the north east corner of La Costa Avenue and Rancho Santa Fe Road. It is comprised of varying types of land uses that receive special benefit from the street trees, street lighting, and medians within and directly adjacent to the development.

There are 64 SFDs that all have local street lights and trees in the public streets directly adjacent to them. There is are 43.93 acres Non-Res development and 32 SFDs that do not have public local street lights or street trees.

Street trees and street lights along La Costa Avenue are classified as Collector Trees and Collector 40W lights. The La Costa Town Square development is on the north side of La Costa Avenue and will benefit from the street lights along La Costa Avenue, therefore 50% of the street lights along La Costa Avenue have been apportioned to the La Costa Town Square. All the trees in La Costa Avenue directly adjacent to the La Costa Town Square have been apportioned to the La Costa Town Square. The annual cost to maintain these trees and street lights will be spread among the development areas that are directly adjacent to and take access from La Costa Avenue. These include the SFD and Non-Res development areas.

It is anticipated that the HOA will maintain the street trees. The city and the owners of the land within La Costa Town Square have an Agreement to provide for the maintenance of such

improvements by the HOA; therefore, annual assessments will be levied within Zone 12 for the maintenance of the trees only if (a) the HOA fails to maintain any such street lights and trees pursuant to the Agreement, (b) as a result of the failure of the HOA to maintain any such Improvements, the city is required to undertake such maintenance and (c) the HOA has failed to reimburse the city for the cost of such maintenance as required pursuant to the Agreement.

The entire development also benefits from arterial lighting and medians Rancho Santa Fe Road. There will be approximately 1,795 linear feet of medians in Rancho Santa Fe Road along the south east side of the development (which equals approx. 34,105 sf of medians based on a typical 19' width). The La Costa Town Center development is on both the north and south side of Rancho Santa Fe Road and will benefit from the improved aesthetics of the medians; therefore the entire benefit from the medians in Rancho Santa Fe Road is apportioned to the La Costa Town Square.

Zone 13 – Fair Oaks Valley

The Fair Oaks Valley development is located to the east of the La Costa Oaks development. It is comprised of residential land uses that receive special benefit from the street trees and street lighting within the development.

There are 49 SFDs that all have local 40W street lights and trees in the public streets directly adjacent to them.

Street trees and street lights along Camino Junipero are classified as Collector Trees and Collector 100W lights. The annual cost to maintain these trees and street lights will be spread among the entire development because the entire development takes access from Camino Junipero. However, should the street be extended beyond the Fair Oaks Valley development, then the benefits to the development will be revaluated.

It is anticipated that the HOA will maintain the street trees and street lights. The city and the owners of the land within Fair Oaks Valley have an Agreement to provide for the maintenance of such improvements by the HOA; therefore, annual assessments will be levied within Zone 13 for the maintenance of the trees and lights only if (a) the HOA fails to maintain any such street lights and trees pursuant to the Agreement, (b) as a result of the failure of the HOA to maintain any such Improvements, the city is required to undertake such maintenance and (c) the HOA has failed to reimburse the city for the cost of such maintenance as required pursuant to the Agreement.

Zone 14 – Quarry Creek

The Quarry Creek development is located south of Haymar Road. It is comprised of residential land uses that receive special benefit from the street trees and street lighting within the development.

There are anticipated to be an 89 unit APT, 352 SFD and SFA units, 0.9 acre parking lot and 5.2 acres of Parks that will benefit from street trees and street lights located in the public collector roadways within the development.

Street trees and street lights along Hayward Street and Street A, Street B, Street D, Street E are classified as Collector Trees and Collector 100W lights. The annual cost to maintain these trees and

street lights will be spread among the entire development because the entire development takes access from these streets.

It is anticipated that the HOA will maintain the street trees. The city and the owners of the land within Quarry Creek have an Agreement to provide for the maintenance of such improvements by the HOA; therefore, annual assessments will be levied within Zone 14 for the maintenance of the trees only if (a) the HOA fails to maintain any such trees pursuant to the Agreement, (b) as a result of the failure of the HOA to maintain any such Improvements, the city is required to undertake such maintenance and (c) the HOA has failed to reimburse the city for the cost of such maintenance as required pursuant to the Agreement.

Zone 15 – Robertson Ranch West Village

The Robertson Ranch West Village development is located on the north east corner of El Camino Real and Tamarack Avenue. It is comprised of varying types of land uses that receive special benefit from the street trees, street lighting, and medians within and directly adjacent to the development.

There are anticipated to be a total of 1.66 acres of designated recreation areas in Planning Area 6 and a total of 174 SFD units in Planning Areas 3 and 6 that have local street lights and trees in the public streets directly adjacent to them. There are anticipated to be a total of 364 APT units in Planning Areas 7 and 8, 14.85 acres of Non-Res in Planning Area 11, 1.20 acres of designated recreation areas in Planning Area 4 are on designated collector streets, and therefore are not considered to have any local street lights or street trees directly adjacent to them. There are anticipated to be 0.40 acres of Park in Planning Area 9/10 and 111 SFD units in Planning Areas 5 and 9/10 that are on private streets, and therefore are not considered to have any local street lights or trees directly adjacent to them. There is anticipated to be a 1.87 acres of designed Non-Res in Planning Area 2 that is located off of El Camino Real that does not benefit from local or collector street lighting or trees.

Robertson Road (from Tamarack Avenue to the landscaping circle and from Wellspring Street to West Ranch Street), West Ranch Street, and the public portion of Gage Drive are designated as Collector Streets. The street lights and street trees along these streets are classified as Collector 40W Lights, Collector 100W Lights, and Collector Trees. The annual cost to maintain these collector improvements will be spread among the development areas that are directly adjacent to and take access from the Collector Streets. The Non-Res in Planning Area 2 does not receive special benefit from the trees and lights on the Collector Streets.

It is anticipated that the HOA will maintain the street trees. The city and the owners of the land within Robertson Ranch have an Agreement to provide for the maintenance of such improvements by the HOA; therefore, annual assessments will be levied within Zone 15 for the maintenance of the local street trees only if (a) the HOA fails to maintain any such street trees pursuant to the Agreement, (b) as a result of the failure of the HOA to maintain any such Improvements, the city is required to undertake such maintenance and (c) the HOA has failed to reimburse the city for the cost of such maintenance as required pursuant to the Agreement.

The entire development receives special benefit from the arterial street lighting on El Camino Real and Tamarack Avenue.

The entire development also benefits from medians in El Camino Real and Tamarak Avenue. There will be approximately 44,726 square feet of medians in El Camino Real along the south side of the development and approximately 1,440 square feet of medians in College Blvd along the easterly side of the development. The Roberson Ranch West Village is on the north side of El Camino Real and the east side of Tamarak Avenue. The developments on the opposite sides of El Camino Real and Tamarak Avenue will benefit from the improved aesthetics of the medians directly adjacent to this property; therefore 50% of the benefit for the medians in El Camino Real and Tamarak Avenue is apportioned to the Robertson Ranch West Village (22,363 sf of medians in El Camino Real and 720 sf of medians in Tamarak Avenue).

ASSESSMENT APPORTIONMENT AND RATES

Equivalent Dwelling Units

To establish the special benefit to the individual parcels within the District, an Equivalent Dwelling Unit system is used. Each parcel of land is assigned Equivalent Dwelling Units ("EDUs") in proportion to the estimated special benefit the parcel receives relative to the other parcels within the District from the streetlights, street trees and medians.

The single-family detached (SFD) residential parcel has been selected as the basic unit for calculation of assessments; therefore, the SFD residential parcel is defined as one Equivalent Dwelling Unit (EDU). A methodology has been developed to relate all other land uses to the SFD residential land use as described below.

Single Family Attached (SFA) Residential. SFA residential uses, including condominiums, are given a factor of 0.80 EDU per dwelling unit. Based on data from representative cities in Southern California, the SFA residential factor of 80 percent is determined by the statistical proportion of relative trip generation from various types of residential uses, in combination with population density per unit.

Apartment (APT) Residential. APT residential uses, also known as multi-family residential uses, are given a factor of 0.60 EDU per dwelling unit. Based on data from representative cities in Southern California, the APT residential factor of 60 percent is determined by the statistical proportion of relative trip generation from various types of residential uses, in combination with population density per unit.

Non-Residential (Non-Res). In converting improved non-residential properties to EDUs, the factor used is the City of Carlsbad average size for a SFD residential lot, which is 1 dwelling unit per 7,500 sq. ft, or approximately 6 dwelling units per acre. Therefore, Non-Res parcels will be assessed 6 EDU per acre or any portion thereof.

Vacant/Parks. Parcels that are designated for parks or parcels that are developable but do not have a finalized development map are assessed based upon the acreage of the parcel. These properties receive special benefits based on their land, as this is the basis of their value. Based upon the opinions of professional appraisers, appraising current market property values for real estate in Southern California, the land value portion of a property typically ranges from 20 to 30 percent of the property's total value.

Additionally, the utilization of vacant property is significantly less than improved property and vacant property has a traffic generation rate of 0. Therefore, vacant parcels (and park parcels) will be assessed at the rate of 25% of Non-Res properties, or 1.5 EDU per acre or any portion thereof.

Open Space. Parcels designated as open space do not receive special benefits from the Improvements and are therefore exempt from the assessment.

The following table summarizes the EDU formula described above.

EDU FORMULA

Land Use	EDU Rate
Single Family Detached Res (SFD)	1.0 / DU
Single Family Detached Res (SFD-Estates)	1.0 / DU
Single Family Attached Res (SFA)	0.8 / DU
Apartments (APT)	0.6 / DU
Developed Non-Residential (Non-Res)	6.0 / acre
Vacant / Park	1.5 / acre
Open Space	0.0 / acre

DU = Dw elling Unit

The following tables provide the EDU's for the various types of special benefits associated with each Zone, FY 2020-21 budget rates and the maximum assessment rates for FY 2020-21. The budget rates are the calculated assessment rates that are required to generate revenue equal to the annual budget costs. The maximum assessment rates are the maximum amounts allowed to be collected as established in during formation/annexation of the zone into District. The maximum assessment rate increases each year by the Consumer Price Index (CPI) for the San Diego County area. The FY 2020-21 assessment rate will be the lesser of the budget rate and the maximum rate.

For Zone 4, the budget rate for the SFA units exceeds the maximum rate due to an increase in the annual costs for the improvements within the zone. Therefore, the FY 2020-21 Assessment Rate has been limited to the FY 2020-21 Maximum Rate per EDU.

For Zone 9, the budget rate for the Non-Res parcels exceeds the maximum rate due to an increase in the annual costs for the improvements as well as a decrease in assessable acreage within the zone. Therefore, the FY 2020-21 Assessment Rate has been limited to the FY 2020-21 Maximum Rate per EDU.

For Zone 15, the budget rate for the Non-Res parcels in Planning Area 2 exceeds the maximum rate due to an increase in the annual costs for the improvements within the zone. Therefore, the FY 2020-21 Assessment Rate has been limited to the FY 2020-21 Maximum Rate per EDU.

The total amount not collected due to maximum budget limitations for FY 2020-21 is approximately $24,115.

Harris & Associates

ESTIMATED FY 2020-21 ASSESSMENT ALLOCATION AND RATES

Development	DU	Acres	Local Light EDU	Collector Local Light EDU	Arterial Light EDU	Tree EDU	Collector Tree EDU	Arterial Tree EDU	Median EDU	Collector Median EDU	FY 20-21 Budget Rate ($/EDU)	FY 20-21 Asmt Rate* ($/EDU)	FY 19-20 Maximum Rates ($/EDU)	CPI Adj.	FY 20-21 Maximum Rates ($/EDU)
Zone 1 - Calavera Hills II															
Village E - SFA (NLL)	117				93.6				93.6		$75.90	$75.90	$79.54	1.8%	$80.97
Village H - Non-Res (NLL)		2.00			12.0				12.0		$75.90	$75.90	$79.54	1.8%	$80.97
Village K - SFD	84		84.0		84.0	84.0			84.0		$129.50	$129.50	$229.91	1.8%	$234.05
Village L-2 - SFD	14		14.0		14.0	14.0			14.0		$129.50	$129.50	$229.91	1.8%	$234.05
Village U - SFA (NLL)	135				108.0				108.0		$75.90	$75.90	$79.54	1.8%	$80.97
Village W - SFD	114		114.0		114.0	114.0			114.0		$129.50	$129.50	$229.91	1.8%	$234.05
Village X - Non-Res (NLL) utility		0.08			0.5				0.5		$75.90	$75.90	$79.54	1.8%	$80.97
Village X - SFD	115		115.0		115.0	115.0			115.0		$129.50	$129.50	$229.91	1.8%	$234.05
Village Y - APT (NLL)	106				63.6				63.6		$75.90	$75.90	$79.54	1.8%	$80.97
Village Y - Non-Res (NLL)		1.05			6.3				6.3		$75.90	$75.90	$79.54	1.8%	$80.97
			327.0		611.0	327.0			611.0						
Zone 2 - Kelly Ranch Core															
SFD	147		147.0		147.0				147.0		$128.26	$128.26	$139.38	1.8%	$141.89
APT	451		270.6		270.6				270.6		$128.26	$128.26	$139.38	1.8%	$141.89
Non-Res		2.61	15.7		15.7				15.7		$128.26	$128.26	$139.38	1.8%	$141.89
Non-Res (NLL)		2.63			15.8				15.8		$86.06	$86.06	$85.50	1.8%	$87.04
Non-Res (NLL) utility		1.48			8.9						$3.83	$3.83	$6.20	1.8%	$6.31
Park		0.49	0.7		0.7				0.7		$128.26	$128.26	$139.38	1.8%	$141.89
SFD (NAP)	6		6.0		6.0				6.0		$128.26	$128.26	$139.38	1.8%	$141.89
Vacant (NAP)		5.67	8.5		8.5				8.5		$128.26	$128.26	$139.38	1.8%	$141.89
			448.5		473.2				464.3						
Zone 3 - The Oaks South															
SFD	494		494.0		494.0	494.0			494.0		$4.91	$4.91	$488.16	1.8%	$496.95
Non-Res		1.62	9.7		9.7	9.7			9.7		$4.91	$4.91	$488.16	1.8%	$496.95
			503.7		503.7	503.7			503.7						
Zone 4 - Thompson/Tabata															
SFD	232		232.0		232.0	232.0			232.0		$161.47	$161.47	$257.37	1.8%	$262.00
SFA	24		19.2		19.2				19.2		$161.47	$147.56	$144.95	1.8%	$147.56
			251.2		251.2	232.0			251.2						
Zone 5 - Palomar Forum/Carlsbad Raceway															
Park		1.71	2.6		2.6				2.6		$105.88	$105.88	$190.62	1.8%	$194.05
Non-Res-40W		112.36	674.2		674.2				674.2		$105.88	$105.88	$190.62	1.8%	$194.05
Non-Res-100W		25.49	152.9		152.9				152.9		$108.32	$108.32	$114.52	1.8%	$116.58
			829.7		829.7				829.7						
Zone 6 - Bressi Ranch															
Non-Res		148.71	892.3		892.3				892.3		$77.15	$77.15	$84.48	1.8%	$86.00
Park		12.38	18.6		18.6	18.6			18.6		$56.82	$56.82	$253.16	1.8%	$257.72
SFD	498		498.0		498.0	498.0			498.0		$56.82	$56.82	$253.16	1.8%	$257.72
SFA	100		80.0		80.0				80.0		$56.82	$56.82	$165.59	1.8%	$168.57
SF Estates	25				25.0				25.0		$56.82	$56.82	$65.44	1.8%	$66.62
			1488.8		1513.8	516.6			1513.8						
Zone 7 - The Greens															
Non-Res-NLL		14.96			89.8	89.8			89.8		$51.76	$51.76	$298.14	1.8%	$303.51
Non-Res		12.77	76.6		76.6	76.6			76.6		$51.76	$51.76	$368.68	1.8%	$375.32
Park		5.88	8.8	8.8	8.8	8.8	8.8		8.8		$51.76	$51.76	$454.55	1.8%	$462.73
Park-NC		1.72	2.6		2.6	2.6			2.6		$51.76	$51.76	$368.68	1.8%	$375.32
Park-NLT		32.11		48.2	48.2		48.2		48.2		$51.76	$51.76	$226.81	1.8%	$230.89
SFA	86		68.8		68.8	68.8			68.8		$51.76	$51.76	$368.68	1.8%	$375.32
SFA-NLL	38				30.4	30.4			30.4		$51.76	$51.76	$298.14	1.8%	$303.51
SFD	484		484.0	484.0	484.0	484.0	484.0		484.0		$51.76	$51.76	$454.55	1.8%	$462.73
SFD-NC	107		107.0		107.0	107.0			107.0		$51.76	$51.76	$368.68	1.8%	$375.32
SF Estates	64			64.0	64.0		64.0		64.0		$51.76	$51.76	$226.81	1.8%	$230.89
APT (NAP)	180		108.0		108.0	108.0			108.0		$51.76	$51.76	$368.68	1.8%	$375.32
Non-Res (NAP)		0.65	3.9		3.9	3.9			3.9		$51.76	$51.76	$368.68	1.8%	$375.32
Park-NLL (NAP)		80.81			121.2				121.2		$51.76	$51.76	$140.91	1.8%	$143.45
			859.7	605.0	1213.3	979.9	605.0		1213.3						
Zone 8 - The Ridge															
PARK		0.18		0.3	0.3		0.3		0.3		$28.96	$28.96	$80.21	1.8%	$81.65
SFA	53			42.4	42.4		42.4		42.4		$28.96	$28.96	$80.21	1.8%	$81.65
SFD-NCT	263			263.0	263.0				263.0		$28.96	$28.96	$43.79	1.8%	$44.58
Non-Res (NAP)		2.00		12.0	12.0				12.0		$28.96	$28.96	$43.79	1.8%	$44.58
				317.7	317.7		42.7		317.7						

NC = No Collector Lights/Trees NLL = No Local Lights NLT = No Local Trees DU = Dwelling Unit NAP = Not a Part

* The FY 2020-21 Assessment Rate will be the lesser of the Budget Rate and the Maximum Rate

Harris & Associates

ESTIMATED FY 2020-21 ASSESSMENT ALLOCATION AND RATES (CONT'D)

Development	DU	Acres	Local Light EDU	Collector Local Light EDU	Arterial Light EDU	Tree EDU	Collector Tree EDU	Arterial Tree EDU	Median EDU	Collector Median EDU	FY 20-21 Budget Rate ($/EDU)	FY 20-21 Asmt Rate* ($/EDU)	FY 19-20 Maximum Rates ($/EDU)	CPI Adj.	FY 20-21 Maximum Rates ($/EDU)
Zone 9 - Oaks North Business Park															
Non-Res		167.83	1,007.0			1,007.0					$82.05	$62.12	$61.02	1.8%	$62.12
			1,007.0			1,007.0									
Zone 10 - Robertson Ranch East Village															
APT	78		46.8		46.8	46.8			46.8		$171.47	$171.47	$277.98	1.8%	$282.98
SFA	84		67.2		67.2	67.2			67.2		$171.47	$171.47	$277.98	1.8%	$282.98
SFD (PA 16, 17, 18)	304		304.0		304.0	304.0			304.0		$171.47	$171.47	$277.98	1.8%	$282.98
Park		2.02	3.03		3.03	3.03			3.03		$171.47	$171.47	$277.98	1.8%	$282.98
SFD (PA 14)	16		16.0		16.0	16.0			16.0		$171.47	$171.47	$277.98	1.8%	$282.98
Non-Res (Util)		2.84			17.04				17.04		$125.90	$125.90	$140.12	1.8%	$142.64
Vacant		5.43			8.15				8.15		$125.90	$125.90	$140.12	1.8%	$142.64
Non-Res (PA 12 - Fire Station)		15.51	93.06		93.06	93.06			93.06		$171.47	$171.47	$277.98	1.8%	$282.98
SFD (PA13)	23		23.00		23.00	23.00			23.00		$171.47	$171.47	$277.98	1.8%	$282.98
Park (PA13)		0.44	0.66		0.66	0.66			0.66		$171.47	$171.47	$277.98	1.8%	$282.98
Vacant (NAP)		5.70			8.55				8.55		$125.90	$125.90	$140.12	1.8%	$142.64
			553.8		587.5	553.8			587.5						
Zone 11 - Oaks North Residential															
SFD	283		283.0	283.0	283.0	283.0	283.0		283.0	283.0	$9.12	$9.12	$387.93	1.8%	$394.91
SFD (NLL)	43			43.0	43.0		43.0		43.0	43.0	$9.12	$9.12	$210.02	1.8%	$213.80
APT	168			100.8	100.8		100.8		100.8	100.8	$9.12	$9.12	$210.02	1.8%	$213.80
Park		2.26	3.39	3.39	3.39	3.39	3.39		3.39	3.39	$9.12	$9.12	$387.93	1.8%	$394.91
Non-Res (NLL)		5.71		34.26	34.26		34.26		34.26	34.26	$9.12	$9.12	$210.02	1.8%	$213.80
			286.4	464.5	464.5	286.4	464.5		464.5	464.5					
Zone 12 - La Costa Town Square															
SFD	63		63.0	63.0	63.0	63.0	63.0	63.0	63.0		$178.20	$178.20	$471.39	1.8%	$479.88
Non-Res		39.66		238.0	238.0		238.0	238.0	238.0		$116.99	$116.99	$159.23	1.8%	$162.10
SFD (NLL)	32				32.0			32.0	32.0		$108.84	$108.84	$126.96	1.8%	$129.25
			63.0	301.0	333.0	63.0	301.0	333.0	333.0						
Zone 13 - Fair Oaks Valley															
SFD	49		49.0	49.0		49.0	49.0				$0.00	$0.00	$500.91	1.8%	$509.93
			49.0	49.0		49.0	49.0								
Zone 14 - Quarry Creek															
APT	89			89.0			89.0				$24.21	$24.21	$132.25	1.8%	$134.63
SFD	114			114.0			114.0				$24.21	$24.21	$132.25	1.8%	$134.63
SFA	238			190.4			190.4				$24.21	$24.21	$132.25	1.8%	$134.63
Non-Res		2.99		17.9			17.9				$24.21	$24.21	$132.25	1.8%	$134.63
Park		5.17		7.8			7.8				$24.21	$24.21	$132.25	1.8%	$134.63
				419.1			419.1								
Zone 15 - Robertson Ranch West Village															
APT (PA 7)	96			57.6	57.6		57.6	57.6	57.6		$73.28	$73.28	$92.45	1.8%	$94.11
APT (PA 8)	268			160.8	160.8		160.8	160.8	160.8		$73.28	$73.28	$92.45	1.8%	$94.11
Non-Res-NC (PA 2)		1.87			11.2			11.2	11.2		$65.45	$57.76	$56.74	1.8%	$57.76
Non-Res (PA 11)		14.85		89.1	89.1		89.1	89.1	89.1		$73.28	$73.28	$92.45	1.8%	$94.11
Park (PA 6)		0.74	1.1	1.1	1.1	1.1	1.1	1.1	1.1		$118.96	$118.96	$297.48	1.8%	$302.83
Park (PA 6)		0.91	1.4	1.4	1.4	1.4	1.4	1.4	1.4		$118.96	$118.96	$297.48	1.8%	$302.83
Park-NLL (PA 4)		1.20		1.8	1.8		1.8	1.8	1.8		$73.28	$73.28	$92.45	1.8%	$94.11
Park-NLL (PA 9/10)		0.40		0.6	0.6		0.6	0.6	0.6		$73.28	$73.28	$92.45	1.8%	$94.11
SFD (PA 3 & 6)	174		174.0	174.0	174.0	174.0	174.0	174.0	174.0		$118.96	$118.96	$297.48	1.8%	$302.83
SFD-NLL (PA 5 & 9/10)	111			111.0	111.0		111.0	111.0	111.0		$73.28	$73.28	$92.45	1.8%	$94.11
			176.5	597.4	608.6	176.5	597.4	608.6	608.6						

NC = No Collector Lights/Trees NLL = No Local Lights NLT = No Local Trees DU = Dwelling Unit NAP = Not a Part

* The FY 2020-21 Assessment Rate will be the lesser of the Budget Rate and the Maximum Rate

The maximum annual maintenance assessment will be increased for cost of living each year according to the change in Consumer Price Index (CPI) for the San Diego County area. (Any other increases or changes to the methodology of the Assessment must be submitted for property owner approval.)

No assessments will be collected in FY 2020-21 for Zone 13 (Fair Oaks Valley) because the HOA is maintaining all improvements within the Fair Oaks Valley development.

PART D – ASSESSMENT ROLL

The Assessment Roll is a listing of the proposed maximum assessment for Fiscal Year 2020-21 apportioned to each lot or parcel, as shown on the last equalized roll of the Assessor of the County of San Diego. The Assessment Roll is on file in the city's Finance Department and is incorporated by reference herein and made part of this Report.

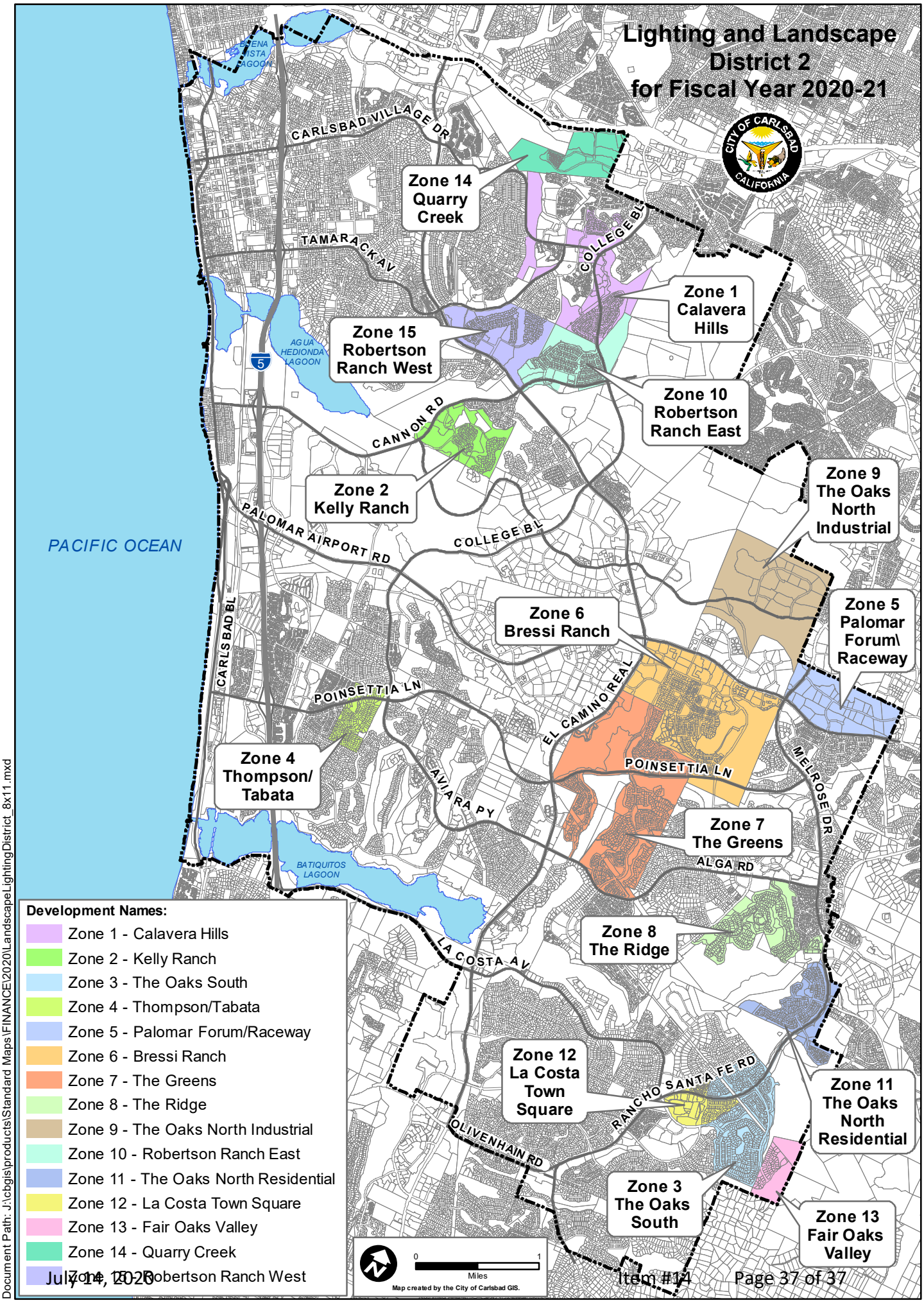
The description of each lot or parcel is part of the records of the Assessor of the County of San Diego and these records are, by reference, made part of this Report.

PART E – ASSESSMENT DIAGRAM

An Assessment Diagram for the Maintenance District is provided on the following page.

The lines and dimensions of each lot or parcel within the Maintenance District are those lines and dimensions shown on the maps of the Assessor of the County of San Diego, for the year when this Report was prepared, and are incorporated by reference herein and made part of this Report.

Anna Tan-Gatue, PE
Project Manager
Anna.Tan-Gatue@WeAreHarris.com
P: 949.536.2507



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CITY COUNCIL
Staff Report

Meeting Date: July 14, 2020

To: Mayor and City Council

From: Scott Chadwick, City Manager

Staff Contact: Geoff Patnoe, Assistant City Manager
Geoff.patnoe@carlsbadca.gov, 760-434-2820

Subject: COVID-19 Actions and Expenditures Report

Recommended Action
Receive a report on recent actions and expenditures related to the city's response to the COVID-19 pandemic and provide direction as appropriate.

Executive Summary/Discussion
At the April 7, 2020, City Council meeting, the City Council voted unanimously to direct staff to return to the City Council with financial expenditure reports relating to the city's response to the COVID-19 pandemic. The city manager further committed to provide a bi-weekly update to the City Council on recent actions and expenditures related to the city's response to the pandemic. Staff from the following major service areas will provide a verbal report relating to current statistics, data, programming and relevant communications:

- City Manager's Office
- Emergency Operations
- Community Services
- Police
- Fire
- Economic Revitalization and Recovery
- Administrative Services

Fiscal Analysis
None.

Next Steps
Staff will continue to provide the reports bi-weekly until the end of the emergency.

Environmental Evaluation (CEQA)
Pursuant to Public Resources Code Section 21065, this action does not constitute a "project" within the meaning of CEQA in that it has no potential to cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and therefore does not require environmental review.

Public Notification

This item was noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to scheduled meeting date.

Exhibits

None

CITY COUNCIL
Staff Report

Meeting Date: July 14, 2020

To: Mayor and City Council

From: Scott Chadwick, City Manager

Staff Contact: Jason Haber, Intergovernmental Affairs Director
jason.haber@carlsbadca.gov, 760-434-2958

Subject: $2,250,000 Credit Guaranty for the Clean Energy Alliance and Financing Options

Recommended Action

1. Adopt a resolution:
    a. Authorizing the City of Carlsbad to provide a $2,250,000 guaranty for a $2,500,000 line of credit for the Clean Energy Alliance as proposed by River City Bank or a third party approved by the alliance board
    b. Authorizing the city manager to act on behalf of the city, in consultation with the city attorney, to negotiate and execute all agreements and amendments necessary for the guaranty
2. Consider directing staff to develop and present an alternative credit option to fund the Clean Energy Alliance's fiscal year 2020-21 budget with a $4,450,000 loan from the city's General Fund, in consultation with the city attorney and city treasurer.

Executive Summary

On June 24, 2020, City Council Member Schumacher submitted the attached email to the city manager (Exhibit 2) requesting that an agenda item be placed on the City Council's July 14, 2020, meeting to discuss options and opportunities related to the Clean Energy Alliance's fiscal year 2020-21 financing plan.[1]

At its regular meeting of June 18, 2020, the alliance's board of directors approved a fy 2020-21 budget totaling $4,006,500. A portion of that budget will be funded by fiscal year 2019-20

[1] Carlsbad Municipal Code Section 1.20.060(C) states, "The city manager is responsible for scheduling matters for consideration by the council based on established council priorities, the city's business and governmental needs, and requirements of applicable law. Items of business may be placed on the agenda by any member of the council, the city manager or the city attorney, or by council action. Council-originated items must be submitted to the city manager not less than seven days before the date of the council meeting at which the member desires the item to appear on the agenda. Nothing in this section precludes a council member from requesting council action to place an item on the agenda for a future meeting."

budget savings, while $4,000,000 is to be funded by a third-party credit solution. In addition to the funds needed for the budget, due to economic impacts of the COVID-19 pandemic, the member agencies of Del Mar and Solana Beach have requested an early payback of their $150,000 initial start-up contributions. At the same meeting, the board received a report from alliance staff about two financing options to provide the necessary funds for the alliance's fy 2020-21 cash needs. These options were from River City Bank and JP Morgan. The alliance board directed staff to ask the member agencies about whether they could provide the required security for the River City Bank option and to return to the board at its July 16, 2020, meeting with the results of those inquiries.

This item is to consider approving a resolution authorizing the City of Carlsbad to provide a credit guaranty in an amount not to exceed $2,250,000 for a $2,500,000 credit option for the CEA as proposed by River City Bank or a third party approved by the alliance board. If approved, the City Council is being asked to authorize the city manager to act on behalf of the city, in consultation with the city attorney, to negotiate and execute all agreements and amendments necessary for the guaranty.

In evaluating CEA's guaranty request and other financing options under consideration by the alliance, city staff identified the potential to develop an alternative credit option to fund the alliance's fiscal year 2020-21 budget with a $4,450,000 loan from the city's General Fund. While this option presents additional risk to the city, it could also offer benefits to both the city and the alliance. This item presents a conceptual financing scenario that could be further developed in consultation with the city attorney and city treasurer and presented for the alliance's consideration at the City Council's direction.

Discussion

Background

On Oct. 8, 2019, the Carlsbad City Council adopted Resolution No. 2019-197, approving the Joint Powers Agreement creating the Clean Energy Alliance. The City Council also appointed Council Member Schumacher as the primary representative and Mayor Hall as the alternate to serve on the Clean Energy Alliance Board of Directors.

The alliance consists of the cities of Carlsbad, Del Mar and Solana Beach and is scheduled to launch in May 2021. The fiscal impact of developing and launching the alliance was estimated at $450,000 for fiscal year 2019-20 and each member agency contributed an equal share of the initial start-up costs. The Carlsbad City Council adopted Resolution No. 2019-229 on Nov. 12, 2019, authorizing the city to provide $150,000 for Carlsbad's equal share of the alliance's initial costs and authorized the city manager to negotiate a no-interest cost reimbursement for member agency support agreement with the alliance. These initial costs are to be reimbursed to each member agency when enough alliance revenues are available, but not longer than 36 months after launch. The city made the $150,000 payment to the alliance in April 2020.

Clean Energy Alliance financing options

Initial start-up costs for fy 2019-20 were funded through advances from the member agencies of Carlsbad, Del Mar and Solana Beach in the amount of $150,000 from each member agency, for a total $450,000. Future start-up costs to be incurred in fy 2020-21, as

well as the repayment of the advances from the member agencies, are to be funded through a credit solution provided by a financial institution or other third party.

After these initial advance payments were made, the COVID-19 pandemic hit and stay-at-home orders were implemented, resulting in anticipated revenue losses to the member agencies. As a result, Del Mar and Solana Beach reached out to the alliance to ask for early repayment of the initial advances.

Total funding needs for alliance start-up costs include:

Funding for fy 2020-21 operating budget	$1,000,000
Repayment of initial advances to member agencies	450,000
CAISO deposit[2]	500,000
Lockbox reserves and cash flow	2,500,000
Total funding needed	**$4,450,000**

At its regular meeting of June 18, 2020, the alliance board received a report from alliance staff about two financing options to provide the necessary funds for alliance's fy2020-21 cash needs (Exhibit 3). These options were from River City Bank and JP Morgan.

The River City Bank line of credit is a lower cost option but requires security in the form of a guaranty or cash collateral deposit of $2.5 million. The security can be provided by one or more of the member agencies or a creditworthy third party.

The JP Morgan option has no security requirement but costs about $78,000 more than the River City Bank option and includes operating covenants that the alliance would have to adhere to. One covenant would require the alliance to set rates to cover all operating and financing costs. This would restrict the alliance board's ability to fund programs or offer rate discounts funded through reserves if that funding caused operating costs to exceed revenues. For these reasons, the alliance board preferred the River City Bank option.

At its June 18 meeting, the board directed alliance staff to reach out to the member agencies to discuss whether there would be an option for one or more of the agencies to provide the security required for the River City Bank option.

River City Bank credit option - security requirements details

The total amount of the River City Bank credit subject to the security is $2,500,000. River City Bank is willing to accept guaranties or cash collateral deposits from each member agency on

[2] The CAISO or California Independent System Operator deposit is required for participation in the state energy agency's congestion revenue rights program. Congestion revenue rights are financial instruments that allow holders of such rights to manage variability in transmission congestion costs. This deposit will be returned to the alliance once it has accumulated $10 million in total assets.

a pro-rata share based on the agency's percentage of the energy procured by the alliance. The guaranty would require the city to execute a form of guaranty, a sample of which is attached as Exhibit 4.

In this case, each member agency would be guaranteeing its share on an energy load-based pro-rata allocation, as shown in the table below:

Member agency	% of alliance energy load	Pro-rata share of guaranty
Carlsbad	90%	$2,250,000
Del Mar	3%	$75,000
Solana Beach	7%	$175,000

The security requirement would be in place through the maturity date of the $2,500,000 loan, which is two years, or until it is repaid, whichever comes first. River City Bank is amenable to discussing the release of guaranties and cash collateral after the alliance has launched operations and provided a track record of operations at a to-be-determined level satisfactory to River City Bank.

The guaranties and cash collateral would come into play in the event of a default by the alliance. In this event, each member agency would be responsible to pay its proportional share of all outstanding obligations up to the amount of its guaranty.

If the City of Carlsbad agrees to the security requirement for a guaranty amount of up to $2,250,000, the city will be repaid the $150,000 advance it made in April 2020 for the alliance's initial costs during fy 2019-20.

River City Bank credit option - risk of default

Assuming the alliance launches in May 2021 as planned, the current proforma indicates sufficient revenue, at rate parity with San Diego Gas and Electric, to cover operational expenses and financing costs, resulting in a low risk of default. The alliance board has not decided what rate benefits, if any, to offer. However, repaying the loan would be a priority of the alliance board no matter what rate is chosen. The risk of default can be considered high if the alliance does not launch in May as anticipated. If that were to occur, the alliance would return any unspent funds to the bank and any remaining funds due to the bank would need to come from the member agencies, based on their guaranties.

Uses of the $2,500,000 loan subject to the guaranty are as follows:

Funding for fy 2020-21 operating budget	$1,000,000
Repay initial advances to member agencies	450,000
Lockbox reserve	1,050,000
TOTAL	**$2,500,000**

In a worst-case scenario, in the event the alliance does not launch in May 2021, the $1,050,000 reserve would not have been spent and would be returned to the bank. The member agencies would be liable for the portion of the remaining $1,450,000 that had been spent, up to and allocated by the pro-rata share, or $1,305,000 from Carlsbad, $43,500 from Del Mar and $101,500 from Solana Beach.

Should the alliance become operational in May 2021, there would still be a very low risk of default that could result from drastic change in market conditions, which could cause the alliance to underperform compared to current projections. However, the alliance board would have the ability to significantly mitigate such risk by cutting discretionary expenditures, reducing reserve contributions, and/or setting rates as needed to cover the alliance's financial obligations.

City of Carlsbad – alternative credit option

In evaluating the alliance's guaranty request and other financing options under consideration by the alliance, city staff identified an opportunity to develop an alternative credit option to fund the alliance's fiscal year 2020-21 budget with a $4,450,000 loan from the city's General Fund. While this option presents additional risk to the city, it could also offer benefits to both the city and the alliance.

Exhibit 5 presents a side-by-side comparison of the River City Bank and JP Morgen credit options, along with a conceptual scenario describing a potential loan from the city's General Fund. For comparison, staff applied conceptual financing terms that are subject to City Council refinement, including: loan amount, term, interest rate, and security and covenants, among others. Assuming a three-year term and a 3% interest rate, the City of Carlsbad option could reduce the alliance's total interest obligation by nearly $120,000 compared to the River City Bank option, while outperforming the city's 1.9% projected average rate of return on its pooled investment portfolio by more than 50%. (This would result in a projected gain of nearly $150,000 over three years). At the City Council's direction, staff could further develop this solution in consultation with the city attorney and city treasurer and present it for the alliance's consideration.

Based upon staff's current projections, a loan of $4,450,000 could be funded from the city's General Fund Unassigned Fund Balance while still maintaining a fund balance that exceeds the minimum threshold of 40% of expenditures budgeted for fiscal year 2020-21.

City of Carlsbad credit option - risk of default

The alliance would use loan proceeds to fund fiscal year 2020-21 cash needs, as follows:

Funding for fy 2020-21 operating budget	$1,000,000
Repayment of initial advances to member agencies	450,000
CAISO deposit	500,000
Lockbox reserves and cash flow	2,500,000
Total funding needed	**$4,450,000**

In that worst-case scenario, in which the alliance does not launch in May 2021, the $2,500,000 lockbox reserves would not have been spent and would be returned to the city. The CAISO deposit would also be returned to the city in full. The exposure to the city would be the $450,000 repayment of initial advances – $150,000 of which would have been returned to the City of Carlsbad, plus any portion of the remaining $1,000,000 that had been spent to date.

Following the River City Bank model, it would be reasonable to require that the member agencies guarantee their pro-rata share of the $1,450,000 that would be at risk in the event of a default (i.e., $43,500 from Del Mar and $101,500 from Solana Beach). The City of Carlsbad would still be at risk of potentially losing its pro-rata share totaling $1,305,000 if the alliance fails to launch in May 2021.

As noted previously, once the alliance becomes operational, there would remain a very low risk of default due to potential changes in market conditions. However, as noted above, the alliance board would be able to significantly mitigate such risk by cutting discretionary expenditures, reducing reserve contributions, and/or setting rates as needed to cover the alliance's financial obligations.

Fiscal Analysis

The city entering into a guaranty arrangement with River City Bank or other third party would have no fiscal impact on the city unless the alliance is unable to launch in May 2021 or the terms of the guaranty are otherwise implemented because of a default. There have been no community choice aggregation programs in the State of California that have failed to launch. Based on the financial proformas presented to the alliance board, the risk of the alliance being unable to launch and operate a viable community choice aggregation program appears low at this time.

An interagency loan, as contemplated by the City of Carlsbad credit option, is not necessarily subject to the city's Investment Policy. However, it may be reasonable to evaluate such use of city funds similarly, in terms of the associated risk, liquidity and yield. While the alliance may be considered a low risk use of funds, it is a higher risk than setting aside funding in the city treasurer's portfolio. Any funds loaned to the alliance would be obligated for up to three years, which is within the city's adopted maturity limits.

When compared to the city's projected average rate of return on its pooled investment portfolio, the City of Carlsbad credit option is expected to present a higher yield use of funds. In considering whether to loan funds to the alliance, it is within the City Council's discretion to consider the totality of the factors noted above combined with the city's clean energy objectives and the collective benefit to be derived from supporting a successful alliance launch. Should the city offer, and the alliance accept a loan from the city, the city would loan $4,450,000 from the General Fund's unassigned fund balance. The higher interest rate earned on these funds would result in an estimated net benefit to the city's General Fund of nearly $150,000 over the anticipated three-year loan term.

Under any of the potential alliance financing arrangements, the city will get back its initial $150,000 advance made in April 2020 for alliance startup costs during fy 2019-20.

Next Steps

Staff will inform the alliance of the City Council's decision and the alliance will proceed with the necessary steps to identify and secure its preferred financing alternative, as needed to fund the alliance's fy 2020-21 cash needs.

If the City Council decides to offer a loan to the alliance, staff would return to the City Council to approve the necessary appropriation and loan agreement within 60 days.

Environmental Evaluation (CEQA)

In keeping with Public Resources Code Section 21065, this action of authorizing a loan guaranty and considering a potential General Fund loan to the Clean Energy Alliance does not constitute a "project" within the meaning of the California Environmental Quality Act in that it has no potential to cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and therefore does not require environmental review.

Public Notification

Public notice of this item was posted in accordance with the Ralph M. Brown Act and it was available for public viewing and review at least 72 hours prior to the scheduled meeting date.

Exhibits

1. City Council resolution
2. Email from Council Member Schumacher - June 24, 2020
3. Clean Energy Alliance Staff Report - June 18, 2020
4. River City Bank Sample Guaranty Form
5. Comparison of Clean Energy Alliance Credit Options

RESOLUTION NO._____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, AUTHORIZING THE CITY OF CARLSBAD TO PROVIDE UP TO A $2,250,000 GUARANTY FOR A $2,500,000 CREDIT OPTION FOR CLEAN ENERGY ALLIANCE

WHEREAS, at the October 8, 2019, City Council meeting, the City Council approved Resolution 2019 – 197 approving the city's participation in the new regional Community Choice Aggregation (CCA) program the Clean Energy Alliance (CEA); and

WHEREAS, the CEA consists of the cities of Carlsbad, Del Mar and Solana Beach (Member Agencies) and is scheduled to launch in May 2021; and

WHEREAS, initial start-up costs for fiscal year 2019-20 were funded through advances from the founding member agencies of Carlsbad, Del Mar and Solana Beach in the amount of $150,000 from each member agency, for a total $450,000; and

WHEREAS, future start-up costs totaling $4,450,000 to be incurred in fiscal year 2020-21 are to be funded through a credit solution provided by a financial institution or other third party; and

WHEREAS, as part of the credit solution being proposed, security is required in the form of a guaranty or cash collateral deposit for $2,500,000 of the credit solution. The security can be satisfied by one or more of the member agencies or a creditworthy third party; and

WHEREAS, the City of Carlsbad's portion of the guaranty would be $2,250,000 based on its prorated share of the expected total CEA load; and

WHEREAS, resort to the guaranty or cash collateral would occur in the event of a default by CEA, with each member agency responsible for its prorated share; and

WHEREAS, staff has evaluated the risk to the city of a default by CEA and has determined that the risk is low.

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

1. That the above recitations are true and correct.

2. That the City Council authorizes the City to provide up to a $2,250,000 guaranty for a $2,500,000 credit option for the CEA as proposed by River City Bank or other third party approved by the CEA Board.

3. That the City Council authorizes the City Manager to act on behalf of the City, in consultation with the City Attorney, to negotiate and execute all agreements and amendments necessary for the guaranty.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the __ day of _____, 2020, by the following vote, to wit:

AYES:
NAYS:
ABSENT:

_____
MATT HALL, Mayor

_____
BARBARA ENGLESON, City Clerk
(SEAL)

From: Cori Schumacher
To: Scott Chadwick
Cc: Jason Haber
Subject: Request for Agenda Item (CEA)
Date: Wednesday, June 24, 2020 7:29:23 PM
Attachments: Outlook-1508790555.png

Dear Scott,

On June 18, 2020 the Clean Energy Alliance (CEA) authorized the Interim Chief Executive Officer and the Interim Treasurer to work with the member agencies to determine if there are opportunities that can be identified related to CEA's FY 20/21 Financing Plan (Item #5).

Pursuant to CMC § 1.20.060, *Items of business may be placed on the agenda by any member of the council...*

I would like to request that an agenda item be added to the July 14, 2020 meeting of the Carlsbad City Council to review and discuss such options and opportunities.

Sincerely,

Cori Schumacher
Councilmember, District 1
City of Carlsbad

Staff Report

DATE: June 18, 2020

TO: Clean Energy Alliance Board of Directors

FROM: Barbara Boswell, Interim Chief Executive Officer
Marie Berkuti, Interim Treasurer

ITEM 5: Clean Energy Alliance Fiscal Year 20/21 Financing Plan

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RECOMMENDATION:

1) Authorize Interim Chief Executive Officer and Interim Treasurer to work with the member agencies to determine if there is an opportunity for one or all to provide security requirements for the River City Bank credit option and if a solution is identified return to Board for approval. Direct staff to return for final approval to finalize the agreements with River City Bank, Calpine and the provider of the credit security should one be identified.
2) Should a solution for the security requirements for the River City Bank credit option not be identified approve selection of JP Morgan to provide $4.5M credit solution and authorize Interim Chief Executive Officer to submit documents, complete due diligence requirements and execute loan agreements with JP Morgan, subject to General Counsel approval.

BACKGROUND AND DISCUSSION:

At its November 19, 2019 meeting, the Clean Energy Alliance (CEA) Board authorized issuance of an RFP for Banking Services and Credit Solution. The banking services portion was awarded to River City Bank at the February 20, 2020 CEA Board Meeting. Since that time, staff has continued working with financial institutions that responded to the credit solution portion. Two submitted updated term sheets to provide funding for fiscal year 20/21 budget and start-up costs, CAISO Deposit, Collateral Deposits and Cash Flow needs, JP Morgan and River City Bank.

CEA is seeking $4.5M in funding to provide for the following:

$2.5M – Collateral Deposits and Cash Flow
$1.0M – FY 20/21 CEA Budget including start-up costs
$500,000 – CAISO Deposit
$450,000 – Repayment of initial start-up loans from member cities
$4.5M – Total financing

The following tables reflect the summary of the analysis of the two options.

Option 1 – JP Morgan	
Credit Facility	Revolving Line of Credit (RLOC)
Amount	$4,500,000 (offered up to $10.0M with an additional $5.0M available for Standby Letters of Credit for power purchase agreements)
Term	3 Years
Security	CEA only – Nonrecourse to the member agencies
Interest Rate	One-month or three-month LIBOR plus 3.35%
Undrawn Fee	1.95% calculated on the undrawn portion of the $4.5M RLOC
Loan Fees	$50,000
Total Estimated Interest & Fees	**Estimated $575,300 over 3-year period**

JP Morgan understands that the credit solutions will be unsecured until CEA is operational and generating revenue. In order to provide this offer additional due diligence will need to be performed by the bank which includes:

- Due diligence call related to the impacts of COVID-19;
- Satisfactory review of a final implementation timeline and implementation budget (including startup costs, resource adequacy requirements, etc.);
- Receipt/satisfactory review of a near final drawn-down schedule for the implementation budget;
- In-person or virtual meeting with CEA and the Member Agencies to discuss its commitment to moving forward with launching CEA in FY 2021 and any major risks that could lead the CEA and the Member Agencies to terminate the program pre-launch to customers;
- CEA shall have adopted operating rules and regulations satisfactory to the Bank;
- Evidence that CEA shall have established policies around the funding of an operating reserve;
- CEA shall have delivered to the Bank copies of any Power Purchase Agreements;
- Evidence that the Bank has a security interest in the net revenues after payments to power providers and O&M payments;
- Completion of satisfactory legal documentation;
- Delivery of satisfactory opinions of counsel which will include counsel to CEA; and
- Board approval of the Facility and definitive documents.

In addition, JP Morgan will require CEA to comply with the following covenants:

- CEA shall establish an operating reserve sized at a minimum of 90 of operating costs which will be funded on a TBD schedule overtime (to be discussed upon finalizing the pro-forma model);
- CEA shall set rates to cover operating and debt service costs;
- CEA shall be required to maintain a minimum Debt Service Coverage ratio of 1.40x, tested quarterly on a rolling last twelve months basis of which such covenant may be waived at any time by the Bank;

- CEA may not issue any new debt during the term of the Facility other than an upsize of this Facility as referenced in "Facility Amount" above and/or any additional increments above the total Facility Amount to be approved by the Bank debt or other than the Member Agency Subordinate Loans.

The covenants related to setting rates to cover operating and debt service costs and Debt Service Coverage ratio may limit the Boards flexibility to set rates to provide customers a discount on generation costs compared to SDG&E.

Option 2 – River City Bank	
Credit Facility	Nonrevolving Line of Credit (NRLOC)/Revolving Line of Credit (RLOC)
Amount	$2,500,000 NRLOC $1,500,000 RLOC ($500,000 CAISO deposit not included; would require separate loan from 3rd party such as Calpine Energy Solutions)
Term	2 years with option to convert both NRLOC and RLOC to term loan for up to an additional 3 years
Security	$2.5M NRLOC secured by one of the following options: 1) Guarantee from one or all of the JPA Members or other creditworthy party 2) Cash Collateral for 100% of NRLOC loan amount 3) Combination of guarantees and cash collateral at levels acceptable to RCB
Interest Rate	**NRLOC** - One-month US Treasury Bill yield plus 2.5% subject to a 3.00% floor **RLOC** - One-month US Treasury Bill yield plus 3.0% subject to a 3.50% floor **Term Loan** – 3-Year US Treasury Note yield plus 3.00% subject to a 3.50% floor
Loan Fees	$15,000
Total Estimated Interest & Fees over five years	**Estimated $460,000 over 5-year period**

The River City Bank option would require a separate loan from a 3rd party, such as Calpine Energy Solutions, to provide the total funding need of $4.5M. The chart below summarizes the terms and cost of the Calpine Energy Solutions loan.

Option 2a – Calpine	
Credit Facility	Cash Advance
Amount	$500,000 (offer up to $650,000)
Term	Principal and accrued interest repayment to begin within 90 days of serving customers with

	full reimbursement made on or before fifteen months of serving customers.
Security	None
Interest Rate	1-Month LIBOR plus 2% up to maximum 5%
Loan Fees	None
Total Interest & Fees over three years	**Estimated $9,375**
TOTAL ESTIMATED INTEREST & FEES RCB & CALPINE	**$469,375**

The RCB/Calpine credit solution estimated total interest and fees are $105,000 lower than the credit solutions from JP Morgan. However, RCB requires either a guarantee or 100% cash collateral for the $2.5M NRLOC portion. CEA would need one or all of the member agencies, or a creditworthy party, to provide the necessary security in order for CEA to move forward with RCB.

FISCAL IMPACT

The following updated base pro forma scenario (50% renewable/50% carbon free default energy and rate parity with SDG&E) reflects the impact of the Option 1 financing with JP Morgan:

Annual DRAFT Pro Forma Projections for a Community Choice Aggregation Program - Base - JPMorgan Credit Solution
Clean Energy Alliance

Fiscal Year Ending:	2020	2021	2022	2023	2024	2025
I. Revenue	-	9,913,235	69,767,349	71,127,161	72,508,987	73,913,166
II. Operating Expenses						
Power Supply	-	8,988,017	60,976,876	59,978,716	61,512,028	62,261,087
Staff	50,000	120,000	600,000	618,000	636,540	655,636
Administrative Costs*	253,000	1,223,938	2,459,148	2,497,813	2,558,347	2,616,275
Subtotal Operating Expenses	303,000	10,331,956	64,036,023	63,094,529	64,706,915	65,532,998
Operating Margin	(303,000)	(418,721)	5,731,326	8,032,632	7,802,071	8,380,167
III. Financing						
Interest	-	197,288	182,250	195,750		
Principal	-	450,000		4,500,000		
Subtotal Financing	-	647,288	182,250	4,695,750	-	-
Operating Margin Less Financing	(303,000)	(1,066,009)	5,549,076	3,336,882	7,802,071	8,380,167
IV. Cash From Financing	450,000	4,500,000	-	-	-	-
V. Other Uses						
CPUC and CAISO Deposits	147,000	500,000	-	-	-	-
Collateral Deposits	0	2,500,000	-	-	-	-
Reserve Additions	-	495,662	3,488,367	3,556,358	3,625,449	3,695,658
Subtotal Other Uses	147,000	3,495,662	3,488,367	3,556,358	3,625,449	3,695,658
VI. Net Surplus/(Deficit)	-	(61,671)	2,060,708	(219,476)	4,176,622	4,684,509
VII. Cumulative Reserve	-	495,662	3,984,029	7,540,387	11,165,837	14,861,495
VIII. Cumulative Net Surplus	-	(61,671)	1,999,038	1,779,561	5,956,183	10,640,692

*** Comprised of Technical and Legal Services, Customer Outreach and Communications, Utility Services Fees, Data Management Services, Uncollectibles**

Pursuant to the JP Morgan term sheet, the RLOC is due and payable at the end of three years, assuming the RLOC is executed in July 2020, repayment would be due July 2023 (utilizing net revenues realized through June 30, 2023). Based on the projected interest rates, annual net deficits are projected in FY 2021 and 2023, to be addressed with funds from operating reserves in FY 2021 and cumulative net surplus in 2023. After repayment it is projected CEA cumulative operating reserve would be $7.5M and cumulative net surplus $1.780M.

The base pro-forma scenario below reflects the impact of the Option 2 financing with RCB/Calpine:

Annual DRAFT Pro Forma Projections for a Community Choice Aggregation Program - Base RCB/Calpine Credit Solution
Clean Energy Alliance

Fiscal Year Ending:	2020	2021	2022	2023	2024	2025
I. Revenue	-	9,913,235	69,767,349	71,127,161	72,508,987	73,913,166
II. Operating Expenses						
Power Supply	-	8,988,017	60,976,876	59,978,716	61,512,028	62,261,087
Staff	50,000	120,000	600,000	618,000	636,540	655,636
Administrative Costs*	253,000	1,223,938	2,459,148	2,497,813	2,558,347	2,616,275
Subtotal Operating Expenses	303,000	10,331,956	64,036,023	63,094,529	64,706,915	65,532,998
Operating Margin	(303,000)	(418,721)	5,731,326	8,032,632	7,802,071	8,380,167
III. Financing						
Interest	-	123,333	146,250	116,038	69,822	22,280
Principal	-	450,000	500,000	1,287,015	1,332,791	1,380,194
Subtotal Financing	-	573,333	646,250	1,403,053	1,402,613	1,402,474
Operating Margin Less Financing	(303,000)	(992,054)	5,085,076	6,629,579	6,399,458	6,977,693
IV. Cash From Financing	450,000	4,500,000	-	-	-	-
V. Other Uses						
CPUC and CAISO Deposits	147,000	500,000	-	-	-	-
Collateral Deposits	0	2,500,000	-	-	-	-
Reserve Additions	-	495,662	3,488,367	3,556,358	3,625,449	3,695,658
Subtotal Other Uses	147,000	3,495,662	3,488,367	3,556,358	3,625,449	3,695,658
VI. Net Surplus/(Deficit)	-	12,284	1,596,708	3,073,221	2,774,009	3,282,035
VII. Cumulative Reserve	-	495,662	3,984,029	7,540,387	11,165,837	14,861,495
VIII. Cumulative Net Surplus	-	12,284	1,608,993	4,682,213	7,456,222	10,738,257

*** Comprised of Technical and Legal Services, Customer Outreach and Communications, Utility Services Fees, Data Management Services, Uncollectibles**

The pro-forma above reflects the impact of the RCB NRLOC and RLOC converting to a term loan in year three and being repaid in FY 2025 and repayment of the Calpine loan in FY 2022 pursuant to the terms of the two financings. With Option 2 CEA annual net surplus remains in the positive through 2025.

Based on the impact to the CEA pro-forma and covenants related to the JP Morgan unsecured financing, staff recommends the Board authorize to reach out and discuss whether there is any possibility of providing the security requirements for the RCB secured financing solution.

ATTACHMENTS: None.

SAMPLE - NON REVOLVING CREDIT GUARANTY

This NON REVOLVING CREDIT GUARANTY (this "*Guaranty*") is made effective as of _____ by the [ ] ("*Guarantor*") to and for the benefit of River City Bank ("*Lender*").

RECITALS

A. Pursuant to a certain Credit Agreement dated as of [ ] (as amended, amended and restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), by and between [ ] ("*Borrower*") and Lender, Lender has agreed to extend credit to Borrower. Capitalized terms used but not defined herein have the meanings ascribed to them in the Credit Agreement.

B. It is a requirement under Section [ ] of the Credit Agreement that Guarantor shall execute and deliver this Guaranty to Lender.

C. This Guaranty is given by Guarantor to guaranty all Obligations of Borrower under the Non Revolving Credit in accordance with the terms of the Credit Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Guarantor hereby agrees as follows:

l. Guaranty. (a) To induce Lender to make Advances upon the terms and conditions set forth in the Credit Agreement, and in consideration thereof, Guarantor hereby unconditionally and irrevocably severally (based on Guarantor's percentage responsibility set forth on **Exhibit A** attached hereto (each a "*Guarantor's Share*")) (i) guarantees to Lender and its successors, transferees and assigns, the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) and at all times thereafter of all Obligations of Borrower (including amounts which would become due but for the operation of the automatic stay under Section 362(a) of the United States Bankruptcy Code, as amended, or any state bankruptcy statute) under the Non Revolving Credit; and (ii) agrees to pay any and all reasonable expenses (including reasonable attorneys' fees and costs and expert witnesses' fees and expenses) which may be paid or incurred by Lender in enforcing any rights with respect to the Obligations and/or enforcing any rights under this Guaranty (collectively, the "*Guaranteed Obligations*").

(b) Guarantor agrees that this Guaranty constitutes a guaranty of payment when due and not of collection and waives any right to require that Lender resort to any security held for payment of any of the Guaranteed Obligations or to any balance of any deposit account or credit on the books of Lender in favor of Borrower or any other Person.

(c) No payment or payments made by Borrower or any other Person or received or collected by Lender from any other Person by virtue of any action or proceeding or any setoff or appropriation or application at any time or from time to time in reduction of or in payment of the Guaranteed Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of Guarantor hereunder which shall, notwithstanding any such payment or payments other than payments made to Lender by Guarantor or payments received or collected by Lender from Guarantor, remain liable for Guarantor's Share of the Guaranteed Obligations until the Guaranteed Obligations are indefeasibly paid in full in cash or cash equivalents.

(d) Guarantor understands, agrees and confirms that this is a guaranty of payment when due and not of collection and that Lender may, from time to time, enforce this Guaranty up to the full amount of Guarantor's Share of the Guaranteed Obligations owed to Lender without proceeding against any other Person, against any security for the Guaranteed Obligations, against any other guarantor or under any other guaranty covering the Guaranteed Obligations.

2. Waiver by Guarantor. Until the payment and satisfaction in full of all Guaranteed Obligations and the expiration or termination of any commitment to lend by Lender under the Credit Agreement, Guarantor hereby absolutely and irrevocably waives any claim that it may have against Borrower or any of its Affiliates by reason of any payment to Lender, or to any other Person pursuant to or in respect of this Guaranty, including any claims by way of subrogation, contribution, reimbursement, indemnity or otherwise.

Guarantor further agrees that Guarantor's liability as guarantor shall not be impaired or affected by any modifications, renewals or extensions of the time for any payment under the Credit Agreement, with or without the knowledge or consent of Guarantor, or by any forbearance or delay in collecting interest or principal under the Credit Agreement, or by any waiver by Lender under the Credit Agreement or any other Loan Documents, or by Lender's failure or election not to pursue any other remedies it may have against Borrower or Guarantor, or by any change or modification in the Credit Agreement or any other Loan Document, or by the acceptance by Lender of any additional security or any increase, substitution or change therein, or by the release by Lender of any security or any withdrawal thereof or decrease therein, or by the application of payments received from any source to the payment of any obligation other than the indebtedness even though Lender might lawfully have elected to apply such payments to any part or all of the indebtedness (in which case Guarantor will be automatically released), or by the failure or invalidity of, or any defect in, the Credit Agreement, or by any legal disability or other defense of Borrower, or by the cessation, limitation or termination from any cause whatsoever of any of the Obligations under the Credit Agreement, except upon payment in full of the indebtedness (in which case Guarantor will be automatically released), or by Borrower's application of the proceeds of Advances for purposes other than the purposes represented by Borrower to Lender or intended or understood by Lender or Guarantor, it being the intent hereof that Guarantor shall remain liable for its ratable share of the Guaranteed Obligations notwithstanding any act or thing that might otherwise operate as a legal or equitable discharge of a surety. Guarantor hereby waives any and all rights or defenses based on, and understands and agrees that Guarantor's liability as guarantor shall not be impaired or affected by, an election of remedies by Lender,

even if an election of remedies, such as a non-judicial foreclosure with respect to security for a guaranteed obligation, has destroyed Guarantor's rights of subrogation and reimbursement against the principal by the operation of Section 580d of the California Code of Civil Procedure or otherwise, or the foreclosure of any of the security for the Advances, or Guarantor's right to a fair value hearing under Section 580a of the California Code of Civil Procedure, it being intended that this Guaranty shall survive the realization upon any of the security for the Advances, including without limitation the security described in the Security Agreement, including without limitation non-judicial foreclosure, where applicable, and notwithstanding any defense, right, or claim that any such foreclosure satisfied the obligations secured thereby. Guarantor agrees that the payment of all sums payable under the Credit Agreement or any of the other Loan Documents or any part thereof or other act which tolls any statute of limitations applicable to the Credit Agreement or the other Loan Documents shall similarly operate to toll the statute of limitations applicable to Guarantor's liability hereunder. Without limiting the generality of the foregoing or any other provision hereof, Guarantor expressly waives to the extent permitted by law any and all rights and defenses that Guarantor may have if the Indebtedness is secured by real property. This means, among other things: (1) Lender may collect from Guarantor without first foreclosing on any security for the Advances (whether such security is real or personal property) pledged by Borrower; and (2) if Lender forecloses on any real property security pledged by Borrower (including without limitation the real property described in a Deed of Trust), (A) the amount of the Indebtedness may be reduced only by the price for which that security is sold at the foreclosure sale, even if the security is worth more than the sale price, and (B) Lender may collect from Guarantor even if Lender, by foreclosing on the real property security, has destroyed any right Guarantor may have to collect from Borrower. This is an unconditional and irrevocable waiver of any rights and defenses Guarantor may have if Borrower's debt is secured by real property. These rights and defenses include, but are not limited to, any rights or defenses based upon Section 580a, 580b, 580d, or 726 of the California Code of Civil Procedure, and/or Sections 2787 to 2855, inclusive, 2899 and 3433 of the California Civil Code, or any of such sections. Guarantor further understands and agrees that Lender may at any time enter into agreements with Borrower to amend and modify the Credit Agreement or other Loan Documents, and may waive or release any provision or provisions thereof, and, with reference to such instruments, may make and enter into any such agreement or agreements as Lender and Borrower may deem proper and desirable, without in any manner impairing or affecting this Guaranty or any of Lender's rights hereunder or Guarantor's obligations hereunder.

3. Consent by Guarantor. Guarantor hereby consents and agrees that, without the necessity of any reservation of rights against Guarantor and without notice to or further assent by Guarantor, any demand for payment of any of the Guaranteed Obligations made by Lender may be rescinded by Lender and any of the Guaranteed Obligations continued, and the Guaranteed Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guaranty therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by Lender; and the Credit Agreement or other guaranty or documents in connection therewith, or any of them, may be amended, modified, supplemented or terminated, in whole or in part, as Lender may deem advisable from time to time; and any guaranty or right of offset may be sold, exchanged, waived, surrendered or

released, all without the necessity of any reservation of rights against Guarantor and without notice to or further assent by Guarantor, which will remain bound hereunder, notwithstanding any such renewal, extension, modification, acceleration, compromise, amendment, supplement, termination, sale, exchange, waiver, surrender or release. Lender shall have no obligation to protect, secure, perfect or insure any property at any time held as security for the Guaranteed Obligations. When making any demand hereunder against Guarantor, Lender may, but shall be under no obligation to, make a similar demand on Borrower, any other Person who at any time guarantees or pledges any assets to secure the Guaranteed Obligations, or any one or more of them (a "*Credit Party*") or any such other guarantor, and any failure by Lender to make any such demand or to collect any payments from such other Credit Party or any such other guarantor or any release of such other Credit Party or any such other guarantor or of Guarantor's obligations or liabilities hereunder shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of Lender against Guarantor hereunder. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

4. Waivers; Successors and Assigns. Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Guaranteed Obligations and notice of or proof of reliance by Lender upon this Guaranty or acceptance of this Guaranty, and the Guaranteed Obligations shall conclusively be deemed to have been created, contracted or incurred in reliance upon this Guaranty, and all dealings between Guarantor and any other Credit Party, on the one hand, and Lender, on the other hand, shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guaranty. Guarantor waives diligence, presentment, protest, demand for payment and notice of default or non-payment to or upon any Credit Party or Guarantor with respect to the Guaranteed Obligations. This Guaranty shall be construed as a continuing, absolute and unconditional guaranty of payment without regard to the validity, regularity or enforceability of the Credit Agreement, the other Loan Documents, any of the Guaranteed Obligations or any guaranty therefor or right of offset with respect thereto at any time or from time to time held by Lender and without regard to any defense (other than the defense of payment), set-off or counterclaim which may at any time be available to or be asserted by any Credit Party against Lender, or by any other circumstance whatsoever (with or without notice to or knowledge of Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Guaranteed Obligations, or of Guarantor under this Guaranty, in bankruptcy or in any other instance, and the obligations and liabilities of Guarantor hereunder shall not be conditioned or contingent upon the pursuit by Lender or any other Person at any time of any right or remedy against any Credit Party or against any other Person which may be or become liable in respect of all or any part or the Guaranteed Obligations or against any collateral security or Guaranty therefor or right of offset with respect thereto. Lender shall have no obligation whatsoever to seek payment of the Guaranteed Obligations from Borrower in the event an Event of Default has occurred and is continuing. This Guaranty shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon Guarantor and the successors and assigns thereof, and shall inure to the benefit of Lender and its successors, transferees and assigns (including each holder from time to time of Guaranteed Obligations), until all of the Guaranteed Obligations and the obligations of Guarantor under this Guaranty shall have been satisfied by indefeasible payment in full in cash or cash equivalents, notwithstanding that

from time to time during the term of the Credit Agreement any Credit Party may be released from all of its Guaranteed Obligations thereunder.

5. Effectiveness; Reinstatement. This Guaranty shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Guaranteed Obligations is rescinded or must otherwise be restored or returned by Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any Credit Party, or upon or as a result of the appointment of a receiver, intervenor, conservator, trustee or similar officer for any Credit Party or any substantial part of its property, or otherwise, all as though such payments had not been made.

6. Payments of Guaranteed Obligations. Guarantor hereby guarantees that its Guarantor's Share of the Guaranteed Obligations will be paid for the benefit of Lender without set-off or counterclaim in lawful currency of the United States of America at the office of Lender located at 2485 Natomas Park Drive, Sacramento, California 95833. Guarantor shall make any payments required hereunder within five (5) business days of receipt of written notice thereof from Lender.

7. Representations and Warranties. To induce Lender to enter into the Credit Agreement and to make the Advances thereunder, Guarantor represents and warrants to Lender that, as to Guarantor, the following statements are true, correct and complete on and as of the date hereof:

(a) Organization and Qualification; Authority; Consents. Guarantor is a City or County duly organized, validly existing under and operating pursuant to the laws of the State of California, has full and adequate power to own its Property and conduct its business as now conducted, and is duly licensed or qualified and in good standing in each jurisdiction in which the nature of the business conducted by it or the nature of the Property owned or leased by it requires such licensing or qualifying unless the failure to be so licensed or qualified would not have a material adverse effect on its business, operations or assets. Guarantor has full right and authority to enter into this Guaranty and to perform each and all of the matters and things herein provided for; and this Guaranty does not, nor does the performance or observance by Guarantor of any of the matters or things herein or therein provided for, contravene any provision of law or any organizational document of Guarantor or any covenant, indenture or agreement of or affecting Guarantor or any of its Properties. The execution, delivery, performance and observance by Guarantor of this Guaranty and any other instruments and documents executed by Guarantor in connection with this Guaranty do not and, at the time of delivery hereof, will not require any consent or approval of any other Person, other than such consents and approvals that have been given or obtained.

(b) Legal Effect. This Guaranty constitutes a legal, valid and binding agreement of Guarantor, enforceable in accordance with its terms, subject to laws relating to bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and the application of equitable remedies if equitable remedies are sought.

(c) Litigation. There is no litigation or governmental proceeding pending against Guarantor, nor to the knowledge of Guarantor threatened in writing, which if adversely determined would result in any material adverse change in the financial condition, Properties, business or operations of Guarantor.

(d) Compliance with Laws. Guarantor is in compliance with the requirements of all federal, state and local laws, rules and regulations applicable to or pertaining to its Properties or business operations (including, without limitation, laws and regulations establishing quality criteria and standards for air, water, land and toxic or hazardous wastes and substances), non-compliance with which could have a material adverse effect on the financial condition, Properties, business or operations of Guarantor. Guarantor has not received notice to the effect that its operations are not in compliance with any of the requirements of applicable federal, state or local environmental, health and safely statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could have a material adverse effect on the financial condition, Properties, business or operations of Guarantor.

(e) Other Agreements. Guarantor is not in default under the terms of any covenant, indenture or agreement of or affecting Guarantor or any of its Properties, which default if uncured would have a material adverse effect on the financial condition, Properties, business or operations of Guarantor.

8. Covenants. Guarantor agrees that so long as any credit is available to or in use by Borrower under the Credit Agreement, except to the extent compliance in any case or cases is waived in writing by Lender:

(a) Financial Reports. Guarantor shall maintain a standard system of accounting in accordance with GAAP and shall furnish to Lender and its duly authorized representatives any publicly available information respecting the business and financial condition of Guarantor as Lender may reasonably request.

(b) Compliance with Laws. Guarantor shall comply in all respects with the requirements of all laws, rules, regulations, ordinances and orders applicable to or pertaining to its Properties or business operations, non-compliance with which could have a material adverse effect on the financial condition, Properties, business or operations of Guarantor or could result in a Lien upon any of its Property.

(c) Notices of Claims and Litigation. Guarantor shall promptly inform Lender in writing of (l) all material adverse changes in Guarantor's financial condition and (2) all existing litigation and all written threats of litigation, claims, investigations, administrative proceedings or similar actions affecting Guarantor which could materially affect the financial condition of Guarantor.

9. Expenses. If: (a) this Guaranty is placed in the hands of an attorney for collection or is collected through any legal proceeding; (b) an attorney is retained to represent Lender in

any bankruptcy, reorganization, receivership, or other proceedings affecting creditors' rights and involving a claim under this Guaranty; or (c) an attorney is retained to represent Lender in any proceedings whatsoever in connection with this Guaranty and Lender prevails in any such proceedings, then Guarantor shall pay to Lender (as the case may be) upon demand Guarantor's Share of all reasonable attorney's fees, costs and expenses incurred in connection therewith (all of which are referred to herein as "*Enforcement Costs*"), in addition to all other amounts due hereunder, regardless of whether all or a portion of such Enforcement Costs are incurred in a single proceeding brought to enforce this Guaranty as well as the other Loan Documents.

10. No Waiver. No failure to exercise and no delay in exercising, on the part of Lender, any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof, or the exercise of any other power or right. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

11. Notices. All notices, demands, instructions or other communications required or permitted to be given to or made upon any party hereto shall be given in accordance with the provisions of the Credit Agreement and at the address set forth therein or as provided on the signature page hereof.

12. Amendments, Waivers, etc. No provision of this Guaranty shall be waived, amended, terminated or supplemented except by a written instrument executed by Guarantor and Lender.

13. GOVERNING LAW. THIS GUARANTY SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS.

14. Counterparts. This Guaranty and any amendments, waivers, consents or supplements may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

[*Signatures appear on following page.*]

City of [ ]

By: _____

Its: _____

EXHIBIT A

GUARANTOR'S SHARE

Guarantor	**Guarantor's Share**
City of Carlsbad	90.0%
City of Del Mar	3.0%
City of Solana Beach	7.0%
Total	**100%**

Comparison of Bank Financing Options vs City of Carlsbad Exhibit 5

Loan Date: 9/1/2020

Repayment Date: 9/1/2023

	RCB/Calpine	JP Morgan	Carlsbad
Loan Amount	$ 4,500,000.00	$ 4,500,000.00	$ 4,450,000.00
Term	3 years	3 Years	3 Years
Int Rate	Variable - 3.0% - 3.5% floor; variable based on 1-month T-Bill	Variable 1 or 3-month LIBOR plus 3.35%; funds not drawn subjec to an "Undrawn fee" of 1.95%	Fixed 3%
Loan Fees	$ 33,750.00	$ 50,000.00	$ -
Int Cost through Life of Loan	$ 463,541.66	$ 525,000.00	$ 378,000.00
TOTAL COST OF CREDIT	**$ 497,291.66**	**$ 575,000.00**	**$ 378,000.00**
Security/Covenants	Guaranty or Cash Collateral for $2.5M of loan amount by one or more members or creditworthy 3rd party	Rates set to cover operating and debt service costs; Operating reserve sized at a minimum 90 days of operating costs to be funded on a TBD Schedule; Debt Service Coverage ratio of 1.40x tested quarterly; No new debt may be issued by CEA during term	TBD
Notes:	$2,500,000 initial Loan 9/1/20 RCB; $500,000 Loan from Calpine Dec/Jan; $1,500,000 RCB loan Dec/Jan Time Frame		$1,450,000 initial Loan 9/1/20 for repayt to cities and Fy 20/21 budget; $3,000,000 loan Dec/Jan Time Frame for CAISO Deposit & Lockbox Reserve

CITY COUNCIL
Staff Report

Meeting Date:	July 14, 2020
To:	Mayor and City Council
From:	Scott Chadwick, City Manager
Staff Contact:	Michael Grim, Senior Program Manager, Climate Action Plan Administrator mike.grim@carlsbadca.gov, 760-602-4623
Subject:	Amendment No. 1 to the Climate Action Plan

Recommended Action
Adopt a resolution approving an amendment to the Climate Action Plan to revise the greenhouse gas inventory and reduction targets and forecast, update reductions from existing measures and incorporate Community Choice Energy as a new reduction measure.

Executive Summary
The City Council received an informational presentation on April 14, 2020, on the status of the Climate Action Plan and efforts to adjust the greenhouse gas emission reductions to reach the 2035 targets. This proposed amendment to the plan, known as CAP, would implement those efforts by revising the greenhouse gas inventory and reduction targets and forecast, updating reductions from existing measures and incorporating Community Choice Energy as a new reduction measure. To analyze potential environmental impacts with the CAP amendment, staff prepared an addendum to the General Plan Update and CAP Final Program Environmental Impact Report consistent with the California Environmental Quality Act Guidelines.

Discussion
The Climate Action Plan's purpose is to describe how greenhouse gas emissions within the City of Carlsbad will be reduced in accordance with statewide targets through the implementation of certain measures.[1] These measures were based upon the greenhouse gas inventory, targets and forecasts contained in the CAP.

In its informational presentation on the CAP and vehicle miles traveled calculations to the council in January, staff noted there had been an error in the vehicle miles traveled calculations used for the original CAP greenhouse gas inventory, which necessitated an amendment to the CAP. On April 14, 2020, staff presented a progress report to the City Council on amending the CAP through establishment of a 2012 greenhouse gas inventory, recalculation of greenhouse gas emissions targets and forecasts and incorporation of Community Choice Energy as a CAP measure.

[1] The plan was approved by the City Council in 2015 through resolution nos. 2015-242 and 2015-244 along with the General Plan Update and the associated environmental impact report.

Since the adoption of the CAP, the California Air Resources Board has issued the 2017 Climate Change Scoping Plan which contains updated guidance on calculating greenhouse gas reduction targets. State and federal policies affecting greenhouse gas reduction efforts have also changed. As staff noted in the April 14 presentation, Community Choice Energy must be added as a CAP greenhouse gas reduction measure to reach the updated targets. The proposed CAP Amendment addresses all these changed circumstances.

Specifically, the CAP Amendment would:

- Revise Chapter 1 – "Introduction" with updated background information on global temperatures and state and federal legislation and regulations
- Revise Chapter 2, Section 2.1 – "Methodology" with information on the derivation of the 2012 inventory
- Revise Chapter 2, Section 2.2 – "Community Inventory" by replacing the 2005 and 2011 greenhouse gas inventories with a 2012 inventory
- Revise Chapter 3 – "Greenhouse Gas Reduction Target, Forecasts, and Emissions 'Gap'" as follows:
    - Revise Section 3.1 – "Greenhouse Gas Reduction Target" with updated information on the California Air Resources Board Scoping Plan guidance
    - Revised Table 3-1 – "2005 Emissions and Emissions Targets" with 2012 emissions and Scoping Plan derived targets
    - Revise Sections 3.2 through 3.7 in accordance with the 2012 inventory, Scoping Plan derived targets, and updated forecast
- Revise Chapter 4 – "CAP Greenhouse Gas Reduction Measures" as follows:
    - Revise Sections 4.1 through 4.11 by replacing the content of the tables containing Goals, 2035 Reductions and Actions for all measures with new reductions and updated Actions
    - Delete Measures A, C and H
    - Add a section for the Community Choice Energy measure (Measure P)
    - Revise existing Section 4.12 – "Combined Effect of CAP Greenhouse Gas Reduction Measures and Forecast with CAP" to include updated text, revise Table 4-1 – "CAP Greenhouse Gas Reduction Measures Summary," delete Tables 4-2 and 4-3, and update Figure 4-1 – "Forecast Community Emissions with CAP Reduction Measures and Targets."
- Revise and retitle Appendix B-1 – "2005 City of Carlsbad Greenhouse Gas Inventory" by replacing the entire appendix with the 2012 greenhouse gas inventory
- Revise and retitle Appendix B-2 – "2011 Carlsbad Community and Local Government Operations Greenhouse Gas Inventory Updates" by deleting Community greenhouse gas information on pages 1 through 10

These revisions to the existing CAP will allow the city to meet its 2020 and 2035 greenhouse gas reduction targets and enable the plan to be considered a qualified climate action plan under the California Environmental Quality Act and used to streamline the permit streamlining through discretionary project environmental review.

Fiscal Analysis

This Climate Action Plan amendment contains administrative changes to the CAP, such as revising the greenhouse gas inventory, targets and forecast and inclusion of Community Choice Energy as a new reduction measure. Monitoring of Community Choice Energy implementation will be accommodated through the existing CAP annual reporting process, without need for additional personnel. No new programs are needed to administer the proposed CAP Amendment so there are no fiscal impacts associated with the recommended action.

Next Steps

Staff will coordinate with the Clean Energy Alliance Joint Powers Authority to monitor implementation of the Community Choice Energy and return to the City Council in fall 2020 with the Climate Action Plan Annual Report for Reporting Year 4 (fiscal year 2019-20). Staff will also pursue a CAP update to address changes to forecasted emissions due to the upcoming General Plan Housing Element Update. It is anticipated that this CAP update will be presented to the City Council in spring 2021.

Environmental Evaluation (CEQA)

The CAP was previously evaluated in the General Plan Update and Climate Action Plan Final Program Environmental Impact Report (13-02), dated June 15, 2015. This report evaluated the potential environmental effects of implementing the greenhouse gas reduction measures contained in the CAP. The addition of Community Choice Energy as a measure necessitates further review of potential environmental impacts.

In keeping with California Environmental Quality Act Guidelines Section 15164, an addendum to the final program environmental impact report was prepared and is attached as Exhibit 2. The addendum showed that none of the changes contained in CAP Amendment No. 1 meets the standards required for a subsequent environmental impact report, which are contained in CEQA Guidelines Section 15162. The addendum also demonstrates that CAP Amendment No. 1 will not result in any potentially significant impacts to the environment. According to CEQA Guidelines Section 15164(c), the addendum does not require circulation for public review.

Public Notification and Outreach

Public notice of this item was posted in accordance with the Ralph M. Brown Act and it was available for public viewing and review at least 72 hours prior to scheduled meeting date.

Exhibits

1. Resolution
2. Proposed text changes for Climate Action Plan Amendment No. 1
3. Addendum to Climate Action Plan Final Program Environmental Impact Report 13-02, dated May 2020

RESOLUTION NO._____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, APPROVING AN AMENDMENT TO THE CLIMATE ACTION PLAN TO REVISE THE GREENHOUSE GAS INVENTORY AND REDUCTION TARGETS AND FORECAST, UPDATE REDUCTIONS FROM EXISTING MEASURES AND INCORPORATE COMMUNITY CHOICE ENERGY AS A NEW REDUCTION MEASURE.

WHEREAS, on Sept. 22, 2015, City Council adopted Resolution Nos. 2015-242 and 2015-244, approving the Climate Action Plan (CAP) and Program Environmental Impact Report; and

WHEREAS, on Jan. 21, 2020, City Council received a report regarding the need to revise the CAP greenhouse gas inventory, reduction targets and forecast and incorporate additional reduction measures; and

WHEREAS, the city derived a 2012 greenhouse gas inventory and forecast using the protocols established by ICLEI – Local Governments for Sustainability and the San Diego Association of Government's Regional Climate Action Planning Framework; and

WHEREAS, the city derived greenhouse gas reduction targets using the guidance from the California Air Resources Board 2017 Climate Change Scoping Plan; and

WHEREAS, the existing CAP reduction measures were recalculated based upon new state and federal policies and their interaction with the level of renewable electricity provided through Community Choice Energy; and

WHEREAS, based upon the 2012 inventory, recalculated measures and forecast, the revised reduction targets for 2020 and 2035 can be met through incorporation of the Community Choice Energy as a reduction measure; and

WHEREAS, on Sept. 22, 2015, City Council certified the Program Environmental Impact Report for the General Plan Update and Climate Action Plan (PEIR 13-02); and

WHEREAS, an addendum to PEIR 13-02 was prepared and indicated no significant environmental impacts would occur as a result of implementing the CAP amendment, including implementation of the Community Choice Energy.

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

1. That the above recitations are true and correct.
2. That the City Council approves the Amendment to the Climate Action Plan, attached hereto as Attachment A.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the __ day of _____, 2020, by the following vote, to wit:

AYES:

NAYS:

ABSENT:

_____
MATT HALL, Mayor

_____
BARBARA ENGLESON, City Clerk

(SEAL)

1

Introduction

1.1 Scope and Purpose

Background and Purpose

The Climate Action Plan (CAP) is designed to reduce Carlsbad's greenhouse gas (GHG) emissions and streamline environmental review of future development projects in the city in accordance with the California Environmental Quality Act (CEQA).

The original CAP, adopted in September 2015, ~~has been~~was prepared concurrently with the city's updated General Plan and include~~s~~d actions to carry out the General Plan's goals and policies, consistent with the Community Vision articulated during Envision Carlsbad. The original CAP ~~is~~was also correlated with the Environmental Impact Report (EIR) on the General Plan, with the CAP GHG reduction target synchronized with the EIR. CAP Amendment No. 1, adopted in May 2020, revised the greenhouse gas inventory, reduction targets and forecast, updated reductions from existing measures, and incorporated Community Choice Energy as a new reduction measure (Measure P). An Addendum to the EIR was also prepared.

Community Vision and Environmental Stewardship

Carlsbad has long been a steward of environmental sustainability. In 2007, the Carlsbad City Council adopted a set of sustainability and environmental guiding principles (Resolution No. 2007-187) to help guide city investments, activities, and programs. Sustainability emerged as a key theme during the Envision Carlsbad community outreach process, and reflected as a Core Value of the Community Vision:

> ***Core Value 6: Sustainability.*** Build on the city's sustainability initiatives to emerge as a leader in green development and sustainability. Pursue public/private partnerships, particularly on sustainable water, energy, recycling, and foods.

The General Plan

The General Plan includes strategies such as mixed-use development, higher density infill development, integrated transportation and land use planning, promotion of bicycle and pedestrian movements, and transportation demand management. It also includes goals and policies to promote energy efficiency, waste reduction, and resource conservation and

recycling. These strategies, goals, and policies would result in GHG reduction compared to baseline trends.

CAP

The CAP includes goals, policies, and actions for Carlsbad to reduce GHG emissions and combat climate change and includes:

- An inventory of Carlsbad's citywide and local government GHG emissions;
- Forecasts of future citywide and local government GHG emissions;
- A comprehensive, citywide strategy and actions to manage and reduce GHG emissions, with emission targets through 2035; and
- Actions that demonstrate Carlsbad's commitment to achieve state GHG reduction targets by creating enforceable measures, and monitoring and reporting processes to ensure targets are met.

The timeframe for the Plan extends from the date of adoption through 2035.

1.2 Climate Change and Greenhouse Gases Overview

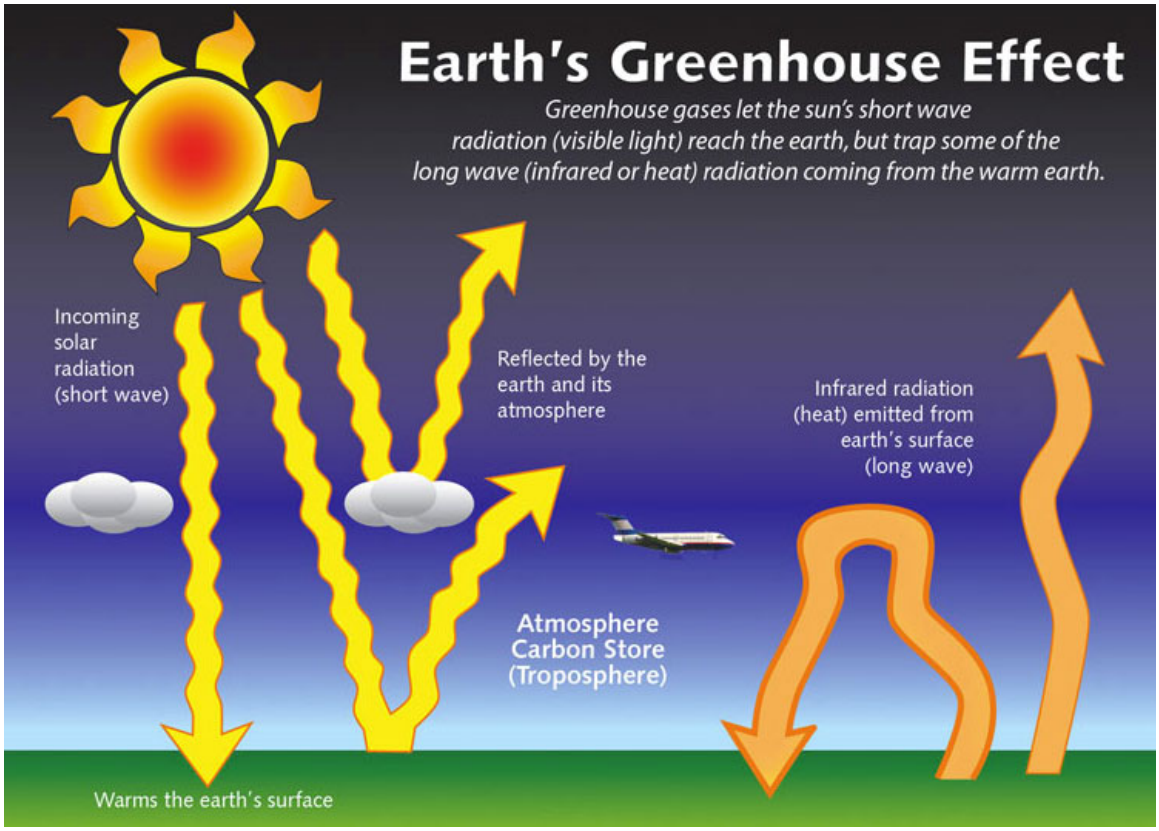
Greenhouse Effect and GHGs

Gases that trap heat in the atmosphere are often called "greenhouse gases" (GHGs). The greenhouse effect traps heat in the troposphere through a threefold process as follows: Short-wave radiation emitted by the sun is absorbed by the earth; the earth emits a portion of this energy in the form of long-wave radiation; and GHGs in the upper atmosphere absorb this long-wave radiation, emitting some of it into space and the rest back toward the earth. This "trapping" of the long-wave (thermal) radiation emitted back toward the earth is the underlying process of the greenhouse effect (Figure 1-1).

Principal GHGs include carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), ozone (O_3), and water vapor (H_2O). Some GHGs, such as CO_2, CH_4, and N_2O, occur naturally and are emitted to the atmosphere through natural processes and human activities. Since different gases contribute to the greenhouse effect in different proportions, the term CO_2e (carbon dioxide equivalent) provides the reference frame based on comparison to CO_2's contribution.

The greenhouse effect is a natural process that contributes to regulating the earth's temperature. Without it, the temperature of the earth would be about 0°F (−18°C) instead of its present 57°F (14°C) and unlikely to support human life in its current form.

Figure 1-1: Greenhouse Gas Effect



(Source: NYS Department of Environmental Conservation, http://www.dec.ny.gov/energy/76533.html)

Carbon Cycle and Global Temperatures

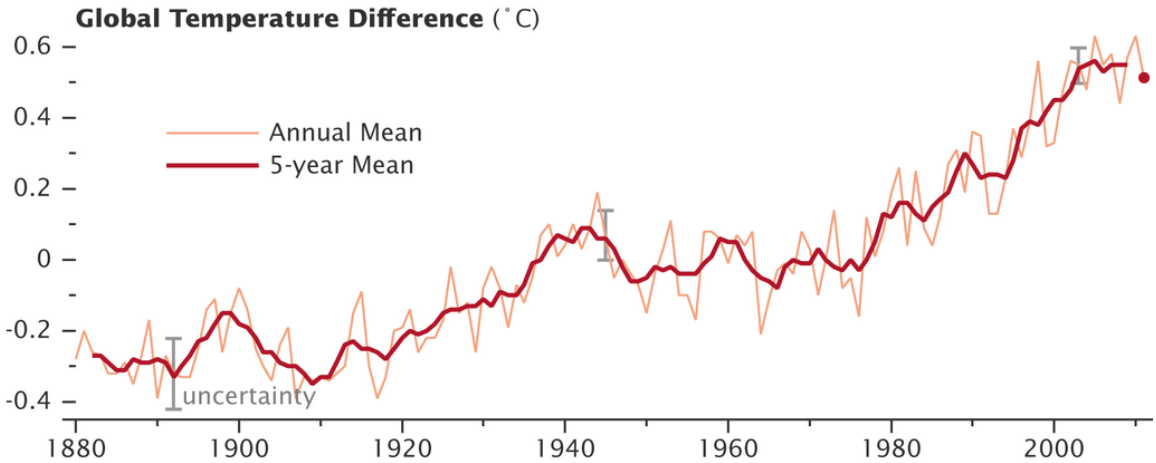
The global carbon cycle is complex and incorporates natural sources of atmospheric carbon dioxide, including respiration of aerobic organisms, wildfires, and volcanic outgassing, and sinks such the removal of CO_2 from by land plants for photosynthesis, and absorption by the ocean. Data collected on global GHG concentrations over the past 800,000 years demonstrates that the concentration of CO_2, the principal GHG, has increased dramatically since pre-industrial times, from approximately below 300 parts per million (ppm) in 1800, to about 353 ppm in 1990, 379 ppm in 2005, and ~~399 ppm in early 2013~~407 in 2018.[1]

Increased atmospheric concentrations of GHGs have led to a rise in average global temperatures. Figure 1-2 shows the increase in global temperatures from 1880 to ~~2011~~2019. While average global temperatures fluctuate on a yearly basis, the general trend shows a long-term temperature increase. ~~Nine~~ All of the ten warmest years since 1880 have occurred since the year 2000, and scientists expect the long-term temperature increase to continue as well. The consensus among climate scientists is that earth's climate system is unequivocally

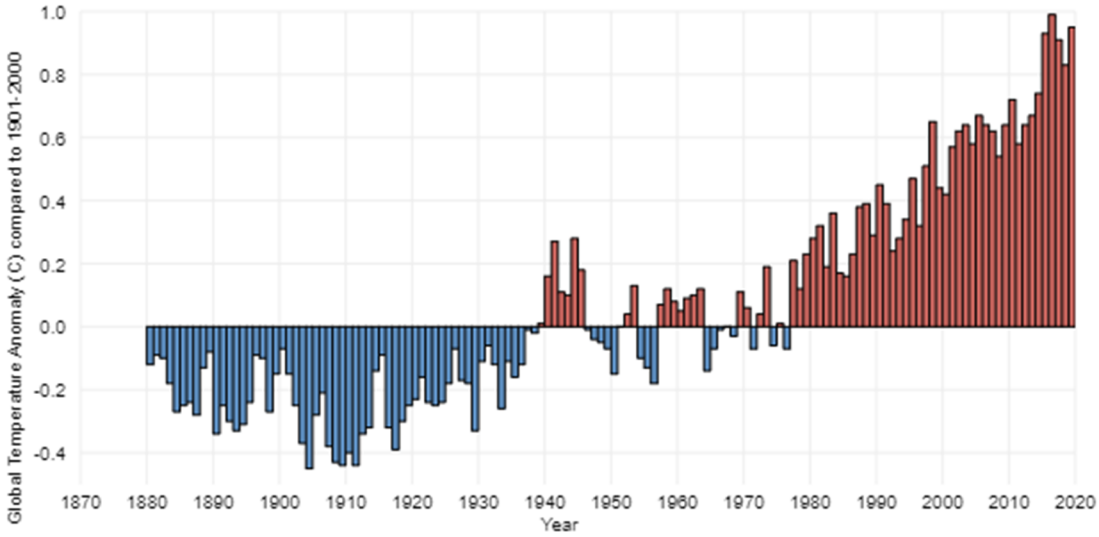
[1] Source: NOAA ~~"Trends in Atmospheric Carbon Dioxide,"~~Climate.gov http://www.~~esrl.noaa.gov/gmd/ccgg/trends/~~climate.gov

warming, and rigorous scientific research demonstrates that anthropogenic[2] greenhouse gases are the primary driver.

Figure 1-2: History of global surface temperature since 1880~~Change in Average Global Temperatures~~



~~(Source: N~~



~~Source: NOAA Climate.gov, http://www.climate.gov~~~~ASA Headquarters Release No. 12-020, http://www.nasa.gov/topics/earth/features/2011-temps.html)~~

[2] Caused by human activities

Climate Change

Global climate change concerns are focused on the potential effects of climate change resulting from excessive GHGs in the atmosphere and how communities can mitigate effects and adapt to change in the short and long term.

Numerous observations document the impacts of global climate change, including increases in global average air and ocean temperatures, the widespread melting of snow and ice, more intense heat waves, and rising global average sea level. Scientists have high confidence that global temperatures will continue to rise in the foreseeable future, largely due to anthropogenic GHG emissions. In addition to the physical impacts to the environment from increased temperatures, sea level rise, and more frequent extreme weather events, global climate change is predicted to continue to cause ecological and social impacts. Ecological impacts of climate change include greater risk of extinction of species, loss of species diversity, and alteration of global biogeochemical cycles, which play an essential role in nutrient distribution. The social impacts of climate change include impacts on agriculture, fisheries, energy, water resources, forestry, construction, insurance, financial services, tourism and recreation.

~~According to the International Panel on Climate Change (IPCC) in North America, the regional impacts of climate change are a forecast of decreased snowpack in the western mountains, a 5 to 20 percent decrease in the yields of rain fed agriculture in some regions, and increased frequency, intensity and duration of heat waves in cities that currently experience them.~~

~~In California, the Climate Action Team (CAT) – a group of state agency secretaries and the heads of agency, boards and departments, led by the Secretary of the California Environmental Protection Agency – synthesized current research on the environmental and economic impacts of climate change. The CAT found that climate changes are poised to affect virtually every sector of the state's economy and most ecosystems. Key findings of the CAT include predicted decreases in water supply that could cause revenue losses of up to $3 billion in the agricultural sector by 2050, increases in statewide electricity demand of up to 55 percent by the end of the century, increased wildfire risk that may cause monetary impacts of up to $2 billion by 2050, and ecosystems impacts affecting California's historic ranching culture and a source of local, grass-fed beef.~~

Higher temperatures, changes in precipitation, decreased water supplies accompanied by increased demand, increased risk of wildfire, a greater number of extremely hot days, the decline or loss of plant and animal species, and other impacts of climate change are expected to continue to affect Carlsbad. Climate change also has public health impacts. City residents who are already more vulnerable to health challenges are likely to be the most affected by climate change. These populations tend to be the young and the old, the poor, and those who are already sick. Increases in extreme heat events can increase the risk of heat-related illness or death, or the worsening of chronic health conditions. Food scarcity and higher food prices from impacts to agriculture can cause increased hunger and reduced availability of nutrition. The increased frequency of natural disasters such as floods, droughts, wildfires, and storm surges can cause injury or death, illness, and increases or shifts in infectious diseases.

1.3 California GHG Reduction Legal Framework

California has taken an aggressive stance to reduce GHG emissions in order to combat the impacts of climate change.

Governor's Executive Order S-3-05

Executive Order S-3-05 (EO S-3-05) recognizes California's vulnerability to increased temperatures causing human health impacts, rising sea levels, and reduced Sierra snowpack due to a changing climate. The Executive Order established targets to reduce GHG emissions to 2000 levels by 2010, to 1990 levels by 2020, and to 80 percent below 1990 levels by 2050.

Global Warming Solutions Act of 2006 and CARB Scoping Plans

The Global Warming Solutions Act of 2006 (Assembly Bill 32, or AB 32) codifies the target set in EO S-3-05 of statewide reductions to 1990 emissions levels by 2020. AB 32 directs the California Air Resources Board (CARB) to develop and implement a scoping plan and regulations to meet the 2020 target.

CARB approved the first Scoping Plan in 2008, which provide~~s~~d guidance for local communities to meet AB 32 and EO S-3-05 targets. The Scoping Plan adopted a quantified cap on GHG emission representing 1990 emission levels, instituted a schedule to meet the emission cap, and developed tracking, reporting, and enforcement tools to assist the State in meeting the required GHG emission reductions. ~~The Scoping Plan recommends that local governments target 2020 emissions at 15 percent below 2005 levels to account for emissions growth since 1990, as proxy for 1990 emissions, since few localities know those levels.~~California is currently on track to meet or exceed the AB 32 target of reducing GHG emissions to 1990 levels by 2020.

Executive Order B-3015 (EO B-30-15) established a new GHG emissions reduction target of 40 percent below 1990 levels by 2030 and directed CARB to update the Scoping Plan. In September 2016, Senate Bill 32 (SB 32) was signed into law and codified EO B-30-15. In November 2017, CARB published the 2017 Climate Change Scoping Plan, which offers the framework for achieving the 2030 reductions set forth in EO B-30-15 and SB 32.

~~The Carlsbad CAP's GHG emission targets are based on meeting the goals set in EO S-3-05 and AB 32.~~

1.4 Federal and State Emissions Reductions Strategies and Standards

Several federal and state standards have been adopted to reduce GHG emissions, in addition to and in support of the targets set in EO S-3-05 and AB 32.

Federal Standards

The United States Environmental Protection Agency (EPA) regulates and tests gas mileage or fuel economy in order to deter air pollution in the United States. As the transportation sector produces approximately 30 percent of GHG emissions in the U.S. as a whole, fuel economy regulations are an important way to reduce GHG emissions.[3] The EPA's Corporate Average Fuel Economy (CAFE) standards require vehicle manufacturers to comply with the gas mileage or fuel economy standards to reduce energy consumption by increasing the fuel economy of cars and light trucks. ~~The most recent CAFE GHG emissions standards were set in 2012, which will increase the fuel economy to 54.5 miles per gallon average for cars and light trucks by Model Year 2025, and reduce U.S. oil consumption by 12 billion barrels per year. The EPA also imposes the Gas Guzzler Tax on manufacturers of new cars that do not meet required fuel economy levels, to discourage the production and purchase of fuel-inefficient vehicles.~~ Also, in 2007, the U.S. Supreme Court ruled that CO_2 is an air pollutant under the Federal Clean Air Act, confirming that the EPA can regulate GHG emissions.

~~The EPA is taking further action to reduce GHG emissions in addition to setting fuel economy standards. The EPA established a renewable fuel standard to include a minimum volume of renewable fuel in 2013, which applies to all gasoline and diesel produced or imported. On September 20, 2013, the EPA proposed the first national limits on the amount of carbon pollution that new power plants will be allowed to emit. The EPA will propose standards for existing power plants by June 1, 2014. The EPA also approved oil and natural gas air pollution standards in 2013 to reduce pollution from the oil and natural gas industry.~~

State Standards

California Senate Bill 375

SB 375 (2008) requires each Metropolitan Planning Organization (MPO) in the state to adopt a Regional Transportation Plan (RTP) aimed at achieving a coordinated and balance regional transportation system, including mass transit, highways, railroads, bicycles, and pedestrians, among other forms of transit. Each MPO is required to prepare a Sustainable Communities Strategy (SCS) which sets forth forecast development patterns and describes the transportation system that achieve the regional GHG emission reduction targets set by CARB.

~~CARB's targets for San Diego County call for the region to reduce per capita emissions 7 percent by 2020 and 13 percent by 2035 based on a 2005 baseline. There are no mandated targets beyond 2035. San Diego Association of Governments (SANDAG), the San Diego County MPO, adopted its current RTP/SCS in October 2011. The SCS lays out how the region will meet the CARB GHG targets to the year 2035. As the SCS is focused on passenger vehicle emissions on a regional scale, it is considered separate from the reductions outlined in this CAP.~~

[3] In 2011, GHG emissions from transportation were about 28 percent of the total 6,702 million metric tons CO_2 equivalents (Source: https://www.epa.gov/ghgemissions/sources-greenhouse-gas-emissions~~http://www.epa.gov/climatechange/ghgemissions/sources/transportation.html~~)

~~Senate Bill 1368~~

~~SB 1368 creates GHG emissions performance standards for baseload generation[4] from investor-owned utilities. The bill requires that any long-term financial investment in baseload generation resources made on behalf of California customers must meet a performance standard of producing below 1,000 lbs CO_2 per MWh (megawatt-hour), approximately equal to a combined-cycle natural gas plant.~~

Governor's Executive Order S-1-07 (Low Carbon Fuel Standard)

Executive Order S-1-07, the Low Carbon Fuel Standard (LCFS), requires a reduction of at least 10 percent in the carbon intensity of California's transportation fuels by 2020. The LCFS requires oil refineries and distributors to ensure that the mix of fuel sold in California meets this reduction. The reduction includes not only tailpipe emissions but also all other associated emissions from the production distribution and use of transport fuels within the state.

Renewable Portfolio Standards

California's Renewable Portfolio Standard (RPS), established in 2002 by the California State Senate in Senate Bill 1078, accelerated in 2006 and expanded in 2011 through SB X1-2, is one of the most ambitious renewable energy standards in the country. The RPS requires each energy provider to supply electricity from eligible renewable energy resources to 33 percent of the total supply by 2020. In 2015, SB 350 increased the RPS to 50 percent renewable by 2030 and a doubling of energy savings in electricity and natural gas customers. In 2018, SB 100 updated SB X1-2 and requires 100 percent of electric retail sales and 100 percent of electricity procured to serve state agencies be carbon-free by 2045.

Pavley Fuel Economy Standards (AB 1493)

In 2009, CARB adopted amendments to the Pavley regulations to reduce GHG emissions in new passenger vehicles from 2009 to 2016. The standards became the model for the updated federal CAFE standards.

Title 24 Building Standards & CALGreen

Title 24 is California's Building Energy Code, which is updated every three years. In 2010, Title 24 was updated to include the "California Green Building Standards Code," referred to as CALGreen. CALGreen requires that new buildings reduce water consumption, increase system efficiencies, divert construction waste from landfills, and install low pollutant-emitting finish materials. CALGreen has mandatory measures that apply to nonresidential and residential construction. The most recent CALGreen code was adopted in 201~~3~~9 and became effective in 20~~14~~20. CALGreen contains voluntary Tier 1 and Tier 2 levels, which are designed to exceed energy efficiency and other standards ~~by 15 percent or 30 percent~~.

~~[4] Baseload generation is the minimum amount of power that a utility must make available to customers to meet minimum demands based on customer usage.~~

1.5 Planning Process

How This Plan Was Prepared

The CAP reflects the city's commitment to the Core Values presented in the General Plan, and links the elements of the plan—including Sustainability; Open Space and the Natural Environment; Access to Recreation and Active, Health Lifestyles; Walking, Biking, Public Transportation, and Connectivity; and Neighborhood Revitalization, Community Design, and Livability—with the goal of GHG reduction. The original CAP was prepared in 2013 by City staff and consultants, with input from the public.

On August 22, 2013 the City of Carlsbad hosted a Community Workshop on the CAP. The workshop provided an opportunity to present the citywide emissions inventory that had been completed, and discuss potential emission reduction strategies. Feedback from the Community Workshop was used to guide the preparation of this document.

Relationship to the California Environmental Quality Act

The California Environmental Quality Act (CEQA) is a statute that requires local agencies to identify significant environmental impacts of their actions and avoid or mitigate those impacts, if feasible. In 2007, California's lawmakers enacted Senate Bill (SB) 97, which expressly recognizes the need to analyze GHG emissions as part of the CEQA process. SB 97 required the Governor's Office of Planning and Research (OPR) to develop recommended amendments to address GHG emissions as an environmental effect.

In 2010, OPR's amendments to the CEQA guidelines addressing GHG emissions became effective. Lead agencies are now obligated to describe, calculate or estimate the amount of GHG emissions resulting from a project, by using a model or methodology to quantify GHG emissions resulting from a project or relying on a qualitative analysis or ~~performance based~~performance-based standards. The lead agency should determine whether a project's GHG emissions significantly affect the environment by considering whether the project's emissions, as compared to the existing environmental setting, exceeds a threshold of significance that the lead agency determines applies to the project, and the extent to which the project complies with the regulations or requirements adopted to implement a statewide, regional, or local plan for the reduction or mitigation of GHG emissions. In addition, the lead agency is required to impose feasible mitigation to eliminate or substantially reduce significant effects.

The CAP will help the city with compliance with CEQA Guidelines Section 15183.5(b): Tiering and Streamlining the Analysis of Greenhouse Gas Emissions, which became effective in 2010.[5] The required elements of a CAP, as cited in the guidelines, state that a plan for the reduction of GHG emissions should:

[5] 15183.5(b) of CEQA Guidelines states, "Plans for the Reduction of Greenhouse Gas Emissions. Public agencies may choose to analyze and mitigate significant greenhouse gas emissions in a plan for the reduction of greenhouse gas emissions or similar document. A plan to reduce greenhouse gas emissions may be used in a cumulative impacts analysis as set forth below. Pursuant to sections 15064(h)(3) and 15130(d), a lead agency may determine that a

- Quantify greenhouse gas emissions, both existing and projected over a specified time period, resulting from activities within a defined geographic area;
- Establish a level, based on substantial evidence, below which the contribution to greenhouse gas emissions from activities covered by the plan would not be cumulatively considerable;
- Identify and analyze the greenhouse gas emissions resulting from specific actions or categories of actions anticipated within the geographic area;
- Specify measures or a group of measures, including performance standards, that substantial evidence demonstrates, if implemented on a project-by-project basis, would collectively achieve the specified emissions level;
- Establish a mechanism to monitor the plan's progress toward achieving the level and to require amendment if the plan is not achieving specified levels;
- Be adopted in a public process following environmental review.

The CAP is intended to fulfill these requirements. The CAP also contains a Project Review Checklist, which allows for streamlined review of GHG emissions for projects that demonstrate consistency with the CAP, as described in CEQA Guidelines Section 15183.5(b).

Relationship to General Plan and Future Projects

Carlsbad's approach to addressing GHG emissions within the General Plan is parallel to the climate change planning process followed by numerous California jurisdictions. A General Plan is a project under CEQA, and projects under CEQA are required to estimate CO_2 and other GHG emissions, as described above. According to the Attorney General, "in the context of a general plan update, relevant emissions include those from government operations, as well as from the local community as a whole. Emissions sources include, for example, transportation, industrial facilities and equipment, residential and commercial development, agriculture, and land conversion." The CAP is designed to provide discrete actions to operationalize the General Plan policies that help with GHG reduction, as well as outline additional actions to help meet GHG reduction targets. The preparation of a CAP is also consistent with CEQA Guidelines Section 15183.5 that allows jurisdictions to analyze and mitigate the significant effects of GHG at a programmatic level, by adopting a plan to reduce GHG emissions.

Project-specific environmental documents prepared for projects consistent with the General Plan may rely on the programmatic analysis contained in the CAP and the EIR certified for the Carlsbad General Plan. The thresholds presented in Section 5.3 present a clear method for determining the significance of GHG emissions for future projects.

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project's incremental contribution to a cumulative effect is not cumulatively considerable if the project complies with the requirements in a previously adopted plan or mitigation program under specified circumstances."

1.6 How to Use This Plan

The CAP is intended to be a tool for policy makers, community members and others to guide the implementation of actions that limit Carlsbad's GHG emissions. Ensuring that the mitigation measures in the CAP translate from policy language to on-the-ground results is critical to the success of the CAP. Chapter 5 describes how the city will review development projects to achieve the GHG reduction measures in Chapter 4, consistent with state CEQA Guidelines. This chapter also outlines how the city will monitor progress in reducing emissions, and periodically revisit assumptions and key provisions of the plan.

2

Emissions Inventory

This chapter identifies the major sources and the overall magnitude of greenhouse gas (GHG) emissions in Carlsbad, pursuant to Sections 15183.5(b)(1)(A) and 15183.5(b)(1)(C) of the state CEQA Guidelines. The City of Carlsbad prepared an inventory ~~of 2005~~ for communitywide GHG emissions in 2012, 2014 and 2016, the latter of which was provided through the San Diego Association of Government's (SANDAG) Regional Climate Action Planning (ReCAP) program. The city also prepared a 2005 and 2011 inventory of~~, including emissions from~~ government operations~~, in 2008~~. ~~As part of the Climate Action Plan (CAP) preparation effort, this inventory was updated to 2011 to provide a more current measure of emissions, and is summarized in this chapter.~~ Appendix B-1 provides the ~~2005~~ communitywide inventories~~y~~ ~~and 2011 update~~ in detail and Appendix B-2 contains the government operations inventories, both of~~,~~ which are~~is~~ summarized in Section 2.2 and 2.3 in this chapter, respectively.

The inventory follows the standards developed by the International Council for Local Environmental Initiatives (ICLEI) for community and government operations GHG inventories. The inventory methodology is described first, followed by the inputs, and results.

2.1 Methodology

The community inventories~~y~~ cover~~s~~ all direct GHG emissions[6] from sources within the boundaries of the City of Carlsbad, including fuel combusted in the community and direct emissions from landfills within the community. Indirect emissions associated with the consumption of energy (such as electricity, with no end point emissions) that is generated outside the borders of the city are also included. The U.S Community Protocol for Accounting and Reporting of Greenhouse Gas Emissions (U.S. Community Protocol), published by ICLEI USA, requires a minimum of five basic emissions-generating activities to be included in Protocol-compliance community-scale inventories. The emissions from off-road transportation (e.g. lawn and garden, construction and industrial equipment) are considered in the inventories. The ~~community inventory tallies emissions from six~~ seven emissions-generating activities included in the community inventories are:

[6] GHGs considered in the report are carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), and hydrofluorocarbons. The emissions have been converted to carbon dioxide equivalents (CO_2e), which converts the three other GHGs into the equivalent volume of carbon dioxide.

~~sectors:~~

- On-Road Transportation~~Residential~~;
- Electricity~~Commercial~~;
- Natural Gas~~Industrial~~;
- Solid Waste~~Transportation~~;
- Off-Road Transportation;
- Water~~Solid waste~~; and
- Wastewater.

As the city has much greater ability to influence its own operations, the government operations inventory is presented separately, and covers direct emissions from sources the City of Carlsbad owns and/or controls. This includes mobile combustion of fuel for city vehicles and the use of natural gas to heat city buildings. Indirect emissions associated with the consumption of electricity, steam, heating or cooling for city operations that are purchased from an outside utility are also included. All other indirect emissions sources, including employee commutes and the decomposition of government-generated solid waste, are not included as part of the local government operations, but rather counted in the community inventory. The government operations inventory covers emissions from the following sectors:

- Buildings and Facilities;
- Vehicle Fleet;
- Public Lighting; and
- Water and Wastewater Transport within city borders

~~ICLEI's CACP[7] model is used to estimate emissions from residential, commercial, and industrial consumption of energy and solid waste disposal. The California Air Resource Board's (CARB's) EMFAC[8] models were used to calculate transportation emissions, and other sources were used for solid waste and wastewater sectors.~~

The majority of emissions are calculated using activity data and emissions factors. Activity data refers to a measurement of energy use or another GHG-generation process, such as residential electricity use, or vehicle miles traveled. Emissions factors are used to convert activity data to emissions, and are usually expressed as emissions per unit of activity data (e.g. metric tons carbon dioxide [CO_2] per kilowatt hour of electricity). To estimate emissions, the following basic equation is used:

$$[\textit{Activity Data}] \; x \; [\textit{Emissions Factor}] = \text{Emissions}$$

~~[7] Clean Air and Climate Protection (CACP) is a model developed by ICLEI to inventory and forecast GHG emissions. The 2011 update utilized the CACP 2009 Version 3.0 software.~~

~~[8] The Emissions Factors (EMFAC) model was developed by CARB to measure various emissions from vehicles. There are multiple versions of EMFAC which focus on different vehicle types.~~

As an example, multiplying the total amount of residential electricity use (activity data, expressed in kilowatt-hours) by the emissions factor (expressed as CO_2e emissions per kilowatt-hour) produces the emissions in CO_2e from residential energy use. ~~The following section describes the inputs for the community inventory based on activity data (or usage).~~ Table 2-1 below describes data sources for estimating activities and emissions factors.

TABLE 2-1: DATA SOURCES FOR ACTIVITIES AND EMISSIONS FACTORS IN COMMUNITY INVENTORIES

Category	Category Detail	Data Source
On-Road Transportation	Activity	Disaggregated vehicle miles traveled (VMT) using the origin-destination method provided by SANDAG using Activity Based Model
	Emission factor	San Diego region emission factor by vehicle class from latest approved California Air Resources Board (CARB) EMFAC model converted to average vehicle emission factor using VMT distribution by vehicle class
Electricity	Activity	Data from SDG&E based on customer class and customer type, rate schedule and service provider
	Emission factor	Weighted average emission factor based on SDG&E procurement from each fuel type at each facility and emission factor of electricity generation at each facility
Natural Gas	Activity	Data from SDG&E based on customer class and customer type, rate schedule and service provider
	Emission factor	Natural gas emission factor in California from CARB statewide inventory
Solid Waste	Activity	Waste disposal from CalRecycle
	Emission factor	Based on waste composition study from similar jurisdiction (Oceanside) and methane recovery factor at landfills obtained from the landfill
Off-Road Transportation	Activity	CARB off-road model estimates for applicable San Diego sub-categories, adjusted using scaling factors for Carlsbad's proportion of off-road activity.
	Emission factor	
Water	Activity	

	Emission factor	Jurisdiction-specific water use and energy intensity from the supply agency
Wastewater	Activity	Jurisdiction-specific wastewater generation and emission factor based on treatment process from agency
	Emission factor	

Source: ReCAP Technical Appendix I

Certain emissions that occur in the city are not counted in the community inventory. For example, ~~during the community workshop on the CAP some participants questioned why~~ emissions related to the Encina Power Plant are not included in Carlsbad's GHG inventory. The reason is as follows: embodied emissions, such as those resulting from power generation that is produced locally but distributed regionally, are not covered in Carlsbad's inventory, in accordance with ICLEI standards. These emissions are included at the points where energy is *consumed* (some of which are in Carlsbad) rather than where it is simply *produced*—otherwise emissions would either be double counted, or if only counted at the production source, electricity consumption (which is the second largest contributor to GHG) in climate action planning would be meaningless. ~~Similarly, for water consumed in Carlsbad, emissions associated with its transport from Northern California and Colorado are counted in Carlsbad's inventory, rather than elsewhere.~~

~~The Carlsbad Desalination Plant, which will begin operations in 2016, would therefore not contribute emissions to the 2011 GHG inventory. The emissions forecast (Chapter 3) uses a regional average for water consumption emissions, which accounts for the effect of the desalination plant. In general, including these large regional facilities would effectively add GHGs from consumption of services outside of Carlsbad to the city's emission totals.~~

The McClellan-Palomar airport is county owned and operated, and is outside of the city's jurisdiction. The city has little, if any, influence over airport operations, and emissions associated with airport flight operations are excluded because they occur in a regional context.

For transportation trips that originate or end in Carlsbad, emissions for half of the entire trip are included, and not just for the miles traveled within Carlsbad; however, trips that just pass through Carlsbad are excluded, as their emissions would be reflected at their trip ends.[9] Furthermore, although pass-through trips contribute a substantial amount to VMT totals, the city and Carlsbad community has limited ability to influence them.

[9] For example, for a trip that begins in downtown San Diego and ends in Carlsbad, the entire trip length is calculated for that trip. Half of the entire trip length is assigned to Carlsbad, and the other half is assigned to the City of San Diego. Using half the trip length is standard SANDAG methodology for assigning regional VMT to a particular city.

2.2 2012 Baseline Community GHG Inventory

~~Residential, Commercial, and Industrial (RCI) Electricity and Natural Gas Usage~~GHG Emissions By Category

~~The inputs for the CACP model for the residential, commercial and industrial (RCI) sectors are electricity and natural gas consumed. Table 2-1 shows RCI electricity and natural gas consumption, and the total citywide consumption of electricity and natural gas. The commercial sector has the largest electric consumption followed by residential and industrial. The greatest natural gas consumption is from the residential sector, used for heating homes and water, followed by commercial and industrial sectors.~~ As discussed in Section 2.1, a GHG inventory describes the emissions in various categories for a given calendar year. Some of the inputs, such as electricity and natural gas, are based directly on consumption data. Others, such as on-road transportation, are based upon model outputs. In order to determine a community's GHG emissions reduction targets, and its consistency with state reduction targets, a baseline GHG inventory is needed. The City of Carlsbad is using the 2012 community GHG inventory as its baseline for the purpose of deriving GHG reduction targets. A detailed description of the community GHG inventory, including methods and inputs, is contained in Appendix B-1.

TABLE 2.2 – 2012 COMMUNITY GHG EMISSIONS

Emissions Category	GHG Emissions ($MTCO_2e$)	Percentage of Total Emissions (%)
On-Road Transportation	488,000	49.9
Electricity	301,000	30.8
Natural Gas	134,000	13.7
Solid Waste	25,000	2.5
Off-Road Transportation	14,000	1.4
Water	12,000	1.2
Wastewater	3,000	<1
Total	**977,000**	**100**

~~TABLE 2-1: RESIDENTIAL, COMMERCIAL AND INDUSTRIAL (RCI) INPUTS; 2011~~		
		~~Inputs~~
~~Residential~~	~~Electric (kWh)~~	~~275,033,189~~
	~~Natural Gas (therms)~~	~~15,769,481~~
~~Commercial~~	~~Electric (kWh)~~	~~411,249,580~~
	~~Natural Gas (therms)~~	~~7,844,336~~
~~Industrial~~	~~Electric (kWh)~~	~~116,341,521~~
	~~Natural Gas (therms)~~	~~1,536,470~~
~~Total by Source~~		
~~Electricity (kWh)~~		~~802,624,290~~
~~Natural Gas (therms)~~		~~23,613,817~~

~~*Source: SDG&E, 2013*~~

~~Differing emissions based on the source of electricity, either bundled or direct access electricity, were taken into account. Bundled electricity is produced for SDG&E and transmitted by SDG&E. Direct access electricity is produced elsewhere in the region but ultimately transmitted to the consumer by SDG&E. Natural gas produces CO_2e regardless of source.~~

~~Transportation~~

~~Transportation emissions are based on vehicle miles traveled (VMT) for vehicles and off-road equipment. GIS-based 2011 VMT data from SANDAG for all roadways was used. All roadways including the zone connectors were used. The SANDAG data is reported as daily weekday VMT. This was converted to annual VMT by multiplying it by 347, as recommended by CARB.[10] The total annual VMT in 2011 was 510,973,969 vehicle miles traveled.~~

~~CARB's latest model, EMFAC2011, is made up of three modules: SG, LDV, and HD. The SG module covers all vehicle types, while LDV calculates light duty vehicles and HD calculates heavy duty vehicles. Appendix B provides a more detailed explanation of how CO_2e were calculated using each module. As inputs, emissions from local roadway VMT and freeway VMT were determined separately.~~

~~Off-road emissions in Carlsbad include lawn and garden equipment, construction equipment, industrial equipment, and light commercial equipment. While CARB's OFFROAD2007 model generates emission outputs for 16 categories across San Diego County, only the off-road emissions listed above are included, as they generate the most emissions in Carlsbad in this category. The CO_2, N_2O, and CH_4 emissions were calculated in short tons per day for the county. These emissions were then pro-rated by the city's share of the county population, multiplied by 365 days, and converted to metric tons.~~

~~[10] CARB recommends that 347 be used instead of 365 to convert from average daily VMT to annual VMT to account for less travel on weekends.~~

~~Solid Waste~~

~~The default values in the CACP were used for solid waste emissions. For methane emissions from the one landfill in the city limits—the closed Palomar Airport Landfill—the same data from the 2005 community inventory was used, as it was unlikely to have changed substantially, if at all.~~[11]

~~For emissions from solid waste disposed of in Carlsbad and taken to landfills elsewhere, 2011 data for Carlsbad was obtained from CalRecycle. The composition of waste was estimated from the latest such survey, the 2008 CalRecycle Statewide Waste Characterization Study, which has averages for the southern region of California. The amount of average daily cover, which is made of plant debris, was also entered.~~

~~Wastewater Treatment~~

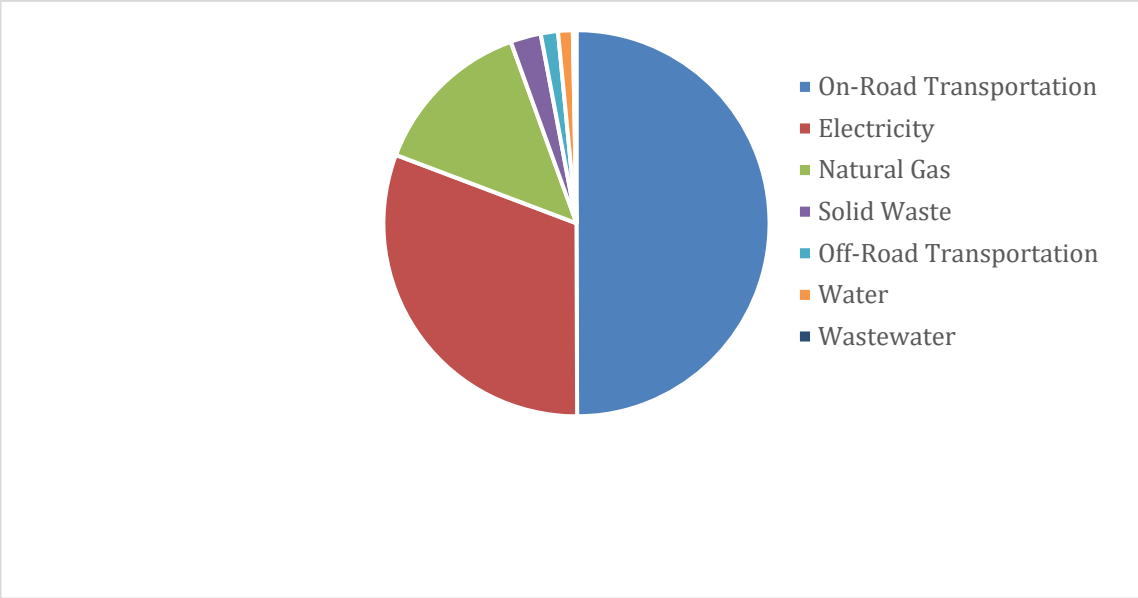
~~Emissions from methane and nitrous oxide generated in the process of wastewater treatment were determined using the University of San Diego's EPIC (Energy Policy Initiatives Center) model. The EPIC estimate of GHG emissions from countywide wastewater treatment was used and pro-rated to Carlsbad's share of the county population.~~

~~Total Community Emissions~~

~~The total community GHG emissions were 705,744 $MTCO_2e$ in 2011. Table 2-2 summarizes the sources and quantities of community emissions, and Figure 2-1 shows the emissions graphically by sector. The largest sector is transportation, at 39 percent, followed by commercial and industrial (32 percent), residential (25 percent), solid waste (3 percent) and wastewater (1 percent).~~

[11] ~~In November 2014, city staff contacted the County of San Diego Public Works Department in response to a comment on the draft CAP. County staff reported that for 2011, it calculated GHG emissions from Palomar landfill at 6,703 $MTCO_2e$. Although it is unknown why the reported figure is higher than the assumed figure for the city's GHG inventory update, County staff did note that their GHG calculation methodology had changed in 2010. The difference in the County's calculations of GHG emissions from Palomar landfill does not have a material effect on the assumptions, conclusions, or recommendations of this CAP.~~

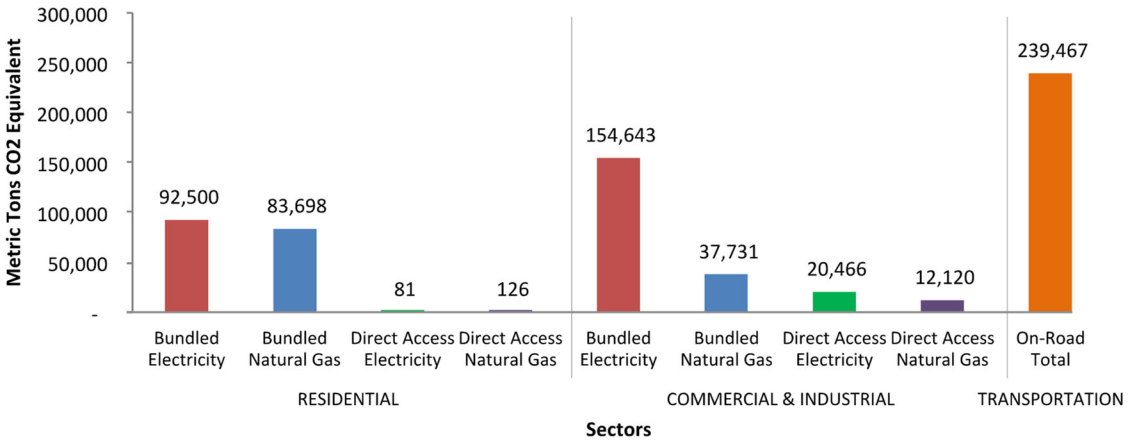
Figure 2-1: 201~~1~~2 Community GHG Emissions by ~~Sector~~ Category ~~($MTCO_2e$)~~



~~TABLE 2-2: 2011 COMMUNITY GHG EMISSIONS (MTCO$_2$E)~~		
~~Sector~~	~~Subsector~~	~~Emissions~~
	~~Bundled Electricity~~	~~92,500~~
	~~Bundled Natural Gas~~	~~83,698~~
	~~Direct Access Electricity~~	~~81~~
	~~Direct Access Natural Gas~~	~~126~~
~~Residential~~	~~**Total Residential**~~	~~**176,405**~~
	~~Bundled Electricity~~	~~125,314~~
	~~Bundled Natural Gas~~	~~37,731~~
	~~Direct Access Electricity~~	~~11,701~~
	~~Direct Access Natural Gas~~	~~3,966~~
~~Commercial~~	~~**Total Commercial**~~	~~**178,712**~~
	~~Bundled Electricity~~	~~29,329~~
	~~Bundled Natural Gas~~	~~-~~
	~~Direct Access Electricity~~	~~8,765~~
	~~Direct Access Natural Gas~~	~~8,154~~
~~Industrial~~	~~**Total Industrial**~~	~~**46,248**~~
	~~*On-Road Total*~~	~~*239,467*~~
	~~Lawn and Garden Equipment~~	~~2,449~~
	~~Construction Equipment~~	~~23,830~~
	~~Industrial Equipment~~	~~4,943~~
	~~Light Commercial Equipment~~	~~3,056~~
	~~*Off-Road Subtotal*~~	~~*34,279*~~
~~Transportation~~	~~**Total Transportation**~~	~~**273,745**~~
	~~Community-generated solid waste~~	~~21,719~~
	~~Landfill Waste-in-Place~~	~~2,598~~
~~Solid Waste~~	~~**Total Solid Waste**~~	~~**24,317**~~
~~Wastewater~~	~~**Total Community-generated Wastewater**~~	~~**6,317**~~
~~**GRAND TOTAL**~~		~~**705,744**~~

~~Figure 2-2 shows the emission by source for the three largest sectors: residential, commercial and industrial, and transportation. The largest individual sources are on-road transportation, bundled commercial and industrial electricity, and bundled residential electricity.~~

~~Figure 2-2: 2011 Community GHG Emissions by Source for Three Largest Sectors ($MTCO_2e$)~~



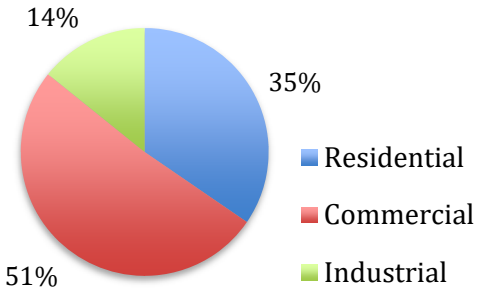
~~Emissions By Source~~

~~Electricity~~

~~Electricity emissions account for 38 percent of the total emissions. Table 2-3 and Figure 2-3 show electricity use by sector – commercial sector consumes more than half of all electricity in Carlsbad, followed by residential sector, which accounts for just over a third of total electricity use.~~

~~TABLE 2-3: ELECTRICITY EMISSIONS BY SECTOR ($MTCO_2e$)~~	
~~Sector~~	~~2011 Emissions~~
~~Residential~~	~~92,581~~
~~Commercial~~	~~137,015~~
~~Industrial~~	~~38,093~~

~~Figure 2-3: Electricity Emissions by Sector~~

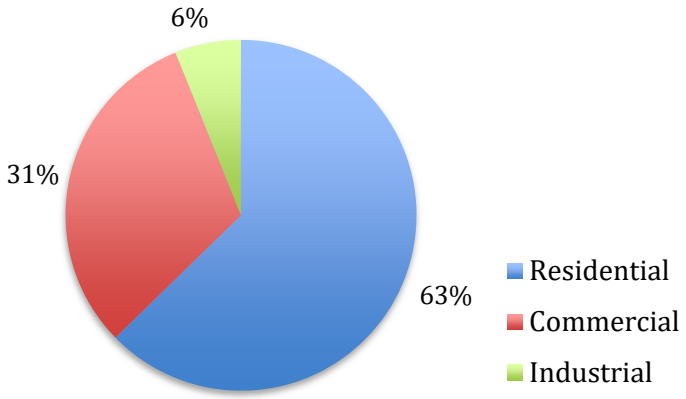


~~Natural Gas~~

~~Natural gas use accounts for 19 percent of total emissions in Carlsbad. The residential sector accounts for 63 percent of natural gas use, while the commercial sector accounts for 31 percent. Table 2-4 and Figure 2-4 show natural gas use emissions by sector.~~

~~TABLE 2-4: NATURAL GAS EMISSIONS BY SECTOR ($MTCO_2e$)~~	
~~Sector~~	~~2011 Emissions~~
~~Residential~~	~~83,824~~
~~Commercial~~	~~41,697~~
~~Industrial~~	~~8,154~~

~~Figure 2-4: Natural Gas Emissions by Sector~~



~~Change Between 2005 and 2011 Community Emissions~~

~~Total community emissions in 2005 were 630,310 $MTCO_2e$ compared with 705,744 in 2011. The increase in total GHG emissions of 12 percent in the period parallels the population and jobs increase, as well as the service population increase (the number of residents plus number of jobs). While total GHG emissions have increased, emissions per service population (population plus workers) have held steady since 2005. Table 2-5 summarizes these changes.~~

TABLE 2-5: POPULATION AND JOBS, 2005 AND 2011			
	2005	2011	% Change
Carlsbad Population[a, b]	94,961	106,403	12.0%
Carlsbad – # of Jobs[c]	59,309	66,417	12.0%
Carlsbad – Service Population[d]	154,270	172,820	12.0%
GHG Emissions ($MTCO_2e$)	630,310	705,744	12.0%
Emissions per Service Population	4.09	4.08	-0.1%

a. 2011 population from the California Department of Finance, Table E-5.

b. The 2005 Inventory used different populations for the community and local government analyses. This is the population used for the community inventory.

c. Numbers from SANDAG.

d. The service population is the total number of residents plus workers

Table 2-6 shows the source of growth in emissions. The largest increase in emissions came from commercial electricity usage (37% of increase), followed by residential electricity usage (29%). All other emissions increased at a slower pace than the rate of population growth, with emissions from residential natural gas consumption increasing by 9 percent, and all other sources increasing by 5 percent, or decreasing, in the case of roadway emissions.

For electricity, the increase was largely caused by the increase (35%) in the CO_2 generated by SDG&E electricity since 2005. For example, residential electricity consumption increased by 10 percent but emissions from that source increased by 29 percent. Commercial electricity consumption went up by 8 percent while related emissions increased by 37 percent – an even higher increase as some commercial customers in the greater San Diego region switched from cleaner direct access electricity to sources producing more CO_2.

TABLE 2-6: SOURCES OF GROWTH IN GHG EMISSIONS (METRIC TONS CO2E)				
Source	2005 CO2e	2011 CO2e	Growth	% of Growth
Commercial-Electric	98,352	137,015	38,663	37%
Residential-Electric	62,290	92,581	30,291	29%
Residential-NG	74,137	83,824	9,688	9%
Roads	260,467	239,467	-21,000	-8%
Industrial-Electric	32,417	38,093	5,676	5%
Commercial-NG	36,259	41,697	5,438	5%
Off-Road	28,963	34,279	5,315	5%
Industrial-NG	3,013	8,154	5,141	5%
Wastewater	4,397	6,317	1,920	2%
Solid Waste	30,015	24,317	-5,698	-5%
TOTAL	630,310	705,744	75,434	

~~Table 2-7 shows the sources of emissions, ordered by volume of overall contribution. The largest contributor continues to be transportation, but that has declined in proportion as emissions from building energy consumption have grown faster. These sources – roadway VMT, off-road vehicles, and private electricity and natural gas consumption – account for 96 percent of Carlsbad's communitywide GHG emissions.~~

~~TABLE 2-7: GREENHOUSE GAS EMISSIONS SUMMARY BY SECTOR (METRIC TONS CO2E)~~				
~~Sector~~	~~2005~~	~~% of Total~~	~~2011~~	~~% of Total~~
~~Transportation~~	~~289,431~~	~~46%~~	~~273,745~~	~~39%~~
~~Commercial / Industrial~~	~~170,041~~	~~27%~~	~~224,960~~	~~32%~~
~~Residential~~	~~136,427~~	~~22%~~	~~176,405~~	~~25%~~
~~Solid Waste~~	~~30,015~~	~~5%~~	~~24,317~~	~~3%~~
~~Wastewater~~	~~4,397~~	~~1%~~	~~6,317~~	~~1%~~
~~TOTAL~~	~~630,310~~	~~-~~	~~705,744~~	

2.3 Government Operations Inventory

Government operations represent a small portion (1.2%; see end of this section) of the communitywide GHG emissions. However, more detailed information is available to characterize GHG emissions by source and sector. The city has the ability to directly influence emissions from government operations, and can provide community leadership in reducing GHG emissions. As described before, the four sectors included in the government operations inventory are buildings and facilities, vehicle fleet, public lighting, and water and wastewater transport.

Buildings and Facilities

The inputs for this sector are electricity and natural gas. Data was entered by individual facility along with departmental information. Table 2-8 lists all of the buildings and facilities operated by the city and electricity and natural gas inputs.

TABLE 2-3~~8~~: BUILDINGS AND FACILITIES INPUTS; 2011			
Department	**Building**	**Electricity (kWh)**	**Natural gas (therms)**
City	City Administration	1,203,726	1,738
City	City Hall	233,680	5,313
City	Farmers Insurance Bldgs	112,057	-
City	Hawthorne Equipment Bldg	10,040	-
City Total		**1,559,503**	**7,051**
Community Development	Hiring Center	6,972	-

TABLE 2-38: BUILDINGS AND FACILITIES INPUTS; 2011			
Department	**Building**	**Electricity (kWh)**	**Natural gas (therms)**
Community Development	Las Palmas	55,570	-
Community Development Total		**62,542**	
Fire	Fire Station No. 1	63,600	1,358
Fire	Fire Station No. 2	32,643	1,069
Fire	Fire Station No. 3	33,972	675
Fire	Fire Station No. 4	28,867	1,062
Fire	Fire Station No. 5	98,720	2,061
Fire	Fire Station No. 6	55,180	1,464
Fire Total		**312,982**	**7,689**
Golf Course	The Crossings	**1,056,015**	**18,019**
Library	Cole Library	430,160	2,119
Library	Cultural Arts Department	14,444	321
Library	Dove Library	1,432,492	11,200
Library	Library Learning Center	192,000	421
Library Total		**2,069,096**	**14,061**
PD/Fire	Safety Center	**988,001**	**19,816**
Public Works	City Yard	88,335	729
Public Works	CMWD M&O	189,440	86
Public Works	Fleet Yard	72,320	456
Public Works	Parks Maintenance	39,694	149
Public Works Total		**389,789**	**1,420**
Recreation	Calavera Community Center	54,970	-
Recreation	Carrillo Ranch	58,080	-
Recreation	Harding Community Center	60,120	952
Recreation	Parks Total	914,888	3,006
Recreation	Senior Center	308,318	3,349
Recreation	Stagecoach Community Center	195,920	1,424
Recreation	Swim Complex	247,240	34,266
Recreation	Trails	65,929	-
Recreation Total		**1,905,465**	**42,997**
Housing and Neighborhood Services		**31,277**	**-**
TOTAL		**8,374,670**	**111,053**

VEHICLE FLEET

The inputs for this sector are all vehicles used by the city. The key data used are fuel consumed and VMT, broken out by model year, vehicle type, and fuel type. CACP uses fuel consumption to calculate CO_2 emissions and VMT to calculate NO_2 and CH_4 emissions.

Although the vehicle fleet data from the city was broken down by department, the inputs were loaded into CACP as a single set for the entire city due to the time-consuming nature of processing and entering this very detailed information.

Table 2-9 summarizes the inputs by vehicle and fuel type. Gasoline accounted for the largest amount of fuel consumption (167,345 gallons) and greatest vehicle miles traveled (1,965,416 VMT).

TABLE 2-~~49~~: GOVERNMENT OPERATIONS VEHICLE FLEET INPUTS

	2011	
	Fuel (gal)	**VMT**
Diesel	**62,407**	**407,826**
Light Truck/SUV/Pickup	31,162	298,388
Heavy Truck	31,245	109,438
Gasoline	**167,345**	**1,965,416**
Light Truck/SUV/Pickup	76,663	938,733
Passenger Car	85,874	931,979
Motorcycle	1,787	74,024
Heavy Truck	3,021	20,680
Hybrid	**3,581**	**137,096**
Passenger Car	2,478	108,136
Light Truck/SUV/Pickup	1,103	28,960

For the analysis in CACP, motorcycle inputs were grouped under passenger cars and hybrid fuel consumption was included with gasoline. Hybrid VMT was assumed at one-third of listed mileage to account for the likely reality of most hybrid miles being under electric power during low speed driving on local streets.

Public Lighting

This sector covers electricity consumed from three sources: traffic signals, streetlights, and other outdoor lighting. As shown in Table 2-10, streetlights make up the great majority of electricity consumption in this sector. Between 2005 and 2011, the city retrofitted its existing streetlights with more energy-efficient lamps.

TABLE 2-5~~10~~: PUBLIC LIGHTING INPUTS (KWH)		
	2011	**% of Total**
Streetlights	4,403,265	85%
Traffic Signals/Controllers	768,784	15%
Outdoor Lighting	17,740	<1%
TOTAL	**5,189,789**	

Water and Wastewater Transport

This sector covers fuel consumed by pumps and other mechanisms used to convey water and wastewater: water delivery pumps, sprinklers and irrigation, sewage pumps, and recycled water pump stations. These systems all consumed electricity plus a small amount (170 gallons) of diesel fuel for water delivery generators.

Table 2-11 shows the electricity consumed by the city's water and wastewater transport systems in 2011. The greatest electricity consumption is from sewage pumps (53 percent), followed by recycle pump stations (34 percent), water delivery pumps (12 percent), and sprinklers and irrigation (1 percent).

TABLE 2-6~~11~~: WASTE AND WASTEWATER TRANSPORT INPUTS (KWH)		
	2011	**% of Total**
Sewage Pumps	1,262,824	53%
Recycle Pump Stations	791,732	34%
Water Delivery Pumps	285,345	12%
Sprinklers/Irrigation	22,554	1%
TOTAL	**2,362,455**	

Inventory Results

Emissions by Sector

Government operations in 2011 generated an estimated 8,205 metric tons CO_2e in GHG emissions, as shown in Table 2-12. Emissions for government operations mainly came from buildings and facilities (42%) and the vehicle fleet (27%), followed by public lighting (21%) and water and wastewater transportation (10%).

TABLE 2-7~~12~~: GOVERNMENT OPERATIONS EMISSIONS BY SECTOR ($MTCO_2e$)		
Source	**2011**	**% of Total**
Buildings and Facilities	3,410	42%
Vehicle Fleet	2,253	27%
Public Lighting	1,747	21%
Water and Wastewater Transport	795	10%
TOTAL	**8,205**	

Emissions by Source

Most of the government operations emissions came from electricity consumption, accounting for 65 percent of emissions, as shown in Table 2-13. Gasoline produced about 19 percent of emissions, followed by diesel/propane (8 percent), natural gas (7 percent) and mobile refrigerants (1 percent).

TABLE 2-8~~13~~: EMISSIONS BY SOURCE ($MTCO_2e$)		
Source	**2011**	**% of Total**
Electricity	5,362	65.4%
Gasoline	1,538	18.7%
Diesel / Propane	641	7.8%
Natural Gas	590	7.2%
Mobile Refrigerants	74	0.9%
TOTAL	**8,205**	

Comparison of 2011 Government Operations to 2012 Citywide Emissions

Table 2-14 shows a comparison of the 2011 government operations to 2012 citywide emissions. Government operations account for a very small portion of GHG emissions~~ in 2011~~, comprising ~~about 1.2~~less than one percent of emissions.

TABLE 2-9: 2011 GOVERNMENT OPERATIONS EMISSIONS VS 2012 COMMUNITY EMISSIONS ($MTCO_2e$)	
	~~2011~~
Government operations emissions	8,205
Community emissions	~~705,744~~977,000
Government operations as proportion of community emissions	~~1.2~~0.8%

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3

Greenhouse Gas Reduction Target, Forecasts, and Emissions "Gap"

This chapter describes the greenhouse gas (GHG) reduction targets provided by state law, provides a baseline forecast of community GHG emissions, and models forecasts of future community and local government GHG emissions through 2035. The chapter also quantifies GHG reductions from (1) state and federal actions and (2) the updated Draft General Plan policies and actions, and applies these reductions to the community forecast. The emissions "gap" between the forecasts (with GHG reductions) and the emissions targets is addressed by the Climate Action Plan (CAP) GHG reduction strategies in Chapter 4.

3.1 GHG Reduction Target

~~Governor's Executive Order S-3-05 and the Global Warming Solutions Act of 2006~~ Statewide GHG Reduction Targets and 2017 CARB Scoping Plan

Executive Order S-3-05 (EO S-3-05) and the California Global Warming Solutions Act of 2006 (AB 32 and SB 32) provide the basis for the CAP's GHG emissions targets. ~~EO S-3-05~~Collectively they commit~~s~~ California to reduce its GHG emissions to 1990 levels by 2020, to 40 percent below 1990 by 2030, ~~-~~ and to 80 percent below 1990 levels by 2050. ~~AB 32 codifies the 2020 target and tasks CARB with developing a plan to achieve this target.~~

CARB first approved the Scoping Plan in 2008, which provides guidance for local communities to meet AB 32 and EO S-3-05 targets. The Scoping Plan recommended "a greenhouse gas reduction goal for local governments of 15 percent below today's levels by 2020 to ensure that their communitywide emissions match the state's reduction targets.[12] ~~s that~~

[12] CARB 2008. *Climate Change Scoping Plan. Pursuant to AB 32 the California Global Warming Solutions Act of 2006,* pg. ES-5.

~~local governments target 2020 emissions at 15 percent below 2005 levels to account for emissions growth since 1990, as proxy for 1990 emissions, since few localities know those levels~~. The 2014 First Update to Scoping Plan repeated that emissions reduction target and provided guidance for local governments to develop post-2020 GHG reduction targets. It stated that "there is a need for local government climate action planning to adopt mid-term and long-term reduction targets that are consistent with…the statewide goal of reducing emissions 80 below 1990 levels by 2050."[13]

CARB's 2017 Climate Change Scoping Plan recommended statewide targets of "no more than six metric tons CO2e per capita by 2030 and no more than two metric tons CO2e per capita by 2050."[14] These goals are based upon the 2030 and 2050 goals of 40 percent and 80 percent reductions below 1990 levels and the projected population for those years. Using the statewide GHG inventories, percentage reductions can be derived for various baseline years

Total Carlsbad GHG emissions from the ~~2005~~ 2012 inventory were ~~630,310~~977,000 ~~metric tons carbon dioxide equivalents (~~MTCO$_2$e~~)~~ per year. Therefore, the 2020 target under State guidance is a 4~~15~~ percent reduction from ~~2005~~ 2012 emissions, which corresponds to a target of ~~535,763~~939,000 MTCO$_2$e. The 2030 target would be 42 percent below 2012 levels and the 2050 goal would be 81 percent below 2012 levels.

~~The long range 2050 target set by EO S-3-05 is an 80 percent reduction from 2020 emissions target, which represents the level scientists believe is necessary to stabilize the climate. The 2050 target for Carlsbad is citywide emissions of 107,153 MTCO$_2$e. This is a substantial decrease in overall emissions, over 500,000 MTCO$_2$e below baseline 2005 emissions levels.~~ While CARB's Scoping Plan does not specifically set target levels for intermediate years between ~~2020~~2030 and 2050, the Scoping Plan recommends a linear progression in annual GHG emissions reductions to meet the final targets.

The horizon year for this CAP is 2035, corresponding with the ~~Draft~~ General Plan horizon. The CAP uses a linear trajectory in emissions reductions between ~~2020~~ 2030 and 2050 to determine the 2035~~,~~ target. Table 3-1 summarizes these emissions targets and the percentage reduction from ~~2005~~ 2012 emissions. ~~Figure 3-1 graphs the emissions targets, following a linear trajectory, from 2020 to 2035. As can be seen, the baseline exceeds the 2020 reduction target by 15 percent, and the 2035 target by 49 percent.~~

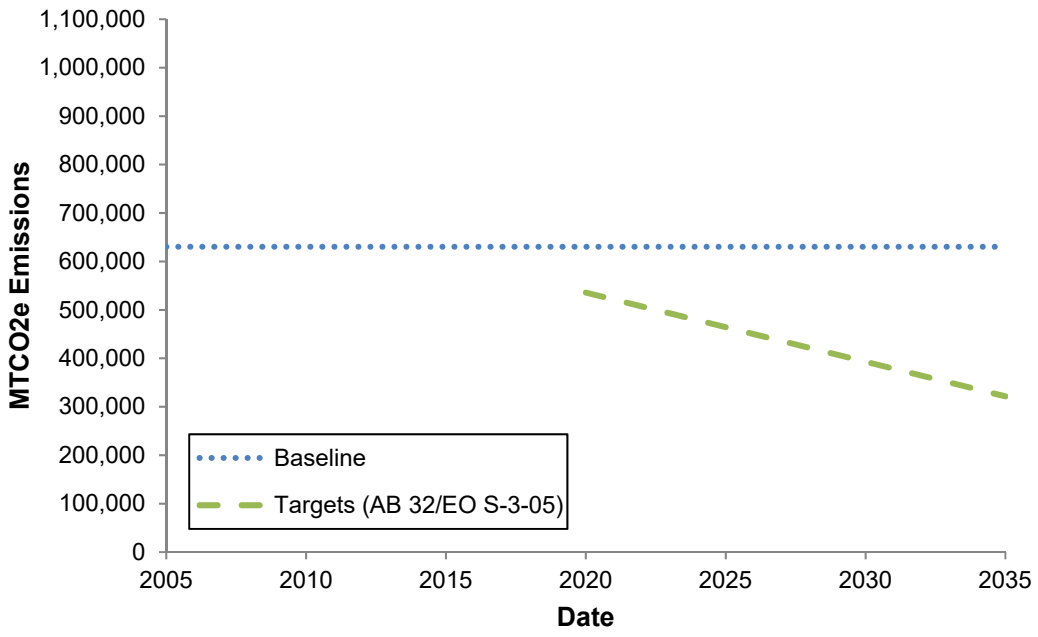
TABLE 3-1: ~~2005~~ 2012 EMISSIONS AND EMISSIONS TARGETS

Year	GHG Emissions and Targets	Reduction From 2012~~2005~~ Baseline
~~2005~~2012	~~630,310~~977,000 MTCO$_2$e	N/A
2020	~~535,763~~939,000 MTCO$_2$e	~~15~~ 4 percent
2035	~~321,458~~472,000 MTCO$_2$e	~~49~~ 52 percent

[13] CARB 2014. *First Update to the Climate Change Scoping Plan. Building on the framework pursuant to AB 32 the California Global Warming Solutions Act of 2006,* pg. 113

[14] CARB 2017. *California's 2017 Climate Change Scoping Plan. The strategy for achieving California's 2030 greenhouse gas target,* pg. 101.

~~Figure 3-1: 2005 Emissions and Emissions Targets~~



3.2 Business as Usual Forecast

The first step in projecting GHG emissions is to calculate the business as usual forecast (BAU). The ~~business as usual (~~BAU~~)~~ forecast estimates community emissions through the year 2035, based on the growth in emissions ~~from the 2005 to 2011 citywide inventory~~in the absence of any new policies or programs. The BAU calculation relies upon the latest data available, as well as the most recent projections for population, housing and job growth. ~~The increase in community emissions from 2005 to 2011 was linearly projected outward to the year 2035. The BAU forecast simply assumes that emissions will increase in the future at the same growth rate that occurred between the 2005 and 2011 citywide inventories. Thus, BAU emissions are forecast to reach 1,007,473 $MTCO_2e$ in the year 2035.~~ The BAU calculation typically represents a linear extrapolation of the most recent data, holding other variables constant.

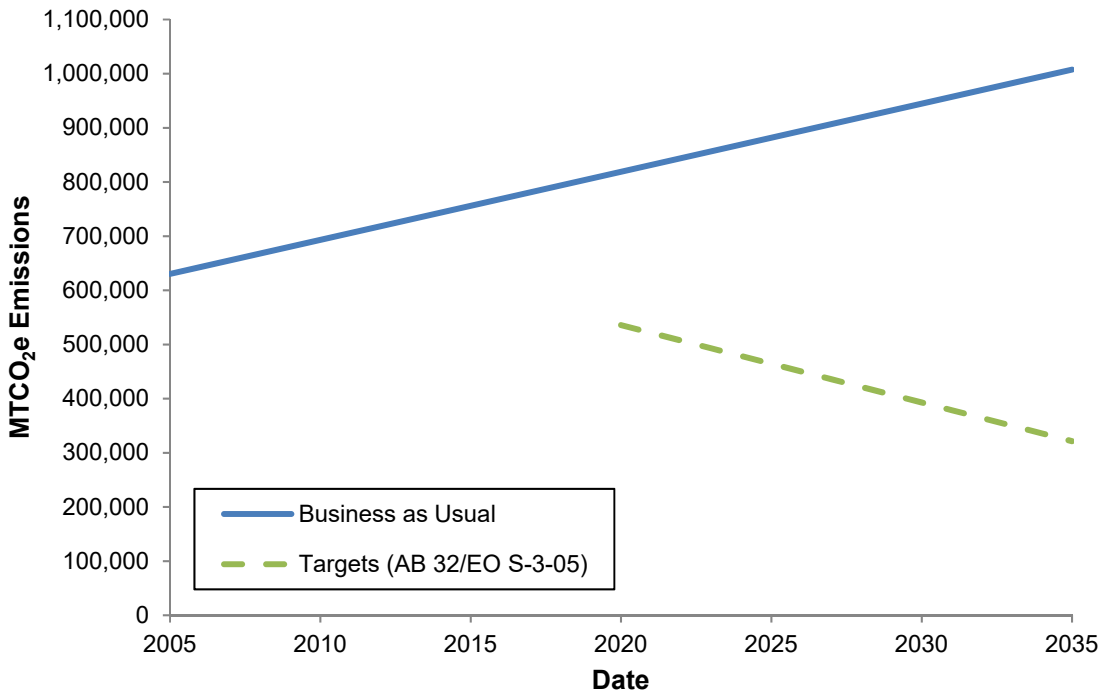
The BAU includes emissions projections in the following categories:

- On-road Transportation
- Electricity
- Natural Gas
- Solid Waste

- Off-road Transportation
- Water
- Wastewater

~~Figure 3-2 shows the difference between emissions under the business as usual forecast and the 2020 and 2035 emissions targets.~~

~~Figure 3-2: Business as Usual Forecast and Emissions Targets~~



~~3.3 Community Forecast with General Plan Land Use and Circulation System~~

Methodology

The Series 14 Regional Growth Forecast included in the SANDAG 2019 Federal Regional Transportation Plan was used to obtain the population and job growth in Carlsbad. As of March

2020, SANDAG Series 14 Growth Forecast does not have a breakdown of the number of jobs by employment type (e.g. construction, agriculture) for each jurisdiction. Therefore, the ratio of the number of jobs by each employment type to total number of jobs from SANDAG Series 13 Growth Forecast were applied to the job forecast from Series 14. Table 3-2 shows the population and job growth projections for 2020 and 2035.

TABLE 3-2: 2020 and 2035 POPULATION AND JOB GROWTH FORECAST

Year	Population	Commercial Jobs	Industrial Jobs	Total Jobs
2020	116,101	65,880	12,548	78,428
2035	119,798	74,039	14,103	88,142

Source: SANDAG 2013, 2019, Energy Policy Initiative Center, 2020

~~The Statewide Energy Efficiency Collaborative model (SEEC) is used to predict community GHG emissions across all sectors to 2035. A product of the collaborative, this tool is based on the International Council for Environmental Initiatives' (ICLEI's) Clean Air and Climate Protection (CACP) model used to estimate the 2005 and 2011 emissions inventories. The primary reason for using SEEC rather than CACP is that SEEC includes the effects of the Renewable Portfolio Standard (RPS) and Pavley I Fuel Economy Standards, whereas CACP requires manual adjustment to account for the state mandated electrical production and fuel efficiency improvements. Section 3.4 quantifies other state and federal actions that reduce GHG emissions and incorporates these actions into the forecast.~~

~~The SEEC community forecast predicts all direct GHG emissions[15] from sources within the boundaries of the City of Carlsbad, including fuel combusted in the community[16] and direct emissions from landfills within the community. Indirect emissions associated with the consumption of energy that is generated outside the borders of the city are also included. Other indirect or embodied emissions are not covered in the forecast, in accordance with ICLEI standards. The SEEC community forecast tallies emissions from seven sectors:~~

- ~~Residential~~
- ~~Commercial~~
- ~~Industrial~~
- ~~Transportation~~
- ~~Solid Waste~~

[15] ~~GHGs considered in the report are carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), and hydrofluorocarbons. The emissions have been converted to carbon dioxide equivalents (CO_2e), which converts the three other GHGs into the equivalent volume of carbon dioxide.~~

[16] ~~This does not include the Encina Power Station, for reasons described in Chapter 2.~~

- ~~Landfills~~[17]
- ~~Wastewater~~

~~The emissions projected in the SEEC community forecast use the activity data (or usage) from the 2005 community inventory as an initial value, and the 2011 inventory to provide an intermediate value to adjust the model. The predicted growth in each sector is then added into the model to project future emissions. The following section describes how the predicted growth in each section was determined.~~

Inputs

~~Residential~~On-Road Transportation

Emissions related to on-road transportation are based upon the vehicle miles traveled (VMT) and the average vehicle emission rate for the San Diego region. VMT is calculated using the SANDAG Activity-Based Model and the Origin-Destination (O-D) method. 2035 VMT projections are estimated from extrapolating SANDAG Series 14 2016 VMT data according to service population. The service population is the sum of population and jobs, which is projected to be 207,940 in 2035. With an average annual VMT of 1,231,554,425 miles, and an average vehicle emission rate of 361 pounds of CO_2e per mile, the projected 2020 emissions from on-road transportation are 452,000 $MTCO_2e$ and 2035 emissions total 445,000 $MTCO_2e$.

Electricity

Emissions projections from the residential electricity sector are ~~from electricity and natural gas demand. The growth in residential electricity and natural gas consumption was assumed to scale with population growth, estimated at 0.9 percent per year thorough 2035, based on General Plan buildout estimates.~~ based upon the per capita electricity use on 2014 (2,159 kWh per person per year) multiplied by the SANDAG Series 14 population forecast. The commercial and industrial emissions projections are based upon per-job electricity consumption on 2016 (6,936 kWh per commercial job per year and 10,126 kWh per industrial job per year) multiplied by the SANDAG Series 13 job growth forecast. The projected 2020 emissions from electricity are 274,000 $MTCO_2e$ and 2035 emissions total 296,000 $MTCO_2e$.

~~Commercial~~Natural Gas

The emissions projections for natural gas are calculated similar to those for electricity. Per capita consumption for 2016 (118 therms per person per year, 151 therms per commercial job per year, and 126 therms per industrial job per year) multiplied by population and job growth forecasts. The projected 2020 emissions from natural gas are 137,000 $MTCO_2e$ and 2035 total 147,000 $MTCO_2e$.

~~increase in commercial demand for electricity and natural gas was assumed to scale with the General Plan employment forecasts to 2035 in the commercial sector by land use category:~~

[17] ~~The 2011 inventory considered landfill emissions as part of solid waste. The SEEC model separates out landfills from solid waste as an emissions source, so the separation has been preserved in this chapter.~~

~~commercial, hotel, office, and other, including construction and transportation related employment. For 2010 to 2035, an annual growth of 1.1 percent was used.~~

~~Industrial~~Solid Waste

The emissions from solid waste disposal are based upon the per capita disposed in 2016 (3.5 kilograms per person per day) multiplied by forecasted population growth. The projected 2020 emissions from solid waste are 36,000 $MTCO_2e$ and 2035 emissions total 37,000 $MTCO_2e$.

~~growth rate in industrial electricity and natural gas demand was based on General Plan employment forecasts to 2035 in the industrial sector. An annual growth rate of 0.8 percent was used through 2035.~~

Off-Road Transportation~~—With General Plan Land Use and Circulation System~~

The emissions from off-road transportation include four categories: lawn and garden equipment, light commercial equipment, construction and mining, and industrial. Lawn and garden equipment include sources such as lawn mowers, chainsaws and leaf blowers. Light commercial equipment includes sources such as generators and pumps. The construction and mining emissions sources include excavators, off highway tractors and paving equipment. Industrial equipment sources include forklifts, aerial lifts and sweepers. These emissions are derived from several models, such as OFFROAD2007 and RV2013, and the CARB In-Use Off-Road Equipment 2011 Inventory. The projected 2020 emissions from off-road transportation are 15,000 $MTCO_2e$ and 2035 emissions total 19,000 $MTCO_2e$.

~~Transportation emissions are based on the emissions associated with VMT. The VMT projections were taken from SANDAG GIS models of regional VMT projections clipped to the city boundaries and adjusted to remove through trips, or trips that did not originate nor end within city boundaries.[18] The SANDAG data was reported as daily weekday VMT. This was converted to annual VMT by multiplying it by 347, as recommended by CARB.[19]~~

~~The VMT forecasts incorporate GHG reductions from General Plan land use projections and new roadway construction thorough 2035. These VMT forecasts reflect the General Plan land use patterns, include the effects of compact and infill, mixed-use, and transit-oriented development, and the protection of open space. New roadway construction includes the effects of street extensions and citywide traffic signalization. The land use projections and new roadway construction are described in detail in the General Plan.~~

~~The SEEC model automatically incorporates the effect of Pavley I Fuel Economy Standards. Table 3-2 shows the citywide VMT for 2011 and projected VMT forecast, used to estimate transportation emissions.~~

~~[18] Excluding through trips removes much of the regional traffic through the Interstate 5 Freeway.~~

~~[19] 347 was used instead of 365 to average out the effect of a dip in traffic during the weekend.~~

~~TABLE 3-2: 2011 VMT AND PROJECTED 2020 AND 2035 VMT[20]~~	
~~Year~~	~~Vehicle Miles Traveled~~
~~2011~~	~~510,973,969~~
~~2020~~	~~560,972,562~~
~~2035~~	~~651,739,086~~

~~Solid Waste~~

~~Waste emissions from solid waste disposed of in Carlsbad and taken to landfills elsewhere, was assumed to scale with population growth at 0.9 percent per year through 2035.~~

~~Landfill~~Water

The emissions from water are based upon the 2016 per capita water consumption (141 gallons per person per day for potable water and 32 gallons per person per day for recycled water) multiplied by forecasted population growth. The projected 2020 emissions from water are 9,000 $MTCO_2e$ and 2035 emissions total 9,000 $MTCO_2e$.

~~Emissions from the landfill sector are an estimate of methane generation from the anaerobic decomposition of all organic waste sent to a landfill. Within city boundaries, landfill emissions are comprised of leaking methane from the closed Palomar Airport Landfill. Currently, most of the methane generated at this capped landfill is captured. The EPA estimates 95 percent methane capture rate for capped landfills and estimates that emissions follow a first-order exponential decay. Therefore, baseline landfill emissions were estimated to decrease exponentially over time, at a decay rate of 5 percent over 10 years to 2035, the largest allowed percentage decrease in the model.~~

Wastewater

The emissions from wastewater are based upon the 2016 per capita wastewater generation (53 gallons per person per day) multiplied by forecasted population growth. The projected 2020 emissions from wastewater are 3,000 $MTCO_2e$ and 2035 emissions total 3,000 $MTCO_2e$.

~~The Carlsbad Municipal Water District's 2010 Urban Water Management Plan (UWMP) was used to determine the growth in emissions from wastewater treatment.[21] The demand for~~

~~[20] VMT includes the effect of an additional 327 units above the growth cap in the Northwest Quadrant by 2035, as shown in the 2014 Draft General Plan. While the City Council will adjust housing sites or densities at adoption time so that the development cap is not breached, the inclusion of these units in the CAP represents a conservative estimate that leads to a slightly higher VMT (and corresponding GHG emissions) above levels anticipated under General Plan that would be adopted.~~

~~[21] Carlsbad Municipal Water District serves the majority of the city, with the exception of the southeast corner of the City, which is served by Olivenhain Municipal Water District, and Vallecitos Water District. The changes in water demand from the UWMP were assumed to be representative of the city as a whole for the purposes of the SEEC model.~~

~~wastewater treatment was assumed to scale with projected 2035 water deliveries listed in the UWMP. The UWMP includes the effect of conservation policies. Table 3-3 shows water deliveries and annual growth rates used in the forecast.~~

~~TABLE 3-3: PROJECTED UWMP WATER DELIVERY, USED TO DETERMINE WASTEWATER EMISSIONS~~		
~~Year~~	~~Water Delivery (acre-feet per year, all sectors)~~	~~Annual Percentage Growth~~
~~2005~~	~~19,759~~	~~-~~
~~2010~~	~~15,076~~	~~-5.3%~~
~~2020~~	~~20,529~~	~~3.1%~~
~~2030~~	~~21,147~~	~~0.3%~~
~~2035~~	~~22,122~~	~~0.9%~~

~~*Source: 2010 Carlsbad Municipal Urban Water Management Plan*~~

Results

Table 3-34 shows the emissions from the business-as-usual~~SEEC~~ community forecast for each sector—residential, commercial, industrial, transportation, solid waste, landfill, and wastewater—and the sum total community emissions. ~~The forecast includes the reduction from RPS and Pavley I Fuel Economy Standards, which are quantified separately in Section 3.5, below. The forecast also includes the effect of the General Plan land use and circulation system on transportation emissions (compact, infill, mixed-use, and transit-oriented development, open space protection, new traffic signals and roadway extensions). The Carlsbad General Plan EIR quantifies the reduction in VMT due to the proposed General Plan in comparison to higher VMT under the existing General Plan (the No Project alternative).~~

The greatest projected emissions continue to be from the on-road transportation ~~sector~~category, which accounts for 48.9~~1~~ percent of emissions in 2020 and ~~36~~ 46.5 percent of emissions in 2035. ~~Residential~~ Electricity emissions are the next largest ~~sector~~category, with 29.6~~6~~ percent of emissions in 2020 and ~~28~~ just under 31 percent of the total in 2035. ~~Commercial, industrial, and~~Emissions from solid waste, off-road transportation, water and wastewater remain relatively low compared to other categories.~~, and landfill emissions are the next largest sectors in order of total emissions.~~

TABLE 3-3: 2020 COMMUNITY FORECAST EMISSIONS BY CATEGORY		
Emissions Category	GHG Emissions ($MTCO_2e$)	Percentage of Total Emissions (%)
On-Road Transportation	452,000	48.9
Electricity	274,000	29.6
Natural Gas	137,000	14.8
Solid Waste	36,000	3.9
Off-Road Transportation	15,000	1.6

Water	9,000	<1
Wastewater	3,000	<1
TOTAL	**926,000**	**100**

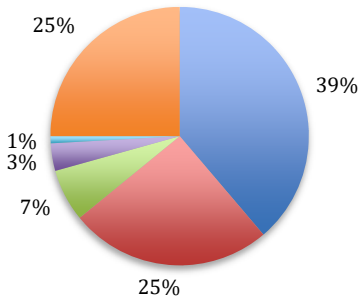
TABLE 3-4: 2035 COMMUNITY FORECAST EMISSIONS BY CATEGORY~~BY SECTOR, 2011, 2020, AND 2035 ($MTCO_2e$)~~

~~Sector~~Emissions Category	GHG Emissions ($MTCO_2e$)~~2035~~	Percentage of Total Emissions (%)
~~Residential~~On-Road Transportation	~~163,881~~445,000	46.5
~~Commercial~~Electricity	~~148,978~~296,000	30.9
~~Industrial~~Natural Gas	~~35,249~~147,000	15.3
~~Transportation~~Solid Waste	~~210,568~~37,000	3.8
~~Solid Waste~~Off-Road Transportation	~~26,002~~19,000	1.9
~~Landfill~~Water	~~558~~9,000	<1
Wastewater	~~4,601~~3,000	<1
TOTAL	**956,000**	**100**
~~**TOTAL**~~	~~**589,837**~~	

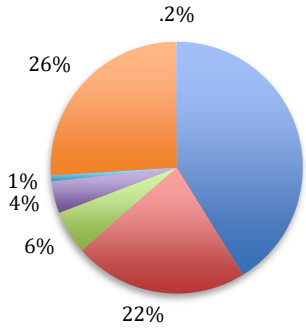
The BAU projections of 926,000 $MTCO_2e$ for the Carlsbad community GHG emissions fall below the 2020 target emissions level of 939,000 $MTCO_2e$. Therefore, the next steps in the projections of emissions only include a forecast for 2035.

~~Figure 3-3: Comparison of Emissions by Sector in 2011, 2020 and 2035~~

~~2011~~ **~~2020~~**



Transportation
Commercial
Industrial
Solid Waste
Wastewater
Residential



Transportation
Commercial
Industrial
Waste
Wastewater
Residential
Landfill

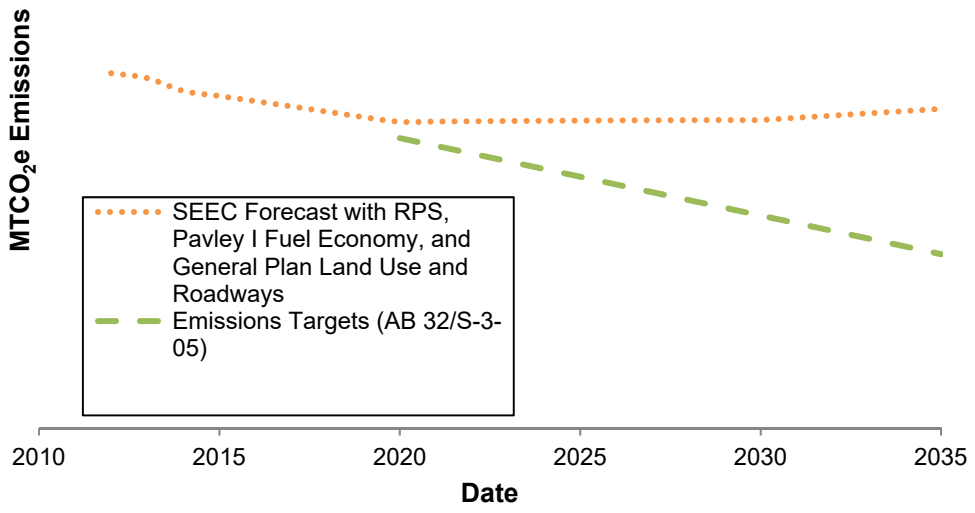
~~2035~~

.1%

~~Figure 3-4 shows the change in SEEC-modeled community forecast emissions over time. Total emissions are projected to decrease from 705,744 $MTCO_2e$ in 2011 to 565,873 $MTCO_2e$ in 2020 (a decrease of 20 percent). The initial drop in emissions is mostly caused by the implementation of the RPS, which causes a decrease in residential, commercial, and industrial emissions, and Pavley I Fuel Economy Standards, which decrease transportation emissions. Over time, the decreases in emissions from an increased amount of renewable power usage and fuel efficiency improvements are canceled out by population growth, which cause emissions to increase from 2020 values to 589,873 $MTCO_2e$ in 2035 (an increase of 4 percent).~~

~~In 2020, the total emissions of 565,873 are about 30,000 $MTCO_2e$ above the AB 32 target emissions. The following section quantifies GHG reductions from State and Federal actions and applies them to the emissions forecast.~~

~~**Figure 3-4: Community Forecast with RPS, Pavley I Fuel Economy Standards, and General Plan Land Use and Roadways**~~



~~3.4~~3.3 Government Operations Forecast

Methodology

The SEEC government operations forecast, which is a subset of the community forecast, covers direct emissions from the sources the City of Carlsbad owns and/or controls. The emissions from government operations are included in the totals shown in Table 3-4 and Figure 3-4 above. This section separates out emissions from government operations for accounting purposes. The government operations forecast includes mobile combustion of fuel for city vehicles and the use of natural gas to heat city buildings. Indirect emissions associated with the consumption of electricity, steam, heating, or cooling for city operations that are purchased from an outside utility are also forecast. All other indirect emissions sources, including employee commute and the decomposition of government-generated solid waste, are not included as part of the local government forecast, but rather are counted in the community forecast. The government operations inventory covers emissions from the following sectors:

- Buildings and Facilities

- Vehicle Fleet
- Public Lighting
- Water Delivery Facilities
- Wastewater Transport

The government operations forecast uses 2005 inventory to represent baseline emissions, and the 2011 inventory to provide an intermediate value to adjust the model.

Within each sector, certain types of emissions are assumed to scale with population growth, projected to grow at 0.9 percent annually through 2035, while other types of emissions are expected to remain constant or decrease with efficiency improvements. The following sections describe the assumptions underlying the forecast growth rates for each government operations sector.

Buildings and Facilities

The 2005 and 2011 inventories of emissions from all buildings and facilities operated by the city were used to determine the future growth for this sector. The natural gas and electricity demands were assumed to scale with population for departments such as Police, Fire, and Parks and Recreation, while others, such as Administration and Utilities, would remain staffed at current levels. These growth rates were then combined to determine an aggregate annual growth rate of 0.7 percent, which was applied to the buildings and facilities sector.

Vehicle Fleet

An estimate of the growth in the number of City employees was used to determine City fleet use. The growth in fleet emissions beyond 2011 was estimated by assuming—similar to the Buildings and Facilities sector—that certain departments would scale with population growth, while others would remain staffed at current levels. These growth rates were then combined to determine an aggregate annual growth rate of 0.6 percent, which was applied to the city fleet sector.

Public Lighting

From 2005 to 2011, electricity use for streetlights decreased approximately 4 percent due to the installation of some energy-saving induction streetlights. Following the completion of the installation of all induction streetlights, the City's electricity demand for streetlights was further reduced, which is reflected in the forecast energy demands for this sector.

Water Delivery and Wastewater

The increased demand for energy usage for water delivery and wastewater was assumed to be proportional to the amount of water delivered by the Carlsbad Municipal Water District (CMWD), as projected in the 2010 Urban Water Management Plan (UWMP). CMWD's service area covers about 85 percent of the City, and it was assumed that water and wastewater usage in the remaining 15 percent of the City, served by Olivenhain Municipal Water District

and Vallecitos Water District, would follow similar water use patterns as outlined in the 2010 UWMP.

Results

The city operations forecast for 2020 and 2035 is shown by sector in Table 3-5. Government operations emissions are projected to decrease from the 2011 inventory total of 8,205 $MTCO_2e$ to 5,185 $MTCO_2e$ in 2020. The decrease in emissions is primarily due to the implementation of the RPS and the fuel efficiency gains from Pavley I standards. Emissions are forecast to then increase at a low rate through the year 2035 to 5,922 $MTCO_2e$, due to projected increases in city staff in select departments to accommodate an increased need for city services.

The relative contribution of each sector to the total city operations emissions is generally constant over time. The two largest emissions sectors are buildings and facilities, comprising about 40 percent of total emissions, and fleet emissions, which are approximately 33 percent of the total emissions. Streetlights are about 15 percent of total emissions, followed by wastewater facilities at 8 percent, and water delivery facilities at 1 percent. Overall, government operations emissions are forecast to remain a small portion of community emissions, about 0.9 percent in 2020 and 1 percent in 2035. Chapter 4 discusses mitigation measures that will reduce government operations emissions.

TABLE 3-5: GOVERNMENT OPERATIONS EMISSIONS INVENTORY (2011) AND 2020, 2035 FORECAST ($MTCO_2e$)

Sector	2011	2020	2035
Building & Facilities	3,410	2,192	2,409
Streetlights	1,747	902	902
Water Delivery Facilities	79	71	76
Wastewater Facilities	716	470	506
Fleet	2,253	2,092	2,029
TOTAL	**8,205**	**5,185**	**5,922**

~~3.5~~3.4 GHG Reductions to Community Forecast from ~~State and~~ Federal and State Actions

Methodology

The next step in projecting GHG emissions is the consideration of GHG reductions from state and federal actions ~~and other trends to the community forecast are quantified in this section~~. This projection is known as the legislatively-adjusted BAU since it still lacks any potential GHG reductions from local policies and programs.

The federal and state actions included in the legislatively-adjusted BAUThese reductions include the following:

- Renewable Portfolio StandardFederal and California Vehicle Efficiency Standards
- Pavley I fuel economy standardsCalifornia Energy Efficiency Standards
- Low Carbon Fuel StandardCalifornia Solar Policy, Programs and 2019 Mandates
- Title 24 building efficiency improvementsRenewable Portfolio Standard
- Reductions in VMT from rising gasoline prices[22]

The GHG reductions from these factors were quantified using the EPIC mitigation calculator. The Energy Policy Initiatives Center (EPIC) at the University of San Diego developed this model to create business as usual projections, set targets, and calculate levels of mitigation measures for all local jurisdictions in the San Diego region. As the EPIC model was developed specifically for cities within San Diego County and the mitigation calculator calculates the effect of the federal and statewide reductions, it was selected to quantify these policies and actions. GHG reductions from the RPS and Pavley I fuel economy standards were accounted for in the SEEC model; however, they are quantified separately in this section for informational purposes.

Renewable Portfolio Standard (RPS)Federal and California Vehicle Efficiency Standards

California's RPS, established in 2002 by the California State Senate in Senate Bill 1078, accelerated in 2006 and expanded in 2011, is one of the most ambitious renewable energy standards in the country. The RPS requires that investor-owned utilities like SDG&E supply 33 percent of their electricity from renewable resources by 2020. While a renewable portfolio standard past 2020 has not been established, the assumption used in the EPIC mitigation calculator was that the 33 percent renewable standard would be extended through the year 2035—a conservative assumption, given that this is targeted to already be attained by 2020. . Table 3-6 lists the reductions from the RPS in 2020 and 2035.

The federal and California vehicle efficiency standards vary by type of vehicle. For passenger cars and light-duty vehicles, the applicable standards are the Federal Corporate Average Fuel Economy (CAFE) standards and California Advanced Clean Car (ACC) Program. The CAFE standards are developed by the U.S Department of Transportation's National Highway Transportation Safety Administration (NHTSA) and regulate how far vehicles must travel on

[22] The rise in gasoline prices are not a result of any state or federal policy or action, but are included in this section as part of a larger systemic trend forecast to occur regardless of other emission reduction measures.

a gallon of fuel. The ACC program was adopted by CARB and combined the control of smog-causing pollutants and GHG emissions into a single coordinated package of regulations.

For heavy-duty vehicles (heavy-duty trucks, tractors, and buses), the applicable regulations are the U.S. Environmental Protection Agency's (US EPA) Phase-I GHG Regulation and CARB Tractor-Trailer GHG Regulation. The US EPA regulation was developed in coordination with the NHTSA and calls for GHG emissions and fuel economy standards. The CARB regulation reduces GHG emissions by improving aerodynamic performance and reducing the rolling resistance of tractor-trailers. The reductions projected from the federal and California vehicle efficiency standards total 113,968 $MTCO_2e$ in 2035.

~~TABLE 3-6: RPS GHG REDUCTIONS~~	
~~Year~~	~~$MTCO_2e$ Reductions~~
~~2020~~	~~48,962~~
~~2035~~	~~36,160~~

~~Pavley I Fuel Economy Standards~~California Energy Efficiency Programs

~~In 2009, CARB adopted amendments to the Pavley regulations to reduce GHG emissions in new passenger vehicles from 2009 to 2016. The standards set became the model for the updated Corporate Average Fuel Economy (CAFE) standards set by the US EPA. The emissions reductions from the improved fuel efficiency standards were calculated using the EPIC mitigation calculator, and were phased in following the 2011 inventory. Table 3-7 lists the emissions reductions from Pavley I fuel economy standards in 2020 and 2035. These reductions are already quantified and applied in the SEEC community forecast, and have been listed separately here for reference purposes.~~ In September 2017, the California Public Utilities Commission (CPUC) adopted energy efficiency goals for ratepayer-funded energy efficiency programs (Decision 17-09-025); these went into effect in 2018. The sources of the energy savings include, but are not limited to, rebated technologies, building retrofits, behavior-based initiatives, and codes and standards. The reductions projected from the California energy efficiency programs total 19,110 $MTCO_2e$ in 2035.

~~TABLE 3-7: PAVLEY I FUEL ECONOMY STANDARD GHG REDUCTIONS~~	
~~Year~~	~~$MTCO_2e$ Reductions~~
~~2020~~	~~40,354~~
~~2035~~	~~48,369~~

~~Low Carbon Fuel Standard~~California Solar Policy, Programs and 2019 Mandates

~~The Low Carbon Fuel Standard, adopted by CARB, is performance based and is designed to reduce the GHG intensity of transportation fuels by 10 percent by 2020. The regulation established annual performance standards that fuel producers and importers must meet beginning in 2011. The Low Carbon Fuel Standard applies to all fuels used for transportation in California, including gasoline, diesel fuel, E85, compressed or liquefied natural gas, biogas, and electricity. The Standard is also "lifecycle" based, meaning the entire extraction, recovery, production and transportation of the fuel is taken into account. The default assumption of 10 percent reduction in GHG intensity was assumed to continue through 2035 for the EPIC mitigation calculator. Table 3-8 shows the reductions from the Low Carbon Fuel Standard in 2020 and 2035.~~ California has several policies and programs to encourage customer-owned, behind-the-meter PV systems, including the California Solar Initiatives, New Solar Home Partnership, Net Energy Metering, and electricity rate structures designed for solar customers. The California Solar Initiative is the solar rebate program for customers of the investor-owned utilities, including SDG&E. The New Solar Home Partnership provides financial incentives and other support to home builders to encourage the construction of new, energy efficient solar homes. This assistance terminates on December 31, 2021. Net Energy Metering provides utility customers a credit for the unused electricity produced by their solar system. The new California 2019 Building Energy Efficiency Standards, which went into effect on January 1, 2020, require all newly constructed single-family homes, low-rise multi-family homes, and detached accessory dwelling units (ADUs) to have PV systems installed, unless the building receives an exception. The reductions projected from the California solar policy, programs and 2019 mandates total 37,125 $MTCO_2e$ in 2035.

~~TABLE 3-8: LOW CARBON FUEL STANDARD GHG REDUCTIONS~~	
~~Year~~	~~$MTCO_2e$ Reductions~~
~~2020~~	~~20,545~~
~~2035~~	~~14,906~~

~~Title 24 Building Efficiency Improvements~~Renewable Portfolio Standard

~~Title 24 is California's Building Energy Code, which is updated every three years. In 2010, Title 24 was updated to include the California Green Building Standards Code, referred to as CALGreen. CALGreen requires that new buildings reduce water consumption, increase system efficiencies, divert construction waste from landfills, and install low pollutant-emitting finish materials. CALGreen has mandatory measures that apply to nonresidential and residential construction. The most recent CALGreen code became effective in 2014.~~

~~The Title 24 building efficiency improvements determine the effect of the CALGreen code mandatory measures for new building construction using the 2010 code update.[23] Table 3-9 lists the GHG reductions from building efficiency improvements in new construction calculated using the EPIC mitigation calculator in 2020 and 2035.~~ SB 100, the 100 Percent Clean Energy Act of 2018, adopts a 60% RPS for all of California's retail electricity suppliers by 2030; this increased the RPS standard from 50% to 60%. The legislation also provides goals for the intervening years before 2030 and establishes a State policy requiring that "zero-carbon" resources supply 100% of all retail electricity sales to end-user customers and all State agencies by December 31, 2045. If interpolated linearly between 60% renewable in 2030 and 100% zero-carbon in 2045, the interim 2035 target would be 73% renewable. The reductions projected from the RPS total 186,115 $MTCO_2e$ in 2035.

~~TABLE 3-9: TITLE 24 BUILDING EFFICIENCY IMPROVEMENTS GHG REDUCTIONS~~	
~~Year~~	~~$MTCO_2e$ Reductions~~
~~2020~~	~~1,836~~
~~2035~~	~~3,582~~

~~Reduction in VMT from Rising Gasoline Prices~~

~~The U.S. Energy Information Administration (EIA) collects, analyzes and disseminates independent and impartial energy information, including projections of future gasoline prices. The 2013 EIA gasoline projection estimate a pump price of gasoline of $4.00 per gallon in 2020 and $6.00 in 2035 per gallon in California.[24]~~

~~The EPIC mitigation calculator measures emissions reductions from changes in fuel consumption as a result of gasoline price increases. The reductions in GHG emissions based on the Energy Information Administration gasoline prices are shown in Table 3-10. Although the projected rise in gasoline prices is not the direct result of a federal or state policy, this effect was considered in this section, as it is a larger systemic trend that is forecast to occur regardless of other emissions reductions measures.~~

~~TABLE 3-10: GHG REDUCTIONS FROM RISING GASOLINE PRICES~~	
~~Year~~	~~$MTCO_2e$ Reductions~~
~~2020~~	~~12,201~~
~~2035~~	~~71,316~~

~~[23] The EPIC mitigation calculator is based on the 2010 CALGreen code. The 2014 CALGreen code and subsequent updates will likely result in greater GHG reductions as building efficiency standards improve.~~

~~[24] Both values are listed in 2010 dollars.~~

RESULTS

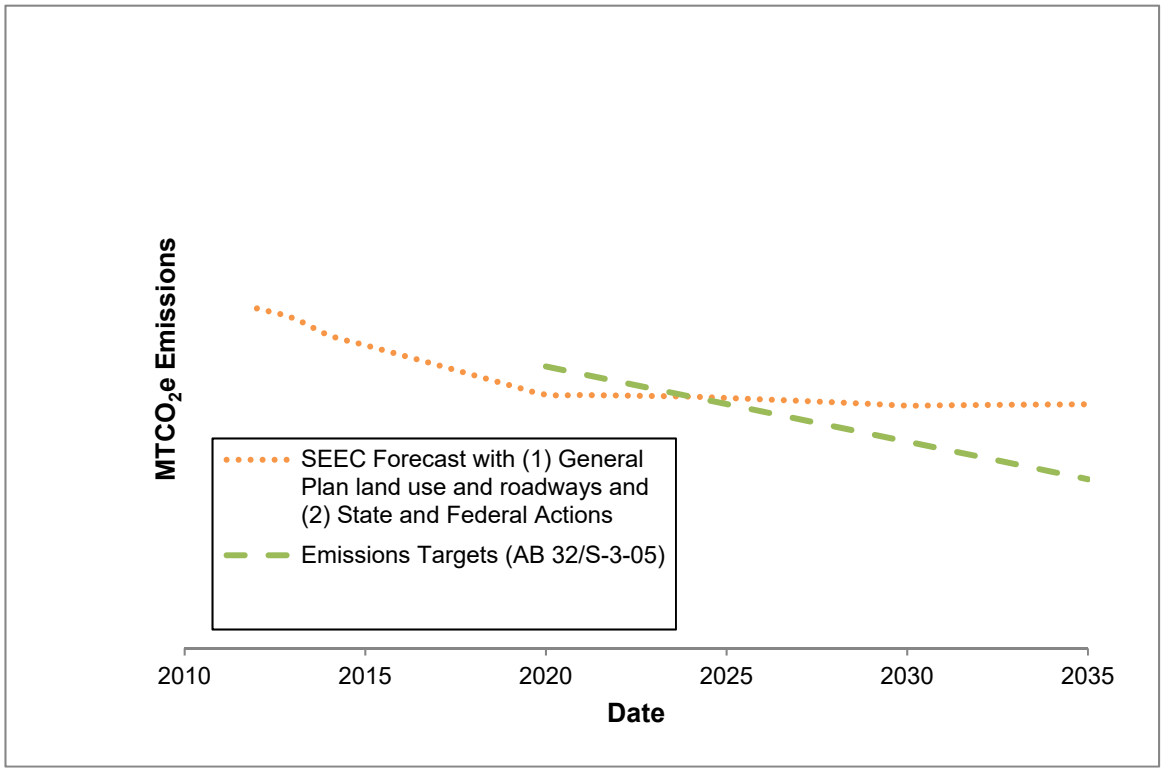
The annual reductions from the above state and federal actions—Federal and California Vehicle Efficiency Standards, California Energy Efficiency Standards, California Solar Policy, Programs and 2019 Mandates, and Renewable Portfolio StandardRPS, Pavley I Fuel Economy Standards, Low Carbon Fuel Standard, Title 24 building efficiency improvements, and the reductions in VMT from rising gasoline prices—were combined. Table 3-11 lists shows the total SEEC community forecast in 2020 and 2035 considering federal and state actions, or legislatively-adjusted BAU., juxtaposed with reductions from state and federal actions not accounted for in the SEEC forecast: the Low Carbon Fuel Standard, Title 24 Building Standards, reductions in VMT from higher gasoline prices, and the assumed continuation of the Renewable Portfolio Standard after the year 2020. Figure 3-5 shows the SEEC Forecast with General Plan land use and new roadways, as well as state and federal actions.

TABLE 3-11: COMMUNITY FORECAST WITH STATE AND FEDERAL ACTIONS ($MTCO_2e$)

Year	Business-As-Usual Community Forecast Emissions ~~with General Plan Land Use and New Roadways~~	~~Low Carbon Fuel Standard Reduction~~Federal and California Vehicle Efficiency Standards	~~Title 24 Building Efficiency Improvements~~California Energy Efficiency Programs	~~Reductions in VMT from Rising Gasoline Prices~~California Solar Policy, Programs and 2019 Mandates	~~Continuation of~~ Renewable Portfolio Standard~~, 2020 to 2035*~~	Total Forecast Emissions ~~with General Plan Land Use and New Roadways &~~with State and Federal Actions
~~2020~~	~~565,873~~	~~20,545~~	~~1,836~~	~~12,201~~	~~48,962~~	~~482,329~~
2035	~~589,837~~956,000	~~14,906~~113,968	~~3,582~~19,110	~~71,316~~37,125	~~36,160~~186,115	~~463,873~~599,682

~~*RPS considered in SEEC forecast through 2020, RPS continuation through 2035 modeled in EPIC~~

~~**Figure 3-5: Community Forecast with (1) General Plan Land Use and New Roadways and (2) State and Federal Actions ($MTCO_2e$)**~~



~~3.6~~3.5 Modified Baseline: GHG Reductions from Additional General Plan Policies and Actions

Methodology

This section describes General Plan policies and actions that reduce GHG emissions, quantifies emissions reductions, and explains how these policies and actions will be implemented. These reductions are from policies and actions in addition to ~~Pavley I, the RPS, and the General Plan land use and circulation system, which incorporate reductions from "No Project" conditions which are already reflected in the SANDAG modeling discussed previously~~BAU and legislatively-adjusted BAU discussed in previous sections. The General Plan policies and actions are organized according to the following categories:

- Bikeway System Improvements
- Pedestrian Improvements and Increased Connectivity
- Traffic Calming
- Parking Facilities and Policies
- Transportation Improvements

The California Air Pollution Control Officers Association's (CAPCOA's) Quantifying Greenhouse Gas Mitigation Measures report was developed as a resource for local governments to assess emissions reductions from GHG mitigation measures. This section uses the methodology outlined in the CAPCOA report for each category to quantify emissions reductions from the General Plan policies and actions.[25] The reductions are applied to the community forecast in the following section to get the "modified baseline" forecast.

Bikeway System Improvements

Bikeway System Improvements	*General Plan Policies:* *2-P.24, 2-P.25, 2-P.45, 2-P.46, 2-P.53; 3-P.8, 3-P.15, 3-P.16, 3-P.17, 3-P.20, 3-P.21, 3-P.22, 3-P.24, 3-P.25, 3-P.26, 3-P.27, 3-P.28, 3-P.29, 3-P.31, 3-P.32, 3-P.33, 3-P.34, 3-P.40; 4-P.40*	~~2020 Reduction: **164 MTCO$_2$e**~~ 2035 Reduction: **608~~147~~ MTCO$_2$e**

Policy/Action Description

The Carlsbad Bikeway Master Plan, referenced in the General Plan, recommends the enhancement of the existing bicycle network with the implementation of new Class I bike paths, new Class II bike lanes, and new Class III bike routes, resulting in a 111.5 mile bikeway system. The planned bikeways include the Coastal Rail Trail, a Class I bike path on Carlsbad

[25] While many of the policies and actions quantified in the report are project-level in nature, much of the supporting literature is from studies on a citywide, countywide, or regional context. The methodology in this section is based on these regional studies, which is therefore applicable to the General Plan policies and actions listed in this section.

Boulevard at Ponto, two Class II bike lanes – one on Hillside Drive and another on Avenida Encinas, and five Class III bike route projects in the northwest quadrant of the city.

In addition to Bikeway Master Plan recommendations, the Mobility Element identifies the following new connections to improve connectivity in the area:

- A new Class I trail at the terminus of Cannon Road and extending eastward toward the City of Oceanside
- A new Class I trail along the Marron Road alignment between El Camino Real and the City of Oceanside
- A new crossing of the railroad tracks at Chestnut Avenue.

Also, CalTrans' North Coast Corridor Public Works Plan includes, among other improvements, a new North Coast Bike Trail and new bicycle/pedestrian connections across Batiquitos and Agua Hedionda Lagoons.

Finally, the city can install new and enhanced bicycle facilities as opportunities arise in conjunction with street maintenance and rehabilitation, and as part of "road diet" projects.

Quantification

An estimated 0.05 percent reduction in transportation GHG emissions is assumed to occur for every two miles of bike lane per square mile in areas with density greater than 2,000 people per square mile.[26] Carlsbad currently has approximately 2,700 people per square mile, greater than the threshold of 2,000 people per square mile.

With the 111.5 miles of bicycle facilities, there would be approximately 2.85 miles of bikeways per square mile, which corresponds to a 0.07 percent reduction in VMT emissions, or about ~~164 MTCO$_2$e in 2020, and 147~~ 608 MTCO$_2$e in 2035.[~~27~~]

Implementation

The bikeway system enhancements will occur incrementally (at approximately .6 miles/ year) through the implementation of the General Plan and planned and opportunistic bikeway improvements (e.g., in conjunction with street maintenance and rehabilitation, or as part of a "road diet"). Improvements will be funded and/or installed as conditions on new private development as well as through the city's multi-year CIP and annual operating budget process. Funding sources may include development impact fees, general funds, local, state, and federal grants.

[26] Cambridge Systematics. Moving Cooler: An Analysis of Transportation Strategies for Reducing Greenhouse Gas Emissions. Technical Appendices. Prepared for the Urban Land Institute.

[~~27~~] ~~In this chapter, reductions based on a portion of VMT have lower reductions in 2035 than in 2020 because they are assumed to decrease with greater vehicle efficiency standards over time.~~

Pedestrian Improvements and Increased Connectivity

Pedestrian Improvements and Increased Connectivity	*General Plan Policies:* *2-P.24, 2-P.25, 2-P.45, 2-P.46, 2-P.47, 2-P.48, 2-P.50, 2-P.53, 2-P.72, 2-P.79; 3-P.8, 3-P.16, 3-P.17, 3-P.20, 3-P.21, 3-P.22, 3-P.24, 3-P.25, 3-P.26, 3-P.27, 3-P.28, 3-P.29, 3-P.31, 3-P.32, 3-P.33, 3-P.40; 4-P.40*	~~2020 Reduction: **2,341 MTCO$_2$e**~~ 2035 Reduction: **615~~2,106~~ MTCO$_2$e**

Policy/Action Description

Pedestrian Improvements

Carlsbad has adopted several programs and plans related to improving the walking environment. The city's Pedestrian Master Plan guides the future development and enhancement of pedestrian facilities to ensure that walking becomes an integral mode of transportation in Carlsbad. The Carlsbad Residential Traffic Management Program provides a mechanism for community members to report issues relating to speeding and traffic volumes on residential roadways, assisting the city in "calming" traffic in these areas to make them more comfortable for pedestrian travel.

Physical barriers to pedestrian access include gaps in sidewalks, high-volume, high-speed streets, a circuitous roadway system in several parts of the city, and regional infrastructure such as freeways and railways that presents barriers to pedestrian mobility. There are four significant concentrations of high pedestrian improvement needs across the City of Carlsbad, including the following locations:

- The entire northwest quadrant, especially the Carlsbad Village area
- The southern coastal area along Carlsbad Boulevard, between Cannon Road and La Costa Avenue
- Several locations along El Camino Real, near Camino Vida Roble, Aviara Parkway/Alga Road and La Costa Avenue
- The southeastern portion of the city, stemming from the intersection of La Costa Avenue and Rancho Santa Fe Road

A range of potential improvement projects exists throughout the city, as identified in the pedestrian master plan, to enhance pedestrian mobility, local connectivity, usage, safety and accessibility. These improvements include filling in gaps in sidewalk connectivity, upgrading substandard sidewalks, creating new connections to pedestrian attracting designations (such as access across the railroad track to the beach at Chestnut Avenue, for example), establishing safe routes to school, enhancing crosswalks, installing pedestrian countdown signals, improving signage, and providing ADA improvements.

Increased Connectivity

Increasing connectivity in the city is critical to achieving the Carlsbad Community Vision. There are a number of improvements described in the General Plan that will enhance connectivity for bicycles and pedestrians, as noted below:

- Cannon Road east of College Boulevard – Provide a bicycle/pedestrian facility that would begin at the current eastern terminus of Cannon Road and continue eastward to the city's eastern boundary.
- Marron Road Connection – Provide a bicycle/pedestrian facility that would begin at the current eastern terminus of Marron Road and extend eastward to the city's eastern boundary.
- Additional crossings of Interstate-5 and the railroad – Continue to look for opportunities to add crossings of these two barriers and improve east-west connectivity to and from the coast. Key connections will include a crossing at Chestnut Avenue (bicycle, pedestrian, and vehicular) under the freeway and (bicycle and pedestrian) across the railroad, and a Chinquapin Avenue connection (bicycle, pedestrian, and vehicular) over the freeway and (bicycle and pedestrian) across the railroad. Additionally, Caltrans is designing a number of new pedestrian and bicyclist connections along and across Interstate-5 and near the lagoons as part of the Interstate-5 North Coast Corridor Public Works Plan. The city will continue to coordinate with Caltrans on these improvements.
- Improved accessibility to the lagoons and to the coast are envisioned to improve connectivity to those areas.

Quantification

Providing an improved pedestrian network and increasing connectivity encourages people to walk more and results in people driving less, causing a reduction in VMT. An estimate of a 1 percent reduction in VMT from pedestrian improvements and connectivity was assumed, which corresponds to a reduction of ~~2,341 MTCO$_2$e in 2020 and 2,106~~615 MTCO$_2$e in 2035.[28]

Implementation

Pedestrian improvements and increased connectivity will occur through implementation of the Pedestrian Master Plan, the Residential Traffic Management Program, and the General Plan, and through planned and opportunistic pedestrian improvements (e.g., in conjunction with street maintenance and rehabilitation, or as part of a "road diet"). Improvements will be funded and/or installed as conditions on new private development as well as through the city's multi-year CIP and annual operating budget process. Funding sources may include development impact fees, general funds, local, state, and federal grants.

[28] Center for Clean Air Policy. Transportation Emission Guidebook. http://www.ccap.org/safe/guidebook/guide_complete.html.

Traffic Calming

Traffic Calming	*General Plan Policies:* *2-P.53; 3-P.16, 3.P-17*	~~2020 Reduction: **585 MTCO$_2$e**~~ 2035 Reduction: ~~**526**~~ **969** **MTCO$_2$e**

Policy/Action Description

The Carlsbad Residential Traffic Management Program provides a mechanism for community members to report issues relating to speeding and traffic volumes on residential roadways, assisting the City in "calming" traffic in these areas to make them more safe and comfortable for pedestrian travel. Traffic calming devices include speed tables, speed bumps, roundabouts, and other devices that encourage people to drive more slowly or to walk or bike instead of using a vehicle, especially for short trips in and around residential neighborhoods. The residential traffic management program is implemented by the Transportation Division and funded through the annual budget appropriation process.

Quantification

CAPCOA's "Quantifying Greenhouse Mitigation Measures" was used to quantify the effect of traffic calming devices. A 0.25 percent reduction in VMT was assumed to occur from these improvements, which corresponds to a reduction of ~~585 MTCO$_2$e in 2020 and 526~~ 969 MTCO$_2$e in 2035.

Implementation

The traffic calming improvements will occur through the implementation of the Residential Traffic Management Program and the General Plan.

Parking Facilities and Policies

Parking Facilities and Policies	*General Plan Policies:* *2-P.75, 2-P.83; 3-P.28, 3-P.38, 3-P.39, 3-P.40, 3-P.41*	~~2020 Reduction: **4,682 MTCO$_2$e**~~ 2035 Reduction: **6,618**~~**4,211**~~ **MTCO$_2$e**

Policy/Action Description

Getting parking right is critical to ensuring the success of any urban area. Inadequate parking is inconvenient and frustrating for businesses and residents. Too much parking underutilizes valuable land, results in lower density development, discourages use of other forms of transportation (such as public transit), spreads out land uses, and creates gaps in store fronts; thereby practically requiring the use of the automobile. Additionally, too much parking also requires more driveways for accessibility, introducing conflicts between pedestrians and vehicles. Overly high parking requirements—particularly in downtown areas or urban cores—can impact the ability to renovate or repurpose older buildings and revitalize activity centers that can be better served and connected by enhancing facilities and amenities for bicyclists and pedestrians. Therefore, it is important to "right size" and manage parking such that there is

enough to support the needs generated by the use, but not so much that it wastes land and impairs other ways of getting around.

The city's Zoning Ordinance provides standards for parking facilities based on development types within the city. To promote "right sizing" of parking facilities, the following techniques are included as part of the General Plan Mobility Element:

- Shared Parking – continue to allow uses that have different parking demands at different times of the day to share the same parking facilities. This is an effective way to minimize pavement, allow denser land use, provide for more landscaping, and provide improved walkability within a mixed use area. The best example of shared parking is an office building and an apartment building as office's peak parking demand occurs at 10:00 a.m. and apartment's peak parking demand occurs at 11:00 p.m.
- Collective Parking – allow uses in mixed use projects/areas to utilize up to 50 percent of project site's vacant on-street parking to count toward their parking supply requirements.
- Unbundled Parking – rather than provide free guaranteed parking, "unbundle" the parking from the development and require residents and/or employees to pay for use of a parking space.
- Park Once – a strategy in destination districts to enable visitors to "park once" and visit a series of destinations. Park once strategies work well in areas like the Village and areas that are well connected by pedestrian and bicycle facilities. The creation of centralized parking areas supports this strategy.
- In Lieu Parking Fees – continue strategies in appropriate areas by which developers can contribute fees toward the development of a common parking facility in lieu of providing on-site parking. This works best in downtown or concentrated commercial areas, works well to assist in paying for unified structured parking, and provides developers an opportunity to increase density on their parcels.
- Parking Management Strategies –a business district or businesses manage high demand parking locations and destinations through a number of different strategies including demand pricing, time restrictions, valet parking, and other techniques.
- Public-Private Partnerships –the city, business owners, and developers collaborate to provide both private and public parking opportunities. Instances where this works well include parcels owned by the city, where a private entity comes in and develops, manages, and enforces the parking in these public lots.
- Parking Locater Signs – electronic monitoring devices that identify the available parking in a given facility and utilize changeable message signs to assist travelers in identifying available parking locations. Please note that this may require modifications to the city's zoning ordinance to be implemented in some areas of the city.
- Parking Wayfinding Signs – signs identifying where public parking is available, which support the "park once" concept.

- Reduced Parking Standards – reduce parking standards in areas that are well served by transit, provide shuttle accessibility to the COASTER station, provide parking cash out programs (where employers pay employees to not park on site), or provide other programs that will reduce parking demand.
- Biking Equals Business Program – businesses provide bicycle parking or corrals and provide incentives to encourage their patrons and employees to ride rather than drive.
- Transit Equals Business Program – businesses provide their customers and employees incentives to encourage them to use transit rather than drive.
- Bicycle Corrals in Lieu of Vehicle Parking – for certain businesses, reduce required onsite parking for vehicles if they provide a bicycle corral that accommodates more people.

Although there are additional parking strategies that are available and may become available in the future, most of the strategies work best in smart growth/mixed use development areas and will be necessary to accomplish the goals and visions identified in the General Plan and the General Plan Mobility Element.

Quantification

According to CAPCOA's Quantifying GHG Mitigation Measures, parking strategies have estimated VMT reductions. Reduced parking standards and other policies reducing parking availability have an estimated 5 to 12.5 percent VMT reduction, unbundled parking cost has a 2.6 to 13 percent VMT reduction, and parking management strategies have a 2.8 to 5.5 percent VMT projection.[29] Conservatively assuming the combined effect of these parking reduction strategies would result in the lower end of the strategies results, and considering that the strategies would be most applicable in future growth and infill areas, the cumulative reduction from implementations would result in a 2 percent VMT reduction to give an estimated ~~4,682 MTCO$_2$e reduction by 2020, and a 4,211~~6,618 MTCO$_2$e reduction by 2035.

Implementation

The parking strategies will occur through the implementation of the Zoning Ordinance and the General Plan. The city's Planning Division is primarily responsible for developing new ordinances and updating existing ones. Parking policy and ordinance changes would be carried out under the Planning division's annual budget authority.

Transportation Improvements

Transportation Improvements	*General Plan Policies:* *2-P.48, 2-P.72; 3-P.8, 3-P.19, 3-P.20, 3-P.27, 3-P.31, 3-P.32, 3-P.35, 3-P.36*	~~2020 Reduction: **1,475 MTCO$_2$e**~~ 2035 Reduction: **2,085~~1,327~~ MTCO$_2$e**

[29] The maximum reduction provided from the combination of all parking policies in the CAPCOA report is a 20 percent reduction in VMT

Policy/Action Description

Transit in Carlsbad includes bus service, ADA paratransit service, and the COASTER commuter rail; indirectly, transit service is also provided by the Sprinter light rail system, Amtrak rail service, and Metrolink commuter rail. Future transit service in the city will primarily be coordinated by the North County Transit District (NCTD). In addition, there are several planned transit improvements for Carlsbad that are part of San Diego Association of Governments (SANDAG) regional planning efforts. These are reflected in the General Plan Mobility Element:

- Coastal rail improvements are proposed for the tracks serving the COASTER and Surfliner trains in San Diego County along the Los Angeles to San Diego Rail Corridor. These proposed improvements include double tracking, bridge replacements, and station improvements. Improvements to the COASTER service (2020 and 2030) are also proposed and would increase service and reduce headways.
- Route 471 (2020) is a proposed rapid bus providing frequent service between Carlsbad and San Marcos via Palomar Airport Road. This route will operate with 10 minute headways during peak and off-peak hours. In the city, this rapid bus route is envisioned to be supported by signal priority at intersections.
- AMTRAK will add service to Carlsbad.
- As previously described, the above future transit improvements will continue to advance the backbone transit infrastructure. However, one key component to improving transit use is improving the "first mile/last mile" access and experience for transit users. This typically includes end of trip facilities (bike racks, showers, changing rooms, etc.) and better connectivity from the transit stop to the ultimate destination via bicycle facilities, pedestrian facilities, local transit circulators, etc.
- Carlsbad's future transit effectiveness will depend on major employers assisting with providing some of these "first mile/last mile" facilities through transportation demand management (TDM) measures. TDM is envisioned to include shuttle circulators to major employers and destinations, showers and changing rooms at those locations, and a host of other typical TDM techniques that would support transit usage and the connection to the ultimate destination. This Mobility Element also supports TDM through potential incentives (such as reduced parking standards for TDM implementation) to further support transit access to these destinations.
- The final component to improving transit use in the city is working with NCTD to improve the transit experience, particularly along the bus routes. This includes improving bus stops in the city to ensure that they are well lit, have seating, and are covered to protect users from inclement weather.

As part of the FY 2014-2015 capital improvement program, the city initiated work on a Coastal Mobility Readiness Plan. This plan will complement current and planned bicycle and pedestrian improvements by recommending policy and infrastructure investments that will: improve accessibility to transit and para-transit services; fill in transportation gaps ("first mile-last mile" solutions); support and encourage expanded use of low-emission and zero emission vehicles; provide viable alternatives to private, single-occupant vehicle use (such as through

car-sharing, bike-sharing, and local shuttles); and recommend other transportation/parking demand management strategies. The plan will emphasize efficiently connecting residents and visitors among the city's various coastal activity centers, beaches, the state campground, and to and from major hotels and resorts, the Village, major shopping centers, and other significant visitor-serving activity centers. The plan will identify effective, proven tools, and seek out promising and emerging technologies. The plan will also identify potential funding partners such as NCTD (e.g. Cooperative Agreements in accordance with NCTD Board Policy 22), private funding and/or public grants. The plan is expected to be completed at the end of 2015, with implementation beginning in 2016.

The city has also implemented a state-of-the-practice traffic signal management (TSM) system. This system integrates traffic signals in the city to a single access point, allowing city staff to monitor and update signal timings to improve safety and mobility for all users in the city. The Mobility Element supports further implementation of this program and use of other technologies that become available, which have the ability to improve mobility for all users of the city's transportation system.

Quantification

Transportation system improvements can result in VMT reductions. According to CAPCOA's Quantifying Greenhouse Gas Mitigation Measures, transit system improvements can result in the following reductions: 0.02 to 3.2 percent VMT reduction from a bus rapid transit system, 0.1 to 8.2 percent VMT reduction from expanding the transit network, 0.02 to 2.5 percent VMT reduction from increasing transit service frequency and speed, and 0.5 to 24.6 percent VMT reduction from increasing transit accessibility. Reductions from TSM were estimated using Cambridge Systematics' Moving Cooler report as a 0.01 percent VMT reduction. Conservatively assuming the combined effect of these strategies, summing the low end of the VMT reduction ranges gives a 0.63 percent reduction in VMT emissions.

Implementation

Transit improvements will primarily be coordinated by NCTD and will also be implemented by SANDAG regional planning and funding efforts. City-led improvements will be carried out through the city's multi-year CIP and annual operating budget appropriation process.

Results

Table 3-12 shows the GHG reductions from each of the above General Plan policies and actions. The largest reduction comes from parking facilities and policies, followed by transportation improvements, traffic calming, pedestrian improvement and increased connectivity, ~~transportation improvements, traffic calming,~~ and bikeway system improvements. ~~VMT emissions are projected to fall in the future due to higher fuel efficiency standards; however, as the efficiency gains are expected to be largely achieved by 2020 but the VMT is projected to continue climbing in the future, the effect of the VMT reductions are greater in 2020 than in 2035 for all General Plan policies and actions considered in this section. For example, the reductions from traffic calming in 2035 are 526 MTCO$_2$e, which is less than the reduction in 2020 of 585 MTCO$_2$e.~~ The reductions from these policies and actions are incorporated into the community emissions forecast in the following section.

TABLE 3-12: GHG REDUCTIONS FROM ADDITIONAL GENERAL PLAN POLICIES AND ACTIONS

Year	Bikeway System Improvements	Pedestrian Improvements and Increased Connectivity	Traffic Calming	Parking Facilities and Policies	Transportation Improvements	Total GHG Reductions from Additional General Plan Policies and Actions
~~2020~~	~~164~~	~~2,341~~	~~585~~	~~4,682~~	~~1,475~~	~~9,247~~
2035	608~~147~~	615~~2,106~~	~~526~~ 969	~~4,211~~6,618	2,085~~1,327~~	~~8,317~~10,895

~~3.7~~3.6 Modified Baseline and the GHG Emissions "Gap"

Table 3-13 shows the total community emissions with the reductions from the following policies and actions:

- ~~General Plan land use and circulation system~~
- Federal and State ~~and federal~~ actions
- Additional General Plan policies and actions

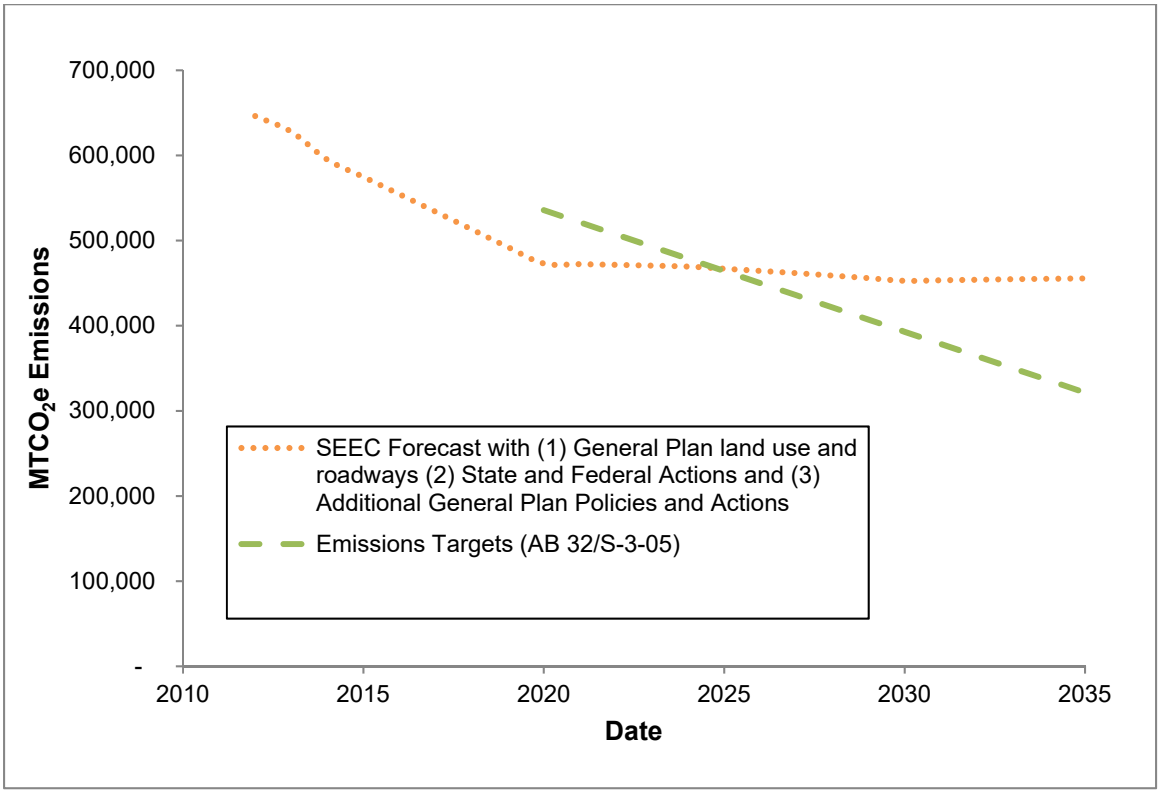
~~Figure 3-6 shows the "modified baseline forecast," which incorporates the reductions discussed thus far in comparison to the emissions targets. Emissions drop steeply to 2020 from the combined effect of GHG reduction policies and actions, continue a gradual decline to 2030, but then start rising again after that, given that no increases in federal or state standards relating to fuel efficiency or renewable energy are assumed, even though these may well occur by that time.~~ The BAU forecast for 2020 already meets the target reduction of four percent below baseline; therefore, no analysis of the effects of federal and state policies and additional General Plan policies was necessary. With the effect of all the GHG reductions considered in this chapter, the total community forecast emissions are ~~473,082 $MTCO_2e$ in 2020, and~~ 455,556 $MTCO_2e$ in 2035. Table 3-13 shows that Carlsbad ~~will meet~~met its target for 2020 without any additional measures. However, by 2035, there is a GHG emissions "gap" of ~~134,098~~116,817 $MTCO_2e$ —approximately ~~one third~~20 percent of the total projected community emissions.

TABLE 3-13: MODIFIED BASELINE FORECAST (FORECAST COMMUNITY EMISSIONS WITH ~~GENERAL PLAN LAND USE AND ROADWAYS,~~ FEDERAL AND STATE ~~AND FEDERAL~~ ACTIONS~~,~~ AND ADDITIONAL GENERAL PLAN POLICIES AND ACTIONS)

Year	~~Total Modified Baseline Forecast ($MTCO_2e$)~~Business-As-Usual Forecast ($MTCO_2e$) ~~473,082~~ ~~467,018~~	Total Modified Baseline Forecast ($MTCO_2e$) ~~452,762~~ ~~455,556~~	GHG Emissions Targets ~~(Linear Scaling of AB 32/S-3-05)~~ ($MTCO_2e$)	Emissions "Gap" ($MTCO_2e$)
2020	926,000	N/A	~~535,763~~939,000	Target Met

~~2025~~			~~464,328~~	~~2,690~~
~~2030~~			~~392,893~~	~~59,869~~
2035	**956,000**	**588,817**	~~321,458~~472,000	~~134,098~~116,817

~~Figure 3-6: Modified Baseline Forecast (Forecast Community Emissions with General Plan Land Use and Roadways, State and Federal Actions, and Additional General Plan Policies and Actions)~~



Conclusion

The emissions targets are met in the year 2020, with BAU forecast emissions of ~~473,082~~926,000 $MTCO_2e$ meeting the target by about ~~63,000~~13,000 $MTCO_2e$. There is an emissions "gap" in the year 2035 of about ~~134,000~~116,817 $MTCO_2e$ between the forecast emissions of ~~455,556~~588,817 $MTCO_2e$ and the emissions target of ~~321,458~~472,000 $MTCO_2e$. Chapter 4 contains CAP GHG reduction measures to close the gap between forecast emissions and emissions targets in the year 2035.

4

CAP GHG Reduction Measures

The forecast emissions in Chapter 3 incorporate reductions from (1) state and federal actions, (2) General Plan land use and roadways, and (3) additional General Plan policies and actions. This chapter describes additional GHG reduction measures to close the emissions "gap" between emissions targets and forecast emissions for 2035. These are:

- ~~Residential,~~ Ceommercial and industrial photovoltaic systems
- ~~Building cogeneration~~
- Single-family, multi-family and commercial efficiency retrofits
- ~~Commercial commissioning~~
- ~~CALGreen building code~~
- Solar water heater/heat pump installation
- Efficient lighting standards
- Increased zero-emissions vehicle travel
- Transportation Demand Management (TDM)
- Citywide renewable projects
- Water delivery and conservation

The sections below describe the GHG reduction measures and explain how they will be implemented. The GHG reductions from these measures were quantified using the Energy Policy Initiatives Center (EPIC) mitigation calculator, a tool developed by the University of San Diego for cities within San Diego County. The EPIC mitigation calculator includes a "business as usual" (BAU) forecast for each measure estimating GHG reductions from trends already underway that will occur without any additional city intervention, based on regional San Diego Gas & Electric (SDG&E) forecasts. For example, under the BAU forecast for residential photovoltaic (PV) systems, the EPIC mitigation calculator estimates that by the year 2035, energy produced by residential PV systems in the City of Carlsbad will be about 15.9 megawatts (MW), which will offset about 6,233 metric tons CO_2e ($MTCO_2e$).

The GHG reduction measures describe goals, amount of reduction in 2035, and actions to meet the target levels. The actions are categorized as **short-term** actions that will be implemented within one to two years of CAP adoption; or **mid-term** actions that will be implemented within two to five years of CAP adoption. Actions identified as **short to long-term**, or **mid to long-term** are those actions that will begin in the short or mid-term, but take longer than five years to fully implement. **Ongoing** actions are those that continue throughout the duration of CAP implementation. The mixture of short-term, mid-term, ~~and~~ long-term, and ongoing actions presented for each measure are intended to meet the goals in a realistic timeframe and provide an effective combination to reach the targets set forth. The "already-projected" amount is based on the forecast BAU emissions reduction, followed by a target level to reach the goal of the measure. The measures are then described in greater detail, as is the method of quantifying the GHG emissions reduction, and the responsibility and implementation of the measure is discussed. Each measure qualitatively describes costs and benefits, both to the city and the private sector. Overall benefits of GHG emissions reductions include decreased costs through energy efficiency, reduced risk to human health and welfare, and less global climate change.

The GHG reduction mitigation measures identified in this chapter are expected to achieve the targeted emission reductions. However, the nature, location, timing, size and other characteristics of future development projects may vary widely and additional project-level mitigation measures may be helpful or necessary to assist individual projects to achieve the targeted reductions. Accordingly, Appendix E to this Climate Action Plan provides a non-exclusive list of mitigation measures to be considered by the City and project applicants during project-level environmental review and adopted as needed to ensure that individual development projects achieve the targeted emission reductions.

Note: CAP Amendment No. 1, approved May 5, 2020, recalculated the anticipated 2035 GHG reductions for all measures, based upon new state and federal policies and the interaction between the existing measures and new Measure P – Community Choice Energy. Four measures, Measures A, C, G and H, were eliminated for reasons described below. CAP Amendment No. 1 also updated the Actions calling for ordinance adoption; however, no other Actions were updated with this amendment. This update will occur with the comprehensive CAP update being processed in 2020-21.

4.1 Residential, Commercial and Industrial Photovoltaic Systems

Measure A: Promote Installation of Residential Photovoltaic Systems – Deleted in CAP Amendment No. 1	
Goal: Promote installation of residential PV systems to produce an additional 9.1 MW above already projected amounts, or the equivalent of 2,682 more homes with PV systems, by 2035.	2035 Reduction: ~~10,136 MTCO$_2$e~~N/A
This Measure is no longer needed due to Section 150.1(c)14 of the 2019 California Energy Code, mandating all new low-rise residential construction include solar photovoltaic energy generation systems. ~~Actions:~~ ~~*A-1: Temporarily - for a period of one year - suspend residential and commercial PV system permit fees, together with a publicity campaign to promote PV systems installation* (Short-term)~~	

~~*A-2: On a continuing basis, ensure that regulatory provisions - such as complying with regulations for zoning, structure height, permit submittal and review, etc. - do not hinder residential and commercial PV system installation.* (Short to Long term)~~

~~*A-3: Adopt an ordinance, similar to those passed by Lancaster and Sebastopol, which requires new homes to install PV panels to offset a portion of their energy use.* (Short-term)~~

~~**Already-Projected Amount:** Solar photovoltaic (PV) systems convert solar energy into electricity. The projected power generation[30] of residential PV systems at 4,685 homes is 15.9 MW[31] in the year 2035, which is enough to fully power these homes.[32]~~

~~**Target:** The target is 25 MW in the year 2035, which is the equivalent amount of production to power 7,367 homes.[33]~~

~~**GHG Reduction Measure Description:** PV systems convert solar energy into electricity. Producing renewable energy locally through residential, commercial, and industrial PV systems reduces the need to construct costly new power plants that produce air pollution, use natural resources, and impact the environment.~~

~~The San Diego region has among the highest rates of solar energy production in the nation, producing an annual average of about 6.5 kWh per square meter per day, according to the National Renewable Energy Laboratories. A 2006 estimate found that existing PV technology could supply over 100 percent of the peak electricity demands for San Diego County, and over half of the total energy load.[34] Measure A is to promote the installation of PV systems on single-family and multi-family homes above the already projected amount (4,685 homes) by an additional 2,682 homes, or a total of about 15 percent of homes.~~

~~**Quantification of GHG Emissions Reductions:** The EPIC mitigation calculator was used to quantify emission reductions for Measure A.~~

~~**Responsibility and Implementation:** The City of Carlsbad currently participates in three Property Assessed Clean Energy (PACE) programs: CaliforniaFIRST, FigTREE, and~~

~~[30] The maximum amount of power produced is also referred to as solar capacity.~~

~~[31] Solar capacity (MW) was converted into an annual energy total (kWh per year) as follows: The standard assumption is about 5 hours of production per day per solar system. The capacity was multiplied by 5 hours per day times 365 days per year to get a total production in kWh per year. Therefore, 15.9 MW converts to 29,017,500 kWh per year.~~

~~[32] Average household energy use was calculated as follows: The California per capita electricity use in 2010 was 2,337 kWh (source: http://www.eia.gov/state/?sid=CA). The average household size in 2010 was 2.65 people per household (source: http://www.census.gov/newsroom/releases/archives/2010_census/cb11-cn137.html). Therefore, the average household energy use in 2010 was: 6,193.1 kWh per year.~~

~~[33] It was assumed that residential PV systems produce the equivalent amount of energy to the amount consumed in each household on an annual basis.~~

~~[34] Anders, Scott and Bialek, Tom. 2006. Technical Potential for Rooftop Photovoltaics in the San Diego Region. Available: http://www.sandiego.edu/documents/epic/060309_ASESPVPotentialPaperFINAL_000.pdf.~~

~~California HERO. PACE programs provide financing to eligible property owners for sustainable energy projects, thereby offering a source of funding for residential PV systems. Property owners can finance PV system installations and energy efficiency improvements through a voluntary assessment on their property tax bills. Several other financing options are available to residents, including Federal Housing Financing Administration (FHFA) insured Energy Efficient Mortgages, HUD Title 1 Home Improvements Loans, and FHA PowerSaver Loans.~~

~~The city will temporarily suspend residential and commercial solar PV system permit fees. The city will also on a continuing basis ensure that regulatory provisions – such as complying with regulations for zoning, structure height, permit submittal and review process, etc. – do not hinder PV panel installation.~~

~~**Costs and Benefits:**~~

~~Private: Private costs would come from the installation and maintenance of a residential PV system, which can be supported by PACE programs and other incentives. Benefits would accrue from reduced energy bills and increased property values.~~

~~City: City costs would occur from the analysis of potential regulatory barriers and adopting an ordinance requiring new homes to install PV systems. Revenue would be lost when permit fees are temporarily suspended.~~

Measure B: Promote Installation of Commercial and Industrial Photovoltaic Systems	
Goal: Promote installation of commercial and industrial PV systems to produce an additional ~~10.7~~11.24 MW per year above projected amounts~~, or roughly 15 percent of projected commercial and industrial electricity use,~~ by 2035.	2035 Reduction: ~~13,336~~4,457 $MTCO_2e$
Actions: (*See also actions A1 and A2 above*). *B-1:* ~~*Adopt a commercial energy conservation ordinance requiring all new nonresidential developments with more than 50 cars surface parked or on roofs of parking structures to use PV panels over at least half of the surface/roof parked cars, or provide equivalent energy conservation/generation by other means (over and above other requirements).* (Short term)~~*Implement and enforce Title 18, Chapter 18.30, Section 18.30.130 of the Carlsbad Municipal Code, mandating solar photovoltaic energy generation systems on new non-residential buildings.* (Ongoing) *B-2:* *Implement and enforce Title 18, Chapter 18.30, Section 18.30.130 of the Carlsbad Municipal Code, mandating solar photovoltaic energy generation systems on existing non-residential buildings undergoing major renovations.(Ongoing)*~~*Adopt an ordinance requiring existing nonresidential developments to install PV panels to offset a portion of their energy use.* (Mid-term)~~	

Already-Projected Amount: The projected power generation from commercial and industrial PV systems is 22.3 MW in the year 2035, which is about 30 percent of projected commercial and industrial electricity use.

Target: The target is the PV production of 33 MW in the year 2035, which is the equivalent amount of power production to supply about 45 percent of projected commercial and industrial demand.

GHG Reduction Measure Description: Photovoltaic (PV) systems convert solar energy into electricity. Measure B promotes the installation of PV systems on commercial buildings and industrial facilities above the already-projected amount of 22.3 MW, by an additional 11.24~~10.7~~ MW. Together with the already-projected amount of power generation, Measure B would reach the target PV production of 33 MW in 2035.

Quantification of GHG Emissions Reductions: The EPIC mitigation calculator was used to quantify emission reductions for Measure B.

Responsibility and Implementation: ~~See Measure A (above) for implementation.~~Property owners engaging in new construction and major renovations will be responsible for providing PV systems. The City is responsible for enforcing the ordinance, as well as encouraging the voluntary installation of non-residential PV systems through the city website and other means.

Costs and Benefits:

Private: Private costs would result from the installation and maintenance of commercial and industrial PV systems. Benefits would accrue from reduced energy bills and increased property values.

City: City costs would occur from ~~removing potential regulatory barriers and preparing and~~implementing and enforcing a nonresidential PV systems ordinance. ~~Revenue would be lost when permit fees are temporarily suspended.~~

4.2 Building Cogeneration

Measure C: Promote Building Cogeneration for Large Commercial and Industrial Facilities – Deleted in CAP Amendment No. 1	
Goal: Promote building cogeneration for large commercial and industrial facilities, with the goal of producing 6.9 MW.	2035 Reduction: ~~1,067 MTCO$_2$e~~N/A
This Measures will no longer result in significant GHG reductions due to the high renewable electricity content associated with SDG&E's RPS and the CEA CCE.~~Actions:~~ ~~*C-1: Promote cogeneration by publicizing grant opportunities and financial incentives, such as the Self-Generation Incentive Program and feed-in tariffs for cogeneration systems, for renovations of existing buildings by posting these on the city's website and by other means.* (Short-term)~~ ~~*C-2: Install cogeneration systems on large city facilities that can benefit from the installation of these systems, and apply for funding through the Energy Efficiency Financing for Public Sector Projects program, or other similar funding sources.* (Mid-to Long-term)~~ ~~*C-3: Require cogeneration systems for large commercial and industrial facilities that have on-site electricity production, both for new construction and retrofits.* (Mid-term)~~	

~~**Already Projected Amount:** The forecast capacity of building cogeneration systems is 6.9 MW in the year 2035.~~

~~**Target:** The target is to reach the already projected amount.~~

~~**GHG Reduction Measure Description:** Building cogeneration, also known as combined heat and power (CHP), is the use of building power stations to simultaneously generate electricity and heat. Instead of purchasing electricity from a utility and burning fuel in an on-site furnace to produce needed heat, an industrial or commercial user can use building cogeneration to provide both electricity and heat in one energy-efficient step. Examples of facilities able to use building cogeneration include manufacturing plants, hospitals, water and wastewater treatment facilities,[35] and large office buildings.~~

~~Building cogeneration reduces building energy costs, provides stability in the face of uncertain electricity prices, and enhances energy reliability. Building cogeneration also provides the opportunity to improve critical infrastructure resiliency, by allowing critical facilities to run without any interruption in service if the electrical grid is impaired. Measure C is to promote the installation of building cogeneration systems on large commercial and industrial facilities to reach the projected capacity of 6.9 MW by 2035.~~

~~**Quantification of GHG Emissions Reductions:** The EPIC mitigation calculator was used to quantify emission reductions for Measure C.~~

~~**Responsibility and Implementation:** The City of Carlsbad will apply for funding to install cogeneration systems on city facilities that would benefit from the use of these systems. The city will also publicize incentives for the construction of cogeneration systems, and require cogeneration systems for new construction and retrofits of large commercial and industrial facilities through the permitting process, where the facility has on-site non-renewable electricity generation.~~

~~A number of funding sources exist to provide financial support for the installation of cogeneration systems. Funding for cogeneration systems for city facilities is available through the Energy Efficiency Financing for Public Sector Projects program. In addition to city government buildings, the program also applies to schools and other public or institutional facilities. There is no minimum loan amount, but the maximum loan amount per application is $3 million. The interest rate is 1 percent, and loans must be repaid from energy cost savings within 15 years, including principal and interest. As well, the city will consider use of its Infrastructure Replacement Funds (IRF) to install feasible cogeneration systems as part of refurbishment of existing city facilities.~~

~~The Self-Generation Incentive Program (SGIP) provides financial incentives for the installation of new qualifying technologies, including cogeneration, that are installed to meet~~

~~[35] The Encina wastewater treatment plant operates a cogeneration plant that produces over 60 percent of the electricity used by the facility.~~

~~all or a portion of the electric energy needs of a facility.[36] SGIP is funded by the California Public Utilities Commission, and administered by the California Center for Sustainable Energy in SDG&E's service area. San Diego's 2014 share is approximately $10 million per year. Under the SGIP program, cogeneration systems receive an incentive of $1.83 per watt produced. SDG&E also offers seminars on the benefits of cogeneration and fuel cell options for large facilities.~~

~~For cogeneration systems that produce electricity in excess of the facility's needs, the state of California has initiated a feed-in tariff, which provides a cost-based price for renewable energy produced.~~

[36] ~~See the 2014 Self-Generation Incentive Program Handbook. Available: https://www.selfgenca.com/documents/handbook/2014~~

~~**Costs and Benefits:**~~

~~Private: Private costs would come from the installation and maintenance of building cogeneration systems, and which could be reduced through funding programs, such as SGIP. Benefits would accrue from reduced energy bills and increased property values.~~

~~City: City costs would come from promoting cogeneration systems, and incorporating the consideration of cogeneration into the permitting process for commercial and industrial facilities. Benefits could accrue from reduced energy bills for city facilities that utilize cogeneration systems.~~

4.3 Single-family, Multi-family, Commercial, and City Facility Efficiency Retrofits

Measure D: Encourage Single-Family Residential Energy Efficiency Retrofits	
Goal: Encourage single-family residential efficiency retrofits with the goal of a 50 percent energy reduction compared to baseline in 30 percent of the total single-family homes citywide by 2035 (approximately 10,000 single-family homes out of a total of 35,000).	2035 Reduction: ~~1,132~~7,986 $MTCO_2e$
Actions: *D-1: Publicize available incentive and rebate programs, such as SDG&E's Residential Energy Efficiency Program, on the city's website and by other means.* (Short-term) *D-2: Create a citywide "Energy Challenge," similar to the Department of Energy's Better Buildings Challenge, to promote cost-effective energy improvements, while having residents and building owners commit to reducing energy consumption.* (Short-term) *D-3: ~~Adopt a residential energy conservation ordinance, which requires residential property owners to conduct and disclose an energy audit at the time of major renovations (as defined by the ordinance), to ensure that homes and residential developments meet specified low cost energy efficiency measures—such as requisite ceiling insulation, insulated pipes, water heater blankets and exterior door weather stripping.~~* ~~(Short-term)~~*Implement and enforce Title 18, Chapter 18.30, Section 18.30.190, mandating energy efficiency measures in existing residential buildings undergoing major renovations.* (Ongoing)	

Already-Projected Amount: There is no projection for retrofits that would occur without this measure.

Target: The target is a 50 percent energy reduction in 30 percent of single-family homes citywide by the year 2035.

GHG Reduction Measure Description: As single-family homes use a large portion of the city's total energy and older homes are substantially less efficient than newly constructed homes, there is a large opportunity to reduce GHG emissions through the retrofitting of existing homes. When a single-family homeowner seeks to make major improvements, the owner

would be required to ~~conduct an energy audit, and~~ meet low-cost energy efficiency measures—such as changing light bulbs and switches, insulating exposed hot water piping, sealing air ducts, improving insulation, or installing a "cool roof." Additional voluntary energy efficiency measures could include providing weather stripping, promoting natural lighting and ventilation, and using "smart" thermostats to regulate energy use for heating and cooling.

Quantification of GHG Emissions Reductions: The EPIC mitigation calculator was used to quantify emission reductions for Measure D.

Responsibility and Implementation: Homeowners would implement this measure. SDG&E offers a Residential Energy Efficiency Program, which offers residential customers rebates to improve the efficiency of appliances, such as water heaters, washers, refrigerators, air conditioners, building insulating, and ceiling fans. The City will publicize this and related programs on its website and by other means.

Costs and Benefits:

Private: Private costs would come from homeowners conducting energy audits and implementing efficiency retrofits. The cost of these retrofits is frequently 1 percent or less of the total renovation cost. Benefits would occur through reduced energy costs. Rebates are available as described above.

City: City costs would come from promoting incentive programs~~, creating an "Energy Challenge" program,~~ and ~~adopting~~ implementing and enforcing a residential energy conservation ordinance.

Measure E: Encourage Multi-Family Residential Efficiency Retrofits	
Goal: Encourage multi-family residential efficiency retrofits with the goal of a 50 percent energy reduction in 30 percent of the projected amount of multi-family homes citywide by 2035 (approximately 5,000 out of a total of 17,000).	2035 Reduction: 3,993~~351~~ $MTCO_2e$
Actions: ~~*See Measure D (above).*~~ *Action D-1: Publicize available incentive and rebate programs, such as SDG&E's Residential Energy Efficiency Program, on the city's website and by other means.* (Short-term) *Action D-2: Implement and enforce Title 18, Chapter 18.30, Section 18.30.190, mandating energy efficiency measures in existing residential buildings undergoing major renovations.* (Ongoing)	

Already-Projected Amount: There is no projection for retrofits that would occur without this measure.

Target: The goal is a fifty percent energy reduction in thirty percent of the projected amount of multi-family homes citywide by the year 2035.

GHG Reduction Measure Description: Multi-family residential retrofits provide an opportunity to reduce building energy use. Multi-family residential retrofits are similar to the

single-family retrofits described in Measure D~~, but can provide increased energy savings; for example, increasing insulation between residential units benefits both units~~. Other examples of potential multi-family residential ~~retrofits~~ energy efficiency improvements include replacing incandescent and halogen lamps with LED or CFL lamps, installing energy-efficient windows and efficient appliances, and using "smart" thermostats to regulate energy use for heating and cooling.

Quantification of GHG Emissions Reductions: The EPIC mitigation calculator was used to quantify emission reductions for Measure E.

Responsibility and Implementation: Multi-family residential unit owners would implement this measure. SDG&E offers a Residential Energy Efficiency Program, which offers residential customers rebates to improve the efficiency of appliances, such as water heaters, washers, refrigerators, air conditioners, building insulating, and ceiling fans. The City will publicize this and related programs on its website and by other means.

Costs and Benefits:

Private: Private costs would come from multi-family residential unit owners conducting energy audits and implementing efficiency retrofits. Benefits would occur through reduced energy costs. Rebates are available as described above.

City: City costs would come from promoting incentive programs~~,~~ and implementing and enforcing a residential energy conservation ordinance.~~and creating an "Energy Challenge" program.~~

Measure F: Encourage Commercial and City Facility Efficiency Retrofits	
Goal: Encourage commercial and city facility efficiency retrofits with the goal equivalent to a 40 percent energy reduction in 30 percent of commercial square footage citywide and in city facilities by 2035.	2035 Reduction: 7,579~~18,377~~ $MTCO_2e$
Actions: *F-1: Undertake a program of energy efficiency retrofits for city-owned buildings, with the goal of 40 percent reduction in energy use, beginning with retrofits that would result in the most substantial energy savings.* (Short-term) *F-2: Promote available incentive and rebate programs, such as SDG&E's Energy Efficiency Business Rebates and Incentives Program, on the city's website and by other means.* (Short-term) *F-3: Implement and enforce Title 18, Chapter 18.21, Section 18.21.155, mandating energy efficiency measures in new non-residential buildings and existing non-residential buildings undergoing major renovations.* (Ongoing)~~*Adopt a commercial energy conservation ordinance, which requires property owners to ensure that commercial buildings meet specified energy efficiency measures – such as requisite heating, ventilation, and air conditioning improvements, service water system requirements, and improved refrigeration equipment, at the time of conducting major renovations (as defined by the ordinance).* (Short-term)~~	

Already-Projected Amount: There is no projection for retrofits that would occur without this measure.

Target: The target is equivalent to a 40 percent energy reduction in 30 percent of the projected amount of commercial square footage and in city facilities.

GHG Reduction Measure Description: Relatively straightforward fixes to commercial and city-owned buildings can significantly reduce spending on fuel and electricity for commercial buildings. Examples of retrofits include installing efficient boilers and equipment, installation of high-quality windows, efficient lighting, and other building energy improvements.

Quantification of GHG Emissions Reductions: The EPIC mitigation calculator was used to quantify emission reductions for Measure F.

Responsibility and Implementation: Building owners would implement this measure for commercial buildings.[37] Funding is available through incentive and rebate programs, such as SDG&E's Energy Efficiency Business Rebates and Incentives Program. SANDAG ~~is~~ prepared~~preparing~~ an Energy Roadmap for the city, which included energy audits for most city facilities and ~~will~~ identified~~y~~ energy conservation measures the city can use to reduce energy use in city municipal operations.[38] Funding for city retrofits can be provided through the Energy Efficiency Financing for Public Sector Projects program, described above in Measure C. As well, the city will use its IRF to install energy efficiency retrofits as part of refurbishment of existing city facilities.

Costs and Benefits:

Private: Private costs would come from building owners and business owners implementing efficiency retrofits. Benefits would occur through reduced energy costs. Costs could be offset through incentive and rebate programs.

City: City costs would come from retrofitting city facilities, providing resources to help guide building owners to implement this measure, promoting available incentive and rebate programs, and ~~adopting~~ implementing and enforcing a commercial energy conservation ordinance.

[37] AB 802~~1103, the California Nonresidential Building Energy Use Disclosure Program,~~ requires an owner of a nonresidential building 50,000 square feet or larger to benchmark the building's energy use data and annually disclose the energy use to the state.~~prior to the sale of the building, or the lease and financing of the entire building. This benchmark data can be used to guide implementation of efficiency measures for buildings renovated after a recent sale.~~

[38] SANDAG. 2014. "Energy Roadmap for Local Governments." Available: http://www.sandag.org/index.asp?classid=17&projectid=373&fuseaction=projects.detail. Accessed: February 25, 2014.

4.4 Commercial and City Facility Commissioning

Measure G: Promote Commercial and City Facility Commissioning – Deleted in CAP Amendment No. 1	
Goal: Encourage commercial and city facility commissioning, or improving existing and new building operations, with the goal equivalent to a 40 percent energy reduction in 30 percent of commercial square footage citywide and in city-owned buildings by 2035.	2035 Reduction: ~~18,377 $MTCO_2e$~~N/A
This measure is now administered through the utility energy efficiency programs and accounted for in the legislative business-as-usual projection for state policy and programs~~Actions:~~ ~~*G-1: Promote commissioning programs on the city's website such as San Diego RCx, and similar programs for commercial buildings.* (Short-term)~~ ~~*G-2: Commission city facilities to improve building operations and reduce energy costs, with a goal of 40 percent energy reduction in 30 percent of city facility square footage. (Mid-term)*~~	

~~**Already Projected Amount:** There is no projection for commercial commissioning that would occur without this measure.~~

~~**Target:** The target is equivalent to a 40 percent energy reduction in 30 percent of existing and new commercial square footage citywide and in city facilities.~~

~~**GHG Reduction Measure Description:** Commercial commissioning is a systematic process of ensuring that a building performs according to its design and the occupant's operational needs. Commissioning allows the design developed to be successfully constructed and operated. Examples includes measuring temperatures and flow rates from heating, ventilation, and air conditioning (HVAC) systems to calibrate to a known standard, as well as reviewing operations to verify that controls are properly functioning.~~

~~**Quantification of GHG Emissions Reductions:** The EPIC mitigation calculator was used to quantify emission reductions for Measure G.~~

~~**Responsibility and Implementation:** The City is responsible for commissioning city facilities. Building owners would implement this measure for commercial buildings. Programs exist to offer assistance with the commissioning. San Diego RCx, a SDG&E program, provides a free engineering study to qualified buildings to identify opportunities to save energy. After opportunities are identified, the program offers financial assistance to help pay the cost of implementing measures, which are typically low or no cost. Once implementation is complete, energy savings are confirmed with the utility, and the program pays the building owner the cost of the improvements. Commissioning of existing city facilities can occur concurrently with the 10-year master refurbishments schedule, using IRF.~~

~~**Costs and Benefits:**~~

~~Private: Private costs would come from building owners paying for building commissioning, which may be offset entirely through commissioning programs. Benefits would occur through reduced energy costs.~~

~~City: City costs would come from commissioning city facilities and from promoting commissioning programs to help guide building owners to implement this measure. Benefits would occur through reduced energy costs.~~

4.5 Green Building Code

Measure H: Implement Green Building Measures – Deleted in CAP Amendment No. 1	
Goal: Implementation of a 5 percent improvement in energy efficiency above the City of Carlsbad residential green building code (based on CALGreen, the statewide green building code), for new construction.	2035 Reduction: ~~179 MTCO$_2$e~~N/A
This Measure is no longer needed because new and future building codes are already more efficient than the 2013 CALGreen code.~~Action:~~ ~~*H-1: Adopt residential and commercial energy conservation ordinances requiring a 5 percent improvement in energy efficiency for residential and nonresidential new construction, above the existing City of Carlsbad green building code.* (Short-term)~~	

~~**Already Projected Amount:** There are no projections for this measure.~~

~~**Target:** The target is a five percent improvement in energy efficiency above the mandatory requirements set in CALGreen.~~

~~**GHG Reduction Measure Description:** CALGreen, also known as Title 24, is California's Building Energy Code. CALGreen requires that new buildings reduce water consumption, increase system efficiencies, divert construction waste from landfills, and install low pollutant-emitting finish materials. CALGreen has mandatory measures that apply to nonresidential and residential construction. The most recent CALGreen code was adopted in 2013 and became effective in 2014. This measure applies a five percent improvement in energy efficiency above CALGreen as part of a local Green Building Code.~~

~~**Quantification of GHG Emissions Reductions:** The EPIC mitigation calculator was used to quantify emission reductions for Measure H.~~

~~**Responsibility and Implementation:** The City of Carlsbad shall adopt a Green Building Code with a standard of five percent improvement in energy efficiency above CALGreen, which would also apply to any subsequent updates of the CALGreen Building Code. The Green Building Code would apply to new construction within the city.~~

~~**Costs and Benefits:**~~

~~Private: Private costs would occur in implementing the improvements in energy efficiency above the CALGreen code in new construction.~~

~~City: There is no cost to the City of Carlsbad, other than adopting the ordinance.~~

4.6 Efficient Lighting Standards

Measure I: Promote Replacement of Incandescent and Halogen Bulbs with LED or Other Energy Efficient Lamps	
Goal: Replace 50 percent of incandescent and halogen light bulbs citywide with LED or similarly efficient lighting by 2035.	2035 Reduction: ~~21,900~~22 $MTCO_2e$
Actions: *I-1:* *Replace 50 percent of incandescent or halogen light bulbs in city facilities with LED or similarly efficient lighting, or follow SANDAG Energy Roadmap recommendations for lighting in city facilities, whichever results in greater energy savings.* (Short-term) *I-2:* *Promote the use of LED or other energy efficient lamps by publicizing rebate programs and information from SDG&E on the benefits of the use of LED or other energy efficient lighting on the city's webpage.* (Short-term) *I-3:* *Evaluate the feasibility of adopting a minimum natural lighting and ventilation standard, developed based on local conditions. Demonstrate natural lighting and ventilation features in future city facility upgrade or new construction.* (Mid-term)	

Already-Projected Amount: There are no projections for this measure.

Target: The target is to replace 50 percent of incandescent and halogen bulbs citywide with LED bulbs or similarly efficient lighting by 2035.

GHG Reduction Measure Description: Replace inefficient incandescent and halogen light bulbs with more efficient light bulbs to reduce the amount of energy needed to power the bulbs, which will reduce the demand for electricity and thus the amount of GHG emissions created by the electrical power generation. In November 2019, the California Energy Commission (CEC) voted to ban the sale of inefficient light bulbs, effective January 2020. Inefficient light bulbs are defined as any general service lamps with a efficacy of less than 45 lumens per watt. ~~Under AB 1109 (2007), minimum energy efficiency standards are structured to reduce statewide electrical consumption by 50 percent or greater from 2007 levels for indoor residential lighting and by 25 percent or greater from 2007 levels for indoor commercial and outdoor lighting by 2018. The improved efficiency standards from AB 1109 will help to meet the goals of this measure.~~ SANDAG ~~is preparing~~prepared an Energy Roadmap for the city, ~~which may include lighting replacement recommendations for city facilities. Either the measures in the Energy Roadmap or the goal of 50 percent of incandescent and halogen light bulbs will be followed for city facilities, whichever results in greater energy savings.~~which included energy audits for most municipal facilities and energy conservation measures the city can use to reduce energy use in city municipal operations. ~~For existing city facilities, t~~The city

has, and will continue to, implement the ~~will also time the~~ lighting efficiency replacements with the master refurbishment schedule.

Quantification of GHG Emissions Reductions: ~~An estimated 17 percent of residential and commercial energy nationwide[39] and about 25 percent in California[40] is used for lighting. Applied to citywide energy use, 25 percent corresponds to about 78,000 MTCO$_2$e of forecast emissions in 2035 (from the SEEC community forecast with General Plan land use and roadways).~~ LED light bulbs reduce energy consumption and therefore GHG emissions by 75 percent compared to incandescent lighting.[41] ~~This measure assumes that about 75 percent of the bulbs citywide are currently incandescent or halogen, and sets the target of replacing half of these bulbs with more efficient ones by 2035.[42] New construction could set at a goal of 75 percent of bulbs to be LED or similarly efficient. This would overall lead to a 28 percent decrease in emissions compared to halogen/incandescent bulbs, which equates to emissions reductions of 21,900 MTCO$_2$e.[43]~~ Promotions and rebates, outreach and education, and the recent CEC decision have all contributed to lighting efficiency replacements in both the residential and commercial sectors. Therefore, the GHG reductions from this measure are not significant.

Responsibility and Implementation: Carlsbad's street lights were replaced in 2011 with energy-saving induction units, leading to a reduction of approximately 1,240 MTCO$_2$e per year (already taken into account). The City has been and will continue to replace light bulbs within City facilities with LED or similarly efficient lighting~~, as facilities are upgraded~~. For residential and commercial customers, SDG&E currently does not offer rebates for the purchase of LED or similarly efficient lighting, but the City will promote rebates as they come available on its website and by other means. The City will also provide information on the benefits of the use of LED and efficient lighting from SDG&E and other sources.

Costs and Benefits:

Private: Private costs would be from purchasing LED light bulbs for new construction, and replacing existing light bulbs over time. Benefits would be from reduced energy costs and reduced cost to replace light bulbs (as LED lights last substantially longer).

City: City costs would come from replacing existing inefficient lighting in City facilities with more efficient light bulbs over time, providing information to homeowners and business

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~~[39] http://www.eia.gov/tools/faqs/faq.cfm?id=99&t=3~~

~~[40] California Public Utilities Commission; http://www.cpuc.ca.gov/NR/rdonlyres/6234FFE8-452F-45BC-A579-A527D07D7456/0/Lighting.pdf~~

[41] http://www.energystar.gov/index.cfm?fuseaction=find_a_product.showProductGroup&pgw_code=LB

~~[42] It is estimated that 75 percent of lighting within the City is currently incandescent, halogen, or linear fluorescent. U.S. Department of Energy, 2010 U.S. Lighting Market Characterization, January 2012, Table 4.1; http://apps1.eere.energy.gov/buildings/publications/pdfs/ssl/2010-lmc-final-jan-2012.pdf~~

~~[43] 75 percent reduction in energy use in half of the 75 percent total incandescent bulbs is (75 percent)*(75 percent)*(50 percent)= 28 percent reduction~~

owners to encourage a switch to LED or other efficient lamps, and evaluating the feasibility of a natural lighting and ventilation ordinance.

4.7 Solar Water Heater/Heat Pump Installation

Measure J: New Construction Residential and Commercial Solar Water Heater Installation	
Goal: Install solar water heaters or heat pumps on all new residential and commercial construction. Retrofit up to 30 percent of existing homes and commercial buildings to include solar water heaters or heat pumps.	2035 Reduction: ~~11,604~~2,813 $MTCO_2e$
Actions: *J-1: Promote the installation of solar water heaters and heat pumps by publicizing incentive, rebate and financing programs, such as PACE programs and the California Solar Initiative for renovations of existing buildings by posting this information on the city's website and by other means. (Short-term)* *J-2: ~~Adopt residential and commercial energy conservation ordinances requiring new residential and commercial buildings to install solar water heaters or heat pumps, or use alternative energy (such as PV-generated electricity) for water heating needs. (Short-term)~~Implement and enforce Title 18, Chapter 18.30, Sections 18.30.150 and 18.30.170, mandating alternative water heating requirements in new residential and non-residential buildings.* (Ongoing)	

Already-Projected Amount: There are no solar water heaters/heat pumps projected to be installed.

Target: The target is to install solar water heaters or heat pumps on all new residential and commercial construction, and retrofit up to 30 percent of existing homes and commercial buildings to include solar water heaters or heat pumps.

GHG Reduction Measure Description: Solar water heaters use water heated by the sun to provide domestic and commercial hot water. Solar water heaters reduce the demand for energy used to heat water. A solar water heater can contribute 30 to 80 percent of the energy needed for residential water heating.[44] Heat pumps are devices that use a small amount of energy to move heat from one location to another.

Quantification of GHG Emissions Reductions: The EPIC mitigation calculator was used to quantify emission reductions for Measure J.

Responsibility and Implementation: The City of Carlsbad currently participates in three Property Assessed Clean Energy (PACE) programs: CaliforniaFIRST, Ygrene, and California HERO. PACE programs provide financing to eligible property owners for sustainable energy projects, including ~~The three PACE programs described in Measure A also provide financing for~~ the installation of solar water heaters and heat pumps to improve residential energy

[44] California Energy Commission. 2009. Go Solar California: A Step by Step Tool Kit for Local Governments to Go Solar. Available: http://www.energy.ca.gov/2009publications/CEC-180-2009-005/CEC-180-2009-005.PDF.

efficiency. ~~The California Solar Initiative has a low-income solar water heating rebate program and solar thermal program, which offers rebates for solar water heaters.~~ Installation of solar water heaters on all new residential and commercial water heaters could occur through city ordinance. Retrofit of existing homes could occur through a combination of additional encouragement and incentives.

Costs and Benefits:

Private: Private costs would occur through the installation of residential and commercial solar water heaters, which would be passed onto building owners. Benefits would occur through reduced water heating costs.

City: City costs would occur from ~~adopting~~ implementing and enforcing an ordinance requiring new homes and commercial buildings to install solar water heaters or heat pumps.

4.8 Transportation Demand Management

Measure K: Promote Transportation Demand Management Strategies	
Goal: Promote Transportation Demand Management Strategies with a goal of achieving a 10 percent increase in alternative mode use by workers in Carlsbad, for a total of 32 percent alternative mode use.	2035 Reduction: ~~23,549~~6,325 $MTCO_2e$
Actions: *K-1:* ~~*Adopt a*~~*Implement the citywide transportation demand management (TDM) plan~~*, as described in the General Plan Mobility Element, detailing a mix of strategies to reduce travel demand, specifically of single occupancy vehicles. SANDAG's 2012 "Integrating Transportation Demand Management Into the Planning and Development Process"*[45] *provides a guide to designing and implementing a TDM plan and will be used as a reference document to develop the city's TDM plan. TDM and strategies evaluated in the plan include parking ordinances, subsidized or discounted transit programs, transit marketing and promotion, carsharing, bikesharing, parking pricing, and bike parking*. (~~Short-term~~Ongoing) *K-2:* ~~*Adopt a TDM ordinance, defining a minimum trip generation threshold for nonresidential development projects. The city will set performance requirements for minimum alternative mode use based on project type. All projects above the threshold shall submit a TDM plan, which includes a description of how the minimum alternative mode use will be achieved and maintained over the life of the project. Potential TDM trip reduction measures can include carpool and vanpool ridematching services; designated employees as contacts for trip reduction programs; providing a direct route to transit in coordination with NCTD; developing public-private transit partnerships; passenger loading zones; pedestrian connections; showers and clothes lockers; carsharing, bikesharing long-term bicycle parking and shuttle programs.* (Mid-term)*Implement and enforce Title 18, Chapter 18.51, mandating TDM improvements and strategies for non-residential development.* (Ongoing)	

Already-Projected Amount: There are no projections for this measure. As of 2012, alternative (non-single occupancy vehicle use—such as working at home, carpooling, transit, walking and biking) mode use by Carlsbad workers is 22 percent.[46] Of these alternative uses, most workers work at home (44 percent) and carpool (36 percent), followed by public transit (10 percent), other means (including biking, 6 percent), and walking (5 percent).

Target: The Carlsbad General Plan promotes the use of Transportation Demand Management (TDM), but does not specify a target goal. This measure specifies a goal of achieving an additional 10 percent use of alternative modes, for an overall 32 percent alternative mode use by workers employed in Carlsbad. This is projected to be achieved through 40 percent alternative mode use by workers in new nonresidential buildings, and 30 percent alternative mode use by workers in existing (as of 2013) nonresidential buildings.

[45] ~~Available: http://www.icommutesd.com/documents/tdmstudy_may2012_webversion_000.pdf.~~

[46] American Community Survey. 2012. Selected Economic Characteristics for Carlsbad, California. Available: http://factfinder2.census.gov/.

GHG Reduction Measure Description: Chapter 3 quantifies emissions reductions from the Carlsbad General Plan due to bikeway system improvements, pedestrian improvements, traffic calming, parking facilities and policies, and transportation improvements. This measure is distinct from these reductions because it focuses on TDM, or the application of strategies and policies to reduce travel demand, or redistribute it in time and space. This measure reduces VMT by shifting single occupancy vehicle use to alternative modes, reducing the average commute length, promoting an alternate work schedule, and promoting telecommuting.

Quantification of GHG Emissions Reductions: The EPIC mitigation calculator was used to quantify emission reductions for Measure K.

Responsibility and Implementation: The City of Carlsbad will ~~develop~~ implement a TDM plan describing strategies to reduce travel demand. The city will also ~~develop~~ implement an ordinance applying to nonresidential developments meeting a specified minimum trip generation threshold, providing connections to public transportation whenever possible. The city will facilitate a coordinated effort between local businesses and NCTD to develop a route expansion and ridership plan wherever feasible. SANDAG's iCommute program assists commuters by providing free carpool and ridematching services, a subsidized vanpool program, the Guaranteed Ride Home program, SchoolPool carpooling programs for parents, and information about teleworking, all of which can support the city's TDM goals.

Costs and Benefits:

Private: Private costs could include need for a TDM coordinator for private businesses, providing on-site facilities (showers, lockers), and shuttle programs. Benefits would accrue from reduced spending on gasoline, and reduced traffic from less employee commute.

City: City costs would result ~~from developing,~~ implementing~~,~~ and enforcing a TDM plan and ordinance. Implementation costs would include conducting an outreach and education campaign to promote the benefits of TDM.

4.9 Increased Zero-Emissions Vehicle (ZEV) Travel

Measure L: Promote an Increase in the Amount of Zero-Emissions Vehicle Travel	
Goal: Promote an increase in the amount of ZEV[47] miles traveled from a projected ~~15~~ 4.5 percent to 25 percent of total vehicle miles traveled by 2035.	2035 Reduction: ~~54,158~~49,912 $MTCO_2e$
Actions: *L-1: Working with industry partners, construct a "PV to EV" pilot project to install a PV charging station at a city facility (such as the Faraday Center), to charge city ZEVs. The purpose of the pilot project would be to evaluate the feasibility of incorporating more ZEV into the city's fleet. (*Short-term*)* *L-2: Prepare a community-wide charging station siting plan, which evaluates site visibility and exposure, EV driving ranges, high volume destinations, locations with high ownership or interest in EVs, and cost of construction.* (Short-term) *L-3: Construct ZEV charging stations based on the community-wide charging station siting plan described in L-2 above. The ZEV charging stations will be funded by grant funds when available, and the city will post signage directing ZEVs to charging stations.* (Mid-term) *L-4: Offer dedicated ZEV parking, and provide charging stations adjacent to ZEV parking as identified in the community-wide charging station siting plan.* (Mid-term) *L-5: Adopt requirements for ZEV parking for new developments.* (Short-term) *L-6: Implement and enforce Title 18, Chapter 18.21, Sections 18.21.140 and 18.21.150, mandating electric vehicle charging infrastructure in new residential and non-residential building and existing residential and non-residential buildings undergoing major renovations.* (Ongoing)~~*Adopt a residential energy conservation ordinance, similar to Palo Alto, requiring the installation of EV chargers or pre-wiring in new residential construction and major renovations.* (Short-term)~~ *L-7: Update the city's Fleet Management Program to include a low and zero-emissions vehicle replacement/purchasing policy. Increase the proportion of fleet low and zero–emissions vehicle miles traveled to 25 percent of all city-related VMT by 2035.* (Short-term)	

Already-Projected Amount: According to the EPIC mitigation calculator, ~~15~~ 4.5 percent of the vehicle miles traveled in 2035 are projected to be from ZEVs.

Target: The target is to increase the proportion of vehicle miles traveled from ~~15~~ 4.5 percent to 25 percent by the year 2035.

GHG Reduction Measure Description: Driving ZEVs reduces carbon emissions by eliminating direct tailpipe emissions of carbon dioxide and other GHGs. The production of electricity used to power electric vehicles generates GHGs; however, SDG&E electricity generates much less GHGs than the direct combustion of fossil fuels. Furthermore, electric vehicles can be charged at home or the workplace using energy produced by PV panels,

[47] Zero-Emissions Vehicle (ZEV) is a vehicle that emits no tailpipe pollutants from the onboard source of power. ZEVs include electric vehicles, fuel cell vehicles, and plug-in hybrids, when in electric mode.

eliminating GHG emissions completely, at least for the months when PV panels produce the full amount of electricity needed for operations. The ability to provide entirely emissions-free transportation through the use of PV panels to charge ZEVs should be capitalized on whenever possible.

Quantification of GHG Emissions Reductions: The EPIC mitigation calculator was used to quantify emission reductions for Measure L.

Responsibility and Implementation: The city will promote an increase in the amount of electric vehicle travel by constructing ZEV charging stations using the community-wide station siting plan. Grant funding for the construction of the ZEV charging stations can come from the California Energy Commission's Electric Vehicle Charging Infrastructure grant, or other similar grant programs. The city would be responsible for operating (including electricity provision, for stations not using PV panels) and maintaining charging stations.

The city ~~will~~ is also promot~~e~~ing the use of ZEVs by ~~offering~~ requiring dedicated ZEV parking and ~~adopting requirements for ZEV parking~~charging infrastructure for new development and major renovations. ~~The city will create an ordinance requiring the installation of ZEV chargers or pre-wiring in new residential construction and major renovations.~~[48] Through its Fleet Vehicle Replacement Fund, the City of Carlsbad ~~will~~ is increasing~~e~~ the city fleet mix of ZEVs, hybrids, and other low- or zero-emissions vehicles to increase low and zero–emissions vehicle miles traveled to 25 percent by 2035.

Costs and Benefits:

Private: The private cost would be the purchase of an electric vehicle and the cost of electricity to power the electric vehicle, for community members who elect to purchase an electric vehicle. Costs may also occur from installing EV chargers or pre-wiring into new residential construction or major renovations. Benefits would accrue from reduced spending on gasoline.

City: City costs would be from planning for, constructing, operating (including providing electricity, for stations not using PV panels) and maintaining ZEV charging stations, which may be offset by potential user fees or grants from the California Energy Commission, or other similar agencies. City costs ~~may occur from developing~~would also be from implementing ordinances to require the installation of ZEV chargers ~~in new residential construction and major renovations~~.. City costs may also occur from fleet purchases of ZEV vehicles. Benefits would accrue from reduced spending on gasoline.

[48] ~~Assembly Bill 1092 (2013) requires the Department of Housing and Community Development to propose minimum building standards for the installation of future electric vehicle charging infrastructure for parking spaces in multi-family dwellings and nonresidential development.~~

4.10 Citywide Renewable Projects

Measure M: Develop More Citywide Renewable Energy Projects	
Goal: Produce the equivalent amount of energy to power 2,000 homes (roughly equivalent to a 5 percent reduction) by 2035 from renewable energy projects.	2035 Reduction: ~~4,580~~2,774 $MTCO_2e$
Actions: *M-1: Conduct a feasibility study to evaluate citywide renewable energy projects and prioritize accordingly. (Short-term)* *M-2: Incorporate renewable energy measures such as PV system installation on city buildings and parking lots, or microturbine installation on city facilities, with the goal of producing approximately 12,000 megawatt-hours per year.* (Mid to Long-term) *M-3: Pursue available funding sources for the construction of renewable energy projects by the city, such as Energy Efficiency Financing for Public Sector Projects and SGIP.* (Mid to Long-term)	

Already-Projected Amount: There is no projected amount for this measure.

Target: The target is the production of 12,341 megawatt-hours per year, approximately the energy required to power 2,000 homes.

GHG Reduction Measure Description: The City of Carlsbad has a number of renewable energy projects in various stages of planning and development. The Maerkle Reservoir Hydropower Project, which has been permitted by the Federal Energy Regulatory Commission (FERC), is estimated to produce about 833 MWh per year. In 2014, Alga Norte Community Park was outfitted with a PV system in the parking area, which will generate some 360 MWh of electricity per year. Other planned projects include a second pressure-reducing hydroelectric generator, similar to the Maerkle Reservoir Hydropower Project, and a potential large PV system at the Maerkle Reservoir property.

Quantification of GHG Emissions Reduction: The production of 12,341 megawatt-hours per year ~~was converted into $MTCO_2e$ using the 2010 SDG&E coefficient of 742.2 lb CO_2e per megawatt-hour. This~~ corresponds to a reduction of ~~4,580~~2,774 $MTCO_2e$.

Responsibility and Implementation: The City of Carlsbad would be responsible for conducting a feasibility study, determining suitable renewable technologies, siting renewable projects, and constructing and maintaining the renewable energy projects. Funding sources include the Energy Efficiency Financing for Public Sector Projects, which includes renewable energies such as PV systems and other distributed generation technologies, as well as the Self-Generation Incentive Program (SGIP)~~, as described above in Measure C~~. As well, the city will use IRF to install renewable energy systems as part of refurbishment of existing city facilities, where it is feasible to do so.

Costs and Benefits:

Private: There are no direct private costs from this measure.

City: City costs are planning (including a feasibility study), constructing and maintaining the renewable facilities, some of which may be offset through the funding sources described above. Benefits accrue from electricity savings to City through net energy metering.

4.11 Water Utilities System Improvements

Measure N: Reduce GHG Intensity of Water Utilities Supply Conveyance, Treatment, and Distribution [49]	
Goal: Reduce the intensity of GHG emissions from water utilities (including water supply, wastewater, and recycled water) conveyance, treatment, and distribution by 8 percent by 2035.	2035 Reduction: ~~5,968~~713 $MTCO_2e$
Action: *N-1: Improve water utilities (including water supply, wastewater, and recycled water) conveyance, treatment and distribution, and other system improvements.* (Mid to Long-term)	

Already-Projected Amount: The goal of an 8 percent reduction by 2035 is the default value in the EPIC mitigation calculator.

Target: The target is to achieve the already-projected amount.

GHG Reduction Measure Description: This measure estimates emissions reductions from changes in the efficiency of water utilities (including water supply, wastewater, and recycled water) conveyance, treatment, and distribution facilities within the City of Carlsbad.[50] This combines improvements in overall system efficiency, the reduction in GHG intensity of electricity used to move water, wastewater, and recycled water, and replacing potable water needs with expanded recycled water supply. Carlsbad's Sewer Master Plan, for example, calls for eliminating several sewer lift stations and replacing them with gravity pipelines, which would reduce energy usage.[51] The Encina Water Pollution Control Facility exemplifies GHG reductions from water treatment; the facility currently is able to satisfy 60 percent of its energy needs through methane capture and cogeneration and has a long-term goal of energy independence from purchased energy. The 2012 Carlsbad Municipal Water District Recycled Water Master Plan estimates that, by 2030, recycled water demand could double from 4,100 acre-feet/year to about 9,100 acre-feet/year. Expanding the recycled water system would appreciably reduce the need for more expensive imported water needs in the future.

[49] For purposes of this measure, water utilities include potable water treatment and conveyance, sewer conveyance, and recycled water treatment and conveyance systems.

[50] Note: The GHG reductions from water conservation measures detailed in the 2010 Carlsbad Municipal Water District Urban Water Management Plan (UWMP) have already been considered in the GHG forecasts. Further GHG reductions may be possible through greater conservation efforts than those outlined in the UWMP, including Ordinance No. 44 (2009); however, these have not been quantified in this CAP.

[51] The City is replacing three sewer lift stations, which use a combined total of approximately 6,200 kWh of electricity per year with gravity pipelines, in addition to other planned rehabilitation upgrades included in the Sewer Master Plan.

Quantification of GHG Emissions Reduction: The EPIC mitigation calculator was used to quantify emission reductions for Measure N, which estimates wastewater emissions reductions from methane capture, reductions from water treatment and distribution facilities, and changes in the supply network, including greater use of recycled water.

Responsibility and Implementation: The City of Carlsbad would be responsible for making the improvements to water supply conveyance, treatment, and distribution, which could occur through improvements to the Carlsbad Municipal Water District's system.

Costs and Benefits:

Private: There would be no private costs for this measure.

City: Costs to the City of Carlsbad are from implementing the improvements to the water utilities system. Benefits occur by reducing energy costs and having newer water delivery infrastructure.

Measure O: Encourage the Installation of Greywater and Rainwater Collection Systems	
Goal: Encourage the installation of greywater and rainwater collection systems with a goal of 15 percent of homes by 2035.	2035 Reduction: ~~1,205~~137 $MTCO_2e$
Actions: *O-1: Host workshops on greywater and rainwater collection systems through the Carlsbad Municipal Water District, or partner with existing workshop providers, for homeowners interested in installing systems suitable for their property.* (Mid-term) *O-2: Create a design reference manual, or provide links to an existing one, for the design of greywater and rainwater collection systems.* (Mid-term) *O-3: Evaluate the feasibility of offering a rebate for residential greywater systems that require a permit to cover the cost of obtaining a permit.* (Mid-term)	

Already-Projected Amount: There is no projection for this measure.

Target: The target is for 15 percent of single-family homes to have greywater and rainwater collection systems installed by 2035.

GHG Reduction Measure Description: Greywater is wastewater generated from hand washing, laundry machines, and showers and baths that have not been contaminated by any toilet discharge. Greywater can be recycled onsite for toilet flushing and subsurface (below ground) landscape irrigation using a greywater system. The regulations for the design, construction and use of greywater systems are in Chapter 16A of the California Plumbing Code. Some small greywater systems that involve laundry machines or single fixtures only are exempt from permits. More complicated greywater systems require building permits from the City. Rainwater harvesting is the practice of collecting rainwater from hard surfaces, such as

roofs, and storing it in barrels or cisterns, which can be used for landscape irrigation. Measure O is to promote the use of on-site greywater and rainwater collection systems for residences.

Quantification of GHG Emissions Reductions: Nationwide, about seven percent of U.S. GHG emissions are from water and wastewater service provision to urban populations.[52] For this measure, it was assumed that seven percent of the citywide emissions are from water provision and wastewater services.[53] Therefore, about 32,000 $MTCO_2e$ of 2035 emissions are from water provision and wastewater services.

If maximally pursued, the use of greywater and rainwater collection systems could reduce water demands by 25 percent on a statewide scale.[54] For this measure, it was assumed the 25 percent reduction in water demand would scale to individual houses that implement greywater and rainwater collection systems. A goal of 15 percent of homes with greywater and rainwater harvesting systems was chosen. A 25 percent reduction of water use in 15 percent of homes corresponds to a GHG reduction of about ~~1,205~~137 $MTCO_2e$.

Responsibility and Implementation: Homeowners would be responsible for the installation of greywater and rainwater collection systems. The City of Carlsbad will, through the Carlsbad Municipal Water District, host greywater and rainwater harvesting workshops, or partner with existing workshop providers. The City will also reference or develop a greywater and rainwater collection system design manual and consider offering a rebate for residential greywater systems that require a permit to cover the cost of obtaining a permit.

Costs and Benefits:

Private: Costs to homeowners would be from constructing and maintaining greywater and rainwater collection systems. Benefits would accrue over time through water savings.

City: Costs to the City of Carlsbad are from hosting workshops and developing or reviewing greywater and rainwater collection manuals to adopt.

4.13 Clean Electricity

Measure P: Increase the Proportion of Clean Electricity in Community Energy Consumption

[52] Source: V. Novotny. 2010. "Urban Water and Energy Use: From Current US Use to Cities of the Future." *Cities of the Future/Urban River Restoration*. Water Environment Federation. 9: 118-140.

[53] The 7 percent estimate was used for the purpose of this reduction measure because the Chapter 2 inventory did not directly quantify all emissions associated with water use, but rather included those as part of commercial, industrial and residential energy use (e.g. heating water).

[54] Source: J. Loux, R. Winer-Skonovd, E. Gellerman. 2012. "Evaluation of Combined Rainwater and Greywater Systems for Multiple Development Types in Mediterranean Climates." *Journal of Water Sustainability*. 2(1): 55-77.

Goal: Achieve 100% renewable electricity by 2030 for 95% of the residential bundled load and 85% commercial + industrial bundled load.	2035 Reduction: 56,207 $MTCO_2e$
Action: *P-1: Continue participation in the Clean Energy Alliance Community Choice Energy program* (Ongoing). *P-2 Explore the purchase of renewable energy credits if Community Choice Energy program is not reaching 2035 goal.*	

Already-Projected Amount: There is no projection for this measure.

Target: The target is for 95 percent of the bundled residential load and 85 percent of the bundled commercial plus industrial load to use 100% renewable electricity.

GHG Reduction Measure Description: California Assembly Bill 117 allows local governments to form Community Choice Aggregations, commonly referred to as Community Choice Energy (CCE) program. These programs offer an alternative electric power option to customers with the area currently served by an investor-owned utility. CCEs allow local jurisdictions to increase the proportion of renewable energy available to customers that, in turn, lowers the GHG emissions from electricity consumption. Another means to lower electricity-related GHG emissions is to purchase renewable energy credits as an offset to the consumption of electricity from non-renewable generation sources.

Quantification of GHG Emissions Reductions: The GHG emissions reductions anticipated with this measure are derived from the Community Choice Energy Technical Feasibility Study (prepared by EES Consulting, Inc. and dated March 28, 2019), which was prepared for the cities of Carlsbad, Del Mar, Encinitas and Oceanside. The study evaluates three renewable energy portfolio scenarios: an SDG&E equivalent; 100% renewable by 2030; and, 100% renewable upon inception. The GHG emissions reductions associated with this measure are beyond the reductions assumed by the state mandated renewable portfolio standard.

Responsibility and Implementation: The Clean Energy Alliance Joint Powers Authority and its staff are responsible for implementing the Community Choice Energy program. Electricity customers can choose the proportion of renewable energy they consume (50% or 100%). City staff will monitor the program participation rates and renewable proportions, amount of renewable energy procured, and the resulting GHG emissions reductions to determine the need for purchasing renewable energy credits to meet the 2035 reduction target.

Costs and Benefits:

Private: Costs to electricity customers will be a function of the Clean Energy Alliance rate structure and the proportion of renewable energy purchased through the program.

City: Costs to the City of Carlsbad are from staff and financial contributions to the Clean Energy Alliance Joint Powers Authority and, if needed, the purchase of renewable energy credits.

~~4.12~~4.14 Combined Effect of CAP GHG Reduction Measures and Forecast with CAP

Table 4-1 shows a summary of the CAP GHG reduction measures. While the individual measures may be implemented over different timescales, for the purposes of calculating their impact in this section, it was assumed that the effect of all measures would begin in the mid-term time frame and increase linearly to reach the full reduction potential in the year 2035. ~~Table 4-2 shows proposed residential energy conservation, commercial energy conservation, and transportation demand management ordinances adjacent to the applicable reduction measures.~~

As a whole, the CAP GHG reduction measures were designed to enable Carlsbad to achieve its GHG reduction target in the year 2035. The combined GHG reductions from these measures is ~~185,919~~142,918 $MTCO_2e$ in 2035, which covers the emissions "gap" identified in Chapter 3. Table 4-2~~3~~ adds the effect of the CAP GHG reduction measures to the community forecast, and compares the resulting forecast with CAP GHG reduction measures to emission targets. As proposed, this CAP meets the emissions targets for both 2020 and 2035. ~~Interim "milestone" years 2025 and 2030 are presented in Table 4-3 in order for the city to check its progress towards meeting the 2035 target.~~ Figure 4-1 shows the forecast with CAP reduction measures compared to the emissions targets to demonstrate that both 2020 and 2035 targets will be met with the implementation of this CAP.

For this CAP to successfully be implemented, the City of Carlsbad must play a prominent role in implementing the CAP GHG reduction measures. In addition to responsibility and implementation covered for each measure in this chapter, the following chapter discusses how the CAP will be revised and updated in the future to ensure that the targets are met.

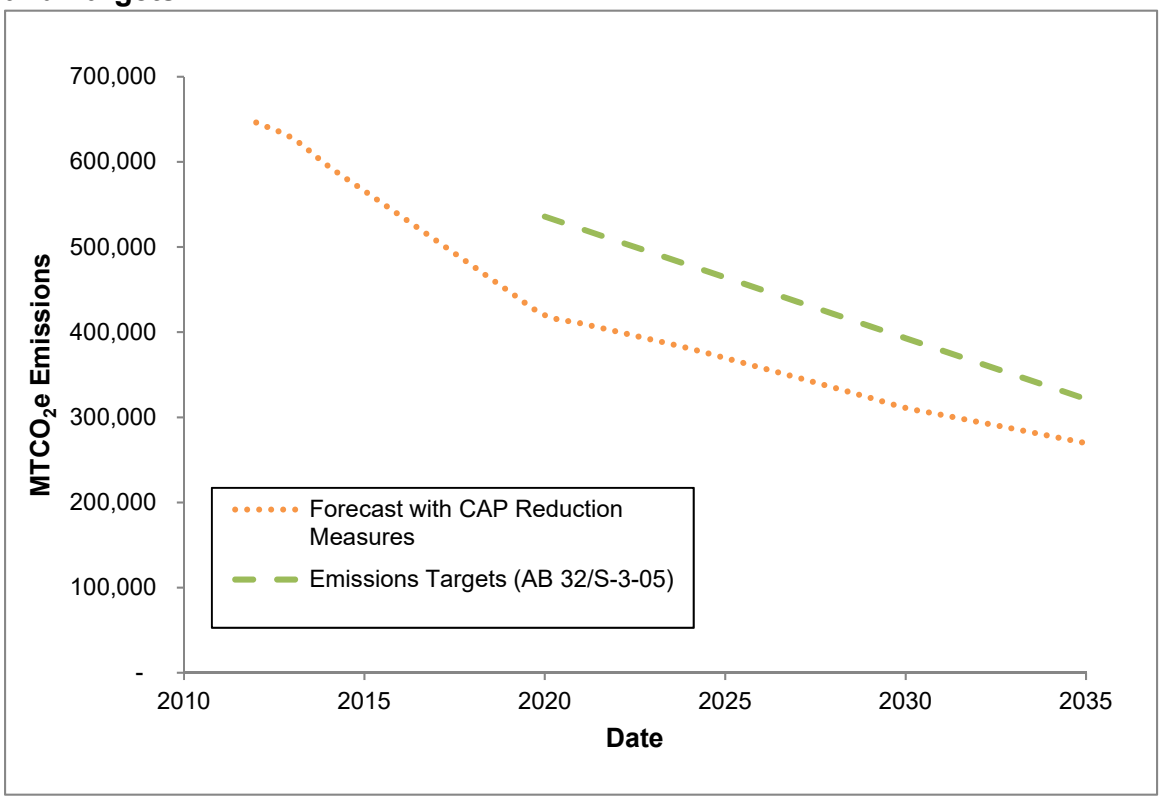
TABLE 4-1: CAP GHG REDUCTION MEASURES SUMMARY		
Measure Letter	**GHG Reduction Measures**	**GHG Reduction in 2035 ($MTCO_2e$)**
A	Install residential PV systems	~~10,136~~N/A
B	Install commercial and industrial PV systems	~~13,336~~4,457
C	Promote building cogeneration for large commercial and industrial facilities	~~1,067~~N/A
D	Encourage single-family residential efficiency retrofits	~~1,132~~7,986
E	Encourage multi-family residential efficiency retrofits	~~351~~3,993
F	Encourage commercial and city facility efficiency retrofits	~~18,377~~7,579
G	Promote commercial and city facility commissioning, or improving building operations	~~18,377~~N/A
H	Implementation of Green Building Code	~~179~~N/A
I	Replace Incandescent bulbs with LED bulbs	~~21,900~~22
J	New construction residential and commercial solar water heater/heat pump installation & retrofit of existing residential	~~11,604~~2,813
K	Promote Transportation Demand Management	~~23,549~~6,325
L	Increase zero-emissions vehicle travel	~~54,158~~49,912
M	Develop more citywide renewable energy projects	~~4,580~~2,774
N	Reduce the GHG intensity of water supply conveyance, treatment and delivery	~~5,968~~713
O	Encourage the installation of greywater and rainwater systems	~~1,205~~137
P	Implement Community Choice Energy	56,207
Total GHG Reductions		**~~185,919~~142,918**

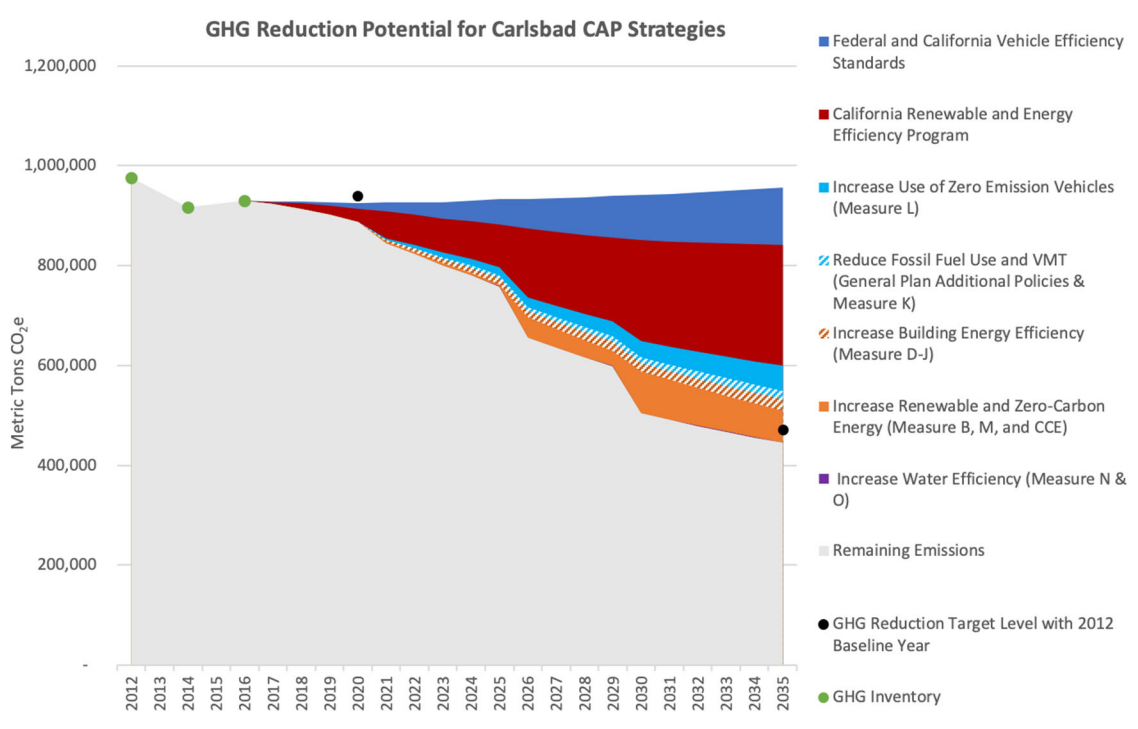
~~TABLE 4-2: LIST OF PROPOSED ORDINANCES AND APPLICABLE MEASURES~~	
~~**PROPOSED ORDINANCES**~~	~~**Applicable Measures**~~
~~Residential Energy Conservation Ordinance~~	~~A, D, E, H, I, J, L~~
~~Commercial Energy Conservation Ordinance~~	~~B, F, H, I, J, L~~
~~Transportation Demand Management Ordinance~~	~~K~~

TABLE 4-23: FORECAST COMMUNITY EMISSIONS WITH CAP GHG REDUCTION MEASURES AND TARGETS

Year	Modified Baseline ForecastBusiness-As-Usual Forecast ($MTCO_2e$)	Total Modified Baseline Forecast (From Chapter 3) ($MTCO_2e$)	CAP GHG Reduction Measures (Phased in Linearly to 2035) ($MTCO_2e$)	Forecast Community Emissions with CAP GHG Reduction Measures	GHG Emission Targets (Linear Scaling of AB 32/S-3-05) ($MTCO_2e$)	Emission Target Met?
2020	473,082926,000	N/A	53,120N/A	419,962N/A	535,763939,000	Yes
2025	467,018		97,386	369,632	464,328	
2030	452,762		141,654	311,108	392,893	
2035	455,556956,000	588,817	185,919142,918	269,637445,899	321,458472,000	Yes

Figure 4-1: Forecast Community Emissions with CAP Reduction Measures and Targets





Energy Policy Initiatives Center 2020

5

Implementation, Monitoring and Reporting

Chapters 3 and 4 identify a comprehensive set of goals and specific, enforceable measures and actions that the city will take in order to meet its GHG emissions targets. Implementation and monitoring are key to ensuring that the city is successful in reaching those targets. The city will use an adaptive management approach to CAP implementation. Adjustments to management actions will be made as needed to support continuous improvement based on measured results, monitoring effectiveness, new technology, or in response to deficiencies in program assessment results. This chapter describes how the City of Carlsbad will implement the CAP and monitor and report on its effectiveness, consistent with State CEQA Guidelines Sections 15183.5(b)(1)(D) and (E).

For discretionary projects seeking to use CEQA streamlining provisions, in an environmental document the city shall refer to the required measures in this CAP as mandatory conditions of approval or as mitigation. This will enable projects to benefit from CEQA streamlining provisions, while ensuring that the city can achieve the reduction targets outlined in this plan.

5.1 Implementation

Table 5-1 lists all of the measures and actions identified in Chapters 3 and 4 along with the following information:

Responsible Department: The city department(s) that will be primarily responsible for implementing, monitoring, and reporting on the progress for each measure.

Annual GHG Reduction Goal: The estimated annual emission reductions anticipated by the 2035 target year~~s 2020 and 2035, and interim milestone years 2025 and 2030~~.

Performance Target: The expected quantified outcome of the GHG reduction measure.

Progress Indicators: The types of data that will be collected to measure progress toward the performance target and correlate to GHG emissions reductions. Progress indicators will be

confirmed as part of the implementation of each measure. If a recommended progress indicator is found to be infeasible to collect or track, an alternative indicator will be identified.

Unit of Measure: Input units used to calculate GHG emissions reductions ($MTCO_2e$), whereby:

Gallons of water = water consumption
kWh/MWh = electricity consumption in kilowatt-hours or megawatt-hours
$MTCO_2e$ = metric tons of CO2 equivalent emissions
Therm = natural gas consumption in therms
VMT = vehicle miles traveled

Implementation Timeframe: The schedule by which each action is to be implemented, beginning from the year the CAP is adopted, as follows:

Short-term – one to two years
Mid-term – two to five years
Short to Long-term, or Mid-to Long-term – actions that will begin in the short or mid-term, but take longer than five years to fully implement.

Ongoing - continue for the duration of CAP implementation

[Type here]

TABLE 5-1: CAP IMPLEMENTATION MATRIX

Measure / Actions	Responsible Department(s)	Annual GHG Reduction Goals ($MTCO_2e$)	Performance Target ○ Progress Indicators	Unit of Measure	Implementation Timeframe
General Plan Measures (see Section 3.6 for complete descriptions)					
Bikeway system improvements	Public Works, Community ~~& Economic~~ Development	~~2020: 164~~ ~~2025: 159~~ ~~2030: 153~~ **2035: 608~~147~~**	Achieve 2.85 miles of bike lanes per square mile, corresponding to .07% VMT reduction ○ Miles of bikeways added ○ Miles of bikeways enhanced	VMT	Short to Long-term
Pedestrian improvements and increased connectivity	Public Works, Parks & Recreation, Community ~~& Economic~~ Development	~~2020: 2,341~~ ~~2025: 2,268~~ ~~2030: 2,194~~ **2035: 615~~2,106~~**	1% VMT reduction ○ Miles of pedestrian and trail improvements ○ Number of new connection points	VMT	Short to Long-term
Traffic calming	Public Works, Community ~~& Economic~~ Development	~~2020: 585~~ ~~**2025: 567**~~ ~~**2030: 548**~~ **2035: ~~526~~969**	.25% VMT reduction ○ Number of traffic calming devices installed ○ Vehicle travelway width reduction ○ Pedestrian crossing width reduction	VMT	Short to Long-term
Parking facilities and policies	Public Works, Community ~~& Economic~~ Development	~~**2020: 4,682**~~ ~~2025: 4,535~~ ~~2030: 4,388~~ **2035: 6,618~~4,211~~**	2% VMT reduction ○ % reduction in parking standards ○ Number of projects with alternative parking provisions (shared parking, unbundled parking cost, valet, etc.) ○ Number of EV parking spaces installed	VMT	Short to Long-term
Transportation improvements	Public Works,	~~**2020: 1,475**~~	.63 VMT reduction	VMT	

TABLE 5-1: CAP IMPLEMENTATION MATRIX

Measure / Actions	Responsible Department(s)	Annual GHG Reduction Goals ($MTCO_2e$)	Performance Target ○ Progress Indicators	Unit of Measure	Implementation Timeframe
	Community ~~& Economic~~ Development	~~2025: 1,429~~ ~~2030: 1,383~~ **2035:** **2,085~~1,327~~**	○ Transit ridership counts	$MTCO_2e$	Short to Long-term
CAP Measures (see Sections 4.1 - 4.11 for complete descriptions)					
A – Promote installation of residential photovoltaic systems		~~**2020: 2,896**~~ ~~2025: 5,309~~ ~~2030: 7,723~~ ~~**2035: 10,136**~~**N/A**	~~Promote installation of residential PV systems to produce an additional 9.1 MW above already projected amounts, or the equivalent of 2,682 more homes with PV systems, by 2035~~N/A		
~~A-1: Temporarily suspend PV system permit fees~~	~~Community & Economic Development, Communications~~		~~○ Number of promotional events~~ ~~○ MW installed PV~~	~~kWh~~	~~Short-term~~
~~A-2: Review local regulations for constraints on PV~~	~~Community & Economic Development~~		~~n/a~~		~~Short to Long-term~~
~~A-3: Adopt ordinance requiring PV in new residential construction~~	~~Community & Economic Development~~		~~○ Ordinance adoption~~ ~~○ MW installed PV~~	~~kWh~~	~~Short-term~~

TABLE 5-1: CAP IMPLEMENTATION MATRIX

Measure / Actions	Responsible Department(s)	Annual GHG Reduction Goals ($MTCO_2e$)	Performance Target ○ Progress Indicators	Unit of Measure	Implementation Timeframe
B - Promote Installation of commercial and industrial photovoltaic systems		~~**2020: 3,810**~~ ~~2025: 6,986~~ ~~2030: 10,161~~ **2035:** ~~**13,336**~~**4,457**	Promote installation of commercial and industrial PV systems to produce an additional 10.7 MW per year above projected amounts, or roughly 15 percent of projected commercial and industrial electricity use, by 2035		
B-1: Implement and enforce Title 18, Chapter 18.30, Section 18.30.130 of the Carlsbad Municipal Code, mandating solar photovoltaic energy generation systems on new non-residential buildings. ~~Require PV on large new nonresidential construction~~	Community ~~& Economic~~ Development		~~○ Ordinance adopted~~ ○ MW installed PV	kWh	~~Short-term~~Ongoing
B-2: Implement and enforce Title 18, Chapter 18.30, Section 18.30.130 of the Carlsbad Municipal Code, mandating solar photovoltaic energy generation systems on existing non-residential buildings undergoing major renovations~~Adopt an ordinance requiring existing nonresidential developments to install PV panels to offset a portion of their energy use~~	Community ~~& Economic~~ Development		~~○ Ordinance adopted~~ ○ MW installed PV	kWh	~~Mid-term~~Ongoing

TABLE 5-1: CAP IMPLEMENTATION MATRIX

Measure / Actions	Responsible Department(s)	Annual GHG Reduction Goals ($MTCO_2e$)	Performance Target ○ Progress Indicators	Unit of Measure	Implementation Timeframe
C - Promote building cogeneration for large commercial and industrial facilities		~~**2020: 305**~~ ~~2025: 559~~ ~~2030: 813~~ ~~**2035: 1,067**~~**N/A**	~~Promote building cogeneration for large commercial and industrial facilities, with the goal of producing 6.9 MW~~N/A		
~~C-1: Promote cogeneration~~	~~Public Works, Communications~~		~~○ Promotional activities conducted~~ ~~○ Number and/or sq. footage of SGIP-funded projects~~	~~kWh/therms~~	~~Short-term~~
~~C-2: Install cogeneration systems for large city facilities where beneficial~~	~~Public Works~~		~~○ MW installed co-generation systems~~	~~kWh/therms~~	~~Mid-to-Long-term~~
~~C-3: Require cogeneration systems for large commercial and industrial facilities that have on-site electricity production~~	~~Community & Economic Development~~		~~○ MW installed co-generation systems~~	~~kWh/therms~~	~~Mid-term~~
D - Encourage single-family residential efficiency retrofits		**2020: 323** 2025: 593 2030: 862 **2035: 1,132**	Encourage single-family residential efficiency retrofits with the goal of a 50 percent energy reduction compared to baseline in 30 percent of the total single-family homes citywide by 2035 (approximately 10,000 single-family homes out of a total of 35,000)		
D-1: Promote residential energy efficiency incentive and rebate programs	Public Works, Communications		○ Promotional activities conducted	kWh/therms	Short-term
D-2: Create a citywide "Energy Challenge"	Public Works, Communications		○ Program launch ○ Promotional activities conducted ○ Number of program participants and/or sq. footage of buildings in program	kWh/therms	Short-term

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TABLE 5-1: CAP IMPLEMENTATION MATRIX

Measure / Actions	Responsible Department(s)	Annual GHG Reduction Goals ($MTCO_2e$)	Performance Target ○ Progress Indicators	Unit of Measure	Implementation Timeframe
D-3: Implement and enforce Title 18, Chapter 18.30, Section 18.30.190, mandating energy efficiency measures in existing residential buildings undergoing major renovations.~~Require residential energy audits/retrofits~~	Community ~~& Economic~~ Development		~~○ Ordinance adopted~~ ○ Number and/or sq. footage of existing homes retrofitted	kWh/therms	~~Short-term~~Ongoing
E - Encourage multi-family residential efficiency retrofits		~~**2020: 100**~~ ~~2025: 184~~ ~~2030: 267~~ **2035: ~~351~~3,993**	Encourage multi-family residential efficiency retrofits with the goal of a 50 percent energy reduction in 30 percent of the projected amount of multi-family homes citywide by 2035 (approximately 5,000 out of a total of 17,000)		
E-1 and E-2: ~~(~~See Measures D-1 and D-2 above~~)~~	Public Works, Communications, Community ~~& Economic~~ Development		○ See Actions D-1 through D-~~3~~2 above	kWh/therms	Short-term
E-3: Implement and enforce Title 18, Chapter 18.30, Section 18.30.190, mandating energy efficiency measures in existing residential buildings undergoing major renovations.			○ Number and/or sq. footage of existing homes retrofitted	kWh/therms	Ongoing

TABLE 5-1: CAP IMPLEMENTATION MATRIX

Measure / Actions	Responsible Department(s)	Annual GHG Reduction Goals ($MTCO_2e$)	Performance Target ○ Progress Indicators	Unit of Measure	Implementation Timeframe
F - Encourage commercial and city facility efficiency retrofits		~~**2020: 5,251**~~ ~~2025: 9,626~~ ~~2030: 14,002~~ **2035:** ~~**18,377**~~**7,579**	Encourage commercial and city facility efficiency retrofits with the goal of a 40 percent energy reduction in 30 percent of commercial square footage citywide and in city facilities by 2035		
F-1: Install energy efficiency retrofits for city-owned buildings	Public Works		○ Sq. footage of buildings retrofitted ○ % energy use reduction	kWh/therms	Short-term
F-2: Promote nonresidential energy efficiency incentive and rebate programs	Public Works, Community ~~& Economic~~ Development, Communications		○ Promotional activities conducted ○ Number of program participants and/or sq. footage of buildings retrofitted ○ % energy use reduction	kWh/therms	Short-term
F-3: Implement and enforce Title 18, Chapter 18.21, Section 18.21.155, mandating energy efficiency measures in new non-residential buildings and existing non-residential buildings undergoing major renovations.~~Require nonresidential energy audits/retrofits~~	Community ~~& Economic~~ Development		~~○ Ordinance adopted~~ ~~○ Number and/or sq. footage of existing buildings retrofitted~~ ○ % energy use reduction	kWh/therms	~~Short-term~~Ongoing
G - Promote commercial and city facility commissioning		~~**2020: 5,251**~~ ~~2025: 9,626~~ ~~2030: 14,002~~ ~~**2035:**~~ ~~**18,377**~~**N/A**	~~Encourage commercial and city facility commissioning, or improving existing and new building operations, with the goal of a 40 percent energy reduction in 30 percent of commercial square footage citywide and in city-owned buildings by 2035~~N/A		

TABLE 5-1: CAP IMPLEMENTATION MATRIX

Measure / Actions	Responsible Department(s)	Annual GHG Reduction Goals ($MTCO_2e$)	Performance Target ○ Progress Indicators	Unit of Measure	Implementation Timeframe
~~G-1: Promote commercial commissioning~~	~~Public Works, Community & Economic Development, Communications~~		~~○ Promotional activities conducted~~ ~~○ Number and/or sq. footage of commissioned buildings~~ ~~○ % energy use reduction~~	~~kWh/therms~~	~~Short-term~~
~~G-2: Commission city facilities~~	~~Public Works~~		~~○ Number and/or sq. footage of commissioned buildings~~ ~~○ % energy use reduction~~	~~kWh/therms~~	~~Mid-term~~
H - Implement green building measures		~~**2020: 51**~~ ~~2025: 94~~ ~~2030: 136~~ ~~**2035: 179**~~**N/A**	~~Implementation of a 5 percent improvement in energy efficiency above the City of Carlsbad residential green building code (based on CALGreen, the statewide green building code), for new construction~~construction/A		
~~H-1: Increase Green Building Code requirements by five percent.~~	~~Community & Economic Development~~		~~○ Ordinance adopted~~ ~~○ Number and/or sq. footage of buildings with enhanced GBC features~~	~~kWh/therms~~ ~~$MTCO_2e$~~	~~Short-term~~
I - Promote replacement of incandescent and halogen bulbs with LED or other energy efficient lamps		~~**2020: 6,257**~~ ~~2025: 11,471~~ ~~2030: 16,686~~ **2035: ~~21,900~~22**	Replace 50 percent of incandescent and halogen light bulbs citywide with LED or similarly efficient lighting by 2035		
I-1: Replace incandescent and halogen light bulbs in city facilities	Public Works		○ Building sq footage upgraded ○ Number of fixtures replaced	kWh	Short-term
I-2: Promote the use of LED rebate programs	Public Works, Communications		○ Promotional activities conducted	kWh	Short-term

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TABLE 5-1: CAP IMPLEMENTATION MATRIX

Measure / Actions	Responsible Department(s)	Annual GHG Reduction Goals ($MTCO_2e$)	Performance Target ○ Progress Indicators	Unit of Measure	Implementation Timeframe
I-3: Develop natural lighting and ventilation standards; install city facility demonstration project	Community ~~& Economic~~ Development Public Works		○ Feasibility study conducted ○ Number of buildings with natural lighting and ventilation features ○ % energy use reduction	kWh/therms	Mid-term
J - New construction residential and commercial solar water heater/heat pump installation & retrofit of existing residential		~~**2020: 3,315**~~ ~~2025: 6,078~~ ~~2030: 8,841~~ **2035:** ~~**11,604**~~**2,813**	Install solar water heaters or heat pumps on all new residential and commercial construction. Retrofit up to 30 percent of existing homes and commercial buildings to include solar water heaters or heat pumps		
J-1: Promote -residential solar water heaters and heat pump retrofit incentive, rebate and financing programs	Public Works, Communications		○ Promotional activities conducted ○ Solar heater/heat pump installations	kWh/therms	Short-term
J-2: Implement and enforce Title 18, Chapter 18.30, Sections 18.30.150 and 18.30.170, mandating alternative water heating requirements in new residential and non-residential buildings.~~Solar water heater and heat pump ordinance for new nonresidential construction~~	Community ~~& Economic~~ Development		~~○ Ordinance adopted~~ ○ Solar heater/heat pump installations ○ MW installed PV	kWh/therms	~~Short-term~~Ongoing

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TABLE 5-1: CAP IMPLEMENTATION MATRIX

Measure / Actions	Responsible Department(s)	Annual GHG Reduction Goals ($MTCO_2e$)	Performance Target ○ Progress Indicators	Unit of Measure	Implementation Timeframe
K - Promote transportation demand management strategies		~~**2020: 6,728**~~ ~~2025: 12,335~~ ~~2030: 17,942~~ **2035:** ~~**23,549**~~**6,325**	Promote Transportation Demand Management Strategies with a goal of achieving a 10 percent increase in alternative mode use by workers in Carlsbad, for a total of 32 percent alternative mode use		
K-1: ~~Adopt~~ Implement citywide transportation demand management (TDM) plan	Community ~~& Economic~~ Development, Public Works		○ TDM plan adopted ○ TDM participation rates ○ % VMT reduced	VMT	Short-term
K-2: Implement and enforce Title 18, Chapter 18.51, mandating TDM improvements and strategies for non-residential development. ~~Adopt TDM ordinance~~	Community ~~& Economic~~ Development, Public Works		~~○ TDM ordinance adopted~~ ○ TDM participation rates ○ % VMT reduced	VMT	~~Mid-term~~Ongoing
L - Promote an increase in the amount of zero-emissions vehicle travel		~~**2020: 15,474**~~ ~~2025: 28,368~~ ~~2030: 41,263~~ **2035:** ~~**54,158**~~**56,207**	Promote an increase in the amount of ZEV miles traveled from a projected 15 percent to 25 percent of total vehicle miles traveled by 2035		
L-1: Construct a "PV to EV" pilot project	Public Works, Community ~~& Economic~~ Development		○ kW installed PV ○ Number of ZEV charging units	VMT kWh	Short-term

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TABLE 5-1: CAP IMPLEMENTATION MATRIX

Measure / Actions	Responsible Department(s)	Annual GHG Reduction Goals ($MTCO_2e$)	Performance Target ○ Progress Indicators	Unit of Measure	Implementation Timeframe
L-2: Prepare a community-wide charging station siting plan	Public Works, Community ~~& Economic~~ Development		○ Siting Plan prepared		Short-term
L-3: Construct ZEV charging stations based on the community-wide charging station siting plan	Public Works		○ Number of charging stations installed ○ kWh charging sessions	VMT	Mid-term
L-4: Offer dedicated ZEV parking and charging stations	Public Works, Community ~~& Economic~~ Development		○ Number of installed ZEV parking spaces/charging stations ○ kWh charging sessions	VMT	Mid-term
L-5: Adopt requirements for ZEV parking for new developments.	Community ~~& Economic~~ Development		○ Number of installed ZEV parking spaces/charging stations ○ kWh charging sessions	VMT	Short-term
L-6: Implement and enforce Title 18, Chapter 18.21, Sections 18.21.140 and 18.21.150, mandating electric vehicle charging infrastructure in new residential and non-residential building and existing residential and non-residential buildings undergoing major renovations.~~Require EV chargers or pre-wiring in new residential construction and major renovations.~~	Community ~~& Economic~~ Development		~~○ Ordinance adopted~~ ○ Number of EV chargers installed	VMT	~~Short-term~~Ongoing

TABLE 5-1: CAP IMPLEMENTATION MATRIX

Measure / Actions	Responsible Department(s)	Annual GHG Reduction Goals ($MTCO_2e$)	Performance Target ○ Progress Indicators	Unit of Measure	Implementation Timeframe
L-7: Increase the proportion of city fleet low and zero–emissions vehicle miles traveled to 25 percent of all city-related VMT	Public Works		○ % LEV and ZEV fleet VMT	VMT	Short-term
M - Develop more citywide renewable energy projects		~~**2020: 1,309**~~ ~~2025: 2,399~~ ~~2030: 3,490~~ **2035:** ~~**4,580**~~**2,774**	Produce the equivalent amount of energy to power 2,000 homes (roughly equivalent to a 5 percent reduction) by 2035 from renewable energy projects		
M-1: Conduct a feasibility study to evaluate citywide renewable energy projects and prioritize accordingly.	Public Works		○ Feasibility study conducted		Short-term
M-2: Incorporate renewable energy measures such as PV system installation on city buildings and parking lots, or microturbine installation on city facilities	Public Works		○ MW installed renewable energy systems	MWh	Mid to Long-term
M-3: Pursue available funding sources for the construction of municipal renewable energy projects	Public Works		○ Number of EEFP or SGIP-funded projects	MWh	Mid to Long-term
N - Reduce the GHG intensity of water supply conveyance, treatment and distribution		~~**2020: 1,705**~~ ~~2025: 3,126~~ ~~2030: 4,547~~ **2035:** ~~**5,968**~~**713**	Reduce the intensity of GHG emissions from water utilities (including water supply, wastewater, and recycled water) conveyance, treatment, and distribution by 8 percent by 2035		

TABLE 5-1: CAP IMPLEMENTATION MATRIX

Measure / Actions	Responsible Department(s)	Annual GHG Reduction Goals ($MTCO_2e$)	Performance Target ○ Progress Indicators	Unit of Measure	Implementation Timeframe
N-1: Improve water utilities (including water supply, wastewater, and recycled water) conveyance, treatment and distribution, and other system improvements.	Public Works, Carlsbad Municipal Water District		○ Number of water system improvement projects ○ % energy use reduction	kWh	Mid to Long-term
O - Encourage the installation of greywater and rainwater systems		~~**2020: 344**~~ ~~2025: 631~~ ~~2030: 918~~ **2035: ~~1,205~~137**	Encourage the installation of greywater and rainwater collection systems with a goal of 15 percent of homes by 2035		
O-1: Conduct greywater and rainwater collection systems workshops	Carlsbad Municipal Water District, Communications		○ Number of workshops conducted ○ % water use reduction	Gallons of water	Mid-term
O-2: Create a greywater design reference manual	Community ~~& Economic~~ Development, Carlsbad Municipal Water District		○ Reference manual created ○ % water use reduction	Gallons of water	Mid-term
O-3: Evaluate the feasibility of offering a rebate for residential greywater systems that require a permit to cover the cost of obtaining a permit.	Carlsbad Municipal Water District		○ Feasibility study conducted ○ Number of permit rebates issued ○ % water use reduction	Gallons of water	Mid-term
P – Clean Electricity		**2035: 56,207**	Achieve 100% renewable electricity by 2030 for 95% of the residential bundled load and 85% commercial + industrial bundled load.		

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TABLE 5-1: CAP IMPLEMENTATION MATRIX

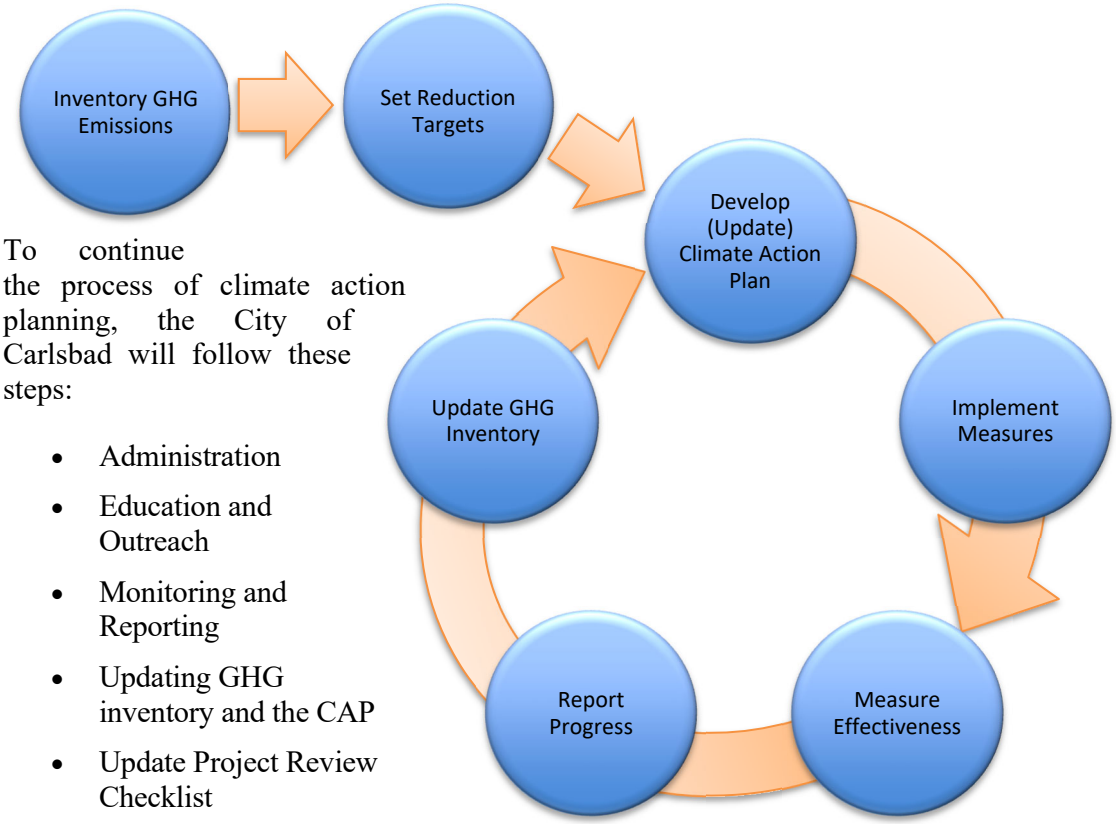
Measure / Actions	Responsible Department(s)	Annual GHG Reduction Goals ($MTCO_2e$)	Performance Target	Unit of Measure	Implementation Timeframe
			○ Progress Indicators		
P-1: Continue participation in Clean Energy Alliance Community Choice Energy program	City Manager		○ Continued participation	N/A	Ongoing
P-2: Explore the purchase of renewable energy credits if Community Choice Energy program is not reaching 2035 reduction target	Public Works Finance		○ CCE participation rates and percentage of customers at 100% renewable energy.	kWh	Ongoing

5.2 Monitoring and Reporting

This CAP serves as a toolkit for the City of Carlsbad to reduce community-wide GHG emissions and meet emissions targets. Climate action planning, however, is an iterative and adaptive management process: it requires administration, public outreach, monitoring progress and measuring results, periodically revisiting assumptions and adjusting provisions when necessary. Through regular monitoring and measuring the performance of CAP activities, the city will learn what is working and what is not. This will enable the city to make timely adjustments to existing measures, replace ineffective actions, and/or add new measures as changes in technology, federal and state programs, or other circumstances warrant.

Figure 5-1 shows the steps in the process of climate action planning.

Figure 5-1: Process of Climate Action Planning



To continue the process of climate action planning, the City of Carlsbad will follow these steps:

- Administration
- Education and Outreach
- Monitoring and Reporting
- Updating GHG inventory and the CAP
- Update Project Review Checklist

Administration

Following adoption of this CAP, the city will designate a CAP administrator and form an interdisciplinary CAP implementation team from within the city organization. The administrator, in conjunction with the implementation team, will be responsible for initial program start-up activities and for overseeing implementation, monitoring and reporting of all actions described in the CAP. The composition of the implementation team may vary from time to time as needed, but it is expected that core members will include staff from Public

Works, Community and Economic Development, Finance, and Communications departments. As some of the monitoring and reporting activities will require coordination with other agencies, the implementation team will need to foster effective partnerships accordingly.

Operating resources for administering the CAP will be provided through the city's annual budget process. To maximize efficiency and maintain costs, the city will integrate CAP implementation activities into existing workloads and programs whenever possible. Potential private and public funding resources for individual GHG reduction measures are identified in the measure descriptions in Chapter 4. However, since program incentives and funding sources change over time, the CAP administrator and Implementation Team will need to keep current on available resources as GHG reduction measures are implemented.

Education and Outreach

A program of this scope and consequence will require substantial community support in order to succeed. Key to garnering this support is to raise the level of community awareness through education and outreach. Most of the individual GHG reduction measures in Chapter 4 include a promotion and education component. Appendix A provides a listing of internet resources on a variety of climate change-related topics. In addition to these features built into the CAP, the city will utilize its website, social media, and other communications channels to provide information about climate change science and anticipated impacts, and by providing residents and businesses with information and resources to help them take action. The city's website already has a good deal of information related to energy and water efficiency programs, and other environmental sustainability efforts. This Climate Action Plan is also available on the city's website. The city will build upon this base of resources by providing current information and links to various local, state and federal incentive programs to reduce one's carbon footprint, and provide assistance to homeowners, businesses, and contractors seeking to make energy efficiency improvements.

Monitoring and Reporting

The City of Carlsbad will annually monitor and report on CAP implementation activities. The annual monitoring report will include implementation status of each action and progress towards achieving the performance targets of the corresponding emissions reduction measure. The annual monitoring report will also include information on the status of the federal and state level emissions reductions measures identified in Chapter 3 of this CAP, as well as any new efforts that may emerge in the reporting year. The annual report will be presented to the City Council at a public meeting during which interested parties may comment on the report.

Updating GHG Inventory and the CAP

The city will update the community and government operations inventories for calendar year 2014 for inclusion in the first annual report, and then will update the inventories every three years thereafter. For continuity, the inventory updates will tally emissions from the same sectors analyzed in Chapter 2 of this CAP. If an updated inventory reveals that the plan is not making adequate progress toward meeting the GHG target, or that new technologies and programs emerge that warrant inclusion in the CAP, the city will adjust the CAP by modifying, adding, and/or replacing measures as necessary. New opportunities for GHG reductions,

including new funding sources and the ability to link city reduction actions to the city's Capital Improvement Plan, Infrastructure Replacement and Fleet Vehicle Replacement schedules, and other programs can also be incorporated into future updates of the CAP. Interim "milestone" targets for years 2025 and 2030 as shown in Table 4-3 will be used to gauge whether the city is making adequate progress toward meeting the 2035 target. Recommendations to adjust the CAP may be presented to the City Council as part of the annual report or at any other time throughout the year as necessary to ensure effective CAP implementation.

5.3 Project Review Thresholds and Checklist

Compliance with CAP

During the course of project review, city will evaluate whether a project is subject to provisions of this CAP, using the screening criteria below. Once this is established, a project shall comply with the CAP in one of two ways:

- **Checklist Approach.** The Project Review Checklist below provides direction about measures to be incorporated in individual projects, which will be used during the normal development review process. Project features that help a project meet the provisions of the CAP shall then become part of project conditions of approval.
- **Self-Developed Program Approach.** Rather than use the standard checklist, project proponents can develop their own program that would result in the same outcome as the checklist. Appendix E provides a non-exclusive list of potential mitigation measures that can be applied at the project level to reduce project-level greenhouse gas emissions. Other measures not listed in the Appendix may be considered, provided that their effectiveness in reducing greenhouse gas emissions can be demonstrated. The self-developed program approach and selection of mitigation measures shall be subject to city review and approval.

CEQA Streamlining

Project Screening Thresholds

The California Air Pollution Control Officers Association (CAPCOA) published various screening thresholds to guide lead agencies in determining which projects require greenhouse gas analysis and mitigation for significant impacts related to climate change. Utilizing this guidance, the City has determined that new development projects emitting less than 900 $MTCO_2e$ annual GHG would not contribute considerably to cumulative climate change impacts, and therefore do not need to demonstrate consistency with the CAP.

The city prepared a "Climate Action Plan Consistency Checklist" and "Guidance to Demonstrating Consistency with the Climate Action Plan For Discretionary Projects Subject to CEQA," which lists the types and sizes of projects that correspond to the 900 MTCO2e screening threshold. The documents were revised to reflect adoption of CAP ordinances. For proposed projects above the screening threshold, project proponents shall complete the Checklist. ~~Table 5-2 lists types and sizes of projects that correspond to the 900 $MTCO_2e$~~

~~screening threshold; projects equal to or exceeding these thresholds would be subject to CAP measures.~~[55]

~~TABLE 5-2: PROJECT REVIEW THRESHOLDS~~	
~~Project/Plan Type~~	~~Screening Threshold~~
~~Single-Family Housing~~	~~50 dwelling units~~
~~Multi-family Housing~~	~~70 dwelling units~~
~~Office~~	~~35,000 square feet~~
~~Retail Store~~	~~11,000 square feet~~
~~Grocery Store~~	~~6,300 square feet~~
~~*Source: Adapted from California Air Pollution Control Officers Association (CAPCOA). CEQA and Climate Change, Evaluating and Addressing Greenhouse Gas Emissions from Projects Subject to the California Environmental Quality Act (January 2008).*~~ ~~*Note: For project types not listed in this table, the need for GHG analysis and mitigation will be made on a project-specific basis, considering the 900 $MTCO_2e$ screening threshold.*~~	

~~Project Review Checklist~~

~~For proposed projects above the screening thresholds, project proponents shall complete the CAP Project Review Checklist (similar to that shown in Table 5-3). For each item on the checklist, project proponents shall indicate whether or not the measure is included as part of the project, or if it is not applicable. The checklist is designed to meet the targets set for the measures presented in Chapter 4. The checklist shown in Table 5-3 is preliminary and illustrative of the items that will be included in the finalized checklist. The city will provide a final checklist incorporating requirements in ordinances drafted for the CAP.~~

~~TABLE 5-3: PRELIMINARY CAP PROJECT REVIEW CHECKLIST~~		
~~RENEWABLE ENERGY PRODUCTION~~		
~~1. For new nonresidential projects with more than 50 cars surface parked or on roofs of parking structures, would the project include PV panels over at least half of the surface/roof-parked cars or other equivalent renewable energy production?~~	~~☐ Included~~	~~☐ Not Applicable~~
~~Explanation:~~ ~~*Describe the measures taken to meet this requirement, if applicable.*~~		

[55] ~~If a proposed project is below the screening criteria, GHG emissions would still be reduced through compliance with applicable City of Carlsbad General Plan goals and policies, ordinances and regulations.~~

~~TABLE 5-3: PRELIMINARY CAP PROJECT REVIEW CHECKLIST~~		
~~COGENERATION~~		
~~2. For the construction or retrofit of a large commercial or industrial facility with an on-site electricity production, would the proposed project include a building cogeneration system?~~	~~☐ Included~~	~~☐ Not Applicable~~
~~Explanation:~~		
~~ENERGY CONSERVATION ORDINANCES~~		
~~3. For residential and commercial construction or major renovations, would the proposed project meet the requirements in the applicable energy conservation ordinance?~~	~~☐ Included~~	~~☐ Not Applicable~~
~~Explanation:~~		
~~GREEN BUILDING CODE~~		
~~4. Would the proposed project meet the energy efficiency standard of 5 percent above Title 24 standards (CALGreen)?~~	~~☐ Included~~	~~☐ Not Applicable~~
~~Explanation:~~		
~~SOLAR WATER HEATERS/HEAT PUMPS~~		
~~5. For residential and commercial projects, does the project include solar water heaters to reduce the energy needed for residential water heating by 50 percent, or heat pumps to reduce the heating/cooling load by 50 percent?~~	~~☐ Included~~	~~☐ Not Applicable~~
~~Explanation:~~		

~~TABLE 5-3: PRELIMINARY CAP PROJECT REVIEW CHECKLIST~~		
~~TRANSPORTATION DEMAND MANAGEMENT~~		
~~6. For proposed projects that meet the minimum trip generation thresholds set in the City of Carlsbad Transportation Demand Management (TDM) ordinance, does the project include a TDM plan, containing a description of how minimum alternative mode use will be achieved and maintained over the life of the project?~~	~~☐ Included~~	~~☐ Not Applicable~~
~~Explanation:~~ ~~*Include TDM plan if applicable.*~~		
~~ZERO-EMISSIONS VEHICLES~~		
~~7. For proposed projects subject to the City of Carlsbad off-street parking requirements, does the proposed project provide preferential parking for electric vehicles and/or charging stations for electric vehicle use?~~	~~☐ Included~~	~~☐ Not Applicable~~
~~Explanation:~~		
~~OTHER GHG REDUCTION MEASURES AND/OR FEATURES~~		
~~8. Describe other GHG reductions measures and/or features of the proposed project:~~	~~☐ Included~~	~~☐ Not Included~~
~~Explanation:~~		

~~A completed CAP Project Review Checklist, including supporting documentation for applicable measures, demonstrates a proposed project complies with the CAP.~~

~~As an alternative to utilizing the Project Review Checklist, a project proponent may develop a project-specific GHG emissions reduction program that would achieve the same required GHG reductions. Appendix E to the CAP provides a non-exclusive list of mitigation measures which may be considered by a project proponent for inclusion in a project-specific GHG emissions reduction program. The reduction measures identified in the CAP and Appendix E are non-exclusive, and other effective reduction measures may be available or become available in the future. The type, character, and level of mitigation would depend on the project type, size, location, context, and other factors. The availability of mitigation measures changes over time, as well, with new technologies, building materials, building design practices, and other~~

~~changes. Therefore, in developing project-specific reductions measures, the city recommends that a project proponent refer to current guidance from CAPCOA, ARB, OPR, California Attorney General, and SANDAG to determine applicable mitigation measures and estimate their effectiveness (see references in Appendix C).~~

~~Updating Project Review Checklist~~

~~The Project Review Checklist will be finalized by the City of Carlsbad during the first year of CAP implementation, and updated as necessary to reflect lessons learned through project streamlining. Federal, state, and San Diego Air Pollution Control District actions will be monitored to identify future changes to federal or state standards or guidelines that affect implementation of the CAP. Any changes to California Environmental Quality Act (CEQA) and CEQA Guidelines will also be integrated into the Project Review Checklist.~~

AN ADDENDUM TO THE PREVIOUSLY CERTIFIED PROGRAM ENVIRONMENTAL IMPACT REPORT FOR THE 2015 GENERAL PLAN UPDATE AND CLIMATE ACTION PLAN (PEIR 13-02) CITY OF CARLSBAD, CALIFORNIA

State Clearinghouse No. 2011011004
EIR Certified Sep. 22, 2015

May 2020

1.0 INTRODUCTION AND BACKGROUND

On Sept. 22, 2015, City of Carlsbad City Council adopted Resolution Nos. 2015-242 and 2015-244, approving the Climate Action Plan (CAP) along with the General Plan Update and Program Environmental Impact Report (PEIR 13-02). The purpose of the CAP is to describe how greenhouse gas (GHG) emissions within the City of Carlsbad will be reduced in accordance with statewide targets through the implementation of certain measures.

The CAP was adopted as a qualified greenhouse gas reduction plan (Qualified Plan) under California Code of Regulations Title 14 (hereinafter, "State CEQA Guidelines") Section 15183.5(b). Compliance with Section 15183.5(b) allows later development projects to use the CAP for their CEQA GHG analyses. Implementation of the CAP also serves as mitigation for the City's 2015 General Plan Update.

In order to be considered a Qualified Plan, Section 15183.5(b)(1) states that the CAP should:

"(A) Quantify greenhouse gas emissions, both existing and projected over a specified time period, resulting from activities within a defined geographic area;
(B) Establish a level, based on substantial evidence, below which the contribution to greenhouse gas emissions from activities covered by the plan would not be cumulatively considerable;
(C) Identify and analyze the greenhouse gas emissions resulting from specific actions or categories of actions anticipated within a geographical area;
(D) Specify measures or a group of measures, including performance standards, that substantial evidence demonstrates, if implemented on a project-by project basis, would collectively achieve the specified emissions level;
(E) Establish a mechanism to monitor the plan's progress toward achieving the level and to require amendment if the plan is not achieving specified levels;
(F) Be adopted in a public process following environmental review."

The current CAP GHG reduction targets and emissions forecast are based upon the 2005 community GHG inventory, as prepared by ICLEI – Local Governments for Sustainability and revised by Dyett & Bhatia. The inventory revision, described in Appendix B-2 of the CAP, adjusted the vehicle miles traveled (VMT) amounts in response to the newly adopted San Diego Association of Goverments (SANDAG) Technical White Paper entitled, "Vehicle Miles Traveled Calculations Using the SANDAG Regional Travel Demand Model," dated May 2013.

During ongoing CAP monitoring, staff determined that the CAP used an incorrect figure in the VMT calculations, resulting in an incorrect baseline inventory, targets and forecast. This finding was presented to the City Council on Jan. 21, 2020 through an informational presentation, at which time staff noted this error necessitated an amendment to the CAP to be considered a Qualified CAP pursuant to State CEQA Guidelines Section 15183(b)(1)(A), (C) and (D).

Since the adoption of the CAP in 2015, several things have occurred that would guide any update or amendment to a CAP. In November 2017, the California Air Resources Board issued the 2017 Climate Change Scoping Plan that contains new guidance on calculating GHG reduction targets based upon the statewide mass reduction targets of 40% below 1990 levels by 2030 and 80% below 1990 levels by 2050. Also, some state and federal policies affecting GHG reduction efforts have changed, such as the energy efficiency and renewable energy requirements of the 2019 California Building Code and the Governor's Executive Order to boost supply of electric vehicles and charging infrastructure. These policy changes need to be accounted for when forecasting future GHG emissions in a CAP update or amendment.

More locally, in June 2018, the SANDAG Board of Directors accepted the Regional Climate Action Planning Framework (ReCAP). The ReCAP seeks to provide guidance on the preparation of CAPs through regionally consistent approaches, methodologies, and data sources. This policy and technical guidance include derivation of GHG inventories, targets and forecasts, as well as calculation of GHG reductions from various potential CAP measures.

Carlsbad city staff, working with University of San Diego's Energy Policy Initiatives Center (EPIC), derived a 2012 community GHG inventory consistent with ReCAP guidance. EPIC also followed the ReCAP in preparing an updated GHG emissions forecast, using 2012 as a baseline and incorporating the current state and federal policies.

The city's revised GHG reduction targets were based upon the 2017 Scoping Plan and Table 28 of ReCAP Technical Appendix I, which indicate that the 2020 target is a four percent reduction below 2012 levels and the 2035 target is a 52 percent reduction below 2012 levels.

Given that the existing CAP underestimates the GHG inventory and forecast, additional GHG reduction measure(s) are needed to reach the newly derived targets. In November 2019, the City of Carlsbad joined with the cities of Del Mar and Solana Beach to form the Joint Powers Authority (JPA) for the Clean Energy Alliance (CEA), a Community Choice Energy (CCE) provider. The CEA will allow local customers to purchase power from more renewable sources starting in 2021, which will significantly reduce the emissions related to electricity consumption.

On May 12, 2020, the City Council received a CAP Progress Report that noted the incorporation of the updated inventory, targets and forecast, and the inclusion of CCE as a CAP GHG reduction measure, would allow the CAP to reach the 2020 and 2035 targets. The CAP amendment analyzed by this Addendum proposes to implement these revisions. More detail on the proposed CAP amendment is contained in Section 4.0.

2.0 CEQA REQUIREMENTS

State CEQA Guidelines Sections 15162 through 15164 discuss a lead agency's responsibilities in handling new information that was not included in a project's final environmental impact report.

Section 15162 of the State CEQA Guidelines states:

"(a) When an EIR has been certified…for a project, no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in the light of the whole record, one or more of the following:

1. Substantial changes are proposed in the project which will require major revisions of the previous EIR…due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
2. Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR …due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
3. New information or substantial importance, which was not known and could no have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete…shows any of the following:
   (A) The project will have one or more significant effects not discussed in the previous EIR;
   (B) Significant effect previously examined will be substantially more sever than shown in the previous EIR;
   (C) Mitigation measures or alternatives previously found not to be feasible would in face be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
   (D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative."

Alternatively, where some changes or additions are necessary to the previously certified EIR, but none of the changes or additions meeting the standards as provided for a subsequent EIR pursuant to State CEQA Guidelines, Section 15162, then the lead agency is directed to prepare an Addendum to the Final EIR (State CEQA Guidelines, Section 15164). The Addendum should include a "brief explanation of the decision not to prepare a subsequent EIR pursuant to Section 15162," and that "explanation must be supported by substantial evidence" (State CEQA Guidelines, Section 15164(e)). The Addendum need not be circulated for public review, but may simply be attached to the Final EIR (State CEQA Guidelines Section 15164(c)).

3.0 DESCRIPTION OF APPROVED PROJECT

The City of Carlsbad CAP, approved along with the General Plan Update and Program EIR on Sept. 22, 2015, is intended to describe how greenhouse gas (GHG) emissions within the City of Carlsbad will be reduced in accordance with statewide targets through the implementation of certain measures.

As stated in PEIR 13-02, dated June 2015, the CAP, "…includes goals, policies, and actions for Carlsbad to reduce GHG emissions and address climate change and includes:

- An inventory of Carlsbad's citywide and local government GHG emissions;
- Forecasts of future citywide and local government GHG emissions;
- A comprehensive, citywide strategy and actions to mange and reduce GHG emissions, with emission targets through year 2035; and
- Actions that demonstrate Carlsbad's commitment to achieve state GHG reduction targets by creating enforceable measures, and monitoring and reporting process to ensure targets are met."

The current CAP is based upon a revised 2005 community GHG inventory, which as discussed in Section 1.0 contains incorrect VMT calculations and resulted in incorrect targets and forecast. The CAP contains 15 GHG reduction measures, as follows:

Measure A – Install residential PV systems
Measure B – Install commercial and industrial PV systems
Measure C – Promote building cogeneration for large commercial and industrial facilities
Measure D – Encourage single-family residential efficiency retrofits
Measure E – Encourage multi-family residential efficiency retrofits
Measure F – Encourage commercial and city facility efficiency retrofits
Measure G – Promote commercial and city facility commissioning, or improving building operations
Measure H – Implementation of Green Building Code
Measure I – Replace incandescent bulbs with LED bulbs
Measure J – New construction residential and commercial solar water heater/heat pump installation and retrofit of existing residential
Measure K – Promote Transportation Demand Management
Measure L – Increase zero-emissions vehicle travel
Measure M – Develop more citywide renewable energy projects
Measure N – Reduce the GHG intensity of water supply conveyance, treatment and delivery
Measure O – Encourage the installation of greywater and rainwater systems

Each of these measures has a quantified goal (e.g. produce an additional 9.1 megawatts of solar PV generated power by 2035) and a corresponding 2035 GHG reduction amount. All measures have between one and seven implementing actions, such as the adoption of an ordinance requiring solar PV installations. The CAP also contains information on implementation, monitoring and reporting. The original 2005 inventory and the revised 2005 and 2011 inventory are included as appendices.

4.0 DESCRIPTION OF PROPOSED CHANGES TO PROJECT

The proposed CAP amendment entails several components:

- Use of the 2012 Community GHG inventory
- Calculation of 2020 and 2035 targets using the 2012 inventory and guidance from CARB's 2017 Climate Change Scoping Plan
- Addition of CCE as a GHG reduction measure
- Recalculation of pre-existing CAP measures in light of changed state and federal policies and the changed electrical generation emissions factor associated with CCE.

The CAP amendment will adjust the appropriate sections of the 2015 CAP to reflect the changes listed above. Other portions of the CAP will remain intact, except for the correction of a cross-references to revised information.

Specifically, the CAP amendment will:

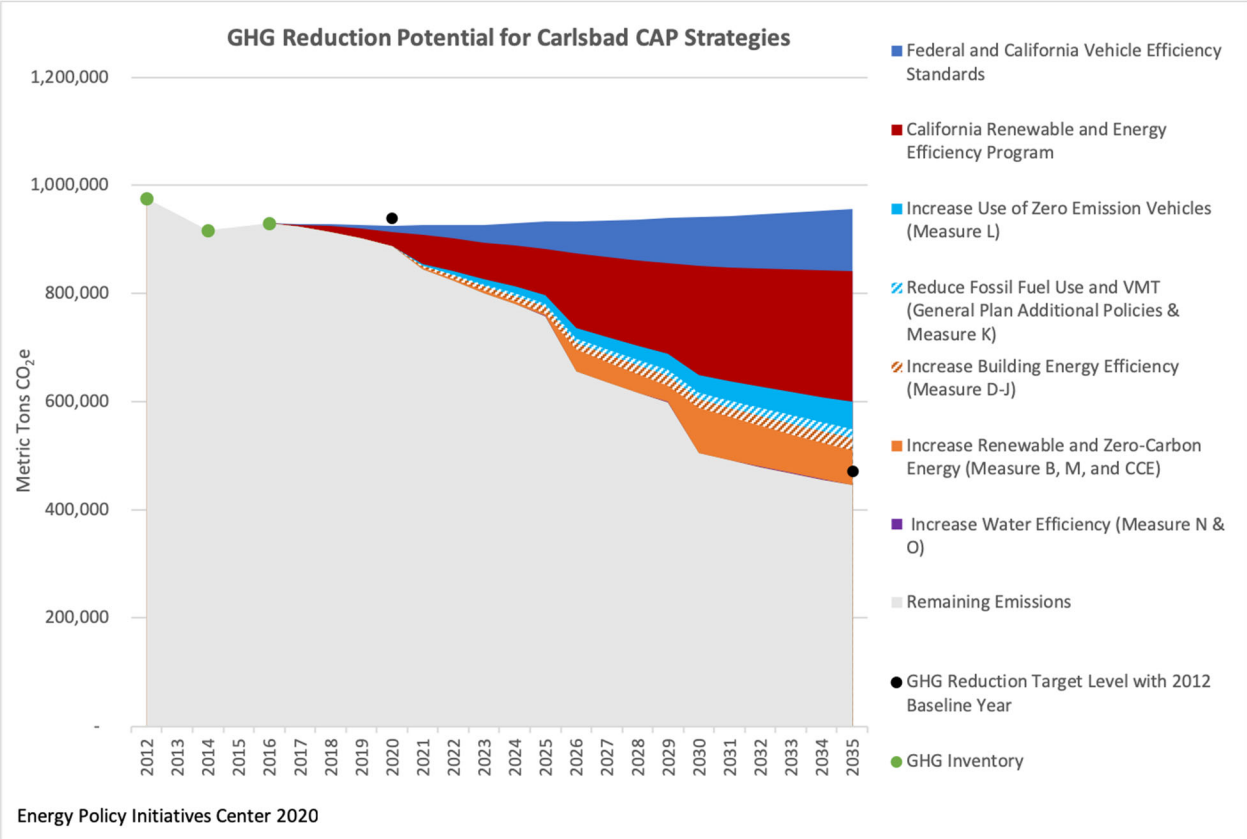
- Revise Chapter 1 – "Introduction" with updated background information on global temperatures and state and federal legislation and regulations
- Revise Chapter 2, Section 2.2 – "Community Inventory" by replacing the 2005 and 2011 GHG inventories with a 2012 inventory.
- Revise Chapter 3 – "Greenhouse Gas Reduction Target, Forecasts, and Emissions "Gap"" as follows:
    - Revise Section 3.1 – "GHG Reduction Target" with updated information on the California Air Resources Board Scoping Plan guidance
    - Revised Table 3-1: "2005 Emissions and Emissions Targets" with 2012 emissions and Scoping Plan derived targets
    - Revise Sections 3.2 through 3.7 in accordance with the 2012 inventory, 2017 Scoping Plan derived targets, and updated forecast
- Revise Chapter 4 – "CAP GHG Reduction Measures" as follows:
    - Revise Sections 4.1 through 4.11 by replacing content within tables containing Goals, 2035 Reductions and Actions for all measures
    - Delete Measures A, C and H
    - Add a section for the CCE measure (Measure P)
    - Revise existing Section 4.12 – "Combined Effect of CAP GHG Reduction Measures and Forecast with CAP" to include updated text, revise Table 4-1: "CAP GHG

Reduction Measures Summary," delete Tables 4-2 and 4-3, and update Figure 4-1: "Forecast Community Emissions with CAP Reduction Measures and Targets."

- Delete Appendix B-1 – "2005 City of Carlsbad Greenhouse Gas Inventory"
- Revise and retitle Appendix B-2 – "2011 Carlsbad Community and Local Government Operations Greenhouse Gas Inventory Updates" by replacing pages 1 through 10 with the 2012 GHG inventory technical report.

Figure 1 below shows the GHG inventories, targets, and forecast contained in the proposed CAP amendment.

Figure 1 – Forecast Community Emissions with CAP Reduction Measures and Targets



5.0 ANALYSIS OF POTENTIAL ENVIRONMENTAL IMPACTS

The use of a new GHG inventory, derivation of new targets, recalculation of GHG reductions from pre-existing measures, and establishment of new GHG forecasts are administrative actions. These actions do not change the activities necessary to carry out CAP GHG reduction measures and, in and of themselves, would not constitute a project under CEQA. Therefore, this addendum only discusses the potential environmental impacts of the implementation of the new CCE measure.

On December 19, 2019, the CEA JPA approved their CCE Implementation Plan. The implementation plan, dated December 2019, was approved by the California Public Utilities Commission (CPUC) on March 16, 2020. The plan details the operations of the CCE, including how the Clean Energy Alliance will procure electricity for its customers. Section 6.10 of the implementation plan states:

> "*CEA will initially secure necessary renewable power supply from its third-party electric supplier(s). CEA may supplement the renewable energy provided under the initial power supply contract(s) with direct purchases of renewable energy from renewable energy facilities or from renewable generation developed and owned by CEA. At this point in time, it is not possible to predict what projects might be proposed in response to future renewable energy solicitations administered by CEA, unsolicited proposals or discussions with other agencies. Renewable projects that are located virtually anywhere in the Western Interconnection can be considered as long as the electricity is deliverable to the CAISO control area, as required to meet the Commission's RPS rules and any additional guidelines ultimately adopted by the Alliance."*

The City of Carlsbad Initial Study form, dated April 2019, includes 20 environmental factors that should be evaluated for any project, as defined by California Public Resources Code Division 13 Section 21065. The environmental factors of aesthetics, agricultural and forestry resources, air quality, biological resources, cultural resources, geology and soils, hazards and hazardous materials, hydrology and water quality, land use and planning, mineral resources, noise, population and housing, public services, recreation, transportation, tribal cultural resources, utilities and service systems and wildfire all deal with the potential environmental impact from a physical development. The environmental factor of energy does require an evaluation of the project's potential conflict with or obstruction of "a state or local plan for renewable energy or energy efficiency." The greenhouse gas environmental factor requires an evaluation of the project's potential "conflict with an applicable plan, policy or regulation adopted for the purposes of reducing the emissions of greenhouse gases."

While the implementation plan does anticipate the possibility of procuring electricity from renewable generation developed and owned by CEA, the timing, location, and scope of these potential projects are unknown and not reasonably foreseeable. The projects, if located within California, would be subject to permitting and environmental review, at which time any potentially significant impact could be identified and addressed. To evaluate all of the possible project types and the various potential characteristics of the site and surroundings would be wholly speculative. According to State CEQA Guidelines Section 15145: "If, after thorough investigation, a Lead Agency finds that a particular impact is too speculative for evaluation, the agency should note its conclusion and terminate discussion of the impact."

With regard to the energy and greenhouse gas environmental factors, the CEA is subject to CPUC oversight and, therefore, any proposed renewable generation project would need to be consistent with a state plan for renewable energy or energy efficiency. Locally, CCE is being added to the CAP for the expressed purpose of lowering GHG emissions through renewable energy and is inherently consistent. The CCE measure also calls for the purchase of renewable energy credits (RECs) if needed to reach the 2035 goal. RECs support the construction and operation of renewable energy generation facilities and are, therefore, also consistent with the furthering of renewable energy and lowering of GHG emissions.

Therefore, the proposed CAP amendment does not constitute a substantial change in the project or circumstances involving significant environmental effects or a substantial increase in the severity of previously identified effects. There is no new information that would indicate new or increased impacts. The mitigation measures previously included and remaining in the CAP, and the newly included CCE implementation measure remain feasible.

6.0 CONCLUSION

The proposed CAP amendment is timely and necessary. The changes to state and federal GHG reduction policies, state guidance on target derivation and the adoption of the SANDAG ReCAP all provide the opportunity for an updated CAP. The corrections to the original inventory, targets and forecast are needed to allow the CAP to serve as a CEQA streamlining resource for development projects under discretionary review. The proposed amendment will allow the CAP to be a Qualified Plan by meeting the required contents as described in State CEQA Guidelines Section 15183.5(b)(1).

As discussed in Section 5.0, the inclusion of CCE as a CAP GHG reduction measure will not create any foreseeable environmental impacts. While there is a potential for future CEA-developed renewable energy generation projects, environmental review of potential future developments would be an impossible task involving a wholly speculative evaluation of impacts. Also, as discussed in Section 5.0, the proposed CAP amendment does not necessitate a subsequent EIR because it does not create any of the situations contained in State CEQA Guidelines Section 15162.

CITY COUNCIL
Staff Report

Meeting Date: July 14, 2020

To: Mayor and City Council

From: Scott Chadwick, City Manager

Staff Contact: Cindie McMahon, Assistant City Attorney
cindie.mcmahon@carlsbadca.gov, 760-434-2891

Sheila Cobian, City Clerk Services Manager
sheila.cobian@carlsbadca.gov, 760-434-2917

Subject: City Council Compensation and Ballot Measure Discussion

Recommended Action

1. Discuss and provide direction on placing a ballot measure on the Nov. 3, 2020, General Municipal Election ballot relating to City Council compensation.
2. Discuss and provide direction on City Council compensation adjustments for 2019 and 2020.

Executive Summary/Discussion

On Sept. 18, 2018, the City Council introduced an ordinance amending Carlsbad Municipal Code Section 2.04.010 relating to City Council compensation. The City Council also directed staff to research the cost of adding the ordinance to a special election ballot, and if it was not economical, to place the ordinance on the 2020 general municipal election ballot. If the measure is approved by a majority of voters, the city would then have a community-approved method of increases to City Council compensation.

The City Council adopted the ordinance on Sept. 25, 2018, and it became effective 30 days later on Oct. 25, 2018. The ordinance reads as follows:

> **2.04.010 Compensation.**
> A. The compensation of each member of the city council shall be set at $2,052.17 per month upon the effective date of this ordinance. Adjustments to city council compensation shall not exceed the amount established by the San Diego Regional Consumer Price index. Adjustments to city council compensation must be made or permanently waived by ordinance in January of each year. The city council is prohibited from enacting retroactive increases for years in which a salary increase was waived.
>
> B. The compensation established by this section is exclusive of any amounts payable to each member of the city council as reimbursement for actual and necessary expenses incurred in the performance of official duties for the city.

The changes in the San Diego Regional Consumer Price Index were 3.4% in 2018 and 2.4% in 2019.

The City Council meeting agendas for January 2019 and January 2020 did not include items related to City Council compensation. Consequently, the City Council has never considered whether to adopt an ordinance adjusting or waiving adjustments to City Council compensation for 2019 and 2020.

The Carlsbad Municipal Code and the City Council Policy Update Subcommittee (made up of Mayor Pro Tem Blackburn and City Council Member Cori Schumacher) recommends the City Council discuss and provide direction on whether to place the ordinance on the ballot for the general municipal election to be held on Nov. 3, 2020. To add a measure to the ballot for this election, the City Council must adopt a resolution asking the San Diego County Board of Supervisors to place the measure on the ballot and provide consolidation services[1] by no later than Aug. 7, 2020.

The subcommittee also recommends the City Council discuss and provide direction on whether to adopt an ordinance adjusting or waiving adjustments to City Council compensation for 2019 and 2020.

Fiscal Analysis

Based on an estimate provided by the San Diego County Registrar of Voters, staff estimates the cost of adding the ballot measure to the Nov. 3, 2020, general municipal election ballot will be approximately $60,000 to $100,000. If the City Council wishes to proceed with placing the item on the ballot, the City Clerk's Office would request that the election costs be funded by the City Council contingency account at the time the resolution is brought forward.

If the City Council were to adopt an ordinance adjusting City Council compensation to reflect changes in the San Diego Regional Consumer Price Index for 2018 and 2019, the City Council members' monthly compensation would increase from $2,052.17 to $2,121.94 and the Mayor's monthly compensation would increase from $2,152.17 to $2,221.94. (The Mayor receives additional monthly compensation of $100 under Carlsbad Municipal Code Section 2.04.020.) The full fiscal impact, considering benefits in addition to compensation alone, is broken down as follows:

2018 Adjustment	$	4,946
2019 Adjustment	$	3,657
Total Fiscal Impact	$	8,603

Next Steps

If the City Council chooses to place the measure on the Nov. 3, 2020, general municipal election ballot, staff will return to the City Council with a resolution to add the item to the ballot and request consolidation services from the San Diego County Board of Supervisors.

If the City Council chooses to adopt an ordinance adjusting or waiving adjustment of City Council compensation for 2019 and 2020, staff will return to the City Council with an ordinance.

[1] This refers to consolidating the city's election with the county's election.

Environmental Evaluation (CEQA)

This action does not constitute a "project" within the meaning of the California Environmental Quality Act under Public Resources Code Section 21065 in that it has no potential to cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and therefore does not require environmental review.

Public Notification

Public notice of this item was posted in accordance with the Ralph M. Brown Act and it was available for public viewing and review at least 72 hours prior to the scheduled meeting date.

Exhibits

1. Sept. 18, 2018, Staff Report – Compensation of the Members of the City Council
2. Sept. 18, 2018, City Council Meeting Minutes

CITY COUNCIL

Staff Report

Meeting Date:	September 18, 2018
To:	Mayor and City Council
From:	Scott Chadwick, City Manager
Staff Contact:	Celia Brewer, City Attorney 760-434-2891
Subject:	Compensation of the Members of the City Council

Recommended Action

The Municipal Code Review Subcommittee recommends the following:

1. Introduce an Ordinance amending Chapter 2.04, Section 2.04.010 of the Carlsbad Municipal Code, compensation of the members of the City Council.
2. Direct that the attached ordinance be placed on a special or general ballot for approval by the electors.

Executive Summary

The City Council directed staff to commence work on updating the Carlsbad Municipal Code at the regular meeting held on May 23, 2017 and created a sub-committee comprised of Council Members Michael Schumacher and Mark Packard to assist staff in the review of the code. The subcommittee is currently reviewing and making recommendations for revisions of Titles 1 and 2. The subcommittee has reviewed Chapter 2.04 regarding City Council compensation and wishes to bring this chapter to the City Council for discussion and possible revision.

Discussion

Background

For most of its history, the city of Carlsbad was a general law city and increases in compensation were made pursuant to the Government Code. According to Government Code section 36516 city council salaries for general law cities may be increased by an amount not to exceed 5 percent for each calendar year from the date of the last adjustment. Although a city council can vote to increase salaries at any time, the increase in councilmembers' salaries cannot take effect until at least one councilmember begins a new term of office per Government Code section 36516.5.

In 2008, the city charter was adopted. As a charter city, the City of Carlsbad has authority over "municipal affairs" including city council salaries and is not bound by the provisions of Government Code section 36516 or 36516.5.

Recent City Council Action on City Council Salaries

Since becoming a charter city, the City Council has taken the following actions regarding councilmember salaries:

- In 2009, the City Council approved a salary decrease of five percent.

- In 2014, the City Council reviewed City Council salaries and decided not to adjust salaries at that time.

- In 2015, the City Council reviewed City Council salaries and approved a 47.7% salary adjustment from $1,389 dollars per month to $2,052.17 per month based on the 5% per year increase methodology contained in the Government Code. However, the increase took place immediately upon the effective date of the ordinance. Attached please find the staff report and Ordinance from 2015 (Exhibit 1).

Because city council members vote on their own raises, the subcommittee is recommending the city adopt a standing methodology that will govern council raises going forward so as to avoid an appearance of self-interested decision making.

Current Salaries
The current salaries of councilmembers for the City of Carlsbad are as follows:

- Mayor - $25,826.04/year, plus an additional $75 per Community Development Commission meeting (max $150 per month) and $100 per Water Board meeting (max $300/month)

- City Council - $24,626.04/year, plus an additional $75 per Community Development Commission meeting (max $150 per month) and $100 per Water Board meeting (max $300/month)

- The Mayor and City Council also receive a monthly vehicle allowance of $450 and $350 respectively.

Subcommittee Proposal
The subcommittee recommends that in order to avoid an appearance of a conflict of interest, council member raises should be tied to an objective measure not controlled by the city.

The subcommittee recommends adopting language limiting future salary adjustments to no more than the increase in the San Diego Regional Consumer Price Index. Annually in January the City Council shall either adopt or permanently waive the salary increase, thereby precluding the ability to seek retroactive increases.

In addition, the subcommittee recommends this ordinance be placed on the next special or general ballot to be voted on by the electors of the city of Carlsbad. If approved by a majority of voters, the city would have a community approved method for increases to council member compensation going forward.

Fiscal Analysis
The fiscal impact will be determined by any action taken. Any fiscal impacts will be accounted for in the budget process.

Next Steps

The City Clerk will prepare the ordinance for adoption at the next regular council meeting. Once adopted, the City Clerk will publish the ordinance or a summary of the ordinance in a newspaper of general circulation within 15 days. The ordinance will be effective 30 days following the adoption. If the City Council directs that this matter be placed on a future ballot, the City Clerk will return at a future council meeting with the appropriate resolutions to have this matter placed on a future ballot.

Environmental Evaluation (CEQA)

Pursuant to Public Resources Code section 21065, this action does not constitute a "project" within the meaning of CEQA in that it has no potential to cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and therefore does not require environmental review.

Public Notification

This item was noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to scheduled meeting date.

Exhibits

1. March 24, 2015 Staff Report and Ordinance re City Council Compensation
2. Ordinance
3. Redline of proposed Carlsbad Municipal Code section 2.04.010

CITY OF CARLSBAD – AGENDA BILL

9

AB# 21,904 MTG. 03-24-15 DEPT. CM	INTRODUCTION OF ORDINANCE AMENDING SECTION 2.04.010 OF THE CARLSBAD MUNICIPAL CODE, COMPENSATION OF THE MEMBERS OF THE CITY COUNCIL	DEPT. DIRECTOR CITY ATTORNEY CITY MANAGER

RECOMMENDED ACTION:

Introduce Ordinance No. CS-269, amending Chapter 2.04, Section 2.04.010 of the Carlsbad Municipal Code, compensation of the members of the city council.

ITEM EXPLANATION:

Background

According to Government Code section 36516 the salaries of council members may be increased by an amount not to exceed 5 percent for each calendar year from the date of the last adjustment. Although the council can vote to increase salaries at any time, the increase in council members' salaries cannot take effect until at least one council member begins a new term of office per Government Code section 36516.5. However as a charter city, the City Council may establish its own requirements for office, set council salaries and authorize salary increases to take effect on a certain date.

The City Council reviewed council salaries at the May 6, 2014 City Council meeting and decided not to adjust salaries at that time. Prior to that, the last action the City Council approved was a salary decrease of five percent in 2009.

The current salaries of council members for the City of Carlsbad are as follows:

- Mayor - $17,868/year, plus an additional $75 per Community Development Commission meeting (max $150 per month) and $100 per Water Board meeting (max $300/month)
- City Council - $16,668/year, plus an additional $75 per Community Development Commission meeting (max $150 per month) and $100 per Water Board meeting (max $300/month)
- The Mayor and City Council also receive a monthly vehicle allowance of $450 and $350 respectively

As an illustration of a potential increase, council salaries could be increased by 5 percent per year (compounded) from 2009 through 2014, which would result in an annual increase in compensation of 34%, to $22,337 per year for each council member (a $5,669 increase). According to the Carlsbad Municipal Code section 2.04.020, the mayor shall receive additional compensation of one hundred

DEPARTMENT CONTACT: Kathy Dodson (760) 434-2820, kathy.dodson@carlsbadca.gov

FOR CITY CLERKS USE ONLY.				
COUNCIL ACTION:	APPROVED	☑	CONTINUED TO DATE SPECIFIC	☐ _____
	DENIED	☐	CONTINUED TO DATE UNKNOWN	☐
	CONTINUED	☐	RETURNED TO STAFF	☐
	WITHDRAWN	☐	OTHER – SEE MINUTES	☐
	AMENDED	☐		

dollars per month in addition to the compensation received as a member of the city council. This additional compensation may be amended from time to time by the adoption of an ordinance amending this section. Including the $100 per month increase would increase the mayor's annual salary to $23,537.

From 2009 through 2014, salaries of city staff have increased between 15 percent for management employees and 21 percent for the Carlsbad Police Officers Association employees. The Carlsbad City Employees' Association, the largest employee group at the city, has had a gross salary increase of 16 percent during this period.

Comparisons

The following compares the salaries of Carlsbad elected officials with those of other cities.

City	Annual Salaries	Miscellaneous Additional Benefits
Carlsbad	Mayor - $17,868 City Council - $16,668	$75 per Community Development Commission meeting (max $150 per month) and $100 per Water Board meeting (max $300/month) and monthly vehicle allowance of $450 and $350
Oceanside	Mayor - $32,928 Council members - $30,528	Salary includes auto allowances and stipends for other meetings
Vista	Mayor - $32,659 Council members - $31,459	$147.75 per Buena Sanitation District meetings (maximum two meetings per month) and $90 per month for cell phone
San Marcos	Mayor & Council members - $11,732	Car allowance ($300 per month)
Escondido	Mayor - $62,149 Council members - $27,829	Salary includes auto allowance
Encinitas	Mayor & council members - $14,232	$350 per month auto allowance
Solana Beach	Mayor & council members - $8,550	None
Del Mar	Mayor & council members - $3,600	None
Poway	Mayor - $17,609 Council members - $14,009	$3,600 annually for mileage and $600 -$900 annually for cell phone

FISCAL IMPACT:
The fiscal impact will be determined by any action taken. Any fiscal impacts will be accounted for in the budget process.

2

ENVIRONMENTAL IMPACT:

Pursuant to Public Resources Code section 21065, this action does not constitute a "project" within the meaning of CEQA in that it has no potential to cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and therefore does not require environmental review.

EXHIBITS:

1. City Council Ordinance No. CS-269
2. Salary & Benefits Offered to the City of Carlsbad Elected Officials
3. Carlsbad Municipal Code Section 2.04.010

EXHIBIT 1

ORDINANCE NO. CS-269

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, AMENDING TITLE 2, CHAPTER 2.04 OF THE CARLSBAD MUNICIPAL CODE BY THE AMENDMENT OF SECTION 2.04.010 TO INCREASE THE COMPENSATION OF THE MAYOR AND MEMBERS OF THE CITY COUNCIL

WHEREAS, the voters of the City of Carlsbad at the June 3, 2008 election voted to change the powers and duties of the City by adopting a City Charter; and

WHEREAS, under the California Constitution, the City Council has plenary authority to legislate matters of local concern notwithstanding general laws to the contrary; and

WHEREAS, the compensation of the Mayor and City Council is a matter of local concern; and

WHEREAS, the compensation of the Mayor and City Council was last adjusted by Ordinance CS-024 approved on February 17, 2009.

NOW, THEREFORE, the City Council of the City of Carlsbad ordains as follows that:

SECTION I: That Carlsbad Municipal Code section 2.04.010 is amended to read as follows:

2.04.010 - Compensation.

(1) The compensation of each member of the city council shall be set at $2,052.17 dollars per month upon the effective date of this ordinance. Adjustments to city council compensation may be made from time to time by ordinance amending this section.

(2) The compensation established by this section is exclusive of any amounts payable to each member of the city council as reimbursement for actual and necessary expenses incurred in the performance of official duties for the city.

EFFECTIVE DATE: This ordinance shall be effective thirty days after its adoption, and the City Clerk shall certify to the adoption of this ordinance and cause the full text of the ordinance or a summary of the ordinance prepared by the City Attorney to be published at least once in a newspaper of general circulation in the City of Carlsbad within fifteen days after its adoption.

INTRODUCED AND FIRST READ at a regular meeting of the Carlsbad City Council on the 24th day of March 2015, and thereafter.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the _____ day of _____, 2015, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED AS TO FORM AND LEGALITY

_____

CELIA A. BREWER, City Attorney

_____

MATT HALL, Mayor

ATTEST:

_____

BARBRA ENGLESON, City Clerk

(SEAL)

SALARY & BENEFITS OFFERED TO THE CITY OF CARLSBAD ELECTED OFFICIALS

Base Salary	Additional Pay for Community Development Commission	Additional Pay for Water Board
Mayor*: $17,868 per year (eff 2/09) City Council: $16,668 per year (eff 2/09) City Treasurer: $12,840 per year (eff 1/1/07) City Clerk: $12,840 per year (eff 1/1/07)	Mayor & Council: $75 per meeting (max $150/month)	Mayor & Council: $100 per meeting (max $300/month)

Benefit	Employer Contribution	Elected Official Deduction
Basic Life Insurance: 2x annual salary	varies	n/a
Retirement Options 1) CalPERS defined benefit plan 2) APPLE 457 deferred comp	1) varies; defined by CalPERS 2) 3.75% of payroll	1) 6.75% -8% of payroll (depends on the tier) 2) 3.75% of payroll
Health Insurance: City Contribution (i.e., Benefits Credits) can be applied to Medical, Dental, Vision or Flexible Spending Accounts	VARIES (see Flexible Benefits Program for Management and Elected Officials)	Any amount the employee spent on applicable benefits in excess of the City Contribution
State Unemployment Insurance	0.3% of payroll	n/a
Medicare (If hired after 3/31/86)	1.45% of payroll	1.45% of payroll
Pers Survivor Benefits	$24.18/yr	n/a
Car Allowance	$5,400/yr (Mayor) $4,200/yr (City Council) $2,400/yr (City Treasurer) $2,400/yr (City Clerk)	n/a
Cell Phone Allowance (optional)	$540/yr per Admin. Order No. 69	

Optional Benefits	Employer Contribution	Elected Official Deduction
Deferred Compensation (ICMA) (pre-tax)	---	Amount selected
Supplemental and Dependent Life	---	Varies
Accidental Death or Dismemberment	---	Varies
Accident Insurance	---	Varies
Critical Illness Insurance	---	Varies
Universal Life/Long Term Care Insurance	---	Varies

* The Mayor's base pay is set to $100/month more than the City Council's base pay

EXHIBIT 2

elected official benefits.doc updated 3/13/14

EXHIBIT 3

2.04.010 - Compensation.

(1) The compensation of each member of the city council shall be set at ~~one thousand three hundred and eighty-nine dollars~~ _____ per month upon the effective date of this ordinance. Adjustments to city council compensation may be made from time to time by ordinance amending this section.

(2) The compensation established by this section is exclusive of any amounts payable to each member of the city council as reimbursement for actual and necessary expenses incurred in the performance of official duties for the city.

ORDINANCE NO. CS-340

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, AMENDING CARLSBAD MUNICIPAL CODE CHAPTER 2.04, SECTION 2.04.010 REGARDING CITY COUNCIL COMPENSATION

WHEREAS, the voters of the City of Carlsbad at the June 3, 2008 election voted to change the powers and duties of the City of Carlsbad by adopting a City Charter; and

WHEREAS, under the California Constitution, the City Council has plenary authority to legislate matters of local concern notwithstanding general laws to the contrary; and

WHEREAS, the compensation of the Mayor and City Council is a matter of local concern; and

WHEREAS, the City Council of the City of Carlsbad wishes to adopt a standing methodology that will govern future salary adjustments for council members; and

WHEREAS, the City Council of the City of Carlsbad wishes to avoid an appearance of a conflict of interest by tying council member salary adjustments to an objective measure not controlled by the city.

NOW, THEREFORE, the City Council of the City of Carlsbad, California, ordains as follows that:

1. The above recitations are true and correct.
2. Carlsbad Municipal Code Chapter2.04, Section 2.04.010 is amended to read as follows:

2.04.10 Compensation.

A. The compensation of each member of the city council shall be set at $2,052.17 per month upon the effective date of this ordinance. Adjustments to city council compensation shall not exceed the amount established by the San Diego Regional Consumer Price index. Adjustments to city council compensation must be made or permanently waived by ordinance in January of each year. The city council is prohibited from enacting retroactive increases for years in which a salary increase was waived.

B. The compensation established by this section is exclusive of any amounts payable to each member of the city council as reimbursement for actual and necessary expenses incurred in the performance of official duties for the city.

EFFECTIVE DATE: This ordinance shall be effective thirty days after its adoption; and the City Clerk shall certify the adoption of this ordinance and cause the full text of the ordinance or a summary of the ordinance prepared by the City Attorney to be published at least once in a newspaper of general circulation in the City of Carlsbad within fifteen days after its adoption.

INTRODUCED AND FIRST READ at a Regular Meeting of the Carlsbad City Council on the _____ day of _____, 2018, and thereafter

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the __ day of _____, 2018, by the following vote, to wit:

AYES:

NOES:

ABSENT:

APPROVED AS TO FORM AND LEGALITY:

_____

CELIA A. BREWER, City Attorney

_____

MATT HALL, Mayor

_____

BARBARA ENGLESON, City Clerk

(SEAL)

2.04.010 Compensation.

A. The compensation of each member of the city council shall be set at $2,052.17 per month upon the effective date of this ordinance. Adjustments to city council compensation shall not exceed the amount established by the San Diego Regional Consumer Price index. Adjustments to city council compensation must be made or permanently waived by ordinance in January of each year. ~~may be made from time to time by ordinance amending this section.~~ The city council is prohibited from enacting retroactive increases for years in which a salary increase was waived.

B. The compensation established by this section is exclusive of any amounts payable to each member of the city council as reimbursement for actual and necessary expenses incurred in the performance of official duties for the city.

CITY COUNCIL

Minutes

Council Chamber
1200 Carlsbad Village Drive
Carlsbad, CA 92008

September 18, 2018, 9 a.m.

CALL TO ORDER: 9:00 a.m.

ROLL CALL: M. Hall, K. Blackburn, M. Schumacher, C. Schumacher, M. Packard.

ANNOUNCEMENT OF CONCURRENT MEETINGS: None.

PLEDGE OF ALLEGIANCE: Mayor Pro Tem Blackburn led the Pledge of Allegiance.

INVOCATION: None.

APPROVAL OF MINUTES:
Minutes of the Special Meeting held September 11, 2018

Motion by Mayor Pro Tem Blackburn, seconded by Council Member M. Schumacher, to approve the minutes as presented. Motion carried unanimously, 5/0.

PRESENTATIONS: None.

PUBLIC COMMENT:

Fred Sandquist of the Batiquitos Lagoon Foundation updated Council on the progress of Batiquitos Trail.

PUBLIC REPORT OF ACTION TAKEN IN CLOSED SESSION: None.

CONSENT CALENDAR: None.

DEPARTMENTAL AND CITY MANAGER REPORTS:
The Mayor suggested and Council concurred to hear Item No. 2 at this time.

2. PRESENTATION FROM SAN DIEGO ASSOCIATION OF GOVERNMENTS (SANDAG) BOARD CHAIR
Receive a presentation from SANDAG Board Chair Terry Sinnott regarding recent regional accomplishments and an update on the SANDAG Executive Director recruitment. (Staff contact: Jason Haber, City Manager Department)

City Manager's Recommendation: Receive the presentation.

Assistant to the City Manager Jason Haber introduced Terry Sinnott from SANDAG.

Mr. Sinnott reviewed a PowerPoint presentation (on file in the Office of the City Clerk) and gave an update on the recent regional accomplishments.

Fred Sandquist, with the Batiquitos Lagoon Foundation, stated that he is looking forward to working with SANDAG and the City to improve the health of the lagoon.

ACTION: Council received the presentation.

ORDINANCE FOR INTRODUCTION:

1. COMPENSATION OF THE MEMBERS OF THE CITY COUNCIL – Introduction of Ordinance No. CS-340 amending Carlsbad Municipal Code Chapter 2.04, Section 2.04.010 regarding City Council compensation; and,
Consider directing that the Ordinance be placed on a special or general ballot for approval by the electors. (Staff contact: Celia Brewer, City Attorney)

Municipal Code Subcommittee Recommendation: Introduce the Ordinance and direct the Ordinance to be placed on a special or general ballot for approval by the electors.

Jay Varon stated that he respects the stance that Council is taking.

Kasey Cinciarelli stated the City needs highly informed officials and they should be paid a livable wage.

City Attorney Celia Brewer titled the Ordinance.

ACTION: Motion by Council Member Packard, seconded by Council Member C. Schumacher, to introduce Ordinance No. CS-340. Motion carried unanimously, 5/0.

ACTION: Minute Motion by Council Member Packard, seconded by Council Member M. Schumacher, for staff to research costs of adding the item to a Special Election, and if not economical to place the item on the 2020 General Ballot. Motion carried unanimously, 5/0.

ORDINANCES FOR ADOPTION: None.

PUBLIC HEARINGS: None.

DEPARTMENTAL AND CITY MANAGER REPORTS:
Item No. 2 was heard at the beginning of the meeting.

3. CLIMATE ACTION PLAN ANNUAL REPORT – Receive the Climate Action Plan Report for Reporting Year 2, Fiscal Year 2017-18. (Staff contact: Michael Grim, Public Works)

City Manager's Recommendation: Receive the Report.

Environmental Manager James Wood introduced Senior Program Manager Mike Grim.

Sr. Program Manager Grim reviewed a PowerPoint presentation (on file in the Office of the City Clerk) and gave an update on the Climate Action Plan.

Glenna Citron spoke in support of the residential ordinance for solar to be brought back.

Michael McMahon, on behalf of the Sierra Club My Generation Team, spoke in support of residential and commercial solar.

Fred Sandquist, of the Batiquitos Lagoon Foundation, spoke in favor of keeping the solar ordinance.

Diane Nygaard, on behalf of Preserve Calavera, stated that the City needs to do more regarding requiring solar.

ACTION: Council received the report.

4. AUTHORIZATION TO UPDATE THE CARLSBAD COMMUNITY FOREST MANAGEMENT PLAN – Adoption of Resolution No. 2018-168 authorizing staff to update the Carlsbad Community Forest Management Plan, in response to the General Plan Lawsuit Settlement Agreement. (Staff contact: Kyle Lancaster, Parks & Recreation)

City Manager's Recommendation: Adopt the Resolution.

Parks & Recreation Director Chris Hazeltine and Parks Service Manager Kyle Lancaster reviewed a PowerPoint presentation (on file in the Office of the City Clerk) and gave an update on the Forest Management Plan.

Howard Krausz, representing North County Advocates, expressed concerns relating to the timing of the update.

Diane Nygaard, representing Preserve Calavera, spoke in favor of taking better care of the heritage trees and planting new trees.

ACTION: Motion by Mayor Pro Tem Blackburn, seconded by Council Member M. Schumacher, to adopt Resolution No. 2018-168. Motion carried unanimously, 5/0.

COUNCIL REPORTS AND COMMENTS:
Mayor Hall and Council Members reported on activities and meetings of some committees and sub-committees of which they are members.

CITY MANAGER COMMENTS: None.

CITY ATTORNEY COMMENTS: None.

CITY CLERK COMMENTS: None.

ANNOUNCEMENTS:

Mayor Hall announced that Members of the City Council have been invited to and may be participating in the following events:

Thursday, Sept. 20, 2018 – 5:00 p.m.
City of Carlsbad Citizens Academy
Faraday Center
1635 Faraday Ave.
Carlsbad, CA

Saturday, Sept. 22, 2018 – 1:00 p.m.
Canyon Bikes Grand Opening
5600 Avenida Encinas
Carlsbad, CA

Saturday, Sept. 22, 2018 – 5:30 p.m.
Solutions for Change Benefit Gala
Omni La Costa Resort & Spa
2100 Costa Del Mar Rd.
Carlsbad, CA

ADJOURNMENT:

Meeting was adjourned at 11:11 a.m.

Tamara R. McMinn
Deputy City Clerk