



CITY OF SOLANA BEACH
SOLANA BEACH CITY COUNCIL, SUCCESSOR AGENCY TO THE REDEVELOPMENT
AGENCY, PUBLIC FINANCING AUTHORITY, & HOUSING AUTHORITY

AGENDA

Joint REGULAR Meeting

Wednesday, April 8, 2020 * 6:00 p.m.

Teleconference Location Only-City Hall/Council Chambers, 635 S. Highway 101, Solana Beach, California

This meeting will be conducted in accordance with Governor Newsom's

Executive Order N-29-20 related to the COVID-19 virus.

PUBLIC MEETING ACCESS

Live Broadcast on Local Government Channel, Live web-streaming, and Archived videos online.

The Regular Meetings of the City Council are scheduled for the 2nd and 4th Wednesdays and are broadcast live on Cox Communications-Channel 19, Spectrum(Time Warner)-Channel 24, and AT&T U-verse Channel 99. The video taping of meetings are maintained as a permanent record and contain a detailed account of the proceedings. Council meeting tapings are archived and available for viewing on the City's [Public Meetings](#) webpage.

MEETING LOCATION WILL NOT BE OPEN TO THE PUBLIC.

Due to the Executive Order to stay home, in person participation at City Council meetings will not be allowed at this time. In accordance with the Executive Order to stay home, there will be no members of the public in attendance at Council Meetings. Alternatives to in-person attendance for viewing and participating in City Council meetings are being provided under Public Participation.

AGENDA MATERIALS

A full City Council agenda packet including relative supporting documentation is posted online www.cityofsolanabeach.org Closed Session Agendas are posted at least 72 hours prior to regular meetings and at least 24 hours prior to special meetings.

PUBLIC PARTICIPATION

* Written correspondence regarding an agenda item at an open session meeting should be submitted to the City Clerk's Office at EMAILGRP-CityClerksOfc@cosb.org. Correspondence received after the official posting of the agenda, but before 12:00 p.m. on meeting day, will be distributed to Council and made available to the public online among with the agenda posting. The designated location for viewing public documents is the City's website www.cityofsolanabeach.org

SPECIAL ASSISTANCE NEEDED - AMERICAN DISABILITIES ACT TITLE 2

In compliance with the Americans with Disabilities Act of 1990, persons with a disability may request an agenda in appropriate alternative formats as required by Section 202. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the City Clerk's office (858) 720-2400 EMAILGRP-CityClerksOfc@cosb.org at least 72 hours prior to the meeting.

As a courtesy to all meeting attendees, please set cellular phones and pagers to silent mode and engage in conversations outside the Council Chambers.

CITY COUNCILMEMBERS

Jewel Edson, **Mayor**

Judy Hegenauer, **Deputy Mayor**

Kristi Becker, **Councilmember**

Kelly Harless, **Councilmember**

David A. Zito, **Councilmember**

Gregory Wade
City Manager

Johanna Canlas
City Attorney

Angela Ivey
City Clerk

CALL TO ORDER AND ROLL CALL:

CLOSED SESSION REPORT:

FLAG SALUTE:

APPROVAL OF AGENDA:

ORAL COMMUNICATIONS:

Written correspondence may be submitted for Oral Communications. See Public Participation on the front page for information on how to submit public comment.

This portion of the agenda provides an opportunity for members of the public to address the City Council on items relating to City business but not appearing on today's agenda. Pursuant to the Brown Act, no action shall be taken by the City Council on public comment submittals. Council may refer items to the City Manager for placement on a future agenda.

COUNCIL COMMUNITY ANNOUNCEMENTS / COMMENTARY:

An opportunity for City Council to make brief announcements or report on their activities. These items are not agendized for official City business with no action or substantive discussion.

A. CONSENT CALENDAR: (Action Items) (A.1. - A.4.)

Items listed on the Consent Calendar are to be acted in a single action of the City Council unless pulled for discussion. Any member of the public may address the City Council on an item of concern by submitting written correspondence City Clerk a speaker slip (located on the back table) before the Consent Calendar is addressed. Those items removed from the Consent Calendar by a member of the Council will be trailed to the end of the agenda, while Consent Calendar items removed by the public will be discussed immediately after approval of the Consent Calendar.

A.1. Register Of Demands. (File 0300-30)

Recommendation: That the City Council

1. Ratify the list of demands for February 22, 2020 – March 20, 2020.

[Item A.1. Report \(click here\)](#)

Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.

A.2. General Fund Adopted Budget for Fiscal Year 2019-2020 Changes. (File 0330-30)

Recommendation: That the City Council

1. Receive the report listing changes made to the Fiscal Year 2019-2020 General Fund Adopted Budget.

[Item A.2. Report \(click here\)](#)

Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.

A.3. Americans with Disabilities Act (ADA) Pedestrian Ramps Project - Notice of Completion. (File 0820-20)

Recommendation: That the City Council

1. Adopt **Resolution 2020-037**:
 - a. Authorizing the City Council to accept, as complete, the ADA Pedestrian Ramps, Bid No. 2019-08, constructed by Miramar General Engineering.
 - b. Authorizing the City Clerk to file a Notice of Completion.

[Item A.3. Report \(click here\)](#)

Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.

A.4. Quarterly Investment Report. (File 0350-44)

Recommendation: That the City Council

1. Accepts and files the attached Cash and Investment Report for the quarter ended December 31, 2019.

[Item A.4. Report \(click here\)](#)

Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.

C. STAFF REPORTS: (C.1. – C.4.)

C.1. Budget Impacts from COVID-19. (File 0330-30)

C.2. RHNA Appeal Discussion (File 0630-10)

Recommendation: That the City Council

1. Discuss and provide guidance regarding the RHNA Appeal.

[Item C.2. Report \(click here\)](#)

Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.

C.3. Adopt (2nd Reading) Ordinance 513 – Flavored Tobacco Projects (File 0230-10)

Recommendation: That the City Council

1. Adopt **Ordinance 513** (2nd Reading) adding Chapter 6.18 to the Solana Beach Municipal Code to prohibit the sale and distribution of flavored tobacco products.

[Item C.3. Report \(click here\)](#)

Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.

C.4. Disaster Recovery Documentation Signers (File 0240-70)

Recommendation: That the City Council

1. Authorize the City Manager, Assistant City Manager and the Finance Director to execute applications to the California Governor's Office of Emergency Services for obtaining certain financial assistance and/or state financial assistance in the event of declared disaster.

[Item C.4. Report \(click here\)](#)

Posted Reports & Supplemental Docs contain records up to the cut off time, prior to the start of the meeting, for processing new submittals. The final official record containing handouts, PowerPoints, etc. can be obtained through a Records Request to the City Clerk's Office.

WORK PLAN COMMENTS:

Adopted June 12, 2019

COMPENSATION & REIMBURSEMENT DISCLOSURE:

GC: Article 2.3. Compensation: 53232.3. (a) Reimbursable expenses shall include, but not be limited to, meals, lodging, and travel. 53232.3 (d) Members of a legislative body shall provide brief reports on meetings attended at the expense of the local agency "City" at the next regular meeting of the legislative body.

COUNCIL COMMITTEE REPORTS: [Council Committees](#)

REGIONAL COMMITTEES: (outside agencies, appointed by this Council)

- a. City Selection Committee (meets twice a year) Primary-Edson, Alternate-Zito
- b. County Service Area 17: Primary- Harless, Alternate-Edson
- c. Escondido Creek Watershed Authority: Becker /Staff (no alternate).
- d. League of Ca. Cities' San Diego County Executive Committee: Primary-Becker, Alternate- Harless and any subcommittees.
- e. League of Ca. Cities' Local Legislative Committee: Primary-Harless, Alternate-Becker
- f. League of Ca. Cities' Coastal Cities Issues Group (CCIG): Primary-Becker, Alternate-Harless
- g. North County Dispatch JPA: Primary-Harless, Alternate-Becker
- h. North County Transit District: Primary-Edson, Alternate-Becker
- i. Regional Solid Waste Association (RSWA): Primary-Hegenauer, Alternate-Becker
- j. SANDAG: Primary-Zito, 1st Alternate-Edson, 2nd Alternate-Becker, and any subcommittees.
- k. SANDAG Shoreline Preservation Committee: Primary-Hegenauer, Alternate-Zito
- l. San Dieguito River Valley JPA: Primary-Hegenauer, Alternate-Zito
- m. San Elijo JPA: Primary-Zito, Primary-Becker, Alternate-City Manager
- n. 22nd Agricultural District Association Community Relations Committee: Primary-Edson, Primary-Harless

STANDING COMMITTEES: (All Primary Members) (Permanent Committees)

- a. Business Liaison Committee – Zito, Edson.
- b. Fire Dept. Management Governance & Organizational Evaluation – Harless, Hegenauer
- c. Highway 101 / Cedros Ave. Development Committee – Edson, Becker
- d. Parks and Recreation Committee – Zito, Harless
- e. Public Arts Committee – Edson, Hegenauer
- f. School Relations Committee – Hegenauer, Harless
- g. Solana Beach-Del Mar Relations Committee – Zito, Edson

ADJOURN:

Next Regularly Scheduled Meeting is April 22, 2020
Always refer the City's website Event Calendar for Special Meetings or an updated schedule.
Or Contact City Hall 858-720-2400
www.cityofsolanabeach.org

AFFIDAVIT OF POSTING

STATE OF CALIFORNIA }
COUNTY OF SAN DIEGO } §
CITY OF SOLANA BEACH }

I, Angela Ivey, City Clerk of the City of Solana Beach, do hereby certify that this Agenda for the April 8, 2020 Council Meeting was called by City Council, Successor Agency to the Redevelopment Agency, Public Financing Authority, and the Housing Authority of the City of Solana Beach, California, was provided and posted on April 1, 2020 at 6:45 p.m. on the City Bulletin Board at the entrance to the City Council Chambers. Said meeting is held at 6:00 p.m., April 8, 2020, in the Council Chambers, at City Hall, 635 S. Highway 101, Solana Beach, California.

Angela Ivey, City Clerk * City of Solana Beach, CA

CITIZEN CITY COMMISSION AND COMMITTEE MEETINGS:

Regularly Scheduled, or Special Meetings that have been announced, are posted on each Citizen Commission's Agenda webpage. See the [Citizen Commission's Agenda webpages](#) or the City's Events Calendar for updates.

- **Budget & Finance Commission**
- **Climate Action Commission**
- **Parks & Recreation Commission**
- **Public Arts Commission**
- **View Assessment Commission**



STAFF REPORT CITY OF SOLANA BEACH

TO: Honorable Mayor and City Councilmembers
FROM: Gregory Wade, City Manager
MEETING DATE: April 8, 2020
ORIGINATING DEPT: Finance
SUBJECT: Register of Demands

BACKGROUND:

Section 3.04.020 of the Solana Beach Municipal Code requires that the City Council ratify a register of demands which represents all financial demands made upon the City for the applicable period.

Register of Demands- 02/22/20 through 03/20/20		
Check Register-Disbursement Fund (Attachment 1)		\$ 1,459,174.89
Retirement Payroll	February 26, 2020	9,648.00
Health Insurance for March	March 1, 2020	46,818.01
Net Payroll	March 6, 2020	207,528.10
Federal & State Taxes	March 6, 2020	51,062.67
PERS Retirement (EFT)	March 6, 2020	47,500.11
Council Payroll	March 12, 2020	4,483.34
Federal & State Taxes	March 12, 2020	460.85
PERS Retirement (EFT)	March 12, 2020	508.94
Net Payroll	March 20, 2020	168,644.98
Federal & State Taxes	March 20, 2020	41,678.89
PERS Retirement (EFT)	March 20, 2020	46,613.66
 TOTAL		 \$ 2,084,122.44

DISCUSSION:

Staff certifies that the register of demands has been reviewed for accuracy, that funds are available to pay the above demands, and that the demands comply with the adopted budget.

CEQA COMPLIANCE STATEMENT:

Not a project as defined by CEQA.

CITY COUNCIL ACTION: _____

FISCAL IMPACT:

The register of demands for February 22, 2020 through March 20, 2020 reflects total expenditures of \$2,084,122.44 from various City funding sources.

WORK PLAN:

N/A

OPTIONS:

- Ratify the register of demands.
- Do not ratify and provide direction.

DEPARTMENT RECOMMENDATION:

Staff recommends that the City Council ratify the above register of demands.

CITY MANAGER'S RECOMMENDATION:

Approve Department Recommendation.



Gregory Wade, City Manager

Attachments:

1. Check Register – Disbursement Fund

PENTAMATION
DATE: 03/23/2020
TIME: 17:58:46

CITY OF SOLANA BEACH, CA
CHECK REGISTER - DISBURSEMENT FUND

PAGE NUMBER: 1
ACCTPA21

SELECTION CRITERIA: transact.gl_cash='1011' and transact.ck_date between '20200222 00:00:00.000' and '20200320 00:00:00.000'
ACCOUNTING PERIOD: 9/20

FUND - 001 - GENERAL FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	BUDGET UNIT	-----DESCRIPTION-----	SALES TAX	AMOUNT
1011	96731	02/27/20	4982	ACTION BOUNCE COMPANY	25055005570	EGG HUNT-2 FUN JUMPS	0.00	392.35
1011	96732	02/27/20	1135	AFFORDABLE PIPELINE SERV	00165006520	A-STORM DRAIN 1353.2	0.00	676.60
1011	96732	02/27/20	1135	AFFORDABLE PIPELINE SERV	45994506510	9450.2 CCTV INSPECTN	0.00	13,680.00
TOTAL CHECK							0.00	14,356.60
1011	96733	02/27/20	3178	ARJIS	00160006110	FY19/20 ARJIS FEE	0.00	9,054.00
1011	96734	02/27/20	211	CONSOLIDATED ELECTRICAL	00165006570	LAMPS	0.00	445.01
1011	96734	02/27/20	211	CONSOLIDATED ELECTRICAL	00165006570	LAMPS/ELECTRIC BOX	0.00	340.61
TOTAL CHECK							0.00	785.62
1011	96735	02/27/20	3695	CORKY'S PEST CONTROL INC	00165006570	TERMITE TREATMENT-MS	0.00	1,875.00
1011	96736	02/27/20	2165	CULLIGAN OF SAN DIEGO	00160006170	DRNKNG WTR SVC-FEB	0.00	45.56
1011	96737	02/27/20	2217	DELL MARKETING L.P.	13550005450	WORK STATION-BENSON	0.00	1,167.24
1011	96738	02/27/20	5210	COUNTY OF SAN DIEGO	00160006140	PRKNG CITE ADMIN-JAN	0.00	1,269.00
1011	96739	02/27/20	4601	FIREWATCH	00165006570	INSPCT SPRNKLR-LC	0.00	155.11
1011	96740	02/27/20	1792	HARRIS & ASSOC. INC.	21355005550	1714.08 101/DAHL EIR	0.00	2,775.25
1011	96741	02/27/20	4166	HOGAN LAW APC	00150005250	MRSLL-GENERL LEGAL-JAN	0.00	4,842.50
1011	96742	02/27/20	3955	ARNOLD A LEWIN	27060006150	CERT CONSULT-CY2019	0.00	1,505.00
1011	96743	02/27/20	5828	MARIA GIBSON	001	RFND-SDP 621/920 SANT	0.00	535.00
1011	96743	02/27/20	5828	MARIA GIBSON	001	RFND-SDP 621/920 SANT	0.00	2,393.33
TOTAL CHECK							0.00	2,928.33
1011	96744	02/27/20	111	MISSION LINEN & UNIFORM	21100007600	LAUNDRY-PUB WORKS	0.00	2.64
1011	96744	02/27/20	111	MISSION LINEN & UNIFORM	00165006520	LAUNDRY-PUB WORKS	0.00	7.04
1011	96744	02/27/20	111	MISSION LINEN & UNIFORM	50900007700	LAUNDRY-PUB WORKS	0.00	10.54
1011	96744	02/27/20	111	MISSION LINEN & UNIFORM	00165006560	LAUNDRY-PUB WORKS	0.00	11.86
1011	96744	02/27/20	111	MISSION LINEN & UNIFORM	00165006530	LAUNDRY-PUB WORKS	0.00	21.08
TOTAL CHECK							0.00	53.16
1011	96745	02/27/20	4522	NISSHO OF CALIFORNIA	00165006560	VALVE REPLCMNT-CVS	0.00	340.24
1011	96746	02/27/20	5608	PALOMAR MTN PREMIUM SPRI	00165006570	DRINKING WATER-PW-JAN	0.00	5.00
1011	96746	02/27/20	5608	PALOMAR MTN PREMIUM SPRI	00165006570	DRINKING WATER-LC-JAN	0.00	15.80
1011	96746	02/27/20	5608	PALOMAR MTN PREMIUM SPRI	00165006570	DRINKING WATER-LC-JAN	0.00	15.80
1011	96746	02/27/20	5608	PALOMAR MTN PREMIUM SPRI	00165006570	DRINKING WATER-CH-JAN	0.00	31.00
1011	96746	02/27/20	5608	PALOMAR MTN PREMIUM SPRI	00165006570	DRINKING WATER-CH-JAN	0.00	46.20
1011	96746	02/27/20	5608	PALOMAR MTN PREMIUM SPRI	00165006570	DRINKING WATER-CH-JAN	0.00	110.60
TOTAL CHECK							0.00	224.40
1011	96747	02/27/20	2485	SAN DIEGO CNTY VECTOR CN	00165006530	FY19/20 VECTOR CONTRL	0.00	133.92
1011	96748	02/27/20	141	SANTA FE IRRIGATION DIST	20475007520	005979029 12/17-02/14	0.00	263.83

PENTAMATION
DATE: 03/23/2020
TIME: 17:58:46

CITY OF SOLANA BEACH, CA
CHECK REGISTER - DISBURSEMENT FUND

PAGE NUMBER: 2
ACCTPA21

SELECTION CRITERIA: transact.gl_cash='1011' and transact.ck_date between '20200222 00:00:00.000' and '20200320 00:00:00.000'
ACCOUNTING PERIOD: 9/20

FUND - 001 - GENERAL FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	BUDGET UNIT	-----DESCRIPTION-----	SALES TAX	AMOUNT
1011	96749	02/27/20	1073	SEASIDE HEATING & AIR CO	00165006570	HVAC MAINT-JAN-MS	0.00	65.00
1011	96749	02/27/20	1073	SEASIDE HEATING & AIR CO	00165006570	HVAC MAINT-JAN-FC	0.00	65.00
1011	96749	02/27/20	1073	SEASIDE HEATING & AIR CO	00165006570	HVAC MAINT-JAN-FS	0.00	120.00
1011	96749	02/27/20	1073	SEASIDE HEATING & AIR CO	00165006570	HVAC MAINT-JAN-LC	0.00	120.00
TOTAL CHECK							0.00	370.00
1011	96750	02/27/20	5427	TOSDAL LAW FIRM	55000007750	SEA PROF SVC-JAN	0.00	4,162.50
1011	96751	02/27/20	4534	TRAFFIC SUPPLY, INC	00165006570	POSTS/BASES/SIGNS	0.00	631.95
1011	96752	02/27/20	40	UNDERGROUND SVC ALERT OF	00165006510	DIG ALERT-JAN	0.00	150.25
1011	96752	02/27/20	40	UNDERGROUND SVC ALERT OF	00165006510	CA ST REGLRTY-JAN	0.00	36.45
TOTAL CHECK							0.00	186.70
1011	96753	02/27/20	2097	UT SAN DIEGO - NRTH COUN	00155005550	PUB HRNG-19-004 DRP	0.00	321.22
1011	96754	02/27/20	5832	WESTERN EXTRICATION SPEC	00160006120	EXTRCTN EQPMNT SRVC	0.00	2,100.00
1011	96755	02/27/20	37	XEROX CORPORATION	00150005350	W7830PT CLRKS-JAN	0.00	218.99
1011	96755	02/27/20	37	XEROX CORPORATION	00150005350	EXCESS BLK-12/30-1/21	0.00	56.54
1011	96755	02/27/20	37	XEROX CORPORATION	00150005350	EXCESS CLR-12/30-1/21	0.00	82.84
1011	96755	02/27/20	37	XEROX CORPORATION	00150005350	W7830PT UPSTRS-JAN	0.00	199.60
1011	96755	02/27/20	37	XEROX CORPORATION	00150005350	EXCESS BLK-12/21-1/21	0.00	24.75
1011	96755	02/27/20	37	XEROX CORPORATION	00150005350	EXCESS CLR-12/21-1/20	0.00	75.77
1011	96755	02/27/20	37	XEROX CORPORATION	00150005350	D95CP PLNG LEASE-JAN	0.00	555.18
1011	96755	02/27/20	37	XEROX CORPORATION	00150005350	EXCSS COPY 12/21-1/21	0.00	81.94
TOTAL CHECK							0.00	1,295.61
1011	96756	03/05/20	2379	AA FARNSWORTH'S BACKFLOW	00165006560	BACKFLOW ANNUAL TEST	0.00	52.95
1011	96756	03/05/20	2379	AA FARNSWORTH'S BACKFLOW	00165006560	BCKFLW DATA ENTRY FEE	0.00	90.65
1011	96756	03/05/20	2379	AA FARNSWORTH'S BACKFLOW	00165006560	BACKFLOW ANNUAL TEST	0.00	345.70
TOTAL CHECK							0.00	489.30
1011	96757	03/05/20	4711	ABEL PEREZ	00165006570	MILEAGE-02/19/20	0.00	8.12
1011	96758	03/05/20	5137	ABLE PATROL & GUARD, INC	00170007110	FCCC SECURITY-FEB	0.00	275.00
1011	96759	03/05/20	1122	APPLE ONE, INC	00150005150	TEMP HELP PE 02/08	0.00	60.83
1011	96759	03/05/20	1122	APPLE ONE, INC	00150005150	TEMP HELP PE 02/08	0.00	194.83
TOTAL CHECK							0.00	255.66
1011	96760	03/05/20	3704	ARCO GASPRO PLUS	00170007110	AUTO FUEL-02/03-03/02	0.00	47.91
1011	96760	03/05/20	3704	ARCO GASPRO PLUS	00165006560	AUTO FUEL-02/03-03/02	0.00	50.06
1011	96760	03/05/20	3704	ARCO GASPRO PLUS	00165006570	AUTO FUEL-02/03-03/02	0.00	83.44
1011	96760	03/05/20	3704	ARCO GASPRO PLUS	00165006510	AUTO FUEL-02/03-03/02	0.00	91.77
1011	96760	03/05/20	3704	ARCO GASPRO PLUS	50900007700	AUTO FUEL-02/03-03/02	0.00	100.12
1011	96760	03/05/20	3704	ARCO GASPRO PLUS	00160006140	AUTO FUEL-02/03-03/02	0.00	196.33
1011	96760	03/05/20	3704	ARCO GASPRO PLUS	00165006530	AUTO FUEL-02/03-03/02	0.00	241.97
1011	96760	03/05/20	3704	ARCO GASPRO PLUS	00165006520	AUTO FUEL-02/03-03/02	0.00	266.99
1011	96760	03/05/20	3704	ARCO GASPRO PLUS	00160006120	AUTO FUEL-02/03-03/02	0.00	398.64
1011	96760	03/05/20	3704	ARCO GASPRO PLUS	00160006170	AUTO FUEL-02/03-03/02	0.00	464.74

PENTAMATION
DATE: 03/23/2020
TIME: 17:58:46

CITY OF SOLANA BEACH, CA
CHECK REGISTER - DISBURSEMENT FUND

PAGE NUMBER: 3
ACCTPA21

SELECTION CRITERIA: transact.gl_cash='1011' and transact.ck_date between '20200222 00:00:00.000' and '20200320 00:00:00.000'
ACCOUNTING PERIOD: 9/20

FUND - 001 - GENERAL FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	BUDGET UNIT	-----DESCRIPTION-----	SALES TAX	AMOUNT
TOTAL CHECK							0.00	1,941.97
1011	96763	03/05/20	1914	US BANK	00160006120	MOP HEADS/DOOR STOP	0.00	46.09
1011	96763	03/05/20	1914	US BANK	00160006120	WATER FILTERS	0.00	48.18
1011	96763	03/05/20	1914	US BANK	00150005150	KEYBOARD DUST SPRAY	0.00	51.71
1011	96763	03/05/20	1914	US BANK	00150005200	LA TIMES-Q3	0.00	51.87
1011	96763	03/05/20	1914	US BANK	00160006170	SURF STRAP	0.00	53.00
1011	96763	03/05/20	1914	US BANK	00160006170	FLASHLGH/ROPE TGHTR	0.00	55.98
1011	96763	03/05/20	1914	US BANK	001	CNTR SQ-T OWADE-03/17	0.00	63.98
1011	96763	03/05/20	1914	US BANK	001	CNTR SQ-BENSON-03/17	0.00	63.98
1011	96763	03/05/20	1914	US BANK	00150005150	TAPE/NOTEBOOKS/CLIPS	0.00	65.66
1011	96763	03/05/20	1914	US BANK	00150005450	MOUSE/HEADSET	0.00	67.85
1011	96763	03/05/20	1914	US BANK	00150005450	CONSTANT CONTACT-JAN	0.00	75.00
1011	96763	03/05/20	1914	US BANK	00150005350	TONER	0.00	75.41
1011	96763	03/05/20	1914	US BANK	00150005100	CLOSED SESSION-01/08	0.00	79.12
1011	96763	03/05/20	1914	US BANK	00160006120	APPARATUS HANDBOOK	0.00	95.87
1011	96763	03/05/20	1914	US BANK	00160006120	TRAINING HANDBOOK	0.00	102.30
1011	96763	03/05/20	1914	US BANK	00165006570	BATHROOM FAUCET	0.00	117.07
1011	96763	03/05/20	1914	US BANK	00150005450	PHOTOSHOP-MOSHKI-1 YR	0.00	119.88
1011	96763	03/05/20	1914	US BANK	00160006120	RECHARGABLE FLASHLGH	0.00	134.63
1011	96763	03/05/20	1914	US BANK	00160006170	UNSTABLE CLIFF SIGNS	0.00	140.08
1011	96763	03/05/20	1914	US BANK	00160006120	T237 LIGHT	0.00	143.33
1011	96763	03/05/20	1914	US BANK	00150005150	ROLLING WORKSTATION	0.00	215.49
1011	96763	03/05/20	1914	US BANK	00150005150	BOOKCASE	0.00	237.38
1011	96763	03/05/20	1914	US BANK	00150005450	INDESIGN-MOSHKI-1 YR	0.00	239.88
1011	96763	03/05/20	1914	US BANK	00150005150	VHS TO DVD DEPOSIT	0.00	250.00
1011	96763	03/05/20	1914	US BANK	00160006120	WATER FILTERS	0.00	306.75
1011	96763	03/05/20	1914	US BANK	00150005450	2 ACROBAT 1 YR-CLERKS	0.00	407.76
1011	96763	03/05/20	1914	US BANK	00150005150	VHS TO DVD CONVERSION	0.00	573.61
1011	96763	03/05/20	1914	US BANK	13560006120	TABLET PENS	0.00	-28.21
1011	96763	03/05/20	1914	US BANK	00150005150	FRAMES	0.00	-27.99
1011	96763	03/05/20	1914	US BANK	00150005300	PARKING FOR OB MTG	0.00	2.00
1011	96763	03/05/20	1914	US BANK	00150005150	DRAWER ORGANIZER	0.00	3.23
1011	96763	03/05/20	1914	US BANK	00150005450	USB CABLE	0.00	6.58
1011	96763	03/05/20	1914	US BANK	00165006530	PWI WATER	0.00	7.58
1011	96763	03/05/20	1914	US BANK	00165006530	PWI WATER	0.00	7.58
1011	96763	03/05/20	1914	US BANK	00150005450	HOSTING DOMAINS-DEC	0.00	9.95
1011	96763	03/05/20	1914	US BANK	00165006570	DESK CALENDARS	0.00	10.75
1011	96763	03/05/20	1914	US BANK	00160006140	CERTIFIED MAIL	0.00	10.80
1011	96763	03/05/20	1914	US BANK	00150005150	MINUTE TRANSCRIPTION	0.00	10.80
1011	96763	03/05/20	1914	US BANK	00150005250	CLOSED SESSION-01/08	0.00	12.00
1011	96763	03/05/20	1914	US BANK	00150005150	PAINT	0.00	27.72
1011	96763	03/05/20	1914	US BANK	00165006570	KEYS FOR JANITORS	0.00	28.28
1011	96763	03/05/20	1914	US BANK	00160006120	FIRE SPRINKLER VALVE	0.00	29.50
1011	96763	03/05/20	1914	US BANK	00150005350	ZEN RM WIPES	0.00	29.56
1011	96763	03/05/20	1914	US BANK	00160006170	EMT REFRESHR DEPOSIT	0.00	30.00
1011	96763	03/05/20	1914	US BANK	00160006170	EMS PROTOCOL BOOKS	0.00	32.33
1011	96763	03/05/20	1914	US BANK	00160006120	CDL STUDY GUIDE BOOK	0.00	33.77
1011	96763	03/05/20	1914	US BANK	00165006510	APWA LNCH-GDBG/GRNSTN	0.00	40.00
1011	96763	03/05/20	1914	US BANK	00150005150	MONITOR STAND	0.00	43.09
1011	96763	03/05/20	1914	US BANK	00150005150	MONITOR STAND	0.00	43.09
1011	96763	03/05/20	1914	US BANK	00150005150	MONITOR STAND	0.00	43.09

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1011	96763	03/05/20	1914	US BANK	00150005200	CLOSED SESSION-01/08	0.00	13.00
1011	96763	03/05/20	1914	US BANK	00150005450	AMAZON PRIME SUB	0.00	14.00
1011	96763	03/05/20	1914	US BANK	00160006120	BATTERIES	0.00	18.75
1011	96763	03/05/20	1914	US BANK	00165006510	CTY ENG MTG-SAMMK-2/4	0.00	20.00
1011	96763	03/05/20	1914	US BANK	00150005200	LAUNCH CCA-KING	0.00	20.00
1011	96763	03/05/20	1914	US BANK	00150005150	DRY ERASE MARKERS	0.00	20.57
1011	96763	03/05/20	1914	US BANK	00150005150	MINUTE TRANSCRIPTION	0.00	23.10
1011	96763	03/05/20	1914	US BANK	00160006170	CALENDAR/DESK MAT	0.00	45.23
1011	96763	03/05/20	1914	US BANK	00150005150	TABS/DVDRS/BINDERS	0.00	305.67
TOTAL CHECK							0.00	4,767.68
1011	96764	03/05/20	4602	SAM CASTELLANO	00170007110	SK8 PRK-SOUND 4/26	0.00	350.00
1011	96765	03/05/20	4168	CHEN RYAN ASSOCIATES	00165006540	ONCALL TRFFC FEB	0.00	2,060.00
1011	96766	03/05/20	310	CITY OF ENCINITAS	00160006120	FY20 FIRE MGMNT Q1&Q2	0.00	158,769.00
1011	96767	03/05/20	5336	COLANTUONO, HIGHSMITH, &	65278007820	SDCOE CONSORTIUM-NOV	0.00	5.74
1011	96768	03/05/20	5841	DAVID CLEMONS	00150005400	D CLEMONS-LIVESCAN	0.00	25.00
1011	96769	03/05/20	5543	DOMUSSTUDIO ARCHITECTURE	45094496510	9449.01 MS CNTR-JAN	0.00	870.00
1011	96770	03/05/20	94	ESGIL CORPORATION	00155005560	BLDG PRMT 12/16-12/20	0.00	186,072.37
1011	96770	03/05/20	94	ESGIL CORPORATION	00155005560	BLDG PRMT 12/16-12/20	0.00	57,887.02
TOTAL CHECK							0.00	243,959.39
1011	96771	03/05/20	2873	GEOPACIFICA, INC	21365006510	0388/235&241 PACIFIC	0.00	1,040.00
1011	96771	03/05/20	2873	GEOPACIFICA, INC	21365006510	0388/235&241 PACIFIC	0.00	3,510.00
TOTAL CHECK							0.00	4,550.00
1011	96772	03/05/20	5262	GEORGE HILLS COMPANY, IN	12050005460	CLM.2002-HEALY	0.00	75.00
1011	96773	03/05/20	5839	GREGORY AZEVEDO	001	RFND-2/22-FCCC	0.00	500.00
1011	96774	03/05/20	11	ICMA RETIREMENT TRUST-45	001	ICMA PD 03/06/20	0.00	12,385.06
1011	96775	03/05/20	3859	ICMA RETIREMENT TRUST-RH	001	ICMA PD 03/06/20	0.00	2,119.99
1011	96776	03/05/20	4792	INTERFAITH COMMUNITY SER	00150005100	WNTR SHLTR FY19/20	0.00	4,500.00
1011	96777	03/05/20	3755	KEYSER MARSTON ASSOCIATE	00150005200	PROF SVC-DEC	0.00	196.25
1011	96778	03/05/20	2102	LEGAL SHIELD CORP	001	PPD LEGAL-FEB 20	0.00	64.75
1011	96779	03/05/20	5837	LIDNA M. SINNACHCHARIGE	25055005570	EGG HUNT-FACE PAINT	0.00	300.00
1011	96780	03/05/20	5840	LINDA NAJJAR	00150005400	L NAJJAR-LIVESCAN	0.00	27.00
1011	96781	03/05/20	5838	MARIBEL PERAZA BRADBERRY	001	RFND-2/23-FCCC	0.00	500.00
1011	96782	03/05/20	4738	MEDICAL EYE SERVICES	00150005400	ROUNDING-FEB 20	0.00	-0.23

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1011	96782	03/05/20	4738	MEDICAL EYE SERVICES	001	VISION-FEB 20	0.00	441.15
TOTAL CHECK							0.00	440.92
1011	96783	03/05/20	5549	MICHAEL BAKER INTERNATIO	22093826510	9382.03 LSF CORR-III	0.00	13,924.08
1011	96783	03/05/20	5549	MICHAEL BAKER INTERNATIO	22893826510	9382.03 LSF CORR-III	0.00	1,547.12
TOTAL CHECK							0.00	15,471.20
1011	96784	03/05/20	111	MISSION LINEN & UNIFORM	21100007600	LAUNDRY-PUB WORKS	0.00	2.69
1011	96784	03/05/20	111	MISSION LINEN & UNIFORM	00165006520	LAUNDRY-PUB WORKS	0.00	7.21
1011	96784	03/05/20	111	MISSION LINEN & UNIFORM	50900007700	LAUNDRY-PUB WORKS	0.00	10.77
1011	96784	03/05/20	111	MISSION LINEN & UNIFORM	00165006560	LAUNDRY-PUB WORKS	0.00	12.11
1011	96784	03/05/20	111	MISSION LINEN & UNIFORM	00165006530	LAUNDRY-PUB WORKS	0.00	21.54
TOTAL CHECK							0.00	54.32
1011	96785	03/05/20	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	1717.19/982 AVOCADO	0.00	250.00
1011	96785	03/05/20	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	1717.36/850 AVOCADO	0.00	250.00
1011	96785	03/05/20	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	1718.04/208 PACIFIC	0.00	250.00
1011	96785	03/05/20	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	1718.15/731 AVOCADO	0.00	250.00
1011	96785	03/05/20	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	1717.36/850 AVOCADO	0.00	250.00
1011	96785	03/05/20	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	BP18.533/678 S. CEDRO	0.00	300.00
1011	96785	03/05/20	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	DRP19006/838 ACAD	0.00	300.00
1011	96785	03/05/20	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	DRP19007/970 AVOCADO	0.00	300.00
1011	96785	03/05/20	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	1719.11/1530 SNT SAB	0.00	300.00
1011	96785	03/05/20	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	B200008/986 SNT FLOR	0.00	450.00
1011	96785	03/05/20	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	1719.01/4250 N LANE	0.00	500.00
1011	96785	03/05/20	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	1719.01/4250 N LANE	0.00	500.00
1011	96785	03/05/20	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	1718.11/984 AVOCADO	0.00	500.00
1011	96785	03/05/20	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	1718.03/IDA AVE	0.00	600.00
TOTAL CHECK							0.00	5,000.00
1011	96786	03/05/20	4767	PARTNERSHIPS WITH INDUST	00165006570	TRASH ABTMNT PE02/15	0.00	397.91
1011	96786	03/05/20	4767	PARTNERSHIPS WITH INDUST	00165006550	TRASH ABTMNT PE02/15	0.00	397.92
TOTAL CHECK							0.00	795.83
1011	96787	03/05/20	1087	PREFERRED BENEFIT INS AD	001	EE 530 TIMING-FEB 20	0.00	-25.50
1011	96787	03/05/20	1087	PREFERRED BENEFIT INS AD	001	EE545 TIMING-FEB 20	0.00	-21.75
1011	96787	03/05/20	1087	PREFERRED BENEFIT INS AD	001	DENTAL-FEB 20	0.00	2,675.95
TOTAL CHECK							0.00	2,628.70
1011	96788	03/05/20	1112	RANCHO SANTA FE SECURITY	00165006560	RESTRM LCK/UNLCK-FEB	0.00	555.79
1011	96789	03/05/20	3362	RAPHAEL'S PARTY RENTALS	00170007110	SK8 PRK ANNRSRY-4/26	0.00	517.40
1011	96790	03/05/20	5842	ROD COOPER	00150005400	R COOPER-LIVESCAN	0.00	25.00
1011	96791	03/05/20	287	SALIENT NETWORKS (FKA DI	00150005450	CLRK PHN DRCTRY LICS	0.00	995.00
1011	96791	03/05/20	287	SALIENT NETWORKS (FKA DI	00150005450	FY20 PHNE/VM/FAX MAINT	0.00	199.00
TOTAL CHECK							0.00	1,194.00
1011	96792	03/05/20	314	SAN ELIJO JPA	50900007700	SEJPA PSA PKG-1/24/20	0.00	1,000.00
1011	96793	03/05/20	169	SDG&E CO INC	00165006530	UTILITIES-01/07-02/05	0.00	427.04

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1011	96793	03/05/20	169	SDG&E CO INC	00165006540	UTILITIES-01/07-02/05	0.00	450.08
1011	96793	03/05/20	169	SDG&E CO INC	00165006530	UTILITES-01/07-02/05	0.00	713.98
1011	96793	03/05/20	169	SDG&E CO INC	00165006540	UTILITES-01/07-02/05	0.00	949.96
1011	96793	03/05/20	169	SDG&E CO INC	00165006570	UTILITIES-01/07-02/05	0.00	1,295.41
1011	96793	03/05/20	169	SDG&E CO INC	20375007510	UTILITES-01/07-02/05	0.00	2,423.13
1011	96793	03/05/20	169	SDG&E CO INC	00165006570	UTILITES-01/07-02/05	0.00	5,018.66
1011	96793	03/05/20	169	SDG&E CO INC	21100007600	UTILITIES-01/07-02/05	0.00	6,661.53
TOTAL CHECK							0.00	17,939.79
1011	96794	03/05/20	3909	SECTRAN SECURITY INC	12050005460	COURIER SVC-FEB	0.00	113.37
1011	96794	03/05/20	3909	SECTRAN SECURITY INC	12050005460	COURIER SVC FUEL-FEB	0.00	19.22
TOTAL CHECK							0.00	132.59
1011	96795	03/05/20	5725	SIEMENS MOBILITY, INC.	21100007600	ST LIGHT REPAIR-JAN	0.00	1,091.69
1011	96795	03/05/20	5725	SIEMENS MOBILITY, INC.	21100007600	ST LGHT REPLCMT JAN	0.00	1,062.88
1011	96795	03/05/20	5725	SIEMENS MOBILITY, INC.	00165006540	TRAFFIC SGNL MNT-JAN	0.00	991.52
TOTAL CHECK							0.00	3,146.09
1011	96796	03/05/20	5743	STANDARD PLUMBING SUPPLY	00165006570	TOILET FLUSH HANDLE	0.00	107.02
1011	96797	03/05/20	4959	TELECOM LAW FIRM	00150005250	PROF SVC-AUG-DEC	0.00	888.00
1011	96798	03/05/20	4099	ULINE	13560006120	10 EXEC CHAIRS-KITCHN	0.00	3,083.54
1011	96799	03/05/20	2097	UT SAN DIEGO - NRTH COUN	00150005150	ORD 513-AMND	0.00	60.58
1011	96800	03/05/20	4933	GREGORY WADE	00150005200	LUNCH MTG DEL MAR CM	0.00	62.53
1011	96801	03/05/20	3723	WAGeworks	00150005400	FSA ADMIN-FEB	0.00	123.50
1011	96802	03/13/20	1135	AFFORDABLE PIPELINE SERV	50900007700	I-SEWR CLEANING- FS	0.00	425.00
1011	96802	03/13/20	1135	AFFORDABLE PIPELINE SERV	50900007700	I-SEWR CLEANING- FS	0.00	425.00
1011	96802	03/13/20	1135	AFFORDABLE PIPELINE SERV	00165006520	H-STORM DRAIN MAINT	0.00	1,140.00
TOTAL CHECK							0.00	1,990.00
1011	96803	03/13/20	2137	AFLAC	001	FEBRUARY 20	0.00	895.40
1011	96804	03/13/20	5807	AT&T	00150005450	301097995 02/18-03/17	0.00	100.20
1011	96805	03/13/20	4832	AT&T CALNET 3	50900007700	9391012277 12/24-1/23	0.00	13.50
1011	96805	03/13/20	4832	AT&T CALNET 3	50900007700	9391012277 1/24-2/23	0.00	13.51
1011	96805	03/13/20	4832	AT&T CALNET 3	00165006540	9391012279 12/24-1/23	0.00	43.94
1011	96805	03/13/20	4832	AT&T CALNET 3	00165006540	9391012279 1/24-2/23	0.00	44.17
1011	96805	03/13/20	4832	AT&T CALNET 3	00160006120	9391012280 1/24-2/23	0.00	522.00
1011	96805	03/13/20	4832	AT&T CALNET 3	00150005450	9391012282 1/24-2/23	0.00	19.83
1011	96805	03/13/20	4832	AT&T CALNET 3	00150005450	9391053641 1/24-2/23	0.00	164.69
1011	96805	03/13/20	4832	AT&T CALNET 3	00150005450	9391062899 1/24-2/23	0.00	164.69
1011	96805	03/13/20	4832	AT&T CALNET 3	00160006150	9391012275 1/24-2/23	0.00	164.69
1011	96805	03/13/20	4832	AT&T CALNET 3	00160006170	9391053651 1/25-2/24	0.00	221.72
1011	96805	03/13/20	4832	AT&T CALNET 3	00160006170	9391012281 1/25-2/24	0.00	64.71
TOTAL CHECK							0.00	1,437.45

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1011	96806	03/13/20	5587	ZACHARY BASIN	00160006120	FIRE INSPCTR 2B-BASIN	0.00	225.00
1011	96806	03/13/20	5587	ZACHARY BASIN	00160006120	PLANS EXAMINR-BASIN	0.00	400.00
TOTAL CHECK							0.00	625.00
1011	96807	03/13/20	5320	BAYSHORE CONSULTING GROU	55000007750	CCA PROF SVC-FEB	0.00	3,651.58
1011	96808	03/13/20	4383	CDCE, INC	13560006120	INSTALL MDC	0.00	1,191.57
1011	96809	03/13/20	5051	CINTAS CORPORATION NO. 2	00165006570	FIRST AID SUPPLIES-CH	0.00	107.00
1011	96809	03/13/20	5051	CINTAS CORPORATION NO. 2	00165006570	FIRST AID SUPPLIES-PW	0.00	51.22
TOTAL CHECK							0.00	158.22
1011	96810	03/13/20	2631	CLEAN STREET	00165006550	STREET SWP-FEB	0.00	3,364.00
1011	96811	03/13/20	127	COX COMMUNICATIONS INC	00150005450	CTYINTRNT 2/19-3/18	0.00	586.04
1011	96812	03/13/20	218	DATATICKET INC.	00160006140	PRKNG TCKT ADMIN-JAN	0.00	5.00
1011	96812	03/13/20	218	DATATICKET INC.	00160006140	PRKNG TCKT ADMIN-JAN	0.00	665.92
TOTAL CHECK							0.00	670.92
1011	96813	03/13/20	5844	DAVID AND JANICE WALLACE	001	RFND-ENC190003/1214 V	0.00	530.00
1011	96814	03/13/20	134	DIXIELINE LUMBER CO INC	00165006570	SCREWS	0.00	3.87
1011	96814	03/13/20	134	DIXIELINE LUMBER CO INC	00165006570	GLUE	0.00	5.92
1011	96814	03/13/20	134	DIXIELINE LUMBER CO INC	00165006570	3/8 PIPES	0.00	15.30
1011	96814	03/13/20	134	DIXIELINE LUMBER CO INC	00165006570	BATTERIES	0.00	17.22
1011	96814	03/13/20	134	DIXIELINE LUMBER CO INC	00165006570	DROP CLOTH/ROLLR/SPKL	0.00	26.31
1011	96814	03/13/20	134	DIXIELINE LUMBER CO INC	00165006530	PAINT ROLLR/PAINT	0.00	45.01
1011	96814	03/13/20	134	DIXIELINE LUMBER CO INC	00165006570	SOAP DISPENSER	0.00	45.28
1011	96814	03/13/20	134	DIXIELINE LUMBER CO INC	00165006570	TOILET KIT/BULBS	0.00	59.46
1011	96814	03/13/20	134	DIXIELINE LUMBER CO INC	00165006570	WRENCH/FAUCET	0.00	85.81
1011	96814	03/13/20	134	DIXIELINE LUMBER CO INC	00165006570	EPOXY/TOOL BOX	0.00	89.96
TOTAL CHECK							0.00	394.14
1011	96815	03/13/20	5676	FAILSAFE TESTING, LLC	00160006120	T237 ANNUAL INSPECTN	0.00	700.00
1011	96816	03/13/20	322	FIRE ETC.	00160006120	8 STREAMLIGHT BTRY	0.00	341.56
1011	96817	03/13/20	11	ICMA RETIREMENT TRUST-45	001	ICMA PD 03/11/20	0.00	7,543.88
1011	96818	03/13/20	5399	INBOUND DESIGN INC.	55000007750	SEA WEBSITE MANT-MAR	0.00	49.00
1011	96819	03/13/20	87	ISLA VERDE HOA	20575007530	LNDSCAPE MAINT-FEB	0.00	425.00
1011	96819	03/13/20	87	ISLA VERDE HOA	20575007530	LNDSCAPE MAINT-JAN	0.00	425.00
TOTAL CHECK							0.00	850.00
1011	96820	03/13/20	5846	JACK FRYE	00150005400	J. FRYE-LIVSCAN	0.00	20.00
1011	96821	03/13/20	5510	JOHN SPANN	00160006120	RSCUE SYS 1-SPANN	0.00	727.00
1011	96822	03/13/20	5508	MERCHANTS BUILDING MAINT	00170007110	JNTRL SRVC-12/21/19	0.00	75.00

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1011	96823	03/13/20	5407	PJ CASTORENA, INC.	55000007750	CCA WKLY ENRL-2/18&24	0.00	99.07
1011	96824	03/13/20	111	MISSION LINEN & UNIFORM	21100007600	LAUNDRY-PUB WORKS	0.00	2.63
1011	96824	03/13/20	111	MISSION LINEN & UNIFORM	00165006520	LAUNDRY-PUB WORKS	0.00	7.05
1011	96824	03/13/20	111	MISSION LINEN & UNIFORM	50900007700	LAUNDRY-PUB WORKS	0.00	10.54
1011	96824	03/13/20	111	MISSION LINEN & UNIFORM	00165006560	LAUNDRY-PUB WORKS	0.00	11.86
1011	96824	03/13/20	111	MISSION LINEN & UNIFORM	00165006530	LAUNDRY-PUB WORKS	0.00	21.08
TOTAL CHECK							0.00	53.16
1011	96825	03/13/20	4708	MUNICIPAL EMERGENCY SERV	00160006120	SCBA FLOW TEST	0.00	846.25
1011	96826	03/13/20	2019	NORTH COUNTY EVS, INC	00160006120	T237 REPAIR-02/03	0.00	3,545.75
1011	96827	03/13/20	50	OFFICE DEPOT INC	00150005300	BAKING SODA	0.00	3.22
1011	96827	03/13/20	50	OFFICE DEPOT INC	00155005550	BINDERS	0.00	18.94
1011	96827	03/13/20	50	OFFICE DEPOT INC	00150005300	TONER	0.00	141.02
TOTAL CHECK							0.00	163.18
1011	96828	03/13/20	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	1718.12/362 N SIERRA	0.00	250.00
1011	96828	03/13/20	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	1719.05/412 N ACACIA	0.00	250.00
1011	96828	03/13/20	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	DRP19003/521 S RIOS	0.00	250.00
1011	96828	03/13/20	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	1717.36/850 AVOCADO	0.00	250.00
1011	96828	03/13/20	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	DRP19006/838 ACADEMY	0.00	300.00
1011	96828	03/13/20	4797	PAMELA ELLIOTT LANDSCAPE	21355005550	1718.11/984 AVOCADO	0.00	500.00
TOTAL CHECK							0.00	1,800.00
1011	96829	03/13/20	5361	HABITAT PROTECTION, INC	00165006570	PEST CONTROL-FEB-FC	0.00	32.00
1011	96829	03/13/20	5361	HABITAT PROTECTION, INC	00165006570	PEST CONTROL-FEB-LC	0.00	32.00
1011	96829	03/13/20	5361	HABITAT PROTECTION, INC	00165006570	PEST CONTROL-FEB-PW	0.00	32.00
1011	96829	03/13/20	5361	HABITAT PROTECTION, INC	00165006570	PEST CONTROL-FEB-MS	0.00	32.00
1011	96829	03/13/20	5361	HABITAT PROTECTION, INC	00165006570	PEST CONTROL-FEB-FS	0.00	37.00
1011	96829	03/13/20	5361	HABITAT PROTECTION, INC	00165006570	PEST CONTROL-FEB-CH	0.00	49.50
1011	96829	03/13/20	5361	HABITAT PROTECTION, INC	00165006570	AS ND PST CNTL-FEB-MS	0.00	27.00
1011	96829	03/13/20	5361	HABITAT PROTECTION, INC	00165006570	PEST CONTROL-DEC-FC	0.00	32.00
1011	96829	03/13/20	5361	HABITAT PROTECTION, INC	00165006570	PEST CONTROL-DEC-LC	0.00	32.00
1011	96829	03/13/20	5361	HABITAT PROTECTION, INC	00165006570	PEST CONTROL-DEC-MS	0.00	32.00
1011	96829	03/13/20	5361	HABITAT PROTECTION, INC	00165006570	PEST CONTROL-DEC-FS	0.00	37.00
1011	96829	03/13/20	5361	HABITAT PROTECTION, INC	00165006570	AS ND PST CNTL-DEC-MS	0.00	27.00
1011	96829	03/13/20	5361	HABITAT PROTECTION, INC	00165006570	PEST CONTROL-JAN-FC	0.00	32.00
1011	96829	03/13/20	5361	HABITAT PROTECTION, INC	00165006570	PEST CONTROL-JAN-LC	0.00	32.00
1011	96829	03/13/20	5361	HABITAT PROTECTION, INC	00165006570	PEST CONTROL-JAN-PW	0.00	32.00
1011	96829	03/13/20	5361	HABITAT PROTECTION, INC	00165006570	PEST CONTROL-JAN-MS	0.00	32.00
1011	96829	03/13/20	5361	HABITAT PROTECTION, INC	00165006570	PEST CONTROL-JAN-FS	0.00	37.00
1011	96829	03/13/20	5361	HABITAT PROTECTION, INC	00165006570	PEST CONTROL-JAN-CH	0.00	49.50
TOTAL CHECK							0.00	616.00
1011	96830	03/13/20	2260	REDFLEX TRAFFIC SYSTEMS,	00165006540	RED LIGHT CAMERA-FEB	0.00	7,158.00
1011	96831	03/13/20	4080	JENNIFER REED	00150005350	ADMIN SVC-FEB	0.00	154.00
1011	96832	03/13/20	416	REGIONAL COMMS SYS, MS 0	00160006120	CAP CODE-FEB	0.00	32.50

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CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	BUDGET UNIT	-----DESCRIPTION-----	SALES TAX	AMOUNT
1011	96833	03/13/20	1954	RYDIN DECAL	00160006140	2020 TAXI PERMIT	0.00	296.06
1011	96834	03/13/20	257	SAN DIEGO COUNTY SHERIFF	001	CR TOW FEE-DEC	0.00	-382.97
1011	96834	03/13/20	257	SAN DIEGO COUNTY SHERIFF	21960006110	LAW ENFORCEMENT-DEC	0.00	8,333.34
1011	96834	03/13/20	257	SAN DIEGO COUNTY SHERIFF	00160006110	LAW ENFORCEMENT-DEC	0.00	359,062.73
TOTAL CHECK							0.00	367,013.10
1011	96835	03/13/20	5502	SAN DIEGO HUMANE SOCIETY	00160006130	FY20 ANIMAL SVC-FEB	0.00	6,920.58
1011	96836	03/13/20	86	SAN ELIJO HILLS II HOA	20775007550	LNDSCAPE MAINT-FEB	0.00	6,550.00
1011	96836	03/13/20	86	SAN ELIJO HILLS II HOA	20775007550	LNDSCAPE MAINT-JAN	0.00	6,550.00
TOTAL CHECK							0.00	13,100.00
1011	96837	03/13/20	88	SANTA FE HILLS HOA	20475007520	LNDSCAPE MAINT-JAN	0.00	16,250.00
1011	96837	03/13/20	88	SANTA FE HILLS HOA	20475007520	LNDSCAPE MAINT-FEB	0.00	16,250.00
TOTAL CHECK							0.00	32,500.00
1011	96838	03/13/20	141	SANTA FE IRRIGATION DIST	00160006120	005512000 01/03-03/02	0.00	527.17
1011	96838	03/13/20	141	SANTA FE IRRIGATION DIST	00165006550	011695000 02/04-03/02	0.00	71.50
1011	96838	03/13/20	141	SANTA FE IRRIGATION DIST	00165006530	011695000 02/04-03/02	0.00	119.16
TOTAL CHECK							0.00	717.83
1011	96839	03/13/20	3199	SOUTH COAST EMERGENCY VE	00160006120	T237 RECEIVER DRIER	0.00	155.06
1011	96839	03/13/20	3199	SOUTH COAST EMERGENCY VE	00160006120	T237MODULE/PUMP/RELAY	0.00	191.74
1011	96839	03/13/20	3199	SOUTH COAST EMERGENCY VE	00160006120	ACTUATOR PRXMTY MNGMT	0.00	249.93
TOTAL CHECK							0.00	596.73
1011	96840	03/13/20	3066	SUMMIT ENVIRONMENTAL GRO	45099266190	9926 PROF SVC SND-FEB	0.00	690.00
1011	96841	03/13/20	40	UNDERGROUND SVC ALERT OF	00165006510	DIG ALERT-FEB	0.00	99.10
1011	96841	03/13/20	40	UNDERGROUND SVC ALERT OF	00165006510	CA ST REGLRTY-FEB	0.00	36.45
TOTAL CHECK							0.00	135.55
1011	96842	03/13/20	1458	THE UNIFORM SPECIALIST	00160006120	BOOTS-HANCOCK	0.00	378.86
1011	96842	03/13/20	1458	THE UNIFORM SPECIALIST	00160006120	PANT/SHIRT/BLT-HANCOCK	0.00	1,340.58
TOTAL CHECK							0.00	1,719.44
1011	96843	03/13/20	2097	UT SAN DIEGO - NRTH COUN	00155005550	PUB HRNG-1716.18 CUP	0.00	359.20
1011	96844	03/13/20	5509	VALLEY CONSTRUCTON MANAG	50998336510	9833PMP STN MNGMT-FEB	0.00	22,367.50
1011	96845	03/13/20	30	VERIZON WIRELESS-SD	00160006140	CODES CELL 1/24-2/23	0.00	145.53
1011	96845	03/13/20	30	VERIZON WIRELESS-SD	00150005450	IT CELL 01/24-02/23	0.00	152.04
TOTAL CHECK							0.00	297.57
1011	96846	03/13/20	4844	WARWICK GROUP CONSULTANT	45099266190	9926.20 PROF SVC-FEB	0.00	5,375.00
1011	96847	03/13/20	5594	WEX BANK	00160006120	CR EXEMPT TAX-FEB	0.00	-103.38
1011	96847	03/13/20	5594	WEX BANK	00160006120	AUTO FUEL-FEB	0.00	1,661.33
TOTAL CHECK							0.00	1,557.95
1011	96848	03/19/20	4706	24 HOUR ELEVATOR, INC	00165006570	ELVTR MAINT-MAR	0.00	160.00

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1011	96849	03/19/20	1135	AFFORDABLE PIPELINE SERV	50900007700	O-SEWR CLEANING- 4	0.00	1,140.00
1011	96849	03/19/20	1135	AFFORDABLE PIPELINE SERV	50900007700	C-SEWR CLEAN- 35239	0.00	17,619.50
1011	96849	03/19/20	1135	AFFORDABLE PIPELINE SERV	00165006520	F-STORM DRAIN MAINT	0.00	1,140.00
1011	96849	03/19/20	1135	AFFORDABLE PIPELINE SERV	00165006520	O-STORM DRAIN MAINT	0.00	1,140.00
TOTAL CHECK							0.00	21,039.50
1011	96850	03/19/20	3704	ARCO GASPRO PLUS	001	ARCO BALANCE FWD	0.00	4,000.00
1011	96851	03/19/20	4832	AT&T CALNET 3	00160006120	9391059865 2/01-2/29	0.00	389.80
1011	96851	03/19/20	4832	AT&T CALNET 3	00150005450	9391012278 1/24-2/23	0.00	3,165.39
TOTAL CHECK							0.00	3,555.19
1011	96852	03/19/20	2526	BARTEL ASSOCIATES, LLC	00150005300	GASB74&75 FY19 CALC	0.00	1,160.00
1011	96853	03/19/20	5029	BILL SMITH FOREIGN CAR S	00160006170	2481FRNTR-OIL CHANGE	0.00	48.64
1011	96853	03/19/20	5029	BILL SMITH FOREIGN CAR S	00160006170	F150-OIL CHANGE	0.00	49.22
TOTAL CHECK							0.00	97.86
1011	96854	03/19/20	1914	US BANK	001	CALCARD BALANCE FWD	0.00	15,000.00
1011	96855	03/19/20	5171	CORELOGIC SOLUTIONS, LLC	00155005550	PROPERTY PRO DATA-MAR	0.00	96.83
1011	96856	03/19/20	318	COUNTY OF SAN DIEGO ASSE	00155005550	MAP FEE 02/06/20	0.00	2.00
1011	96857	03/19/20	55	COUNTY OF SAN DIEGO	21355005550	1718.16 CEQA FEE	0.00	2,456.75
1011	96858	03/19/20	2165	CULLIGAN OF SAN DIEGO	00160006170	DRNKG WTR SVC-MAR	0.00	45.56
1011	96859	03/19/20	5210	COUNTY OF SAN DIEGO	00160006140	PRKNG CITE ADMIN-FEB	0.00	1,288.50
1011	96860	03/19/20	5543	DOMUSSTUDIO ARCHITECTURE	45094496510	9449.01 MS CNTR-FEB	0.00	213.35
1011	96861	03/19/20	322	FIRE ETC.	00160006120	BOOTS-SIBERRELL	0.00	448.39
1011	96862	03/19/20	5480	FISHER INTEGRATED, INC.	55000007750	CNCL WEB STRM-SEA2/20	0.00	300.00
1011	96862	03/19/20	5480	FISHER INTEGRATED, INC.	550	CNCL WEB STRM-SEA2/20	0.00	300.00
1011	96862	03/19/20	5480	FISHER INTEGRATED, INC.	550	CNCL WEB STRM-SEA2/20	0.00	-300.00
1011	96862	03/19/20	5480	FISHER INTEGRATED, INC.	00150005450	COUNCIL WEB STRM-FEB	0.00	800.00
TOTAL CHECK							0.00	1,100.00
1011	96863	03/19/20	5728	GT DOOR INC	45994626510	9462.04 FCCC DOORS(5)	0.00	29,928.67
1011	96864	03/19/20	1011	HDL-HINDERLITER, DE LLAM	00150005300	Q3 FY STAX-CONTRACT	0.00	1,200.00
1011	96864	03/19/20	1011	HDL-HINDERLITER, DE LLAM	00150005300	Q3 CY19 STAX AUDIT	0.00	969.62
TOTAL CHECK							0.00	2,169.62
1011	96865	03/19/20	11	ICMA RETIREMENT TRUST-45	001	ICMA PD 03/20/20	0.00	12,385.73
1011	96866	03/19/20	3859	ICMA RETIREMENT TRUST-RH	001	ICMA PD 03/20/20	0.00	2,107.93
1011	96867	03/19/20	5847	JOSHUA HERBST	001	RFND-FCCC 03/07/20	0.00	500.00

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1011	96868	03/19/20	3984	LEHIGH HANSON HEIDELBERG	00165006560	GOLD DECOMPOSED	0.00	593.81
1011	96869	03/19/20	5014	MANAGED SOLUTION	00150005450	PROF SVC-SEP	0.00	462.50
1011	96869	03/19/20	5014	MANAGED SOLUTION	00150005450	PROF SVC-JAN	0.00	46.25
1011	96869	03/19/20	5014	MANAGED SOLUTION	00150005450	PROF SVC-FEB	0.00	750.00
1011	96869	03/19/20	5014	MANAGED SOLUTION	00150005450	PROF SVC-NOV	0.00	800.00
1011	96869	03/19/20	5014	MANAGED SOLUTION	00150005450	PROF SVC-DEC	0.00	800.00
1011	96869	03/19/20	5014	MANAGED SOLUTION	00150005450	PROF SVC-OCT	0.00	1,603.23
1011	96869	03/19/20	5014	MANAGED SOLUTION	00150005450	PROF SVC-SEP	0.00	3,237.50
TOTAL CHECK							0.00	7,699.48
1011	96870	03/19/20	1130	MCDUGAL LOVE ECKIS SMIT	00150005250	PROF SRVC OCT ADJ	0.00	-857.50
1011	96870	03/19/20	1130	MCDUGAL LOVE ECKIS SMIT	12050005460	CLM.2002 PSRV OCT ADJ	0.00	367.50
1011	96870	03/19/20	1130	MCDUGAL LOVE ECKIS SMIT	00150005250	RHNA PRO OCTAD	0.00	490.00
1011	96870	03/19/20	1130	MCDUGAL LOVE ECKIS SMIT	55000007750	PROF SERV PE 12/31/19	0.00	122.50
1011	96870	03/19/20	1130	MCDUGAL LOVE ECKIS SMIT	00150005250	PROF SERV PE09/30/19	0.00	227.50
1011	96870	03/19/20	1130	MCDUGAL LOVE ECKIS SMIT	00150005250	PROF SERV PE 12/31/19	0.00	227.50
1011	96870	03/19/20	1130	MCDUGAL LOVE ECKIS SMIT	00150005250	PROF SERV PE 12/31/19	0.00	297.50
1011	96870	03/19/20	1130	MCDUGAL LOVE ECKIS SMIT	00150005250	PROF SERV PE 12/31/19	0.00	332.50
1011	96870	03/19/20	1130	MCDUGAL LOVE ECKIS SMIT	00150005250	PROF SERV PE 12/31/19	0.00	472.50
1011	96870	03/19/20	1130	MCDUGAL LOVE ECKIS SMIT	00150005250	PROF SERV PE 12/31/19	0.00	766.00
1011	96870	03/19/20	1130	MCDUGAL LOVE ECKIS SMIT	00150005250	PROF SERV PE 12/31/19	0.00	1,015.00
1011	96870	03/19/20	1130	MCDUGAL LOVE ECKIS SMIT	12050005460	PROF SERV PE 12/31/19	0.00	3,097.00
1011	96870	03/19/20	1130	MCDUGAL LOVE ECKIS SMIT	00150005250	PROF SERV PE 12/31/19	0.00	5,500.00
1011	96870	03/19/20	1130	MCDUGAL LOVE ECKIS SMIT	00150005250	PROF SERV PE 12/31/19	0.00	6,343.95
1011	96870	03/19/20	1130	MCDUGAL LOVE ECKIS SMIT	00150005250	PROF SERV PE 12/31/19	0.00	6,360.60
TOTAL CHECK							0.00	24,762.55
1011	96871	03/19/20	2106	MIKHAIL OGAWA ENGINEERIN	00165006520	JURMP-FEB	0.00	7,683.33
1011	96872	03/19/20	5407	PJ CASTORENA, INC.	55000007750	CCA WKLY ENRL-03/02&9	0.00	85.85
1011	96873	03/19/20	5219	JERUSALEM CONSTRUCTION,	240	9355.06ADA RMP RTNMAR	0.00	-2,605.00
1011	96873	03/19/20	5219	JERUSALEM CONSTRUCTION,	24093556510	9355.06 ADA RAMPS-MAR	0.00	49,495.00
1011	96873	03/19/20	5219	JERUSALEM CONSTRUCTION,	24093556510	9355.06ADA RMP RTNMAR	0.00	2,605.00
TOTAL CHECK							0.00	49,495.00
1011	96874	03/19/20	4522	NISSHO OF CALIFORNIA	00165006530	STREET LNDSCP SVC-FEB	0.00	1,827.01
1011	96874	03/19/20	4522	NISSHO OF CALIFORNIA	00165006560	PRKS LNDSCP SVC-JUL	0.00	1,603.05
1011	96874	03/19/20	4522	NISSHO OF CALIFORNIA	00165006560	PRKS LNDSCP SVC-FEB	0.00	11,625.14
1011	96874	03/19/20	4522	NISSHO OF CALIFORNIA	00165006570	PUBFAC LNDSCP SVC-JUL	0.00	911.77
1011	96874	03/19/20	4522	NISSHO OF CALIFORNIA	00165006570	PUBFAC LNDSCP SVC-FEB	0.00	2,509.06
1011	96874	03/19/20	4522	NISSHO OF CALIFORNIA	20375007510	MID#33 LNDSCP SVC-FEB	0.00	2,678.26
1011	96874	03/19/20	4522	NISSHO OF CALIFORNIA	20375007510	MID#33 LNDSCP SVC-JUL	0.00	5,100.54
1011	96874	03/19/20	4522	NISSHO OF CALIFORNIA	20875007580	CRT LNDSCP SVC-FEB	0.00	3,396.52
1011	96874	03/19/20	4522	NISSHO OF CALIFORNIA	00165006560	DM SHR PRKNG FITTINGS	0.00	151.51
TOTAL CHECK							0.00	29,802.86
1011	96875	03/19/20	1953	PALOMAR COLLEGE	001	SPRING20-C#33755-DM	0.00	639.00
1011	96875	03/19/20	1953	PALOMAR COLLEGE	00160006120	SPRING20-C#33755-SB	0.00	852.00
TOTAL CHECK							0.00	1,491.00

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CITY OF SOLANA BEACH, CA
CHECK REGISTER - DISBURSEMENT FUND

PAGE NUMBER: 12
ACCTPA21

SELECTION CRITERIA: transact.gl_cash='1011' and transact.ck_date between '20200222 00:00:00.000' and '20200320 00:00:00.000'
ACCOUNTING PERIOD: 9/20

FUND - 001 - GENERAL FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	BUDGET UNIT	-----DESCRIPTION-----	SALES TAX	AMOUNT
1011	96876	03/19/20	1112	RANCHO SANTA FE SECURITY	00165006560	ALARM MONITORING-FEB	0.00	240.00
1011	96878	03/19/20	141	SANTA FE IRRIGATION DIST	20475007520	GRP 6-01 02/04-03/02	0.00	3,591.70
1011	96878	03/19/20	141	SANTA FE IRRIGATION DIST	00165006520	005506014 02/04-03/02	0.00	279.99
1011	96878	03/19/20	141	SANTA FE IRRIGATION DIST	50900007700	005506014 02/04-03/02	0.00	839.95
1011	96878	03/19/20	141	SANTA FE IRRIGATION DIST	00165006560	005506018 0204-030220	0.00	187.03
1011	96878	03/19/20	141	SANTA FE IRRIGATION DIST	00165006560	005506019 0204-030220	0.00	550.03
1011	96878	03/19/20	141	SANTA FE IRRIGATION DIST	20875007580	005506020 0204-030220	0.00	985.34
1011	96878	03/19/20	141	SANTA FE IRRIGATION DIST	00165006560	005506000 0103-030220	0.00	142.94
1011	96878	03/19/20	141	SANTA FE IRRIGATION DIST	00165006560	005506001 0103-030220	0.00	85.08
1011	96878	03/19/20	141	SANTA FE IRRIGATION DIST	00165006560	005506002 0103-030220	0.00	342.37
1011	96878	03/19/20	141	SANTA FE IRRIGATION DIST	20875007580	005506003 0103-030220	0.00	136.32
1011	96878	03/19/20	141	SANTA FE IRRIGATION DIST	00165006560	005506004 0103-030220	0.00	85.08
1011	96878	03/19/20	141	SANTA FE IRRIGATION DIST	00165006560	005506005 0103-030220	0.00	178.40
1011	96878	03/19/20	141	SANTA FE IRRIGATION DIST	00165006560	005506006 0103-030220	0.00	136.32
1011	96878	03/19/20	141	SANTA FE IRRIGATION DIST	00165006560	005506007 0103-030220	0.00	94.32
1011	96878	03/19/20	141	SANTA FE IRRIGATION DIST	00165006570	005506008 0103-030220	0.00	337.75
1011	96878	03/19/20	141	SANTA FE IRRIGATION DIST	00165006560	005506009 0103-030220	0.00	85.08
1011	96878	03/19/20	141	SANTA FE IRRIGATION DIST	00165006560	005506010 0103-030220	0.00	122.04
1011	96878	03/19/20	141	SANTA FE IRRIGATION DIST	00165006560	005506011 0103-030220	0.00	296.17
1011	96878	03/19/20	141	SANTA FE IRRIGATION DIST	00165006560	005506012 0103-030220	0.00	1,150.87
1011	96878	03/19/20	141	SANTA FE IRRIGATION DIST	00165006560	005506013 0103-030220	0.00	112.80
1011	96878	03/19/20	141	SANTA FE IRRIGATION DIST	20375007510	005979000 0103-030220	0.00	162.62
1011	96878	03/19/20	141	SANTA FE IRRIGATION DIST	00165006560	005979001 0103-030220	0.00	102.57
1011	96878	03/19/20	141	SANTA FE IRRIGATION DIST	00165006560	012448000 0103-030220	0.00	136.32
1011	96878	03/19/20	141	SANTA FE IRRIGATION DIST	00165006560	012448001 0103-030220	0.00	85.08
TOTAL CHECK							0.00	10,226.17
1011	96879	03/19/20	1073	SEASIDE HEATING & AIR CO	00165006570	REPAIR THRST WIRE-FC	0.00	210.00
1011	96880	03/19/20	3909	SECTRAN SECURITY INC	12050005460	COURIER SVC-MAR	0.00	113.37
1011	96880	03/19/20	3909	SECTRAN SECURITY INC	12050005460	COURIER SVC FUEL-MAR	0.00	19.22
TOTAL CHECK							0.00	132.59
1011	96881	03/19/20	4840	STC TRAFFIC, INC	00165006540	ONCALL TRFFC -OCT	0.00	2,855.75
1011	96882	03/19/20	4959	TELECOM LAW FIRM	00150005250	PROF SVC-PRP/FLNG FCC	0.00	3,500.00
1011	96883	03/19/20	5427	TOSDAL LAW FIRM	55000007750	SEA PROF SVC-FEB	0.00	3,355.00
1011	96884	03/19/20	1458	THE UNIFORM SPECIALIST	00160006120	SHIRT/PANTS-BASIN	0.00	593.17
1011	96885	03/19/20	30	VERIZON WIRELESS-SD	21100007600	PW CELL 02/02-03-01	0.00	6.26
1011	96885	03/19/20	30	VERIZON WIRELESS-SD	50900007700	PW CELL 02/02-03-01	0.00	6.26
1011	96885	03/19/20	30	VERIZON WIRELESS-SD	00165006540	PW CELL 02/02-03-01	0.00	25.04
1011	96885	03/19/20	30	VERIZON WIRELESS-SD	00165006560	PW CELL 02/02-03-01	0.00	25.04
1011	96885	03/19/20	30	VERIZON WIRELESS-SD	00165006520	PW CELL 02/02-03-01	0.00	31.30
1011	96885	03/19/20	30	VERIZON WIRELESS-SD	00165006530	PW CELL 02/02-03-01	0.00	31.30
1011	96885	03/19/20	30	VERIZON WIRELESS-SD	00165006510	PW CELL 02/02-03-01	0.00	31.31
TOTAL CHECK							0.00	156.51

PENTAMATION
 DATE: 03/23/2020
 TIME: 17:58:46

CITY OF SOLANA BEACH, CA
 CHECK REGISTER - DISBURSEMENT FUND

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FUND - 001 - GENERAL FUND

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	NAME	BUDGET UNIT	-----DESCRIPTION-----	SALES TAX	AMOUNT
1011	96886	03/19/20	5594	WEX BANK	00160006120	CR EXEMPT TAX-FEB	0.00	-106.83
1011	96886	03/19/20	5594	WEX BANK	00160006120	AUTO FUEL-FEB	0.00	1,680.94
1011	96886	03/19/20	5594	WEX BANK	001	SHELL BALANCE FWD	0.00	3,000.00
TOTAL CHECK								4,574.11
1011	96887	03/19/20	37	XEROX CORPORATION	00150005350	W7830PT CLRKS-FEB	0.00	218.99
1011	96887	03/19/20	37	XEROX CORPORATION	00150005350	EXCESS BLK-1/21-2/21	0.00	41.30
1011	96887	03/19/20	37	XEROX CORPORATION	00150005350	EXCESS CLR-1/21-2/21	0.00	173.81
1011	96887	03/19/20	37	XEROX CORPORATION	00150005350	W7830PT UPSTRS-FEB	0.00	199.60
1011	96887	03/19/20	37	XEROX CORPORATION	00150005350	EXCESS BLK-1/21-2/21	0.00	47.56
1011	96887	03/19/20	37	XEROX CORPORATION	00150005350	EXCESS CLR-1/21-2/21	0.00	330.87
1011	96887	03/19/20	37	XEROX CORPORATION	00150005350	D95CP PLNG LEASE-FEB	0.00	555.18
1011	96887	03/19/20	37	XEROX CORPORATION	00150005350	EXCSS COPY-1/21-2/21	0.00	109.26
TOTAL CHECK								1,676.57
1011	V900095	03/05/20	4600	KYLE KOSZEWNIAK	12050005460	KK-2020 PARMA 2/21-28	0.00	1,516.46
1011	V900095	03/05/20	4600	KYLE KOSZEWNIAK	001	KK-2020 PARMA 2/21-28	0.00	-350.00
TOTAL CHECK								1,166.46
1011	V900096	03/05/20	13	SOLANA BEACH FIREFIGHTER	001	FD DUES 03/06/20	0.00	913.50
1011	V900097	03/13/20	5527	PCL CONSTRUCTION INC.	50998336510	9833 SB PMP STN-FEB	0.00	168,625.00
1011	V900097	03/13/20	5527	PCL CONSTRUCTION INC.	50998336510	9833 PMP STN RTN-FEB	0.00	8,875.00
1011	V900097	03/13/20	5527	PCL CONSTRUCTION INC.	509	9833 PMP STN RTN-FEB	0.00	-8,875.00
TOTAL CHECK								168,625.00
1011	V900098	03/19/20	13	SOLANA BEACH FIREFIGHTER	001	FD DUES PD 03/20/20	0.00	913.50
1011	V900099	03/19/20	4465	SUN LIFE FINANCIAL	001	MAR 20 LIFE&ADD INS	0.00	1,143.83
1011	V900099	03/19/20	4465	SUN LIFE FINANCIAL	001	MAR 20 LTD	0.00	1,627.34
1011	V900099	03/19/20	4465	SUN LIFE FINANCIAL	001	MAR 20 SUPP LIFE INS	0.00	423.45
TOTAL CHECK								3,194.62
TOTAL CASH ACCOUNT							0.00	1,459,174.89
TOTAL FUND							0.00	1,459,174.89
TOTAL REPORT							0.00	1,459,174.89



STAFF REPORT CITY OF SOLANA BEACH

TO: Honorable Mayor and City Councilmembers
FROM: Gregory Wade, City Manager
MEETING DATE: April 8, 2020
ORIGINATING DEPT: Finance
SUBJECT: Report on Changes Made to the General Fund Adopted Budget for Fiscal Year 2019/20

BACKGROUND:

Staff provides a report at each Council meeting that lists changes made to the current Fiscal Year (FY) General Fund Adopted Budget.

The information provided in this Staff Report lists the changes made through March 10, 2020.

DISCUSSION:

The following table reports the revenue, expenditures, and transfers for 1) the Adopted General Fund Budget approved by Council on June 12, 2019 (Resolution 2019-085) and 2) any resolutions passed by Council that amended the Adopted General Fund Budget.

GENERAL FUND - ADOPTED BUDGET PLUS CHANGES						
As of March 10, 2020						
Action	Description	Revenues	Expenditures	Transfers from GF		Net Surplus
Reso 2019-085	Adopted Budget	19,357,000	(19,141,500)	(151,100)	(1)	\$ 64,400
Reso 2020-026	FY2019/20	656,100	(502,700)	-		217,800
	(1) Transfers to:					
	Debt Service for Public Facilities		151,100			
				151,100		

CEQA COMPLIANCE STATEMENT:

Not a project as defined by CEQA

FISCAL IMPACT:

N/A

COUNCIL ACTION:

WORK PLAN:

N/A

OPTIONS:

- Receive the report.
- Do not accept the report

DEPARTMENT RECOMMENDATION:

Staff recommends that the City Council receive the report listing changes made to the FY 2019-2020 General Fund Adopted Budget.

CITY MANAGER'S RECOMMENDATION:

Approve Department Recommendation



Gregory Wade, City Manager



STAFF REPORT CITY OF SOLANA BEACH

TO: Honorable Mayor and City Councilmembers
FROM: Gregory Wade, City Manager
MEETING DATE: April 8, 2020
ORIGINATING DEPT: Engineering Department
SUBJECT: **Council Consideration of Resolution No. 2020-037 Accepting the Project as Complete and Authorizing the City Clerk to File a Notice of Completion for the Americans with Disabilities Act (ADA) Pedestrian Ramps Project**

BACKGROUND:

At the January 22, 2020 City Council meeting, the City Council awarded a construction contract for the ADA Pedestrian Ramps, Bid No. 2019-08, to Miramar General Engineering. This project is funded by the Fiscal Year (FY) 2019/20 Community Development Block Grant (CDBG) for construction of ADA pedestrian ramps at various public street intersections.

This item is before the City Council for the consideration of Resolution 2020-037 (Attachment 1) to report the final project costs, accept the project as complete and direct the City Clerk to file a Notice of Completion (NOC).

DISCUSSION:

Miramar General Engineering (Contractor) completed all work on this project in accordance with the approved plans and specifications of Bid No. 2019-08 to the satisfaction of the City Engineer. The City will release the retention, in the amount of \$2,605, thirty-five (35) days after the Notice of Completion is approved by the City Council.

CEQA COMPLIANCE STATEMENT:

The project is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301(c) of the State CEQA Guidelines.

CITY COUNCIL ACTION:

FISCAL IMPACT:

The project was completed within budget and at the original contract amount of \$52,100. There were no change orders issued during the construction of this project. The Council had authorized an \$8,000 construction contingency for unanticipated changes, but the contingency was not used. The contract is funded with a CDBG grant in the amount of \$69,996. The City will request that unexpended CDBG funds be carried over to a future year.

WORK PLAN:

This project was not identified in the FY 2019/20 Work Plan.

OPTIONS:

- Adopt Staff recommendation.
- Deny Staff recommendation and provide direction.


DEPARTMENT RECOMMENDATION:

Staff recommends that the City Council adopt Resolution 2020-037:

1. Authorizing the City Council to accept, as complete, the ADA Pedestrian Ramps, Bid No. 2019-08, constructed by Miramar General Engineering.
2. Authorizing the City Clerk to file a Notice of Completion.

CITY MANAGER'S RECOMMENDATION:

Approve Department Recommendation.



Gregory Wade, City Manager

Attachments:

1. Resolution No. 2020-037

RESOLUTION 2020 - 037

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, ACCEPTING AS COMPLETE THE AMERICANS WITH DISABILITIES ACT (ADA) PEDESTRIAN RAMPS PROJECT, BID NO. 2019-08, AND AUTHORIZING THE CITY CLERK TO FILE A NOTICE OF COMPLETION

WHEREAS, the Americans with Disabilities Act (ADA) Pedestrian Ramps Project, funded by a Community Development Block Grant (CDBG), has been completed in accordance with the plans and specifications included as part of the construction contract with Miramar General Engineering to the satisfaction of the City Engineer.

NOW, THEREFORE, the City Council of the City of Solana Beach, California, does resolve as follows:

1. That the above recitations are true and correct.
2. That the City Council accepts as complete the ADA Pedestrian Ramps Project, Bid No. 2019-08, constructed by Miramar General Engineering.
3. That the City Council authorizes the City Clerk to file a Notice of Completion for the project.

PASSED AND ADOPTED this 8th day of April, 2020, at a regularly scheduled meeting of the City Council of the City of Solana Beach, California by the following vote:

AYES: Councilmembers –
NOES: Councilmembers –
ABSTAIN: Councilmembers –
ABSENT: Councilmembers –

JEWEL EDSON, Mayor

APPROVED AS TO FORM:

ATTEST:

JOHANNA N. CANLAS, City Attorney

ANGELA IVEY, City Clerk



STAFF REPORT CITY OF SOLANA BEACH

TO: Honorable Mayor and City Councilmembers
FROM: Gregory Wade, City Manager
MEETING DATE: April 8, 2020
ORIGINATING DEPT: Finance
SUBJECT: Quarterly Investment Report

BACKGROUND:

California Government Code Section 53600 requires timely reporting of local agency investment transactions and portfolio to the agency's legislative body.

This item is before Council to receive a presentation and to accept and file the Cash and Investment Report for the quarter ended December 31, 2019.

DISCUSSION:

The investment objectives for the City of Solana Beach are 1) to provide safety to ensure the preservation of capital in the overall portfolio, 2) to provide sufficient liquidity for cash needs and 3) to generate a market rate of return consistent with the Investment Policy. The performance objective for the portfolio is to earn a total rate of return through a market cycle that is equal to or above the return on the benchmark yield. In order to achieve this objective, the portfolio invests in high-quality fixed income securities that comply with the Investment Policy and all applicable regulations governing the funds.

The attached Quarterly Cash and Investment Report ensures that the City complies with Section 53600. The City's investment portfolio complies with the City's Investment Policy that is approved annually by the City Council. The majority of City funds are invested in Chandler Asset Management (Chandler), Public Agency Retirement Services (PARS), and Local Agency Investment Fund (LAIF).

CEQA COMPLIANCE STATEMENT:

Not a project as defined by CEQA

CITY COUNCIL ACTION:

FISCAL IMPACT:

None

WORK PLAN:

N/A

OPTIONS:

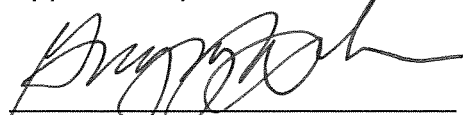
- Receive reports
- Provide direction

DEPARTMENT RECOMMENDATION:

Staff recommends that the City Council accepts and files the attached Cash and Investment Report for the quarter ended December 31, 2019.

CITY MANAGER'S RECOMMENDATION:

Approve Department Recommendation



Gregory Wade, City Manager

Attachments:

1. Cash and Investment Report – December 31, 2019
2. Chandler Asset Quarterly Investment Report- December 31, 2019

**City of Solana Beach
Cash and Investment Report
December 31, 2019**

Type of Investment	Custodian	Maturity	Current Stated Yield	Percent of Portfolio	Cost Value (Rounded)	Market Value (Rounded)	Current Quarter Yield	Quarter Interest Earned (Rounded)	Fiscal Year to Date Interest Earned (Rounded)
General Checking Account	Union Bank of California	On Demand ⁽¹⁾	N/A	5.51%	\$ 2,124,167	\$ 2,124,167	N/A	N/A	N/A
Payroll Account	Union Bank of California	On Demand ⁽¹⁾	N/A	0.65%	249,885	249,885	N/A	N/A	N/A
Worker's Comp - Checking	Union Bank of California	On Demand ⁽¹⁾	N/A	0.08%	29,054	29,054	N/A	N/A	N/A
Successor Agency - Checking	Union Bank of California	On Demand ⁽¹⁾	N/A	0.00%	0	0	N/A	N/A	N/A
SEA Lockbox	River City Bank	On Demand ⁽¹⁾	N/A	0.36%	138,911	138,911	N/A	N/A	N/A
SEA Reserve	River City Bank	On Demand ⁽¹⁾	N/A	1.49%	573,725	573,725	1.77%	2,495	3,732
Local Agency Investment Fund	State of CA	On Demand ⁽¹⁾	N/A	11.71%	4,511,380	4,511,380 ⁽²⁾	2.29%	15,423	35,781
Chandler Asset Management (CMA) Investment Portfolio	US Bank	1 to 3 years	N/A	74.05%	28,529,389	28,886,770 ⁽⁵⁾	1.70%	140,856 ⁽⁶⁾⁽⁷⁾	327,535 ⁽⁶⁾⁽⁷⁾
Public Agency Retirement Services (PARS)	US Bank	Varied	N/A	6.15%	2,369,133	2,498,790 ⁽³⁾	4.41%	78,022 ⁽⁷⁾	92,924 ⁽⁷⁾
Blackrock Institutional Funds 2011 SEJPA Revenue Bonds	Union Bank of California (Cash with Fiscal Agent)	Varied	N/A	0.00%	1	1 ⁽⁴⁾	1.71%	0	1
Blackrock Institutional Funds 2017 Waste Water Revenue Bonds	Union Bank of California (Cash with Fiscal Agent)	Varied	N/A	0.00%	79	79 ⁽⁴⁾	1.60%	12	79
Wells Fargo Advantage Money Market RDA Refunding Bond Series 2017	Wells Fargo Bank (Cash with Fiscal Agent)	Varied	N/A	0.00%	45	45 ⁽⁴⁾	N/A	30	42
Total Cash and Investments					<u>100.00%</u>	<u>\$ 38,525,771</u>	<u>\$ 39,012,809</u>	<u>\$ 236,839</u>	<u>\$ 460,095</u>

⁽¹⁾ Funds may be withdrawn with 24 hours notice

⁽²⁾ Source: Monthly Pooled Money Investment Account Market Valuation as reported by LAIF (if available)

⁽³⁾ Source: US Bank Asset Summary

⁽⁴⁾ Source: fiscal agent month-end statements.

⁽⁵⁾ Source: CMA US Bank statements

⁽⁶⁾ Includes accrued interest

⁽⁷⁾ Includes realized investment gains/losses of current quarter

I certify that this report accurately reflects all pooled investments and is in compliance with Government Code Section 53640-53646 as amended January 1, 1996, as well as the investment policy of the City of Solana Beach as approved annually by the City Council.

Furthermore, I certify that sufficient investment liquidity and anticipated revenues are available to meet the City's budgeted expenditure requirements for the next six months.

Date 03/05/20

Marie Marron Berkuti

Approved by:
Marie Marron Berkuti
Finance Director/Treasurer

Catherine Wong

Prepared by:
Catherine Wong
Senior Accountant

City of Solana Beach

Period Ending December 31, 2019

CHANDLER ASSET MANAGEMENT, INC. | 800.317.4747 | www.chandlerasset.com

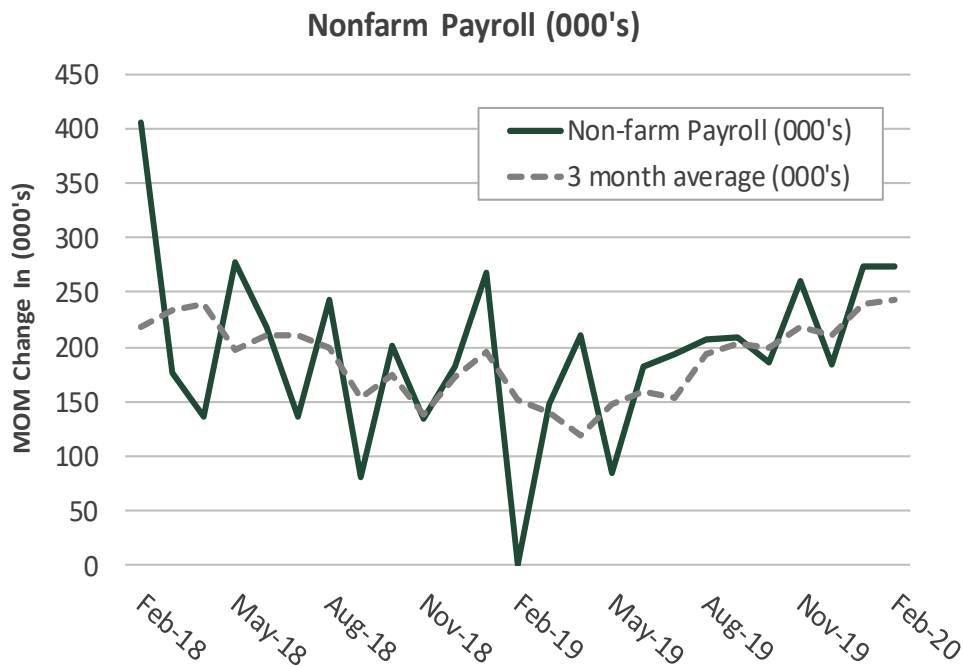
SECTION 1	Economic Update
SECTION 2	Account Profile
SECTION 3	Portfolio Holdings
SECTION 4	Transactions

Section 1 | Economic Update

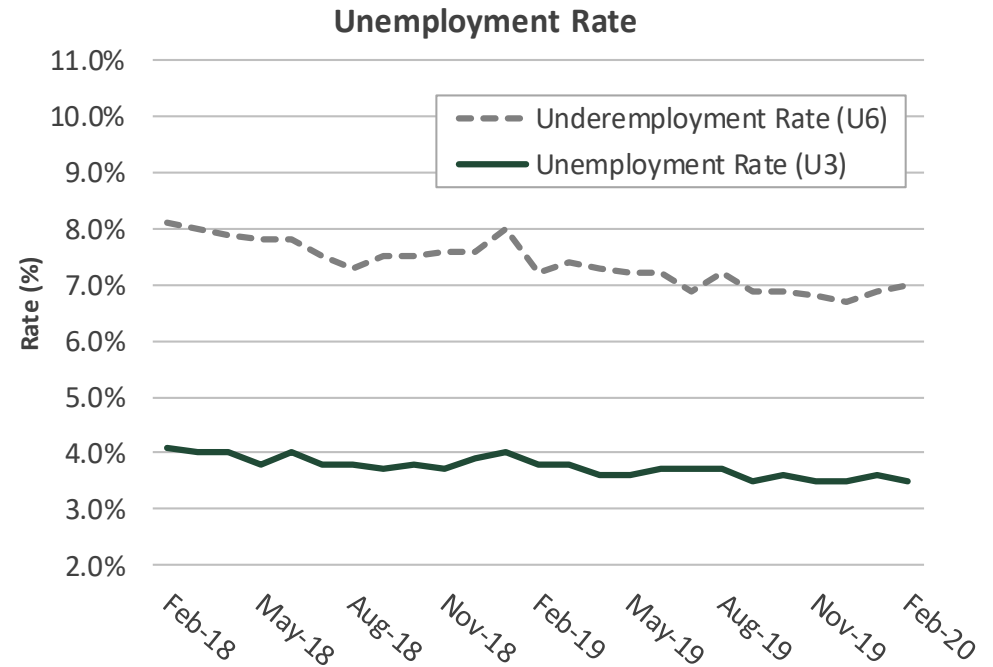
Economic Update

- Financial markets experienced significant turbulence during the month of February, driven by a high level of uncertainty about the impact of coronavirus on global economic growth. We believe this was further exacerbated by rising US political uncertainty ahead of this year's presidential election. The US Treasury market was particularly volatile during the month, amid a global flight to quality. Meanwhile, the S&P 500 index declined more than 8%. There are still many unknowns about the coronavirus including how widespread it will become, how long it will take to contain the virus, and the actual impact on economic activity. We expect that the coronavirus will cause a near-term slowdown in global economic growth but believe a longer-term recovery is likely. Efforts to contain the virus will cause supply chain disruptions for many companies and put corporate cash flows and earnings at risk. However, we anticipate a collective global monetary and fiscal response if global supply chain disruption and/or the economic slowdown is prolonged.
- On March 3, the Federal Reserve made a surprise intra-meeting fed funds rate cut of 50 basis points, to a new range of 1.00-1.25%, its biggest single cut in more than a decade. The decision was unanimous. The next Federal Open Market Committee (FOMC) meeting will be held March 17-18. The implied probability of additional monetary easing, based on fed funds futures prices, is high and suggests the fed funds rate could be lowered to a range of 0.0%-0.25% by mid-year. We expect a collective effort among global central banks and governments to provide stimulus to help offset the inevitable slowdown in economic activity being caused by the coronavirus.
- Treasury yields declined meaningfully in February and the curve remained inverted. At month-end, the yield on 10-year Treasuries was nearly 12 basis points below the yield on 3-month T-bills. The yield on 2-year Treasuries was 35 basis points below the yield on 3-month T-bills at month-end. During the month, the yield on 2-year Treasuries declined 40 basis points to 0.91%, while the yield on 10-year Treasuries declined nearly 36 basis points to a record low of 1.15%. The movement in yields was largely driven by fears about the coronavirus and its potential impact on global economic growth and inflation expectations.

Employment



Source: US Department of Labor

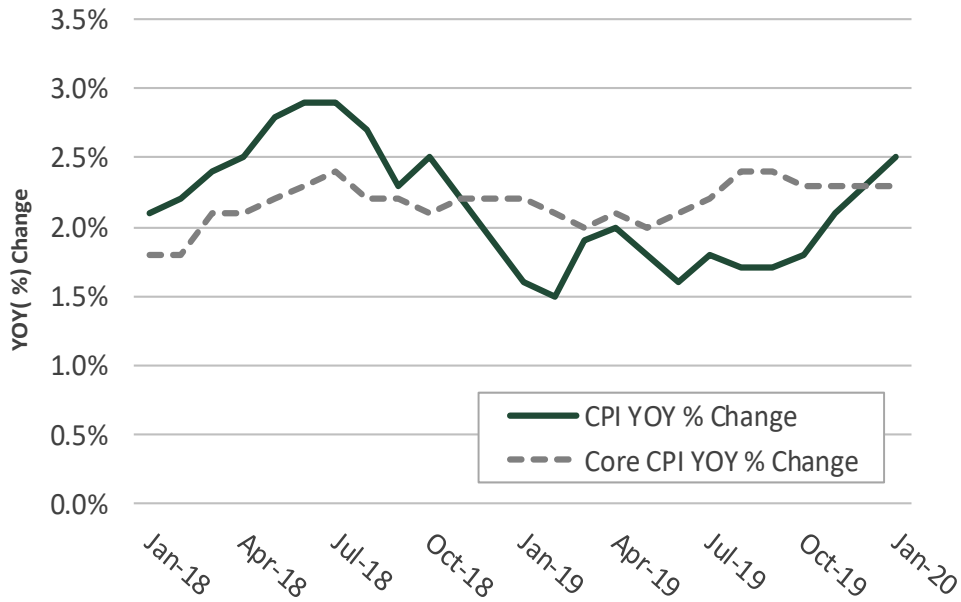


Source: US Department of Labor

U.S. nonfarm payrolls rose by 273,000 in February, well above expectations of 175,000. Payrolls in December and January were revised up by 85,000. On a trailing 3-month and 6-month basis, payrolls increased an average of 243,000 and 231,000 per month, respectively. The unemployment rate was unchanged at 3.5% in February and the participation rate held steady at 63.4%. A broader measure of unemployment called the U-6, which includes those who are marginally attached to the labor force and employed part time for economic reasons, ticked up to 7.0% in February from 6.9% in January. Wages rose 0.3% in February, in line with expectations, following a 0.2% in January. On a year-over-year basis, wages were up 3.0% in February, versus up 3.1% in January. The average workweek increased to 34.4 hours from 34.3 hours.

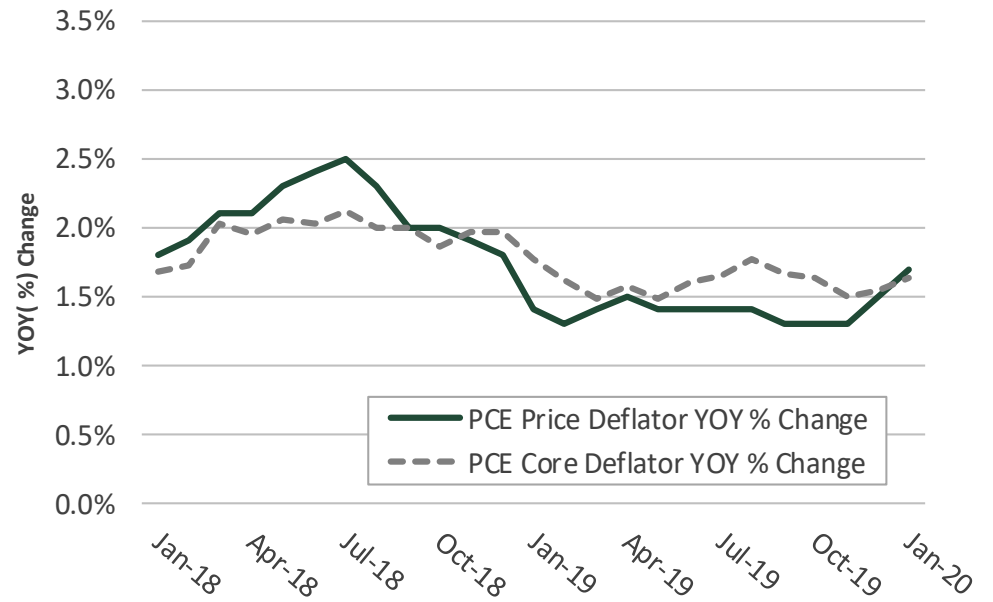
Inflation

Consumer Price Index (CPI)



Source: US Department of Labor

Personal Consumption Expenditures (PCE)

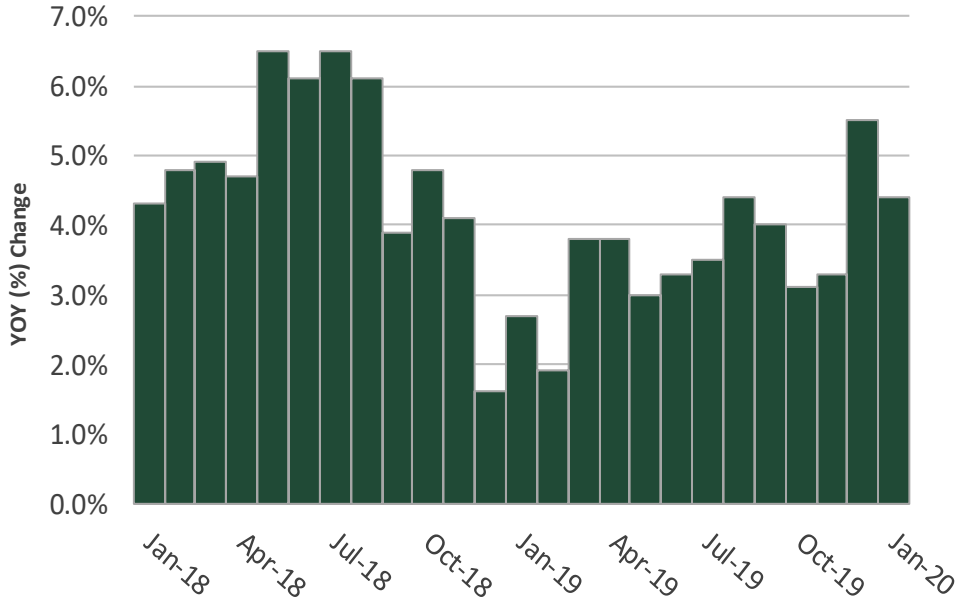


Source: US Department of Commerce

The Consumer Price Index (CPI) was up 2.5% year-over-year in January, up from 2.3% in December. Core CPI (CPI less food and energy) was up 2.3% year-over-year in January, unchanged from December. The Personal Consumption Expenditures (PCE) index was up 1.7% year-over-year in January versus up 1.5% year-over-year in December. Core PCE, which is the Fed's primary inflation gauge, was up 1.6% year-over-year in January versus 1.5% year-over-year in December. Core PCE remains below the Fed's 2.0% inflation target.

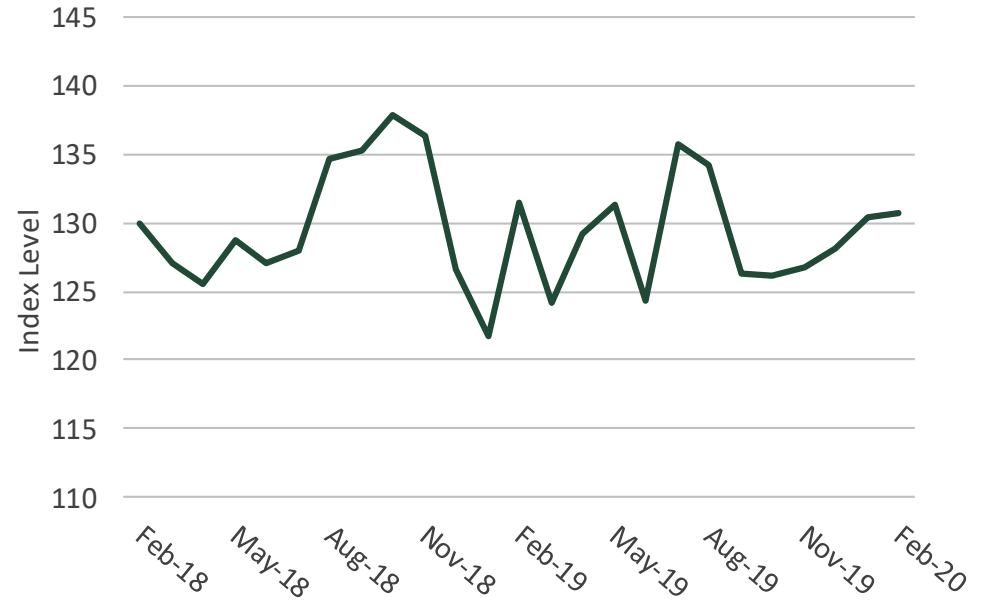
Consumer

Retail Sales YOY % Change



Source: US Department of Commerce

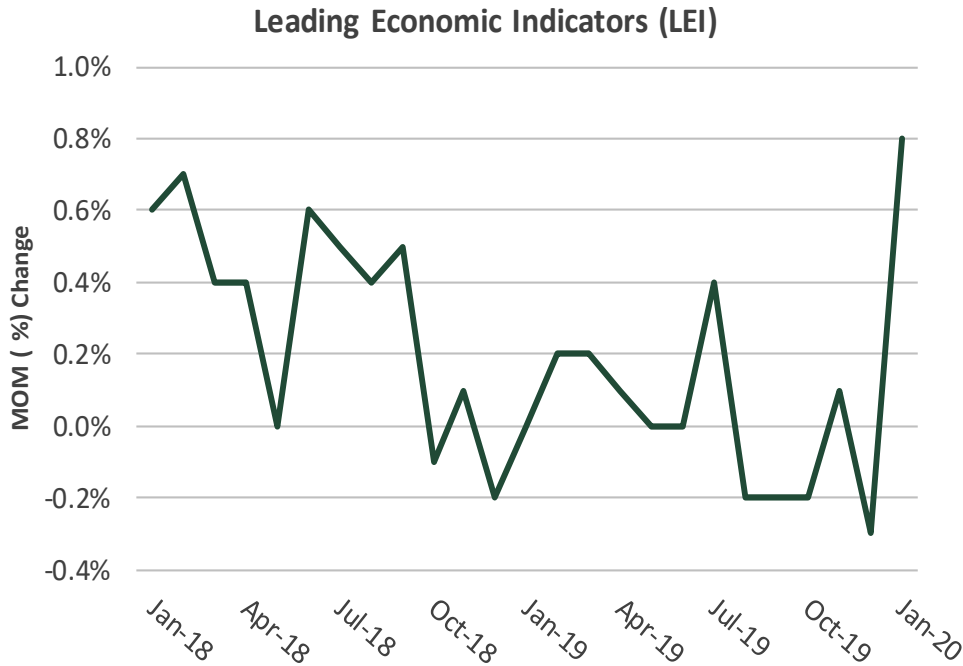
Consumer Confidence



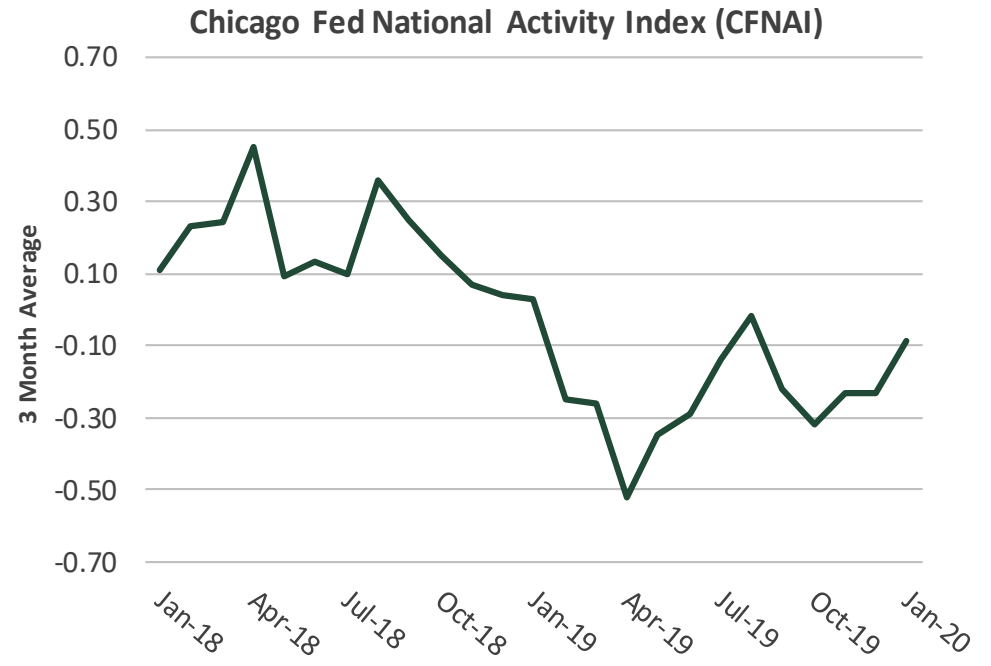
Source: The Conference Board

On a year-over-year basis, retail sales were up 4.4% in January versus 5.5% in December. On a month-over-month basis, retail sales excluding autos and gas rose 0.4% in January, slightly ahead of expectations. Much of the strength was driven by building materials and food services, while sales on clothing, health & personal care, and electronics & appliances were down in the month. The Consumer Confidence Index remained strong and edged up to 130.7 in February from 130.4 in January.

Economic Activity



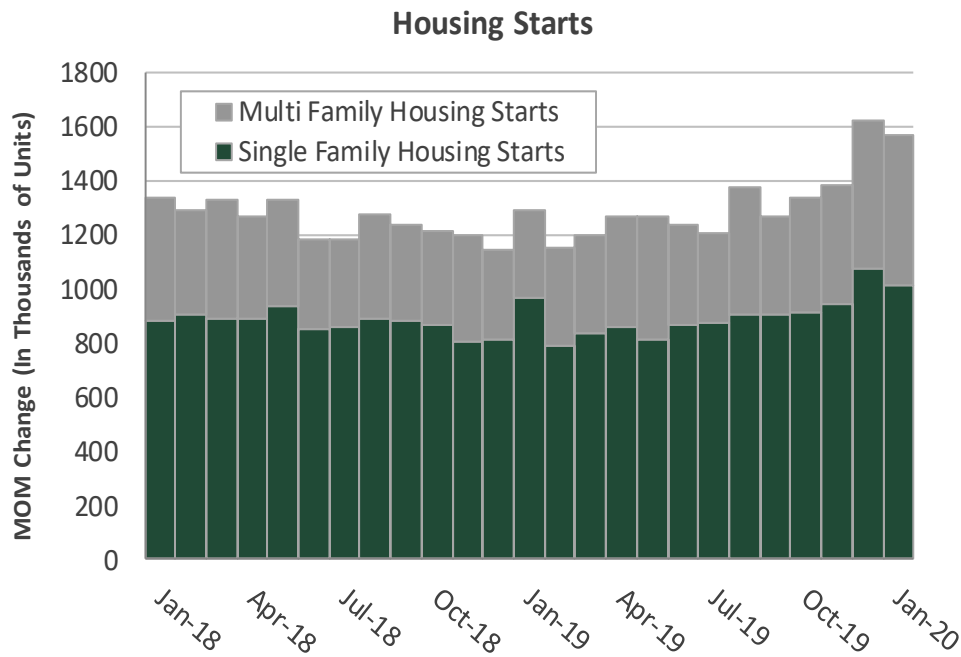
Source: The Conference Board



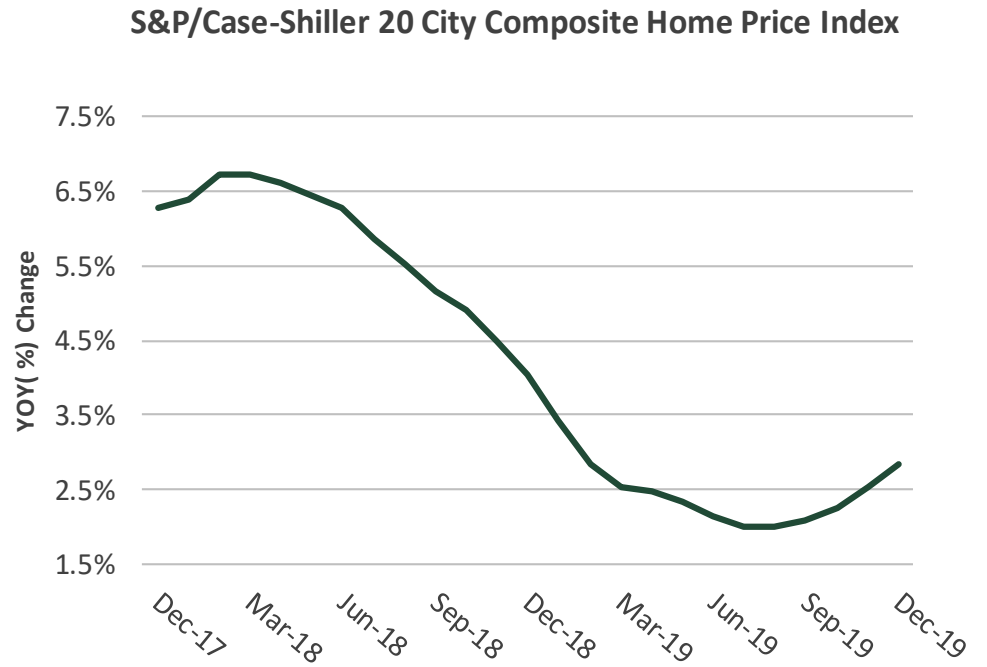
Source: Federal Reserve Bank of Chicago

Reflecting strength across a variety of factors, the Leading Economic Indicators index (LEI) jumped 0.8% in January following a 0.3% decline in December. The LEI was up 0.9% on a year-over-year basis in January versus up 0.1% year-over-over in December. According to the Conference Board, the LEI is consistent with 2.0% economic growth through early 2020. The Chicago Fed National Activity Index (CFNAI) improved to -0.25 in January from -0.51 in December. On a 3-month moving average basis, the CFNAI improved to -0.09 in January from -0.23 in December. The 3-month moving average is consistent with sub-par economic growth.

Housing



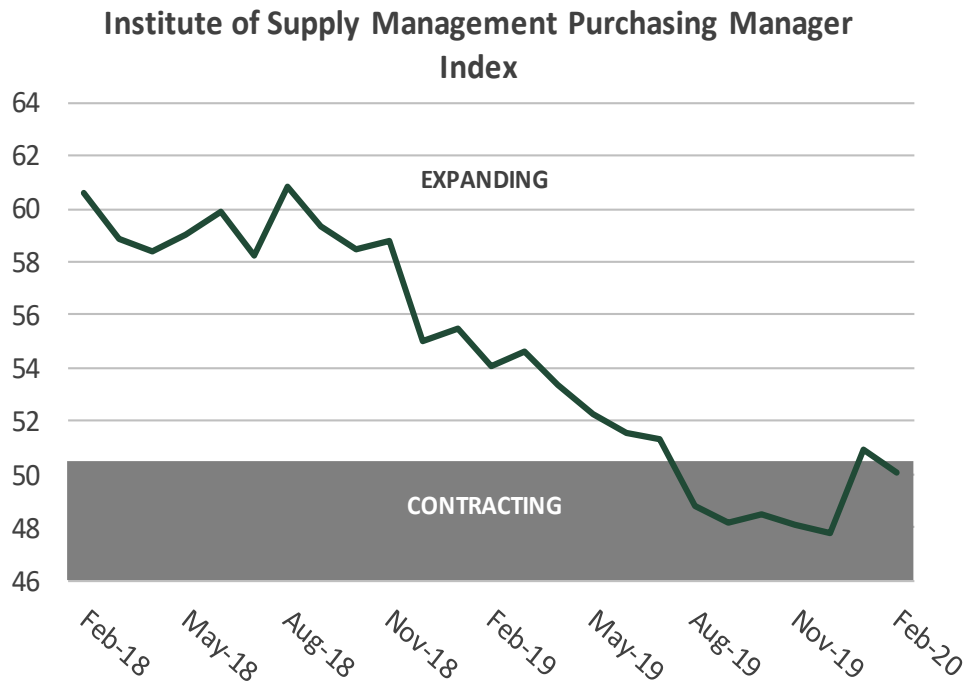
Source: US Department of Commerce



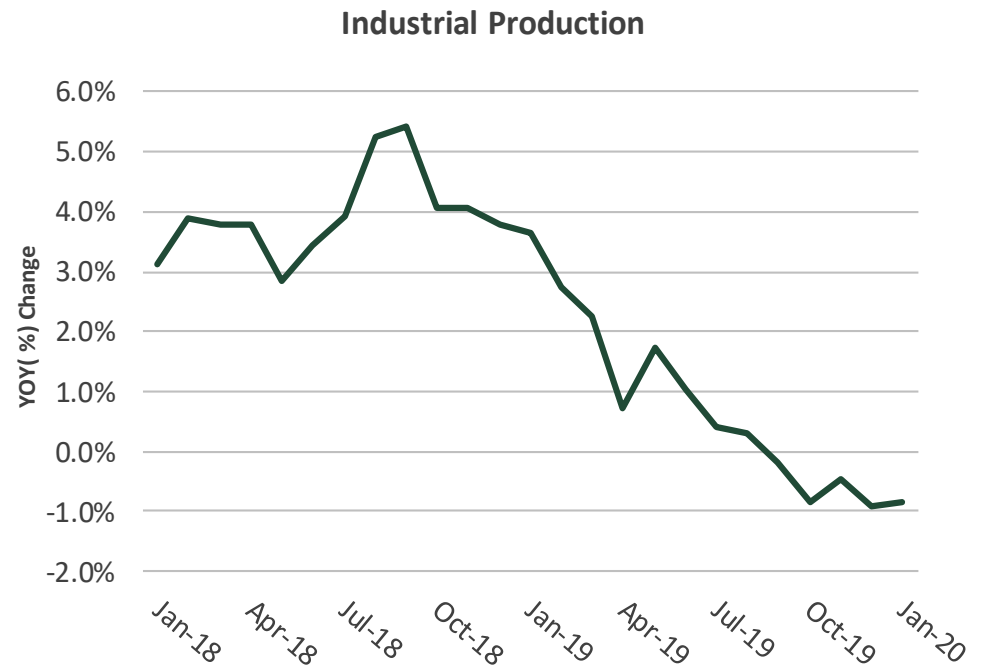
Source: S&P

Housing starts remained strong in January at an annual rate of 1,567,000, exceeding the high end of the consensus forecast. On a month-over-month basis, single family starts declined 5.9% to an annualized rate of 1,010,000, while multi-family starts were roughly flat at an annualized rate of 557,000. Permits rose 9.2% in January to a 1,551,000 rate. Trends suggest low mortgage rates and a strong labor market continue to drive housing activity. According to the Case-Shiller 20-City home price index, home prices were up 2.9% year-over-year in December, versus up 2.6% year-over-year in November, which suggests that pricing in the sector is gaining momentum.

Manufacturing



Source: Institute for Supply Management



Source: Federal Reserve

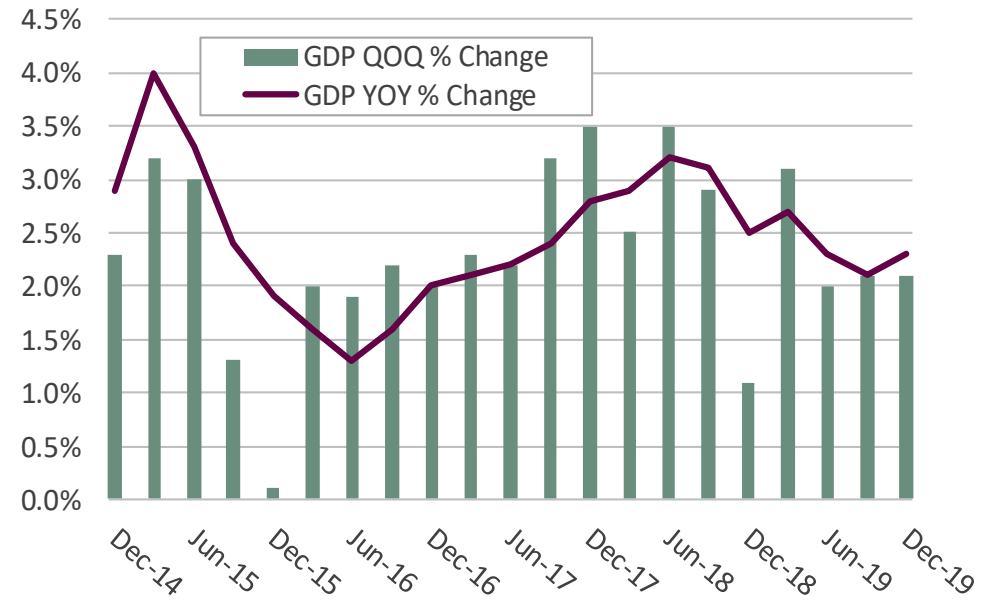
The Institute for Supply Management (ISM) manufacturing index decreased to 50.1 in February from 50.9 in January. The reading was slightly below expectations but the index remained above 50.0. The Industrial Production index was down 0.8% year-over-year in January versus down 0.9% year-over-year in December. On a month-over-month basis, the index declined 0.3% in January, in line with expectations, following a 0.4% increase in December. The Boeing 737 Max shutdown contributed to the weakness in January and is likely to remain a drag on the index over the near-term. Capacity Utilization decreased to 76.80% in January from 77.1% in December, and remains below the long-run average of 79.8% indicating there is still excess capacity for growth.

Gross Domestic Product (GDP)

Components of GDP	3/19	6/19	9/19	12/19
Personal Consumption Expenditures	0.8%	3.0%	2.1%	1.2%
Gross Private Domestic Investment	1.1%	-1.2%	-0.2%	-1.1%
Net Exports and Imports	0.7%	-0.7%	-0.1%	1.5%
Federal Government Expenditures	0.1%	0.5%	0.2%	0.3%
State and Local (Consumption and Gross Investment)	0.4%	0.3%	0.1%	0.2%
Total	3.1%	2.0%	2.1%	2.1%

Source: US Department of Commerce

Gross Domestic Product (GDP)



Source: US Department of Commerce

According to the second estimate, fourth quarter 2019 GDP grew at a 2.1% annualized rate, in line with expectations. This follows growth of 2.1% in the third quarter, 2.0% in the second quarter, and 3.1% in the first quarter. Overall, GDP grew 2.3% in 2019, down from 2.9% in 2018. Fourth quarter growth was fueled by net exports and consumer spending which contributed 1.5% and 1.2% to GDP in the quarter, respectively, while gross private domestic investment was a drag on the economy. The consensus estimate for current quarter growth signals a slowdown to 1.5% growth. The consensus forecast calls for GDP growth of 1.8% for the full year 2020.

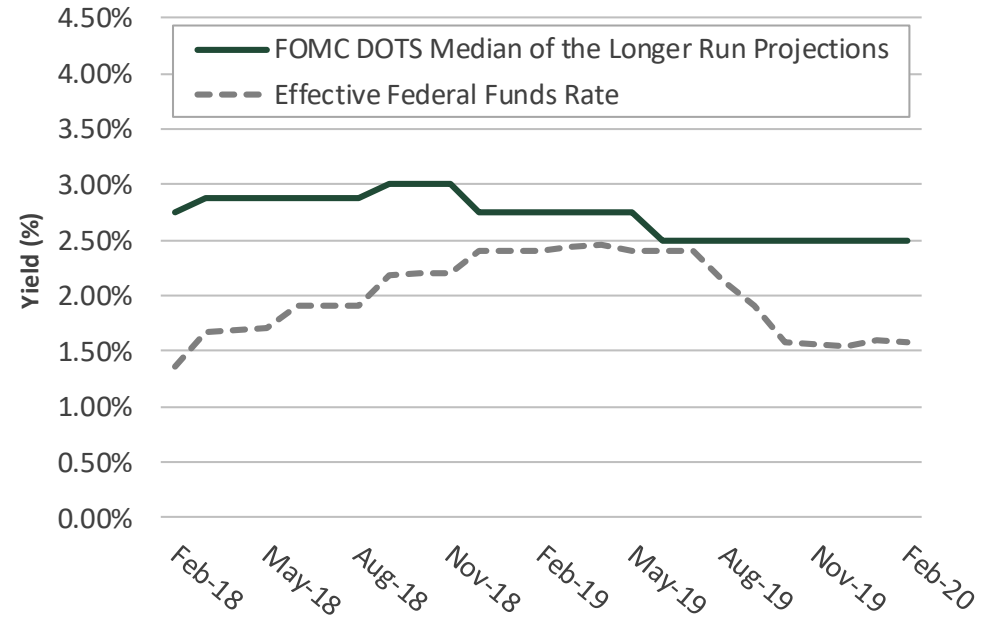
Federal Reserve

Federal Reserve Balance Sheet Assets



Source: Federal Reserve

Long Run Federal Funds Rates

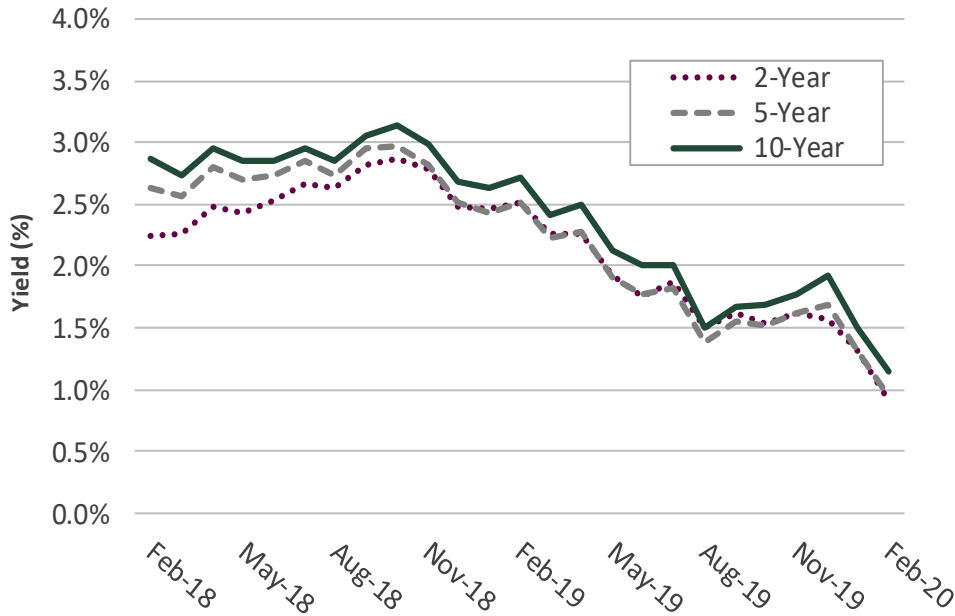


Source: Bloomberg

On March 3, 2020, the Federal Reserve made an intra-meeting fed funds rate cut of 50 basis points, to a range of 1.00-1.25%. The FOMC cut the fed funds rate by 25 basis points three times in 2019. In October 2019, the Fed started to increase its purchases of short-term Treasury securities in order to provide sufficient liquidity to the banking system and money markets. Fed Chair Powell has emphasized that the purchases are aimed at controlling the level of short-term lending rates but are not a form of economic stimulus. In January, Powell said the Fed would likely begin scaling back its current practice of buying \$60 billion per month in US Treasury bills sometime in the April-June time frame. After that, the Fed's balance sheet is expected to grow as necessary to maintain an ample level of bank reserves in the system.

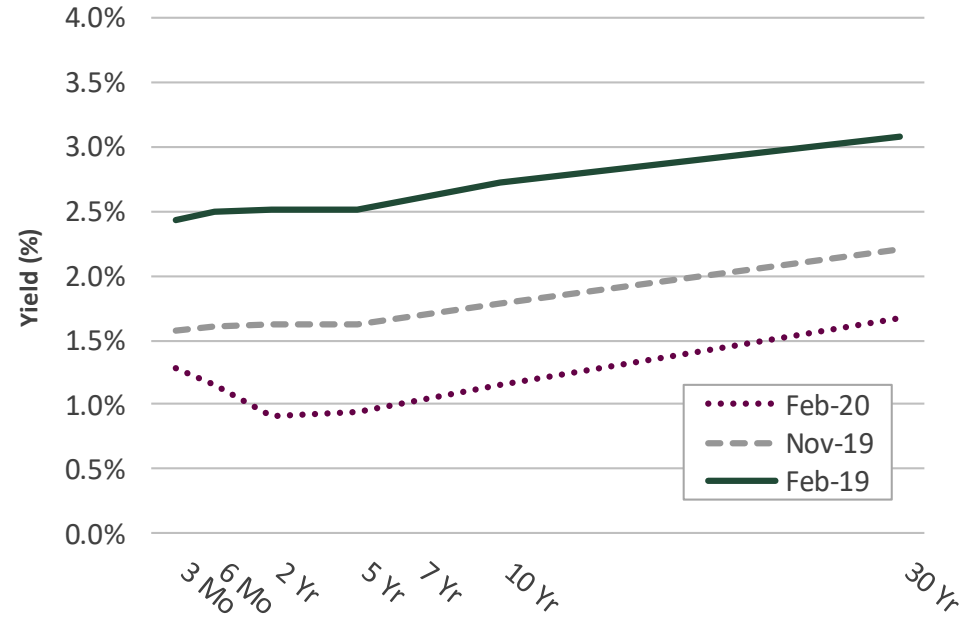
Bond Yields

US Treasury Note Yields



Source: Bloomberg

US Treasury Yield Curve



Source: Bloomberg

At February month-end, Treasury yields were much lower on a year-over-year basis. The 3-month T-bill yield was down 117 basis points, the 2-Year Treasury yield was down 160 basis points, and the 10-Year Treasury yield was down 157 basis points, year-over-year. We believe the decline in long-term Treasury yields largely reflects a decline in global economic growth and inflation expectations, while the decline in shorter-term rates reflects the Fed's three 25 basis point rate cuts in 2019 and expectations for additional accommodation.

Section 2 | Account Profile

Investment Objectives

The investment objectives for the City of Solana Beach, in order of priority, are to provide safety to ensure the preservation of capital in the overall portfolio, provide sufficient liquidity for cash needs, and a market rate of return consistent with the investment program.

Chandler Asset Management Performance Objective

The performance objective for the portfolio is to earn a total rate of return through a market cycle that is equal to or above the return on the benchmark index.

Strategy

In order to achieve this objective, the portfolio invests in high-quality fixed income securities that comply with the investment policy and all regulations governing the funds.

City of Solana Beach

Assets managed by Chandler Asset Management are in full compliance with state law and the City's investment policy.

Category	Standard	Comment
Treasury Issues	No limitations	Complies
Federal Agencies	25% per agency issuer	Complies
Municipal Securities	"A" or higher by a NRSRO; 30% maximum; 5% max per issuer	Complies
Supranationals	"AA" rated or higher by a NRSRO; 30% max; 10% max per issuer; U.S. dollar denominated; Issued by: IBRD, IFC, IADB	Complies
Corporate Medium Term Notes	"A" or higher by a NRSRO; 30% maximum; 5% max per issuer; Issuer is a corporation organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S.	Complies
FDIC insured Time Deposits/ Certificates of Deposit	Amount per institution limited to the max covered under FDIC; 20% maximum (combination of FDIC insured and collateralized TDs/ CDs); 5% max per issuer	Complies
Collateralized Time Deposits/ Certificates of Deposit	20% maximum (combination of FDIC insured and collateralized TDs/ CDs); 5% max per issuer	Complies
Negotiable Certificates of Deposit	No rating required if amount of the NCD is covered by FDIC insured limit; If above FDIC insured limit, requires "A-1" rated or higher by a NRSRO or "A" rated long term issuer by a NRSRO; 30% maximum (inclusive of CDARS); 5% max per issuer	Complies
Banker's Acceptances	"A-1" or higher short-term rating by a NRSRO; or "A" or higher long-term by a NRSRO; 40% maximum; 5% max per issuer; 180 days max maturity	Complies
Commercial Paper	"A-1" or higher short term rating by a NRSRO; "A" rated long term issuer by a NRSRO; 25% maximum; 5% max per issuer; 270 days max maturity; Issuer is a corporation organized and operating in U.S. with assets in excess of \$500 million; 10% max of the issuer's outstanding commercial paper	Complies
Asset-Backed Securities/ Mortgage- Backed Securities	"AA" or higher by a NRSRO; "A" rated issuer rating or higher by a NRSRO; 20% maximum; 5% max per Asset-backed or Commercial Mortgage security issuer; There is no issuer limitation on any Mortgage security where the issuer is the U.S. Treasury or a Federal City/GSE.	Complies
Mutual Funds and Money Market Mutual Funds	Highest rating or "AAA" rated by two NRSROs; or SEC registered adviser with AUM >\$500 million and experience greater than 5 years; 20% maximum combined in Money Market Mutual Funds and Mutual Funds; 10% max per Mutual Fund; 20% max per Money Market Mutual Fund	Complies
Prohibited Securities	Futures and Options; Inverse floaters; Ranges notes, Interest-only strips from mortgaged backed securities; Zero interest accrual securities; Margin; Reverse Repurchase Agreements; Securities lending; Foreign currency denominated; Purchases of securities issued by fossil fuel companies that directly source the majority of their revenue from oil, gas, and or coal production.	Complies
Repurchase Agreements	1 year max maturity; collateralized 102% of market value; Not used by investment adviser	Complies
Local Agency Investment Fund (LAIF)	Maximum amount permitted by LAIF; Not used by investment adviser	Complies
Investment Trust of California (CALTRUST)	Pursuant to CGC; Not used by investment adviser	Complies
Callable Securities	20% maximum (does not include "make whole call" securities)	Complies
Max per Issuer	No more than 5% in any single issuer, except US Gov, Agencies, Supranationals, Money Market Mutual Funds, LAIF, LGIP, or where otherwise specified in the investment policy	Complies
Maximum Maturity	5 years	Complies

Portfolio Characteristics

As of December 31, 2019

City of Solana Beach

	12/31/2019		9/30/2019
	Benchmark*	Portfolio	Portfolio
Average Maturity (yrs)	1.85	1.98	1.87
Average Modified Duration	1.79	1.84	1.75
Average Purchase Yield	n/a	2.19%	2.17%
Average Market Yield	1.60%	1.70%	1.80%
Average Quality**	AAA	AA+/Aa1	AA+/Aa1
Total Market Value		29,026,994	28,885,122

*ICE BAML 1-3 Yr US Treasury/Agency Index

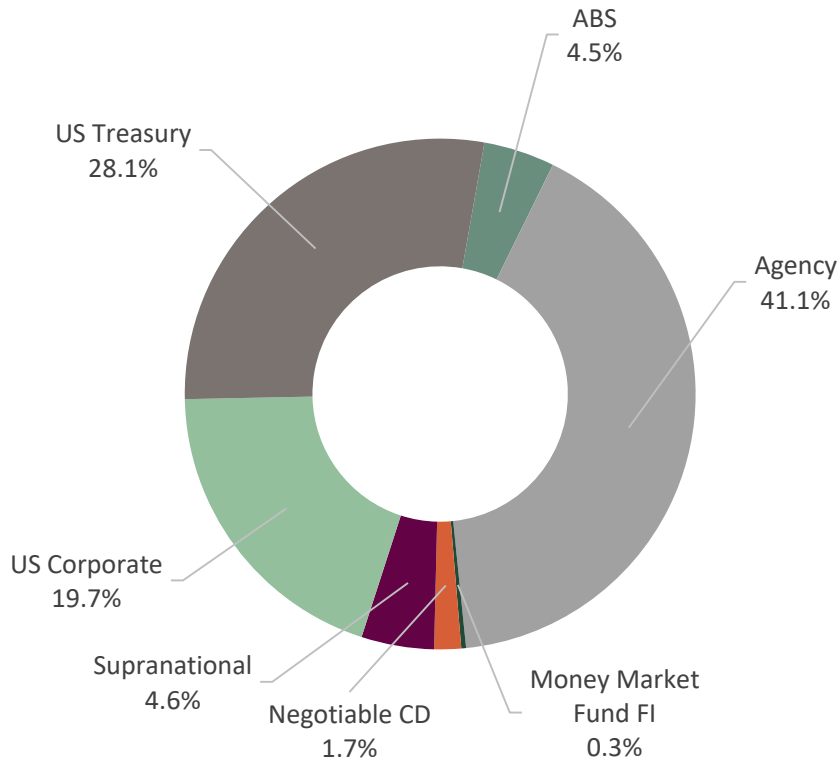
**Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

Sector Distribution

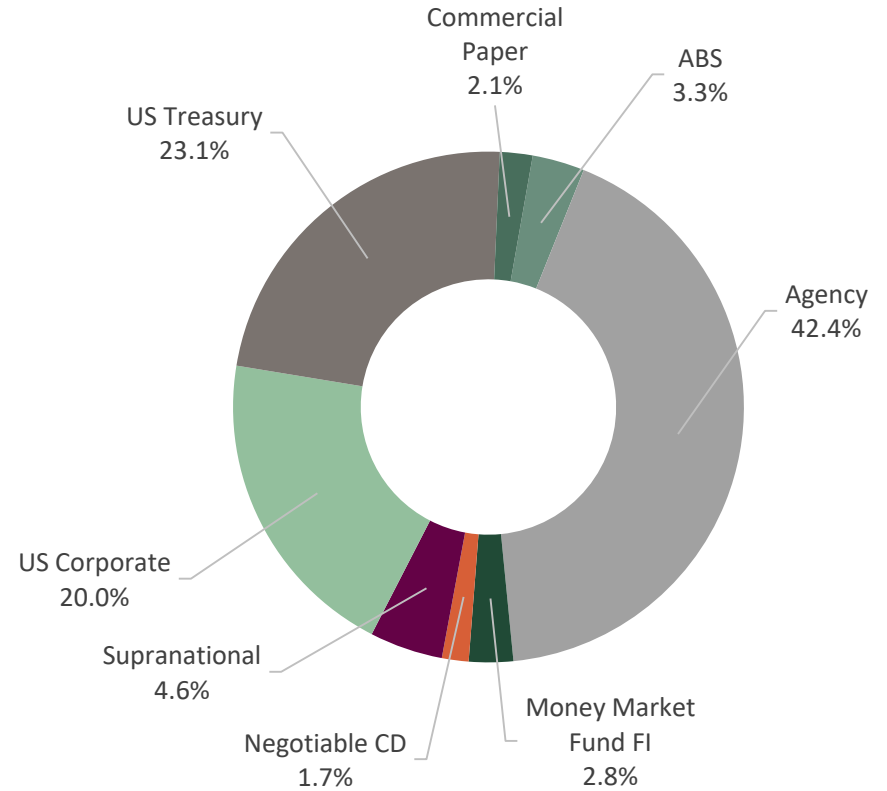
As of December 31, 2019

City of Solana Beach

December 31, 2019



September 30, 2019



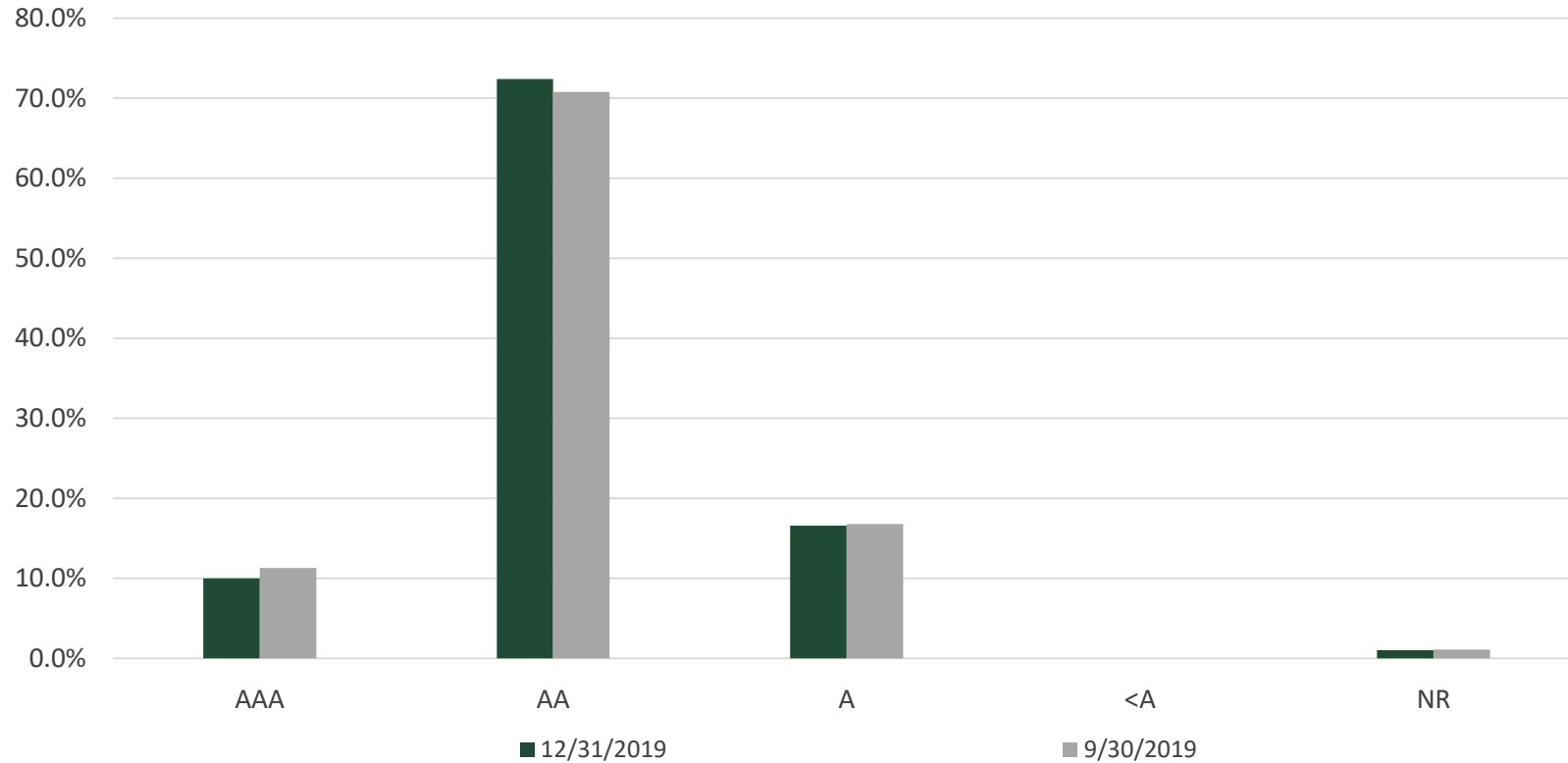
City of Solana Beach – Account #10471

Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	28.13%
Federal Home Loan Bank	Agency	13.79%
Federal National Mortgage Association	Agency	13.00%
Federal Farm Credit Bank	Agency	12.05%
Intl Bank Recon and Development	Supranational	2.24%
Federal Home Loan Mortgage Corp	Agency	2.24%
Paccar Financial	US Corporate	1.78%
Costco Wholesale Corporation	US Corporate	1.74%
Nordea Bank ABP New York	Negotiable CD	1.69%
Inter-American Dev Bank	Supranational	1.66%
PNC Financial Services Group	US Corporate	1.56%
Home Depot	US Corporate	1.47%
Toyota ABS	ABS	1.41%
United Parcel Service	US Corporate	1.40%
State Street Bank	US Corporate	1.40%
Oracle Corp	US Corporate	1.39%
Praxair	US Corporate	1.39%
Honda ABS	ABS	1.28%
Deere & Company	US Corporate	1.25%
Berkshire Hathaway	US Corporate	1.24%
Bank of New York	US Corporate	1.23%
Toyota Motor Corp	US Corporate	1.05%
John Deere ABS	ABS	1.00%
Apple Inc	US Corporate	0.90%
Nissan ABS	ABS	0.76%
International Finance Corp	Supranational	0.72%
HSBC Holdings PLC	US Corporate	0.70%
Honda Motor Corporation	US Corporate	0.70%
Charles Schwab Corp/The	US Corporate	0.56%
First American Govt Oblig Fund	Money Market Fund FI	0.28%
TOTAL		100.00%

Quality Distribution

As of December 31, 2019

City of Solana Beach
December 31, 2019 vs. September 30, 2019



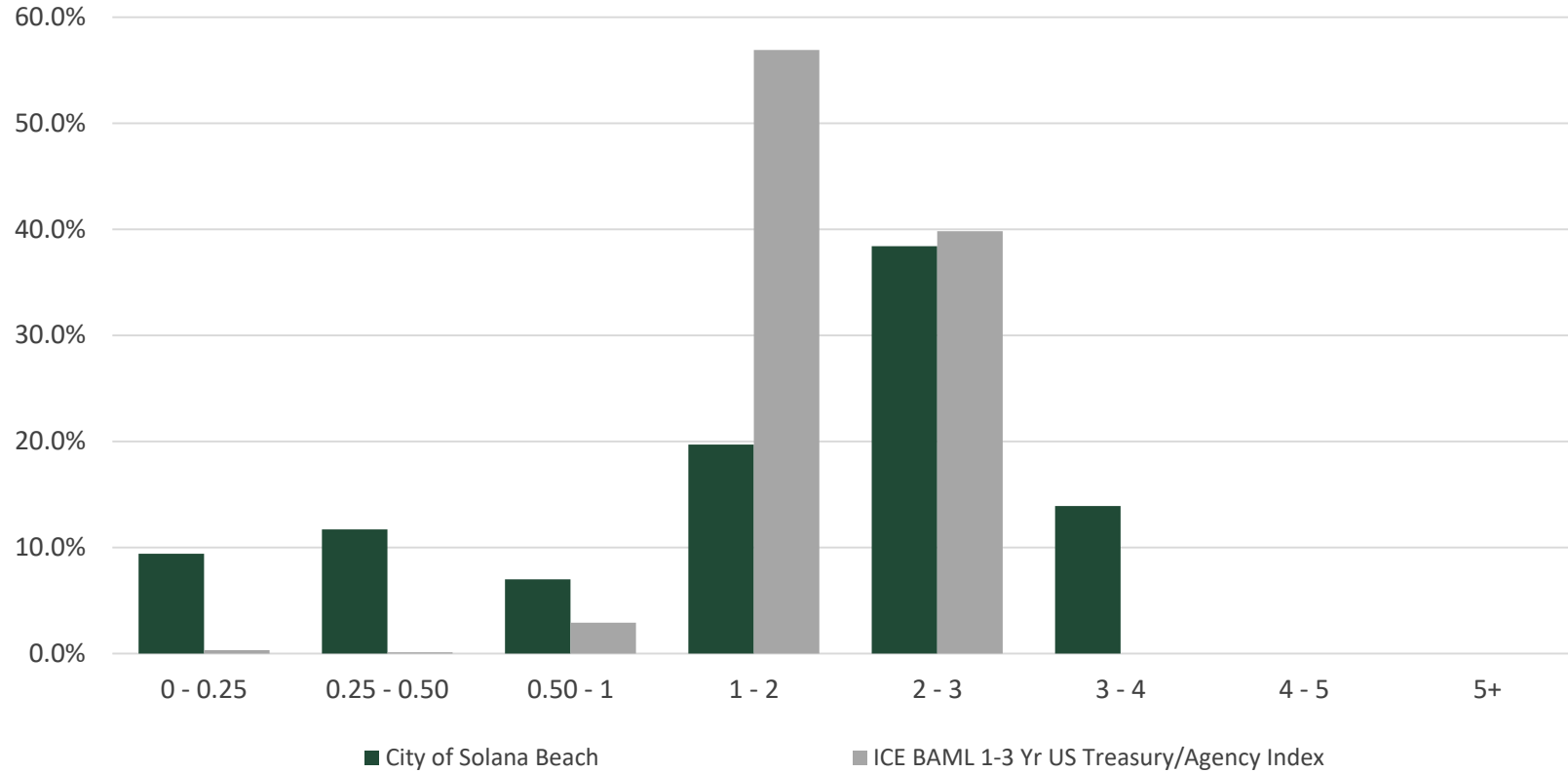
	AAA	AA	A	<A	NR
12/31/19	10.0%	72.4%	16.6%	0.0%	1.0%
09/30/19	11.3%	70.8%	16.8%	0.0%	1.1%

Source: S&P Ratings

Duration Distribution

As of December 31, 2019

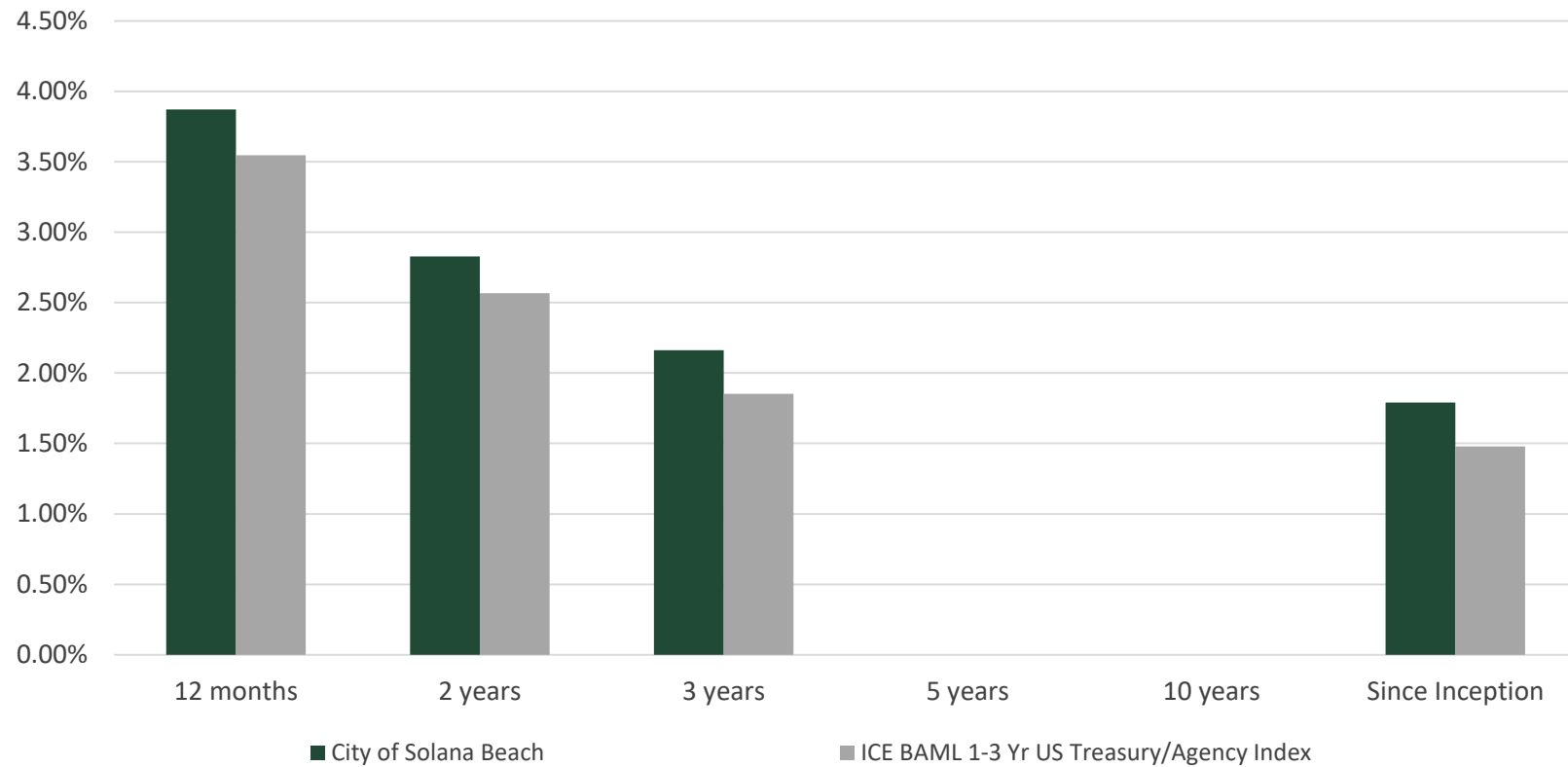
City of Solana Beach
Portfolio Compared to the Benchmark as of December 31, 2019



	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
Portfolio	9.4%	11.7%	7.0%	19.7%	38.4%	13.9%	0.0%	0.0%
Benchmark*	0.3%	0.1%	2.9%	56.9%	39.8%	0.0%	0.0%	0.0%

*ICE BAML 1-3 Yr US Treasury/Agency Index

City of Solana Beach Total Rate of Return Annualized Since Inception 03/31/2016



TOTAL RATE OF RETURN	Annualized						
	3 months	12 months	2 years	3 years	5 years	10 years	Since Inception
City of Solana Beach	0.52%	3.87%	2.83%	2.16%	N/A	N/A	1.79%
ICE BAML 1-3 Yr US Treasury/Agency Index	0.51%	3.55%	2.57%	1.85%	N/A	N/A	1.48%

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.

Investment Comparison

As of December 31, 2019

City of Solana Beach

	LAIF EARNINGS ESTIMATE*	GROSS INCOME EARNED CHANDLER-MANAGED PORTFOLIO	INCOME EARNED CHANDLER-MANAGED PORTFOLIO**
Apr 2016 - Dec 2016	\$113,770	\$185,849	\$169,455
2017	\$327,563	\$439,162	\$410,891
2018	\$628,152	\$553,633	\$524,542
Jan 2019	\$62,904	\$48,060	\$45,797
Feb 2019	\$57,660	\$47,393	\$45,125
Mar 2019	\$65,260	\$51,043	\$48,768
Apr 2019	\$63,702	\$51,581	\$49,299
May 2019	\$66,152	\$51,048	\$48,758
June 2019	\$63,954	\$50,990	\$48,689
July 2019	\$64,870	\$51,355	\$49,050
Aug 2019	\$60,390	\$51,302	\$49,077
Sept 2019	\$54,849	\$49,070	\$46,926
Oct 2019	\$54,504	\$48,326	\$46,180
Nov 2019	\$50,753	\$50,006	\$47,858
Dec 2019	\$51,014	\$50,432	\$48,282
Total:	\$1,785,497	\$1,779,250	\$1,678,697

*LAIF earnings estimate calculated using daily yield

**Income earned net of Chandler fees



Section 3 | Portfolio Holdings

Holdings Report

As of December 31, 2019

City of Solana Beach - Account #10471

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
43814WAB1	Honda Auto Receivables Trust 2019-1 A2 2.750% Due 09/20/2021	232,763.04	02/19/2019 2.77%	232,748.05 232,748.05	100.39 1.91%	233,667.07 231.15	0.81% 919.02	NR / AAA AAA	1.72 0.45
89239AAB9	Toyota Auto Receivables Trust 2019-A A2A 2.830% Due 10/15/2021	171,513.02	02/05/2019 2.85%	171,497.44 171,497.44	100.35 1.94%	172,113.31 215.73	0.59% 615.87	Aaa / AAA NR	1.79 0.39
47789JAB2	John Deere Owner Trust 2019-A A2 2.850% Due 12/15/2021	169,412.23	03/05/2019 2.87%	169,404.51 169,404.51	100.33 2.03%	169,963.30 214.59	0.59% 558.79	Aaa / NR AAA	1.96 0.39
89238KAD4	Toyota Auto Receivables Trust 2017-D A3 1.930% Due 01/18/2022	238,039.13	10/17/2019 1.97%	237,983.34 237,983.34	99.99 1.97%	238,004.33 165.90	0.82% 20.99	Aaa / AAA NR	2.05 0.51
43814UAG4	Honda Auto Receivables Trust 2018-2 A3 3.010% Due 05/18/2022	135,000.00	05/22/2018 3.03%	134,997.06 134,997.06	100.92 1.90%	136,245.38 146.74	0.47% 1,248.32	NR / AAA AAA	2.38 0.82
477870AC3	John Deere Owner Trust 2019-B A3 2.210% Due 12/15/2023	120,000.00	07/16/2019 2.23%	119,974.52 119,974.52	100.65 1.92%	120,784.92 117.87	0.42% 810.40	Aaa / NR AAA	3.96 2.19
65479JAD5	Nissan Auto Receivables Owner 2019-C A3 1.930% Due 07/15/2024	220,000.00	10/16/2019 1.94%	219,988.38 219,988.38	100.04 1.92%	220,087.34 188.71	0.76% 98.96	Aaa / AAA NR	4.54 2.45
TOTAL ABS		1,286,727.42	2.48%	1,286,593.30	1.94%	1,290,865.65 1,280.69	4.45% 4,272.35	Aaa / AAA Aaa	2.58 0.99
Agency									
3136FTB73	FNMA Callable Note 1X 2/7/2014 2.000% Due 02/07/2020	650,000.00	05/22/2017 1.51%	658,365.50 658,365.50	100.04 1.61%	650,241.80 5,200.00	2.26% (8,123.70)	Aaa / AA+ AAA	0.10 0.10
3135G0UU5	FNMA Callable Note 1X 3/6/2014 1.750% Due 03/06/2020	280,000.00	05/18/2016 1.33%	284,376.40 284,376.40	100.02 1.60%	280,069.16 1,565.28	0.97% (4,307.24)	Aaa / AA+ AAA	0.18 0.18
3133714H6	FHLB Note 3.000% Due 03/18/2020	100,000.00	04/25/2016 1.35%	106,253.00 106,253.00	100.27 1.71%	100,272.40 858.33	0.35% (5,980.60)	Aaa / AA+ AAA	0.21 0.21
3133EHFL2	FFCB Note 1.550% Due 04/13/2020	650,000.00	04/13/2017 1.51%	650,708.50 650,708.50	99.96 1.67%	649,764.70 2,182.92	2.25% (943.80)	Aaa / AA+ AAA	0.28 0.28
3137EAEF2	FHLMC Note 1.375% Due 04/20/2020	650,000.00	04/19/2017 1.48%	647,926.50 647,926.50	99.92 1.64%	649,480.00 1,762.67	2.24% 1,553.50	Aaa / AA+ AAA	0.30 0.30
3135G0U35	FNMA Note 2.750% Due 06/22/2021	700,000.00	06/28/2018 2.68%	701,295.00 701,295.00	101.69 1.59%	711,838.40 481.25	2.45% 10,543.40	Aaa / AA+ AAA	1.48 1.44
313383ZU8	FHLB Note 3.000% Due 09/10/2021	600,000.00	11/28/2018 2.95%	600,750.00 600,750.00	102.42 1.55%	614,512.80 5,550.00	2.14% 13,762.80	Aaa / AA+ NR	1.70 1.64
3133EJT74	FFCB Note 3.050% Due 11/15/2021	600,000.00	12/11/2018 2.87%	602,994.00 602,994.00	102.63 1.62%	615,771.00 2,338.33	2.13% 12,777.00	Aaa / AA+ AAA	1.88 1.81

Holdings Report

As of December 31, 2019

City of Solana Beach - Account #10471

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
3135G0S38	FNMA Note 2.000% Due 01/05/2022	650,000.00	Various 2.04%	649,156.00 649,156.00	100.77 1.61%	655,009.55 6,355.55	2.28% 5,853.55	Aaa / AA+ AAA	2.02 1.95
3133EKBV7	FFCB Note 2.550% Due 03/01/2022	600,000.00	02/28/2019 2.57%	599,718.00 599,718.00	102.02 1.60%	612,135.60 5,100.00	2.13% 12,417.60	Aaa / AA+ AAA	2.17 2.09
3135G0V59	FNMA Note 2.250% Due 04/12/2022	360,000.00	04/11/2019 2.36%	358,819.20 358,819.20	101.50 1.58%	365,385.24 1,777.50	1.26% 6,566.04	Aaa / AA+ AAA	2.28 2.21
313379Q69	FHLB Note 2.125% Due 06/10/2022	700,000.00	06/06/2018 2.81%	681,828.70 681,828.70	101.15 1.64%	708,063.30 867.71	2.44% 26,234.60	Aaa / AA+ AAA	2.44 2.37
3135G0W33	FNMA Note 1.375% Due 09/06/2022	580,000.00	09/05/2019 1.49%	577,981.60 577,981.60	99.34 1.63%	576,184.18 2,547.57	1.99% (1,797.42)	Aaa / AA+ AAA	2.68 2.61
313380GJ0	FHLB Note 2.000% Due 09/09/2022	600,000.00	11/28/2018 3.02%	578,358.00 578,358.00	101.09 1.58%	606,550.20 3,733.33	2.10% 28,192.20	Aaa / AA+ NR	2.69 2.60
3133EKY91	FFCB Note 1.375% Due 10/11/2022	500,000.00	10/08/2019 1.46%	498,715.00 498,715.00	99.37 1.61%	496,828.00 1,527.78	1.72% (1,887.00)	Aaa / AA+ AAA	2.78 2.71
3130AFE78	FHLB Note 3.000% Due 12/09/2022	600,000.00	12/20/2018 2.77%	605,208.00 605,208.00	103.97 1.61%	623,794.20 1,100.00	2.15% 18,586.20	Aaa / AA+ AAA	2.94 2.81
3135G0T94	FNMA Note 2.375% Due 01/19/2023	500,000.00	10/04/2018 3.10%	485,610.00 485,610.00	102.26 1.61%	511,290.00 5,343.75	1.78% 25,680.00	Aaa / AA+ AAA	3.05 2.91
3133EKUA2	FFCB Note 1.850% Due 02/01/2023	600,000.00	07/23/2019 1.86%	599,850.00 599,850.00	100.66 1.63%	603,972.00 4,625.00	2.10% 4,122.00	Aaa / AA+ AAA	3.09 2.96
3130ADRG9	FHLB Note 2.750% Due 03/10/2023	600,000.00	01/18/2019 2.75%	600,072.00 600,072.00	103.34 1.67%	620,016.60 5,087.50	2.15% 19,944.60	Aaa / AA+ NR	3.19 3.03
3133834G3	FHLB Note 2.125% Due 06/09/2023	700,000.00	06/10/2019 2.00%	703,318.00 703,318.00	101.62 1.64%	711,330.90 909.03	2.45% 8,012.90	Aaa / AA+ NR	3.44 3.30
3133EKS7	FFCB Note 1.770% Due 06/26/2023	500,000.00	06/21/2019 1.89%	497,675.00 497,675.00	100.46 1.63%	502,296.50 122.92	1.73% 4,621.50	Aaa / AA+ AAA	3.49 3.37
TOTAL Agency		11,720,000.00	2.24%	11,688,978.40	1.62%	11,864,806.53	41.08% 175,828.13	Aaa / AA+ Aaa	2.11 2.03
Money Market Fund FI									
31846V203	First American Govt Obligation Fund Class Y	82,726.66	Various 1.20%	82,726.66 82,726.66	1.00 1.20%	82,726.66 0.00	0.28% 0.00	Aaa / AAA AAA	0.00 0.00
TOTAL Money Market Fund FI		82,726.66	1.20%	82,726.66	1.20%	82,726.66	0.28% 0.00	Aaa / AAA Aaa	0.00 0.00

Holdings Report

As of December 31, 2019

City of Solana Beach - Account #10471

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
Negotiable CD									
65558TFW0	Nordea Bank ABP New York Yankee CD 2.640% Due 03/23/2020	480,000.00	03/21/2019 2.64%	480,000.00 480,000.00	100.00 2.64%	480,000.00 10,067.20	1.69% 0.00	P-1 / A-1+ F-1+	0.23 0.22
TOTAL Negotiable CD		480,000.00	2.64%	480,000.00	2.64%	480,000.00 10,067.20	1.69% 0.00	Aaa / AAA Aaa	0.23 0.22
Supranational									
459058FA6	Intl. Bank Recon & Development Note 1.375% Due 03/30/2020	650,000.00	02/27/2017 1.63%	645,060.00 645,060.00	99.90 1.75%	649,376.65 2,259.20	2.24% 4,316.65	Aaa / AAA AAA	0.25 0.25
4581X0CX4	Inter-American Dev Bank Note 1.625% Due 05/12/2020	480,000.00	04/05/2017 1.70%	478,862.40 478,862.40	99.94 1.78%	479,723.52 1,061.67	1.66% 861.12	Aaa / AAA AAA	0.36 0.36
45950KCM0	International Finance Corp Note 2.250% Due 01/25/2021	205,000.00	01/18/2018 2.35%	204,397.30 204,397.30	100.60 1.68%	206,228.77 1,998.75	0.72% 1,831.47	Aaa / AAA NR	1.07 1.04
TOTAL Supranational		1,335,000.00	1.77%	1,328,319.70	1.75%	1,335,328.94 5,319.62	4.62% 7,009.24	Aaa / AAA Aaa	0.42 0.41
US Corporate									
89236TDU6	Toyota Motor Credit Corp Note 1.950% Due 04/17/2020	150,000.00	04/24/2017 1.91%	150,154.50 150,154.50	100.00 1.95%	149,996.85 601.25	0.52% (157.65)	Aa3 / AA- A+	0.30 0.29
69353REP9	PNC Bank Callable Note 5/2/2020 2.300% Due 06/01/2020	450,000.00	06/07/2017 2.03%	453,442.50 453,442.50	100.13 1.89%	450,584.55 862.50	1.56% (2,857.95)	A2 / A A+	0.42 0.34
437076BQ4	Home Depot Note 1.800% Due 06/05/2020	425,000.00	05/24/2017 1.82%	424,753.50 424,753.50	99.95 1.92%	424,772.20 552.50	1.47% 18.70	A2 / A A	0.43 0.42
40428HPV8	HSBC USA Inc Note 2.750% Due 08/07/2020	200,000.00	05/18/2017 2.16%	203,620.00 203,620.00	100.43 2.02%	200,862.20 2,200.00	0.70% (2,757.80)	A2 / A A+	0.60 0.59
857477AS2	State Street Bank Note 2.550% Due 08/18/2020	400,000.00	Various 2.52%	401,010.00 401,010.00	100.40 1.91%	401,594.00 3,768.34	1.40% 584.00	A1 / A AA-	0.63 0.62
02665WAZ4	American Honda Finance Note 2.450% Due 09/24/2020	200,000.00	02/07/2017 2.16%	201,980.00 201,980.00	100.35 1.96%	200,705.60 1,320.28	0.70% (1,274.40)	A2 / A NR	0.73 0.72
74005PBP8	Praxair Note 2.250% Due 09/24/2020	400,000.00	04/25/2017 1.98%	403,524.00 403,524.00	100.42 1.67%	401,680.00 2,425.00	1.39% (1,844.00)	A2 / A NR	0.73 0.72
22160KAJ4	Costco Wholesale Corp Callable Note Cont 4/18/2021 2.150% Due 05/18/2021	500,000.00	Various 2.05%	501,777.00 501,777.00	100.56 1.71%	502,784.50 1,284.03	1.74% 1,007.50	Aa3 / A+ NR	1.38 1.28

Holdings Report

As of December 31, 2019

City of Solana Beach - Account #10471

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
808513AW5	Charles Schwab Corp Callable Note Cont 4/21/2021 3.250% Due 05/21/2021	160,000.00	05/17/2018 3.25%	159,995.20 159,995.20	101.95 1.73%	163,121.28 577.78	0.56% 3,126.08	A2 / A A	1.39 1.28
69371RP42	Paccar Financial Corp Note 3.150% Due 08/09/2021	500,000.00	08/06/2018 3.16%	499,845.00 499,845.00	102.10 1.82%	510,505.00 6,212.50	1.78% 10,660.00	A1 / A+ NR	1.61 1.55
68389XBK0	Oracle Corp Callable Note Cont 8/15/2021 1.900% Due 09/15/2021	250,000.00	10/12/2017 2.11%	248,072.50 248,072.50	100.21 1.77%	250,523.75 1,398.61	0.87% 2,451.25	A1 / A+ A	1.71 1.59
89236TDP7	Toyota Motor Credit Corp Note 2.600% Due 01/11/2022	150,000.00	04/18/2018 3.10%	147,382.50 147,382.50	101.51 1.84%	152,268.75 1,841.67	0.53% 4,886.25	Aa3 / AA- A+	2.03 1.95
68389XBB0	Oracle Corp Callable Note Cont 3/15/2022 2.500% Due 05/15/2022	150,000.00	06/13/2018 3.21%	146,086.50 146,086.50	101.31 1.89%	151,969.50 479.17	0.53% 5,883.00	A1 / A+ A	2.37 2.14
084664BT7	Berkshire Hathaway Note 3.000% Due 05/15/2022	350,000.00	12/11/2018 3.31%	346,510.50 346,510.50	102.74 1.81%	359,590.70 1,341.67	1.24% 13,080.20	Aa2 / AA A+	2.37 2.28
911312BC9	UPS Callable Note Cont 4/16/2022 2.350% Due 05/16/2022	400,000.00	04/10/2018 2.99%	390,204.00 390,204.00	101.12 1.85%	404,480.40 1,175.00	1.40% 14,276.40	A2 / A NR	2.38 2.22
24422EUA5	John Deere Capital Corp Note 2.700% Due 01/06/2023	350,000.00	10/29/2019 1.96%	357,889.00 357,889.00	102.26 1.93%	357,894.25 4,593.75	1.25% 5.25	A2 / A A	3.02 2.85
037833AK6	Apple Inc Note 2.400% Due 05/03/2023	256,000.00	05/02/2019 2.75%	252,605.44 252,605.44	101.71 1.87%	260,368.38 989.87	0.90% 7,762.94	Aa1 / AA+ NR	3.34 3.19
06406FAD5	Bank of NY Mellon Corp Callable Note Cont 6/16/2023 2.200% Due 08/16/2023	350,000.00	09/12/2019 2.15%	350,616.00 350,616.00	101.02 1.89%	353,581.55 2,887.50	1.23% 2,965.55	A1 / A AA-	3.63 3.29
TOTAL US Corporate		5,641,000.00	2.44%	5,639,468.14	1.85%	5,697,283.46	19.75%	A1 / A+	1.60
				5,639,468.14		34,511.42	57,815.32	A+	1.50
US Treasury									
912828H52	US Treasury Note 1.250% Due 01/31/2020	450,000.00	05/18/2016 1.21%	450,581.58 450,581.58	99.97 1.62%	449,855.10 2,353.94	1.56% (726.48)	Aaa / AA+ AAA	0.08 0.08
912828M98	US Treasury Note 1.625% Due 11/30/2020	450,000.00	03/08/2017 1.90%	445,606.98 445,606.98	99.98 1.65%	449,894.70 639.34	1.55% 4,287.72	Aaa / AA+ AAA	0.92 0.90
912828T34	US Treasury Note 1.125% Due 09/30/2021	600,000.00	08/14/2017 1.67%	586,923.89 586,923.89	99.20 1.59%	595,171.80 1,715.16	2.06% 8,247.91	Aaa / AA+ AAA	1.75 1.72
912828U81	US Treasury Note 2.000% Due 12/31/2021	700,000.00	01/30/2018 2.41%	689,226.56 689,226.56	100.80 1.59%	705,605.60 38.46	2.43% 16,379.04	Aaa / AA+ AAA	2.00 1.96
912828H86	US Treasury Note 1.500% Due 01/31/2022	550,000.00	08/15/2017 1.77%	543,578.01 543,578.01	99.85 1.57%	549,183.80 3,452.45	1.90% 5,605.79	Aaa / AA+ AAA	2.09 2.03

Holdings Report

As of December 31, 2019

City of Solana Beach - Account #10471

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
912828W55	US Treasury Note 1.875% Due 02/28/2022	700,000.00	Various 2.03%	695,585.94 695,585.94	100.61 1.59%	704,293.10 4,435.10	2.44% 8,707.16	Aaa / AA+ AAA	2.16 2.10
912828XW5	US Treasury Note 1.750% Due 06/30/2022	700,000.00	Various 2.56%	677,368.48 677,368.48	100.41 1.58%	702,898.70 33.66	2.42% 25,530.22	Aaa / AA+ AAA	2.50 2.44
9128282P4	US Treasury Note 1.875% Due 07/31/2022	600,000.00	12/16/2019 1.67%	603,187.50 603,187.50	100.71 1.59%	604,242.00 4,707.88	2.10% 1,054.50	Aaa / AA+ AAA	2.58 2.50
912828YA2	US Treasury Note 1.500% Due 08/15/2022	600,000.00	12/31/2019 1.59%	598,593.75 598,593.75	99.78 1.59%	598,687.20 3,399.46	2.07% 93.45	Aaa / AA+ AAA	2.62 2.55
912828L24	US Treasury Note 1.875% Due 08/31/2022	600,000.00	04/08/2019 2.30%	591,632.81 591,632.81	100.73 1.59%	604,406.40 3,801.51	2.10% 12,773.59	Aaa / AA+ AAA	2.67 2.58
912828M80	US Treasury Note 2.000% Due 11/30/2022	600,000.00	11/27/2019 1.61%	606,843.75 606,843.75	101.13 1.60%	606,773.40 1,049.18	2.09% (70.35)	Aaa / AA+ AAA	2.92 2.82
9128284D9	US Treasury Note 2.500% Due 03/31/2023	500,000.00	02/21/2019 2.51%	499,707.03 499,707.03	102.77 1.62%	513,867.00 3,176.23	1.78% 14,159.97	Aaa / AA+ AAA	3.25 3.10
912828R28	US Treasury Note 1.625% Due 04/30/2023	450,000.00	12/04/2019 1.60%	450,404.30 450,404.30	99.99 1.63%	449,964.90 1,245.54	1.55% (439.40)	Aaa / AA+ AAA	3.33 3.22
912828R69	US Treasury Note 1.625% Due 05/31/2023	600,000.00	04/11/2019 2.30%	584,062.50 584,062.50	100.00 1.62%	600,023.40 852.46	2.07% 15,960.90	Aaa / AA+ AAA	3.42 3.30
TOTAL US Treasury		8,100,000.00	1.97%	8,023,303.08	1.60%	8,134,867.10	28.13%	Aaa / AA+	2.34
						30,900.37	111,564.02	Aaa	2.27
TOTAL PORTFOLIO		28,645,454.08	2.20%	28,529,389.28	1.70%	28,885,878.34	100.00%	Aa1 / AA+	1.98
						141,115.72	356,489.06	Aaa	1.84
TOTAL MARKET VALUE PLUS ACCRUALS						29,026,994.06			



Section 4 | Transactions

Transaction Ledger

As of December 31, 2019

City of Solana Beach - Account #10471

September 30, 2019 through December 31, 2019

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	10/11/2019	3133EKY91	500,000.00	FFCB Note 1.375% Due: 10/11/2022	99.743	1.46%	498,715.00	0.00	498,715.00	0.00
Purchase	10/21/2019	89238KAD4	278,869.05	Toyota Auto Receivables Trust 2017-D A3 1.93% Due: 01/18/2022	99.977	1.97%	278,803.69	89.70	278,893.39	0.00
Purchase	10/23/2019	65479JAD5	220,000.00	Nissan Auto Receivables Owner 2019-C A3 1.93% Due: 07/15/2024	99.995	1.94%	219,988.38	0.00	219,988.38	0.00
Purchase	10/31/2019	24422EUA5	350,000.00	John Deere Capital Corp Note 2.7% Due: 01/06/2023	102.254	1.96%	357,889.00	3,018.75	360,907.75	0.00
Purchase	11/29/2019	912828M80	600,000.00	US Treasury Note 2% Due: 11/30/2022	101.141	1.61%	606,843.75	5,967.21	612,810.96	0.00
Purchase	12/05/2019	912828R28	450,000.00	US Treasury Note 1.625% Due: 04/30/2023	100.090	1.60%	450,404.30	703.13	451,107.43	0.00
Purchase	12/17/2019	912828P4	600,000.00	US Treasury Note 1.875% Due: 07/31/2022	100.531	1.67%	603,187.50	4,249.32	607,436.82	0.00
Purchase	12/31/2019	912828YA2	600,000.00	US Treasury Note 1.5% Due: 08/15/2022	99.766	1.59%	598,593.75	3,375.00	601,968.75	0.00
Subtotal			3,598,869.05				3,614,425.37	17,403.11	3,631,828.48	0.00
TOTAL ACQUISITIONS			3,598,869.05				3,614,425.37	17,403.11	3,631,828.48	0.00
DISPOSITIONS										
Maturity	10/02/2019	3137EADM8	500,000.00	FHLMC Note 1.25% Due: 10/02/2019	100.000		500,000.00	0.00	500,000.00	-1,970.00
Maturity	10/09/2019	24422ETJ8	419,000.00	John Deere Capital Corp Note 1.25% Due: 10/09/2019	100.000		419,000.00	0.00	419,000.00	2,792.65
Maturity	10/24/2019	3135G0R39	300,000.00	FNMA Note 1% Due: 10/24/2019	100.000		300,000.00	0.00	300,000.00	1,869.00
Maturity	11/30/2019	912828UB4	525,000.00	US Treasury Note 1% Due: 11/30/2019	100.000		525,000.00	0.00	525,000.00	151.75

Transaction Ledger

As of December 31, 2019

City of Solana Beach - Account #10471

September 30, 2019 through December 31, 2019

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
Maturity	12/16/2019	62479MZG1	600,000.00	MUFG Bank Ltd/NY Discount CP 2.21% Due: 12/16/2019	99.141		600,000.00	0.00	600,000.00	0.00
Maturity	12/31/2019	912828UF5	260,000.00	US Treasury Note 1.125% Due: 12/31/2019	100.000		260,000.00	0.00	260,000.00	679.60
Subtotal			2,604,000.00				2,604,000.00	0.00	2,604,000.00	3,523.00
TOTAL DISPOSITIONS			2,604,000.00				2,604,000.00	0.00	2,604,000.00	3,523.00

Important Disclosures

As of December 31, 2019

2019 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

Information contained herein is confidential. Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

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This report is provided for informational purposes only and should not be construed as a specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of publication, but may become outdated or superseded at any time without notice. Any opinions or views expressed are based on current market conditions and are subject to change. This report may contain forecasts and forward-looking statements which are inherently limited and should not be relied upon as indicator of future results. Past performance is not indicative of future results. This report is not intended to constitute an offer, solicitation, recommendation or advice regarding any securities or investment strategy and should not be regarded by recipients as a substitute for the exercise of their own judgment.

Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.

ICE BAML 1-3 Yr US Treasury/Agency Index

The ICE BAML 1-3 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). Qualifying securities must have at least one year remaining term to final maturity and less than three years remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for sovereigns and \$250 million for agencies. (Index: G1A0. Please visit www.mlindex.ml.com for more information)



STAFF REPORT CITY OF SOLANA BEACH

TO: Honorable Mayor and City Councilmembers
FROM: Gregory Wade, City Manager
MEETING DATE: April 8, 2020
ORIGINATING DEPT: Community Development
SUBJECT: RHNA Appeal Discussion

BACKGROUND:

The California Legislature developed the Regional Housing Need Assessment (RHNA) process in 1977 to address the affordable housing shortage. Over the years the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. The housing element laws require that each city and county in California develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction. Each cycle of the RHNA process begins with the California Department of Housing and Community Development's (HCD) determination of the existing and projected housing need for each region. HCD's determination is based on population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans.

The San Diego Association of Governments (SANDAG) is required to develop a methodology for allocating the regional housing need to local governments within the region. SANDAG began this process in 2017 for the 6th Cycle of the RHNA and RHNA methodology. On November 22, 2019 the SANDAG Board adopted the final RHNA methodology and released the draft allocation for each jurisdiction. On January 3, 2020 the City of Solana Beach, along with three other jurisdictions (Coronado, Imperial Beach and Lemon Grove) filed appeals of the RHNA methodology and allocation. This item is before City Council to discuss and receive any additional guidance regarding the RHNA appeal.

COUNCIL ACTION:

DISCUSSION:

The final RHNA methodology allocates 65% of the regional housing units to jurisdictions that have Transit (Rapid Transit or Rail Stop) and 35% of the units based on employment within the jurisdiction. As a result, the City of Solana Beach’s RHNA allocation increased from 340 housing units in the 5th Housing Element Cycle to 875 units in this 6th Cycle. The City received 543 housing units due to the City’s Coaster/Amtrak Train station. The following table reflects each jurisdictions allocation per income category based on the 6th Cycle RHNA methodology:

Jurisdiction	Very Low	Low	Moderate	Above Moderate	Total Estimated Allocation
Carlsbad	1,311	784	749	1,029	3,873
Chula Vista	2,750	1,777	1,911	4,667	11,105
Coronado	343	185	174	299	1,001
Del Mar	37	64	31	31	163
El Cajon	481	414	518	1,867	3,280
Encinitas	469	369	308	408	1,554
Escondido	1,864	1,249	1,527	4,967	9,607
Imperial Beach	233	127	190	825	1,375
La Mesa	859	487	577	1,874	3,797
Lemon Grove	295	166	193	705	1,359
National City	645	506	711	3,575	5,437
Oceanside	1,268	718	883	2,574	5,443
Poway	468	268	241	342	1,319
San Diego	27,510	17,311	19,297	43,783	107,901
San Marcos	728	530	542	1,316	3,116
Santee	406	200	188	425	1,219
Solana Beach	316	159	160	240	875
Unincorporated County	1,834	992	1,165	2,709	6,700
Vista	515	321	369	1,356	2,561
Region (Totals)	42,332	26,627	29,734	72,992	171,685

Smaller jurisdictions were the most greatly affected and had the largest housing unit allocation increases as a result of the SANDAG methodology.

CEQA COMPLIANCE STATEMENT:

This discussion item is not a project as defined by CEQA.

FISCAL IMPACT:

Based on the aforementioned tasks, Staff does not anticipate the need to engage in additional consultant services, therefore the fiscal impact would only be the Staff time associated with preparing map, flyers, and reports as well attendance at meetings.

WORKPLAN:

N/A

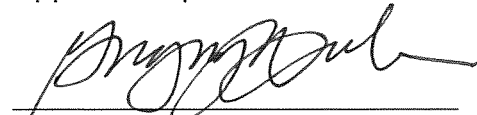
DEPARTMENT RECOMMENDATION:

Staff recommends that the City Council:

1. Discuss and provide guidance regarding the RHNA Appeal.

CITY MANAGER'S RECOMMENDATION:

Approve Department Recommendation.



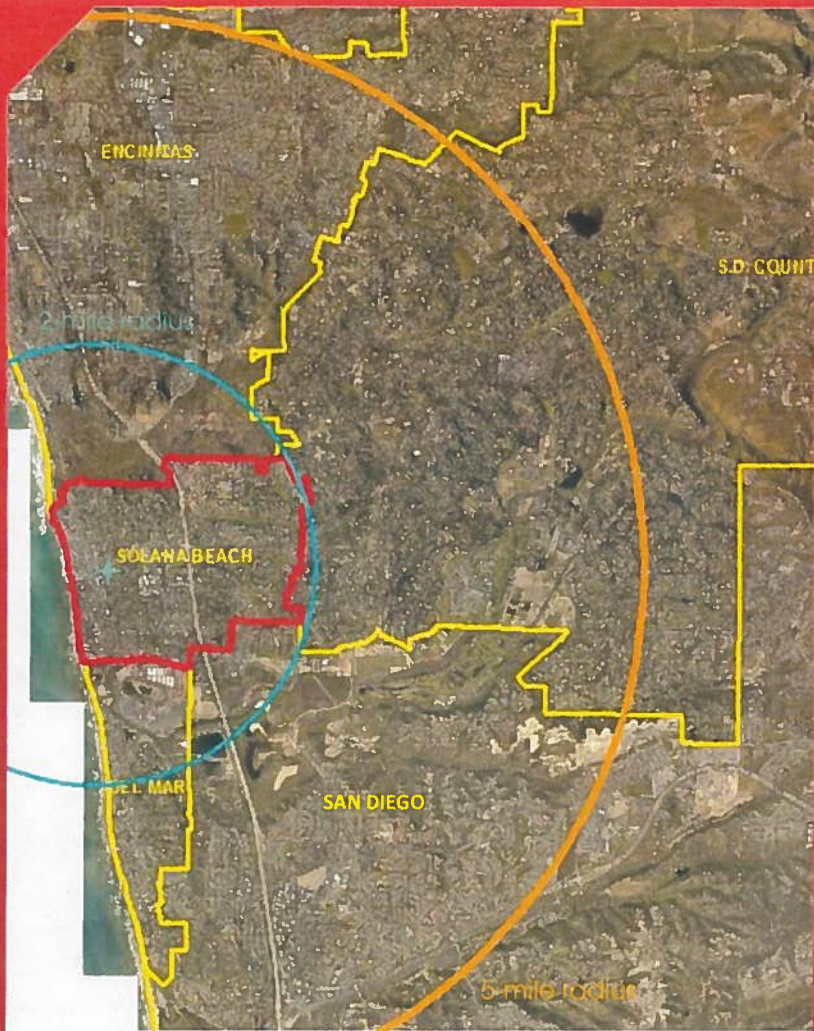
Gregory Wade, City Manager

Attachments:

1. Solana Beach Train Station Service Area Map
2. City of Solana Beach RHNA Methodology Appeal Letter – January 3, 2020
3. RHNA Methodology Comment Letter to HCD – September 30, 2019
4. Draft SANDAG Determination

SOLANA BEACH CHARACTERISTICS

- 2nd Smallest Jurisdiction
 - Size – 3.4 square miles
 - Population – ~13,200
- Limited Vacant Sites
 - 14 non-contiguous vacant sites
 - Average vacant lot size .43 acres
- Train Station
 - Serves greater geographic area than just the City (Source: 2018 NCTD Survey)
 - 60% Coaster passengers travel >10 minutes
 - 60% of Coaster passengers are from outside SB city limits
 - 2-mile radius – 55% land area is outside of City of Solana Beach
 - Next nearest Coaster Stations
 - 4.5 miles to Encinitas
 - 7.2 miles to Sorrento Valley





CITY OF SOLANA BEACH

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January 3, 2020

San Diego Association of Governments (SANDAG)
401 B Street, Suite 800
San Diego, CA 92101

**SUBJECT: REGIONAL HOUSING NEEDS ASSESSMENT (RHNA) METHODOLOGY
APPEAL**

Dear Chairperson and Members of the Board:

The City of Solana Beach (and/or City) submits the following appeal pursuant to Government Code Section 65584.05 for a revision of its share of the regional housing need proposed to be allocated to the City and other local governments under the Regional Housing Needs Assessment (RHNA) methodology adopted for the 6th cycle. This appeal is brought on the grounds that: (A) The San Diego Association of Governments (SANDAG) failed to adequately consider the information submitted pursuant to Government Code Section 65584.04(b); and (B) SANDAG failed to determine the share of the regional housing need in accordance with the information described in Government Code Section 65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed Government Code Section 65584(d).

As explained in further detail below, a revision to the draft allocation is necessary to further the intent of the statutorily mandated objectives listed in Government Code Section 65584(d). In addition, the City's appeal is consistent with, and not to the detriment of, the development pattern in the applicable sustainable communities strategy developed pursuant to Government Code Section 65080(b)(2).

A. SANDAG Failed to Adequately Consider the Information Solana Beach Submitted

Government Code Section 65584.04 required SANDAG to include all the statutory factors in that Section to develop the methodology to allocate regional housing needs. SANDAG acknowledged these factors and admitted that it was deliberately choosing to ignore some of them because factors and adjustments for local government conditions "would have

created a complicated formula” and having an oversimplified methodology that was “understandable” was chosen over state law mandatory factors.¹

In that way, and contrary to the statutory mandate, SANDAG’s draft allocation to Solana Beach failed to adequately consider the information that the City submitted related to many of those statutory factors, or that was readily available from other jurisdictions and sources. More specifically:

1. SANDAG failed to adequately consider information submitted related to Section 65584.04(e)(1)

The statutory factor that SANDAG was required to include under Government Code Section 65584.04(e)(1) is:

Each member jurisdiction’s existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on the number of low-wage jobs within the jurisdiction and how many housing units within the jurisdiction are affordable to low-wage workers as well as an estimate based on readily available data, of projected job growth and projected household growth by income level within each member jurisdiction during the planning period.

The City of Solana Beach submitted information and concerns regarding the data SANDAG used in the RHNA methodology. The employment data SANDAG used is inconsistent with data available by and from other jurisdictions to verify its accuracy and is even inconsistent with numbers shared by SANDAG staff. Failure to use independently verifiable jobs data sources and failure to allow each jurisdiction to understand how these numbers were generated or selected was arbitrary and without adequate support in facts.

2. SANDAG failed to adequately consider information submitted related to Government Code Section 65584.04(e)(2)

The statutory factor that SANDAG was required to include under Government Code Section 65584.04(e)(2) is:

The opportunities and constraints to development of additional housing in each member jurisdiction....

The City of Solana Beach submitted information regarding this statutory factor that was not adequately considered. As described in the City’s letter dated August 9, 2019 (see Attachment 1), the City has only six (6) noncontiguous commercial or multi-family parcels in its jurisdictional limits and they total a mere 3.31 acres of vacant, undeveloped land available for development. The City contains an additional eight (8) noncontiguous vacant

¹ See, e.g., SANDAG November 22, 2019 Final 6th Cycle Regional Housing Needs Assessment Methodology, p.8-9, https://www.sandag.org/uploads/projectid/projectid_189_26874.pdf

residential parcels that total 2.74 acres. Accordingly, the average lot size of these fourteen non-contiguous parcels averages 0.43 acres, which is much less than the HCD-preferred one- to ten-acre lot size for housing development. Any other parcels identified for future housing development would require that existing developed properties be demolished to make way for housing development, which HCD and the Legislature has identified as a major constraint.

Furthermore, the City identified other geographic and regulatory constraints such as: 1) a very small jurisdictional size of only 3.4 square miles and being already among the most densely developed areas in San Diego County, 2) that the entirety of the City is located within the California Coastal Zone which creates additional restrictions and limitations on development, particularly residential development, 3) the RHNA allocation is inconsistent with the Coastal Act in that the demand for housing production (i.e., residential development) is the lowest priority land use within the Coastal Act, and 4) the Coastal Act and the California Coastal Commission oppose allowing cities to intensify or prioritize residential use over visitor-serving development and coastal-dependent uses which would otherwise create an adverse impact on coastal access to the general public.

3. SANDAG failed to adequately consider information submitted related to Government Code Section 65584.04(e)(3)

The statutory factor that SANDAG was required to include under Government Code Section 65584.04(e)(3) is:

The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.

The City of Solana Beach submitted information regarding this statutory factor that was not adequately considered. The City identified that it is the smallest jurisdiction with a train station in San Diego County. While Solana Beach's train station provides Coaster and Amtrak service, the current RHNA methodology fails to recognize that, given Solana Beach's previously discussed small size, this train station serves a much wider geographic region and a greater commuter population than that of Solana Beach alone.

Without any underlying data or basis in fact, SANDAG dismissed public comments regarding the need to consider the broader population and geographic area served by transit stations, including the Solana Beach station, concluding: "SANDAG recognized that mobility hub areas include not just the transit station itself by all those services and

destinations that are accessible within a 5-minute walk, bike or drive....”² In truth, transit stations serve a much broader area than a 5-minute travel radius.³

The City provided empirical data (2018 NCTD Coaster Survey Analysis and Attachment 1) showing that 40% of passengers travel 10 minutes or less and 42% of the passengers travel 10-20 minutes to Coaster Stations. As an extremely conservative estimate, if the passengers' average travel speed to the Coaster Station was 10 miles per hour (mph), 40% of them travel less than 1.7 miles, and 42% of the riders travel between 1.7 and 3.3 miles to the Coaster Station. Another 9% of passengers traveled up to 30 minutes meaning that 51% of the passengers travel between 1.7 to 5 miles to get to a Coaster station (also assuming an average speed of 10 mph). This is significant because the Solana Beach train station is within extremely close proximity to four other jurisdictions; the Cities of Del Mar and Encinitas are within 1 mile of the Solana Beach train station and the City and County of San Diego are within 2 miles.

Based on the Coaster Survey, more than 60% of the Coaster passengers that use the Station in Solana Beach are from jurisdictions outside Solana Beach city limits. This data supports the argument that the Solana Beach train station serves a much larger geographic area than just Solana Beach itself or within a 5-minute service area. The travel distance information collected demonstrates that between 48% and 74% of the passengers surveyed travel 2 miles or greater to get to their Coaster Station. For all Coaster Stations combined, the Survey determined that 63% of the passengers travel 2 miles or further to use the Coaster with between 16% and 35% traveling further than 5 miles to get to their Station. Two miles in any direction from the Solana Beach station is well beyond Solana Beach city limits. This was not considered and justifies a modification to the RHNA allocation for a small jurisdiction with a train station that services a much broader area.

4. SANDAG failed to adequately consider information submitted and available related to Government Code Section 65584.04(e)(9)

The statutory factor that SANDAG was required to include under Government Code Section 65584.04(e)(9) is:

² SANDAG Regional Housing Needs Assessment: Response to Public Comments on Draft Methodology Last Updated 9/5/2019 4:46 p.m., p.4,
https://www.sandag.org/uploads/projectid/projectid_189_26439.pdf.

³ As the County of San Diego pointed out during the discussion of Item 23 at the July 26, 2019 SANDAG Board of Directors Meeting, the County gets credit from the state for transit stations in the Cities of Vista and Escondido when looking at vehicle miles traveled and reducing GHG emissions.
<https://www.sandag.org/index.asp?fuseaction=meetings.sc&mid=BOD072619&cName=Board%20of%20Directors&mType=Regular%20Session&mDate=7/26/2019>

The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction.

Information regarding this statutory factor was readily available, was submitted by various cities and was not adequately considered. Instead of considering the housing needs created by colleges and universities, SANDAG assumed, without any supporting data, that transit would somehow automatically cover the housing needs of campuses. This has no basis in fact and is contrary to readily available data regarding enrollment at colleges and universities and transit ridership. It is also a separate statutory factor that should not have been subsumed and ignored.

5. SANDAG failed to adequately consider information submitted and available related to Government Code Section 65584.04(e)(8)

The statutory factor that SANDAG was required to include under Government Code Section 65584.04(e)(8) is:

The housing needs of farmworkers.

On July 12, 2019, Eric Larson, the Executive Director of the San Diego County Farm Bureau, testified before the SANDAG Board that agriculture creates “\$5 billion and 16 to 20,000 jobs depending on the season. The nearly 5,000 farms in the county are located in rural, semi-rural back country areas. These locations mean that farmers and employees will not have access to or benefit from transit in commuting or conducting business.”⁴ Similar to student housing needs, the increased housing needs of farmworkers was completely ignored in the draft allocation. Information regarding this statutory factor was also readily available and was not considered, despite the requirement that it be included under Government Code Section 65584.04(e)(8). Failure to include additional units for farmworkers is particularly troubling since the County of San Diego has indicated that it has the capacity to absorb additional units and has, in fact, planned for them.

6. SANDAG failed to adequately consider information submitted and available related to Section 65584.04(e)(11)

The statutory factor that SANDAG was required to include under Government Code Section 65584.04(e)(11) is:

⁴ Eric Larson testimony on item 5, July 12, 2019 SANDAG Board of Directors Meeting, <https://www.sandag.org/index.asp?fuseaction=meetings.sc&mid=BOD071219&cName=Board%20of%20Directors&mType=Regular%20Session&mDate=7/12/2019>

The region's greenhouse gas emissions targets provided by the State Air Resources Board pursuant to Section 65080.

Information regarding this statutory factor was not adequately considered. SANDAG made a blanket proclamation, without citation to any data or projections, that the region's GHG emissions will be reduced because the "methodology encourages the development of housing near jobs and transit..."⁵ SANDAG made no effort to evaluate ridership data. And it failed to take into account that existing density and development constraints may actually prevent housing from being built where it is being allocated.

SANDAG also failed to look at the contrary data. "According to 2010 census data, 86 percent of North County residents...commute by car, [and] just 2.3 percent take transit..."⁶ According to SANDAG, only 22% of commuters are even willing to consider public transit as an alternative.⁷ In addition, SANDAG has found that the factors that influence the decision to use transit are: 1) competitive travel times, 2) frequent transit service, and 3) convenient ways to and from transit.⁸ Nevertheless, frequency of service was excluded from the Rail and Rapid (R&R) component.

At the June 21, 2019, Transportation Committee meeting, and as raised by the City of Solana Beach at the July 26, 2019 SANDAG Board of Directors meeting, MTS reported that the average peak commute trolley frequency ranges from 7 ½ to 15 minutes, that South Bay rapids offer 15 minute-peak service, and both modes offer 30-minute frequencies off peak. With an average 2-hour headway and limited peak and off-peak hours of service, the station in Solana Beach does not offer competitive travel times or frequent service and therefore cannot be reasonably considered a true commuter station. The draft allocation was flawed by failing to consider motivating factors identified by SANDAG in commuter decisions.

If transit is not being used, what is said about GHG emissions is speculative at best. Worse than that, SANDAG made no effort to connect its allocation of the units based on transit to reduce GHG emissions. With all the readily available data regarding GHG reduction targets, it is inexcusable that SANDAG selected percentage allocations without analyzing any studies or considering its own data regarding transit usage.

⁵ SANDAG November 22, 2019 Final 6th Cycle Regional Housing Needs Assessment Methodology, p.19, https://www.sandag.org/uploads/projectid/projectid_189_26874.pdf

⁶ 75th Assembly District staff testimony on item 5, July 12, 2019 SANDAG Board of Directors Meeting, <https://www.sandag.org/index.asp?fuseaction=meetings.sc&mid=BOD071219&cName=Board%20of%20Directors&mType=Regular%20Session&mDate=7/12/2019>

⁷ Item No. 9, Regional Planning Technical Working Group, February 14, 2019, p. 25 https://www.sandag.org/uploads/meetingid/meetingid_5068_25318.pdf.

⁸ Item No. 9, Regional Planning Technical Working Group, February 14, 2019, p. 24 https://www.sandag.org/uploads/meetingid/meetingid_5068_25318.pdf.

The Draft Allocation Undermines the Statutory Objectives in Government Code Section 65584(d)

Not only did SANDAG fail to determine the share of the regional housing need in accordance with the information described in Government Code Section 65584.04, but, contrary to statutory requirements, the methodology of the draft allocation undermines, rather than furthers, the intent of the objectives listed Government Code Section 65584(d). Pursuant to Government Code Section 65584(d), and as submitted pursuant to Section 65584.04(b), the regional housing needs allocation plan must further all of the statutory objectives. It does not because:

1. SANDAG's Allocation Undermines Section 65584(d)(1)

The statutory objective that the draft allocation is required to further under Government Code Section 65584(d)(1) is:

Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low and very low-income households.

Instead of furthering this statutory objective as required, the draft allocation further undermines it because the methodology fails to consider financial viability and availability of land within each jurisdiction. The multiplier used for the equity adjustment for low and very low-income households will not increase housing supply and mix of housing types, tenure, and affordability. This is also true because cities cannot require affordability mandates on private development beyond what is allowed under State density bonus law.

In addition, financial assistance is severely lacking to assist cities in offsetting development costs if a jurisdiction were to try to encourage increased affordable housing percentages. Cities such as Solana Beach in which projects request funding assistance have greater difficulty competing for funds due to excessive land costs in the Coastal zone making such projects less feasible and competitive for available funding, further undermining our ability to increase affordable housing supply. As a result, the draft allocation will likely decrease the amount of housing development, further exacerbating the availability of housing supply.

2. SANDAG's Allocation Undermines Section 65584(d)(2)

The statutory objective that the draft allocation is required to further under Government Code Section 65584(d)(2) is:

Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient

development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.

Instead of furthering this statutory objective as required, the draft allocation undermines it. First, the proposed RHNA allocation is inconsistent with the Coastal Act in that residential development is the lowest priority land use and would likely come at the expense of the protection of coastal resources and the general public's access to and use and enjoyment of the City's coastal beach, bluffs, and lagoons, as well as protections of environmentally sensitive habitat areas (ESHA) and sweeping public panoramic views of the ocean. While SANDAG said that it considered potential zoning changes when making the draft allocation, it is not permitted to consider changes that would require local jurisdictions to violate other state laws, including the Coastal Act. The allocation given to Solana Beach would require the City to do just that; violate the Coastal Act.

Second, the draft allocation fails to promote infill development. Units should be allocated to jurisdictions that are not overly built out, where infill development is possible. By allocating disproportionately high numbers of residential units to cities with the greatest existing densities, like the City of Solana Beach, the proposed allocation will not result in infill development or efficient development patterns. As the City remarked at the SANDAG July 26, 2019 Board of Directors meeting, Solana Beach already has the highest population density of all the north county coastal cities in San Diego County. Solana Beach is built out, park space deficient, and is without any large tracts of freely developable land. By failing to consider the City's inability to absorb the units it was allocated, the allocation is flawed.

3. SANDAG's Allocation Undermines Section 65584(d)(3)

The statutory objective that the draft allocation is required to further under Government Code Section 65584(d)(3) is:

Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.

Instead of furthering this statutory objective as required, the draft allocation undermines it because the methodology fails to include the number of low-wage jobs in a jurisdiction and compare it to the ratio of low-wage housing.

In addition, while SANDAG took a cursory look at the location of total jobs and total housing, the methodology is completely arbitrary. There was no basis in fact, nor any supportable argument put forward as to why 35% of the units should be allocated based on the total number of jobs. Similarly, there was no analysis, nor justification for why 65% of residential units are proposed to be allocated based on the transit factor. On

September 14, 2018, SANDAG staff advised the Board of Directors: “Focusing housing near transit may not necessarily provide a better balance between housing and job centers.”⁹ The percentages appear to have been taken out of thin air. There appears to have been no effort whatsoever to create regional balance.

The failure to create regional balance is particularly striking when looking at the arbitrary percentages assigned to the transit component. Without any supporting data, SANDAG has allocated 75% of the transit units to R&R and only 25% to major transit stops. The City continues to advocate that rail stations be considered separately from rapid transit and major transit stops. This percentage split has no rational basis, is not the result of any study and appears to be completely without factual support. Furthermore, the decision to count only major transit stops with a 15-minute peak period frequency or greater and not to count any of the other bus stops throughout the region is both arbitrary and highlights the capriciousness in a 75% allocation to R&R without regard to frequency.

While investments in rail transit may have been appropriate to consider in the past, they do not define the landscape for future planning. In particular, the need to protect and stabilize the bluffs may result in relocating the train inland. Current locations of any transit type cannot be considered permanent at this juncture. And while MTS locations have changed in recent times, all MTS locations should be encouraged to be substantially the same, otherwise it only further discourages consistent ridership.

Accordingly, a better regional balance could be achieved by allocating units in the transit component evenly, including all bus stops and not artificially splitting based on transit type. Supporting and encouraging development around all the existing MTS locations and minimizing changes in MTS locations would also help the region achieve GHG emission targets. Alternatively, a more even split could also result by 50% being allocated to rapid and rail and 50% being allocated to major transit stops.

Because the draft allocation undermines, rather than furthers the statutory objectives discussed above, a revision to the draft allocation is necessary to further the intent of the statutorily mandated objectives listed in Government Code Section 65584(d).

B. Consistency with Solana Beach’s Sustainable Communities Strategy

The development pattern in the applicable sustainable communities strategy (SCS) developed pursuant to Government Code Section 65080(b)(2) provides detailed numerical information about the 2050 Regional Growth Forecast, which shows the projected changes in population, housing, and employment. Based on the projected growth, the SCS land use pattern, including that within the City of Solana Beach,

⁹ Staff presentation on item 6, September 14, 2018 SANDAG Board of Directors Meeting, <https://www.sandag.org/index.asp?fuseaction=meetings.sc&mid=BOD091418&cName=Board%20of%20Directors&mType=Regular%20Session&mDate=9/14/2018>

accommodates the estimated number of new homes that will be needed region wide over the next 40 years. Therefore, this appeal is consistent with, and not to the detriment of, the development pattern in the City's SCS because the SCS land use pattern is consistent with the City's existing land use plan.

C. Solana Beach's Request for Modified Allocations

Based on the above, the City of Solana Beach respectfully requests that SANDAG modify the allocations for small jurisdictions and reallocate those units to those jurisdictions whose RHNA allocation was reduced from the 2010 RHNA allocation. The reduction for small jurisdictions by 55% would still increase the small jurisdiction allocations by approximately 122% and would result in the larger jurisdictions, that are far more able to accommodate additional housing units, having a lower overall decrease in their RHNA allocations. This revision is also consistent with Government Code section 65583.2 which differentiates cities with populations of 25,000 or less when stating appropriate densities for low income housing.

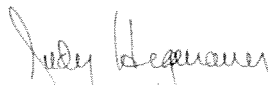
The proposed allocations do not consider statutory factors, undermine RHNA objectives and are so flawed that they are doomed to failure. An adjustment to the proposed allocation is absolutely necessary otherwise the region cannot reasonably be expected to achieve actual construction of its RHNA housing allocation and many, if not all, small and possibly medium-sized jurisdictions will be faced with the very real possibility their respective housing elements will not be certified by HCD during the next cycle.

Should you have any questions, please feel free to contact the City's Community Development Director, Joseph Lim, at (858) 720-2434 or by e-mail at jlim@cosb.org.

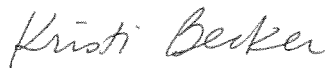
Respectfully Submitted,



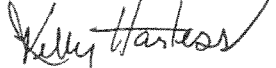
Jewel Edson, Mayor



Judy Hegenauer, Deputy Mayor



Kristi Becker, Councilmember



Kelly Harless, Councilmember



David Zito, Councilmember

Attachment 1 – City of Solana Beach's letter dated August 8, 2019

cc: Hasan Ikharta, Executive Director, SANDAG
Gregory Wade, City Manager, City of Solana Beach



CITY OF SOLANA BEACH

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August 8, 2019

SANDAG Board of Directors
Attn.: Seth Litchney, Regional Planner
401 B Street, Suite 800
San Diego, CA 92101

RE: SANDAG RHNA Methodology – City of Solana Beach Comments

Dear SANDAG Board of Directors and Staff,

The City of Solana Beach (Solana Beach) appreciates the difficult task that SANDAG must complete as part of the Regional Housing Needs Assessment (RHNA) process. While the proposed RHNA allocation methodology attempts to use good planning principles to identify where housing should be planned for in the future, it fails to consider geographic boundaries, service area of train stations, and jurisdictional size. The City of Solana Beach had previously raised some of these concerns in a letter dated May 16, 2019, however, the methodology remains unchanged.

As you are aware, at approximately 3.4 square miles, Solana Beach is a small jurisdiction. Of the 19 jurisdictions in San Diego County, we are the 2nd smallest jurisdiction in both size and population and the smallest jurisdiction with a train station. While Solana Beach's train station serves the Coaster and Amtrak, the current RHNA methodology fails to recognize that this train station serves a much wider geographic region and a greater commuter population than Solana Beach alone.

In May 2018, a Coaster Survey Analysis (Survey) was conducted for the North County Transit District (NCTD), which included an onboard survey of Coaster passengers. The Survey collected various data, including time traveled to each Coaster Station by passengers and distances traveled by passengers from their respective starting points to the Coaster Station. The Survey found that 62% of Coaster passengers commute via vehicle (42% car, 13% Uber/Lyft/taxi, & 7% carpool/vanpool) to their respective Coaster Station destination.

The Survey also showed that 40% of passengers travel 10 minutes or less and 42% of the passengers travel 10-20 minutes to Coaster Stations. As an extremely conservative estimate, if the passengers' average travel speed to the Coaster Station was 10 miles per hour (mph), 40% of them travel less than 1.7 miles, and 42% of the riders travel between 1.7 and 3.3 miles to the Coaster Station. Another 9% of passengers traveled up to 30 minutes meaning that 51% of the passengers travel between 1.7 to 5 miles to get to a Coaster station (also assuming an average speed of 10 mph). This is significant because the Solana Beach train station is in close proximity to four other jurisdictions; the Cities of

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SANDAG RHNA Methodology Comments
Page 2 of 4

Del Mar and Encinitas are within 1 mile of the train station and the City and County of San Diego are within 2 miles. Based on this Survey, more than 60% of the Coaster passengers that use the Station in Solana Beach are from jurisdictions outside Solana Beach city limits.

This data supports the argument that the Solana Beach train station serves a much larger geographic area than just Solana Beach itself. The travel distance information collected demonstrates that between 48% and 74% of the passengers surveyed travel 2 miles or greater to get to their Coaster Station. For all Coaster Stations combined, the Survey determined that 63% of the passengers travel 2 miles or further to use the Coaster with between 16% and 35% traveling further than 5 miles to get to their Station. Two miles in any direction from the Solana Beach station is well beyond Solana Beach city limits. The regional nature of our train station is further proven by the requirement placed on the One Paseo project in the City of San Diego to provide for shuttle service to the Solana Beach train station which is just under 5 miles from the station.

The current RHNA methodology allocates all of the units for a train station to the jurisdiction in which the station resides. While this is likely a reasonable approach for larger jurisdictions, the data above demonstrates that for Cities as small as Solana Beach, this creates a significant outsized impact which is further exacerbated due to the large number of units assigned to a train station. The formula should clearly be adjusted to accommodate the impacts imposed on small jurisdictions and the above data would indicate that for a city the size of Solana Beach 48%-74% of the units assigned for transit should be placed in surrounding jurisdictions.

The City also still has concerns with the employment numbers that are within the proposed RHNA methodology. The proposed methodology is using 9,151 jobs as the factor for Solana Beach. This is significantly higher than any other SANDAG growth forecasts or employment numbers that the City has been able to verify. According to SANDAG's 2050 Regional Growth Forecast for 2020, Solana Beach is estimated to have 7,823 jobs. According to the California Employment Development Department (EDD), Solana Beach has an annual employment of 8,285. Additionally, the City is further confused by a recent email from SANDAG staff that stated that, although the EDD data that SANDAG is using is "restricted," there are 7,912 civilian wage and salary jobs, 692 self-employed jobs and 517 government jobs for a total of 9,121 jobs in Solana Beach. This number is different than the 9,151 jobs that are contained within the proposed RHNA Toolkit and is approximately 10% (using 8,285 jobs from EDD) to 17% higher (using 7,823 jobs from SANDAG's 2020 Regional Growth Forecast) than any information that our staff has been able to confirm. Using 9,151 jobs for Solana Beach results in 34 to 58 more units than otherwise would be using the range of jobs numbers noted above. It's important to have an independently verifiable jobs data source so that each jurisdiction understand how this number is generated which would likely result in a 10% to 17% reduction in Solana Beach's units based on the jobs factor in the RHNA Toolkit.

The outsized impact of the current RHNA formula on our small City is further evident by comparing the unit allocations for Solana Beach to the other Cities in our sub-region. Given Solana Beach's geographic size (3.4 square miles) in relation to our current proposed RHNA allocation of 876 units, Solana Beach would need to accommodate 260

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SANDAG RHNA Methodology Comments
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housing units per square mile. Compared to our North County coastal neighbors, the next closest to this average is Oceanside at 130 units per square mile followed by Carlsbad (100 units per sq./mi.), Del Mar (93 units per sq./mi.) and Encinitas (81 units per sq./mi.). This clearly points to an inequitable distribution of units particularly considering that Solana Beach is largely built out and has very little vacant land on which to build. The State Department of Housing and Community Development (HCD) has recently expressed a preference (if not an outright requirement) to identify vacant parcels on which to allocate future housing unit development within a given jurisdiction. Within Solana Beach's multifamily residential and commercial land use areas, there are six noncontiguous parcels with a total of only 3.31 acres of vacant, undeveloped land. Should HCD require Solana Beach to identify only vacant parcels on which to accommodate our RHNA allocation, we would be looking at developing 140 units per acre. This is simply not possible.

While Solana Beach has specifically requested other adjustments related to the Jobs-to-Housing ratio in the proposed RHNA Methodology, the Rail & Rapid Transit vs. High Frequency Transit ratio, the Transit/Jobs ratio, and Equity Adjustment, we believe that as a small jurisdiction, the housing units being allocated to Solana Beach despite the regional nature of the train station and the extraordinarily high jobs numbers is both unfair and inequitable. Further consideration and revision to the proposed RHNA Methodology must be made to adjust for these factors that are giving our jurisdiction an exorbitantly high number of housing units that will prove impractical if not impossible to accommodate.

One promising approach was discussed during the last SANDAG Board Meeting where it appeared that there may be some support for possible consideration of a "small city" RHNA adjustment. Looking at city populations for San Diego County, there is a fairly significant gap in population size between the City of Imperial Beach and the next largest city. Solana Beach would support using the population of Imperial Beach as a maximum threshold for the definition of a "small city" (consisting of a population of up to approximately 28,000 (consideration could also be given to cities of no more than 5 square miles). If a jurisdiction met this criteria, consideration of a 50% reduction of the number of units that are allocated to small cities based on the SANDAG RHNA Toolkit could also be considered for reallocation to certain larger jurisdictions. Based on our estimation, there are five (5) jurisdictions that meet this criteria within the San Diego County region which would result in a reallocation of approximately 2,300 units. The reallocation could then go to those jurisdictions whose newly proposed RHNA allocations were reduced from the prior RHNA housing cycle. This would provide some linkage to jurisdictional housing capacity since those jurisdictions' last Housing Elements would have been certified based on a higher number of units which would then avoid significantly impacting any jurisdiction in this RHNA cycle.

The City of Solana Beach recognizes that there is a need for housing in our region and we are willing to accommodate for our fair share of housing, however, the current methodology is far from fair when considering the additional statistical and empirical information outlined in this and our prior letter and our testimony before the SANDAG Board.

We respectfully request that SANDAG staff and the Board of Directors make further adjustments to the proposed RHNA allocations to account for a small jurisdiction such as Solana Beach. Thank you for your time and consideration.

Sincerely,



Joseph Lim, AICP
Community Development Director

Cc: Greg Wade, City Manager
Coleen Clementson, SANDAG Acting Department Director of Land Use and
Transportation Planning



CITY OF SOLANA BEACH

www.cityofsolanabeach.org

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September 30, 2019

California Department of Housing & Community Development
Attn.: Doug McCauley, Acting Director
2020 West El Camino Avenue
Sacramento, CA 95833

SUBJECT: SANDAG RHNA METHODOLOGY – CITY OF SOLANA BEACH COMMENTS

Dear Mr. McCauley,

The City of Solana Beach (Solana Beach) appreciates your consideration of our comments and concerns associated with the San Diego Association of Governments (SANDAG) proposed 2021-2029 Regional Housing Needs Assessment (RHNA) methodology. While the proposed RHNA allocation methodology attempts to use good planning principles to identify where housing should be planned for in the future by targeting areas rich in jobs and public transportation, it fails to consider geographic boundaries, service area of train stations, jurisdictional size limitations, land readily available for development, and most importantly, conflicts with the Coastal Act and other geographic constraints. The City of Solana Beach had previously raised many of these concerns in the letter to SANDAG dated August 8, 2019 which is attached for your reference. However, the methodology submitted by SANDAG to HCD for review has remained unchanged. The SANDAG methodology has resulted in significant increases to 8 out of 19 San Diego County jurisdictions with the most significant increases to the 5 smallest jurisdictions. The proposed RHNA methodology, if approved, would result in an increased allocation to Solana Beach by almost 260%, while the San Diego region's overall RHNA increase was only six percent.

The City of Solana Beach is the 2nd smallest jurisdiction in both size and population at approximately 13,200 people and 3.4 square-miles. We are also the smallest jurisdiction with a train station in San Diego County. While Solana Beach's train station provides Coaster and Amtrak service, the current RHNA methodology fails to recognize that this train station serves a much wider geographic region and a greater commuter population than Solana Beach alone. Despite the City's request to consider the empirical data available that justifies a modification the RHNA allocation for a small jurisdiction with a train station, SANDAG refused to make modifications to their methodology.

The City of Solana Beach is also challenged by geographic and regulatory constraints that will make accommodating the proposed 875 new housing units impracticable. Four of the five jurisdictions in the SANDAG region are small cities that are located within the coastal zone. The entirety of Solana Beach is located within the coastal zone which will further complicate the City's ability to meet the proposed RHNA. The proposed RHNA allocation is inconsistent with the Coastal Act in that the demand for housing production – the lowest priority land use under the Coastal Act – would come at the expense of the protection of coastal resources and the general public's access to and use and enjoyment of the City's coastal beaches, bluffs, lagoons, environmentally sensitive habitat areas (ESHA) and sweeping public panoramic views of the ocean. The City's Local Coastal Program (LCP) Land Use Plan (LUP) locally implements the State's goals for the coastal zone which are to:

- (a) Protect, maintain, and where feasible, enhance and restore the overall quality of the coastal zone environment and its natural and artificial resources.
- (b) Assure orderly, balanced utilization and conservation of coastal zone resources taking into account the social and economic needs of the people of the state.
- (c) Maximize public access to and along the coast and maximize public recreational opportunities in the coastal zone consistent with sound resource conservation principles and constitutionally protected rights of private property owners.
- (d) Assure priority for coastal-dependent and coastal-related development over other development on the coast.
- (e) Encourage state and local initiatives and cooperation in preparing procedures to implement coordinated planning and development for mutually beneficial uses, including educational uses, in the coastal zone.

While the City is committed to doing its fair share to address California's growing housing problem, housing is not considered a coastal dependent use under the Coastal Act and the California Coastal Commission has been opposed to allowing cities to intensify residential uses over visitor-serving development, generally not permitting projects that adversely impact coastal access through the conversion of commercial properties, reduced parking standards or complete elimination of parking requirements, increased building heights, greater restrictions on hospitality uses, reduction and encroachment into ESHA and ESHA buffers, intensification of coastal bluff areas, and reduction of visitor-serving uses, all of which will be necessary to accommodate the additional 875 units within an already dense, predominantly developed, 3.4 square-mile area. The City of Solana Beach is already challenged with the existing parking supply to accommodate both its existing residential, and visitor-serving uses and coastal visitors, and must balance requirements by the Coastal Commission to maintain the existing number of public parking facilities for visitors with the need to identify and support new development consistent with the City's currently certified General Plan Housing Element (340 housing units). Additionally, the Coastal Commission has been encouraging coastal cities to adopt planned or "managed retreat" strategies into their respective Local Coastal Programs to adapt to sea level rise and coastal erosion. Policies like this that force coastal cities to plan for the eventual loss of land and property that will no longer be available for development clearly suggest that the Coastal Zone is not an area in which development, particularly residential development, should be prioritized.

It is our understanding that HCD has recently expressed a preference (if not an outright requirement) to identify vacant parcels on which to allocate future housing unit development within a given jurisdiction during the next housing cycle. Within Solana Beach's multifamily residential and commercial land use areas, there are a total of six noncontiguous parcels for a total of only 3.31 acres of vacant, undeveloped land. There are an additional eight non-contiguous low density residential parcels that total 2.74 acres that are vacant. The average lot size of the 14 non-contiguous, vacant parcels is approximately 0.43 acres, much less than the HCD preferred one to ten acre lot sizes for housing development. Should HCD require Solana Beach to identify only vacant parcels on which to accommodate our RHNA allocation, we would be looking at developing over 140 units per acre on these small vacant, non-contiguous sites. This is simply not possible.

The City of Solana Beach is already a densely developed community at approximately 23 units per acre, with very few vacant sites capable of accommodating high density residential development. Even if the vacant, non-contiguous 6.05 acres of land were developed at 30 units per acre, this would only result in 181 units, which is just over half of the City's current RHNA allocation and would only be 20% of the City's proposed RHNA allocation.

The proposed SANDAG methodology results in a RHNA allocation reduction to eight of the largest jurisdictions in San Diego County. The proposed methodology resulted in a decrease of 26,193 units for those 8 jurisdictions from their last RHNA allocation and an increase of 3,759 units to the five smallest jurisdictions. The 3,759 units represents a 370% increase for these small jurisdictions. Solana Beach proposes, therefore, that an adjustment be made for small jurisdictions (defined as cities of less than 5 square miles and/or with a population of less than 28,000) and a reallocation of those units to those jurisdictions whose RHNA allocation was reduced from the 2010 RHNA allocation. A reduction for small jurisdictions by 55% (2,625 units) would still increase the small jurisdiction allocations by approximately 122% and would result in the large jurisdictions having a lower overall decrease in their RHNA allocations.

An adjustment to the proposed methodology is truly necessary otherwise the region will certainly not achieve the construction of its RHNA housing allocation and many, if not all, small, and possibly medium sized jurisdictions will be faced with the real possibility of not having a certified housing element during the next cycle. We believe that is not nor should it be the intent of HCD, the Legislature, or SANDAG. This may, however, be a reality if adjustments are not made. The current methodology is far from fair when considering the additional statistical and empirical information outlined in our prior letter and our testimony before the SANDAG Board. We respectfully request that HCD staff make further adjustments to the proposed RHNA allocations to account for the challenges of small jurisdictions such as Solana Beach. We greatly appreciate you taking the time to consider our request and we look forward to meeting with you to further discuss an adjustment to the SANDAG RHNA allocation methodology.

Sincerely,



David A. Zito
Mayor

Cc: Greg Wade, City Manager
Joseph Lim, Community Development Director

Attachment:
RHNA Comment Letter to SANDAG dated August 8, 2019

San Diego Association of Governments Regional Housing Needs Assessment Appeals Determination: City of Solana Beach

The City of Solana Beach (City) has appealed its draft Regional Housing Needs Assessment (RHNA) allocation. The following constitutes the final determination of the San Diego Association of Governments (SANDAG) Board of Directors regarding the City's appeal. This final determination is based on the information and methodology described in California Government Code Section 65584.04,¹ the information presented in the appeal, all comments received regarding the appeal, and information received during the public hearing.

I. Statutory Background

The California Legislature developed the RHNA process in 1977 to address the affordable housing shortage in California. The RHNA process is codified in state law at Section 65580, *et seq.* Over the years the housing element laws, including the RHNA process, have been revised to address the changing housing needs in California. As of the last revision, the Legislature has declared that:

- (a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order.
- (b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.
- (c) The provision of housing affordable to low- and moderate-income households requires the cooperation of all levels of government.
- (d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.
- (e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.
- (f) Designating and maintaining a supply of land and adequate sites suitable, feasible, and available for the development of housing sufficient to meet the locality's housing need for all income levels is essential to achieving the state's housing goals and the purposes of this article.

See Section 65580.

To carry out the policy goals above, the Legislature also codified the intent of the housing element laws:

¹ All statutory references are to the California Government Code unless otherwise noted.

- (a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.
- (b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.
- (c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.
- (d) To ensure that each local government cooperates with other local governments in order to address regional housing needs.

See Section 65581.

The housing element laws exist within a larger planning framework which requires each city and county in California to develop and adopt a comprehensive, long-term general plan for the physical development of the jurisdiction (See Section 65300). A general plan consists of many planning elements, including an element for housing (See Section 65302). In addition to identifying and analyzing the existing and projected housing needs, the housing element must also include a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. Consistent with Section 65583, adequate provision must be made for the existing and projected housing needs of all economic segments of the community.

A. RHNA Determination by HCD

Each cycle of the RHNA process begins with the California Department of Housing and Community Development's (HCD) determination of the existing and projected housing need for each region in the state (Section 65584(a)). HCD's determination must be based on population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments. (See Section 65584.01(a)). The RHNA Determination allocates the regional housing need among four income categories: very low, low, moderate, and above moderate.

Within 30 days of receiving the final RHNA Determination from HCD, the council of governments may file an objection to the determination with HCD. The objection must be based on HCD's failure to base its determination on either the population projection for the region established under Section 65584.01(a), or a reasonable application of the methodology and assumptions determined under Section 65584.01(b). Within 45 days of receiving the council of governments objection, HCD must "make a final written determination of the region's existing and projected housing need that includes an explanation of the information upon which the determination was made." (See Section 65584.01).

B. Development of RHNA Methodology

Each council of governments is required to develop a methodology for allocating the regional housing need to local governments within the region. The methodology must further the following objectives:

- (1) Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low income households.
- (2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development

- patterns, and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.
- (3) Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.
 - (4) Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent American Community Survey.
 - (5) Affirmatively furthering fair housing.

See Section 65584(b).

To the extent that sufficient data is available, the council of government must also include the following factors in development of the methodology consistent with Section 65884.04(e):

- (1) Each member jurisdiction's existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on the number of low-wage jobs within the jurisdiction and how many housing units within the jurisdiction are affordable to low-wage workers as well as an estimate based on readily available data, of projected job growth and projected household growth by income level within each member jurisdiction during the planning period.
- (2) The opportunities and constraints to development of additional housing in each member jurisdiction, including all of the following:
 - (A) Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period.
 - (B) The availability of land suitable for urban development or for conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities. The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions. The determination of available land suitable for urban development may exclude lands where the Federal Emergency Management Agency (FEMA) or the Department of Water Resources has determined that the flood management infrastructure designed to protect that land is not adequate to avoid the risk of flooding.
 - (C) Lands preserved or protected from urban development under existing federal or state programs, or both, designed to protect open space, farmland, environmental habitats, and natural resources on a long-term basis, including land zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of that jurisdiction that prohibits or restricts conversion to nonagricultural uses.
 - (D) County policies to preserve prime agricultural land, as defined pursuant to Section 56064, within an unincorporated area and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by

the voters of that jurisdiction that prohibits or restricts its conversion to nonagricultural uses.

- (3) The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.
- (4) Agreements between a county and cities in a county to direct growth toward incorporated areas of the county and land within an unincorporated area zoned or designated for agricultural protection or preservation that is subject to a local ballot measure that was approved by the voters of the jurisdiction that prohibits or restricts conversion to nonagricultural uses.
- (5) The loss of units contained in assisted housing developments, as defined in paragraph (9) of subdivision (a) of Section 65583, that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions.
- (6) The percentage of existing households at each of the income levels listed in subdivision (e) of Section 65584 that are paying more than 30 percent and more than 50 percent of their income in rent.
- (7) The rate of overcrowding.
- (8) The housing needs of farmworkers.
- (9) The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction.
- (10) The housing needs of individuals and families experiencing homelessness. If a council of governments has surveyed each of its member jurisdictions pursuant to subdivision (b) on or before January 1, 2020, this paragraph shall apply only to the development of methodologies for the seventh and subsequent revisions of the housing element.
- (11) The loss of units during a state of emergency that was declared by the Governor pursuant to the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2), during the planning period immediately preceding the relevant revision pursuant to Section 65588 that have yet to be rebuilt or replaced at the time of the analysis.
- (12) The region's greenhouse gas emissions targets provided by the State Air Resources Board pursuant to Section 65080.
- (13) Any other factors adopted by the council of governments, that further the objectives listed in subdivision (d) of Section 65584, provided that the council of governments specifies which of the objectives each additional factor is necessary to further. The council of governments may include additional factors unrelated to furthering the objectives listed in subdivision (d) of Section 65584 so long as the additional factors do not undermine the objectives listed in subdivision (d) of Section 65584 and are applied equally across all household income levels as described in subdivision (f) of Section 65584 and the council of governments makes a finding that the factor is necessary to address significant health and safety conditions.

To guide development of the methodology, each council of governments surveys its member jurisdictions to request, at a minimum, information regarding the factors listed above (See Section 65584.04(b)). If a survey is not conducted, however, a jurisdiction may submit information related to the factors to the council of governments before the public comment period for the draft methodology begins ((See Section 65584.04(b)(5)).

Housing element law also explicitly prohibits consideration of the following criteria in determining, or reducing, a jurisdiction's share of the regional housing need:

- (1) Any ordinance, policy, voter-approved measure, or standard of a city or county that directly or indirectly limits the number of residential building permits issued by a city or county.

- (2) Prior underproduction of housing in a city or county from the previous regional housing need allocation, as determined by each jurisdiction's annual production report.
- (3) Stable population numbers in a city or county from the previous regional housing needs cycle.

See Section 65584.04(g).

Finally, Section 65584.04(m) requires that the final RHNA Plan, which includes both the methodology and the allocation, is consistent with the development pattern included in the region's sustainable communities strategy, distributes the entire regional housing need determined under Section 65584, distributes units for low- and very low income households to each jurisdiction in the region, and furthers the five objectives listed in Section 65584(d).

C. Public Participation

Government Code Section 65584.04(d) states that "public participation and access shall be required in the development of the methodology." The council of governments is required to "explain in writing how each of the factors described in subdivision (e) was incorporated into the methodology and how the methodology furthers the objectives listed in subdivision (d) of Section 65584" (See Section 65584.04(f)) as well as explain "how information about local government conditions gathered pursuant to subdivision (b) has been used to develop the proposed methodology" (See Section 65584.04(d)). The proposed methodology, "this information, and any other supporting materials used in determining the methodology, shall be posted on the council of governments' or delegate subregion's, internet website." (See Section 65584.04(f)).

The council of governments is required to open the proposed methodology to public comment and "conduct at least one public hearing to receive oral and written comments on the proposed methodology." (See Section 65584.04(d)). Following the conclusion of the public comment period and after making any revisions deemed appropriate by the council of governments as a result of comments received during the public comment period and consultation with the HCD, the council of governments publishes the proposed methodology on its website and submits it, along with the supporting materials, to HCD. (See Section 65584.04(h)).

D. HCD Review of Methodology and Adoption by Council of Governments

HCD has 60 days to review the proposed methodology and report its written findings to the council of governments. The written findings must include a determination by HCD as to "whether the methodology furthers the objectives listed in subdivision (d) of Section 65584." (See Section 65584.04(i)). If HCD finds that the proposed methodology is not consistent with the statutory objectives, the council of governments must take one of the following actions: (1) revise the methodology to further the objectives in state law and adopt a final methodology; or (2) adopt the methodology without revisions "and include within its resolution of adoption findings, supported by substantial evidence, as to why the council of governments, or delegate subregion, believes that the methodology furthers the objectives listed in subdivision (d) of Section 65584 despite the findings of [HCD]." (See Section 65584.04(i)). Upon adoption of the final methodology, the council of governments "shall provide notice of the adoption of the methodology to the jurisdictions within the region, or delegate subregion, as applicable, and to HCD, and shall publish the adopted allocation methodology, along with its resolution and any adopted written findings, on its internet website." (See Section 65584.04(k)).

E. RHNA Draft Allocation, Appeals, and Adoption of Final RHNA Plan

Based on the adopted methodology, each council of governments shall distribute a draft allocation of regional housing needs to each local government in the region and HCD, and shall publish the draft allocation on its website. (See Section 65584.05(a)). Upon completion of the appeals process, discussed in more detail below, each council of governments must adopt a final regional housing need allocation plan and submit it to HCD (See Section 65584.05(g)). HCD has 30 days to review the final allocation plan and determine if it is consistent with the regional housing need developed pursuant to Section 65584.01. The resolution approving the final housing need allocation plan shall demonstrate that the plan is consistent with the SCS and furthers the objectives listed in Section 65584(d) as discussed above. (See Section 65584.04(m)(3); Section 65584.045).

II. SANDAG Oversight of the 6th Cycle RHNA Process

A. RHNA Determination

SANDAG began consultation with HCD for the 6th Cycle RHNA process in April 2017. The consultation process included a review of HCD's calculations and data sources and presentations to the Regional Planning Technical Working Group (TWG)², Regional Planning Committee (RPC)³, and the Board⁴.

In March 2018, SANDAG received a draft RHNA Determination from HCD. Consistent with Section 65584.01, HCD used the following data to prepare the draft RHNA Determination for the San Diego region:

- Population forecast from the California Department of Finance (DOF)
- Projected number of new households formed
- Vacancy rate in existing housing stock
- Percentage of renter's households that are overcrowded, defined as more than one person per room per dwelling unit
- Housing replacement needs

At its meeting on May 4, 2018, the RPC considered potential changes to the draft RHNA Determination that could be proposed to HCD reflecting factors unique to housing in the San Diego region. The RPC recommended that the Board accept the draft RHNA Determination without modifications.

At its May 11, 2018, meeting, the Board authorized the Executive Director to submit comments to HCD outlining suggested revisions to the RHNA Determination. Then on May 25, 2018, the Board voted to place this item on a future agenda for further discussion before submitting comments to HCD. On June 8, 2018, the Board amended its May 11, 2018, action and directed staff to submit a letter to HCD accepting the draft RHNA Determination. Following SANDAG's acceptance of the draft RHNA Determination, the consultation process concluded when HCD submitted the final RHNA Determination in a letter to SANDAG dated July 5, 2018.

² SANDAG staff presented information related to the RHNA Determination to the TWG at its March 26, 2018, and April 12, 2018, meetings.

³ SANDAG staff presented information related to the RHNA Determination to the RPC at its April 6, 2018, and May 4, 2018, meetings.

⁴ SANDAG staff presented information related to the RHNA Determination to the Board at its March 9, 2018, May 11, 2018, and June 8, 2018, meetings.

The final RHNA Determination requires SANDAG and its member agencies to plan for 171,685 total housing units through the 2021-2029 planning period to address the region's housing needs.

B. RHNA Methodology and Public Participation

At its September 14, 2018 meeting the Board was surveyed to determine each jurisdiction's priorities for the upcoming RHNA cycle, including which RHNA objectives and factors would be most important when determining the distribution of housing units in the region. The Board expressed a desire to take a different approach than what had been used in previous housing element cycles and wanted to play a bigger role in the development of the methodology. This culminated in the formation of the RHNA Subcommittee in December 2018, which included members of the Board from each SANDAG subregion to reflect the diversity of geography, jurisdiction size, and other attributes of member jurisdictions. The Board also requested that their initial set of priorities be further discussed by the Regional Planning Technical Working Group (TWG), which consists of the planning or community development director from each jurisdiction, among other members.

The RHNA Subcommittee began meeting in early 2019. To develop its recommendation to the Board, the RHNA Subcommittee explored options for how to build consensus around a methodology that complies with state law while best achieving the goals of the Board. The RHNA Subcommittee held six meetings⁵ in spring and summer 2019, prior to the Board's release of the draft methodology for public comment. All meetings were noticed and open to the public.

SANDAG staff also solicited input on the development of the methodology from the TWG, whose membership is described above. The TWG advises the RPC and Board on the development and implementation of San Diego Forward: the Regional Plan, which includes the RHNA Plan. The TWG discussed and provided input on the development of the methodology over 12 meetings⁶ from August 2018 to November 2019, including two workshops specifically focused on RHNA.

Attendees at the meetings of the Board, RHNA Subcommittee, RPC, and TWG provided information regarding the types of data SANDAG should use, assumptions that should be made, as well as information regarding conditions in individual jurisdictions that should be taken into consideration. Jurisdictions and stakeholders also provided written comments during the outreach process. In addition to addressing comments at public meetings, SANDAG staff responded to comments and questions related to the development of the methodology via phone calls and emails, which led to the creation of Frequently Asked Questions that were posted to the SANDAG website. Staff also presented at city council meetings upon request.

On July 26, 2019, the Board released the draft methodology for public comment. At the end of a 42-day public comment period, SANDAG conducted a public hearing on September 6, 2019. SANDAG received nearly 2,200 public comments. During the public comment period, SANDAG compiled and posted on its website supplemental information requested by Board members, a list of Frequently Asked Questions (FAQs), and a response to comments received during the public comment period.

On September 6, 2019, the Board authorized staff to submit the draft methodology to HCD for review. In a letter dated November 1, 2019, HCD found that the draft methodology furthers the objectives in state law. At its November 22, 2019, meeting, the Board adopted by resolution the final

⁵ The RHNA Subcommittee met on February 8, 2019, February 22, 2019, March 22, 2019, April 26, 2019, May 24, 2019, and June 14, 2019.

⁶ The TWG discussed RHNA at the following meetings: August 9, 2018, October 11, 2018, December 13, 2018, January 10, 2019, February 14, 2019, March 14, 2019, April 3, 2019, May 9, 2019, June 6, 2019, June 13, 2019, June 27, 2019, and November 14, 2019.

methodology and released the draft allocation. Following the Board meeting, the draft allocation was posted on the SANDAG website and distributed to each jurisdiction and HCD.

III. RHNA Appeal Process

A. Statutory Background

Under Section 65584.05(b), a local government or HCD may appeal the council of governments within 45 days following receipt of the draft allocation “for a revision of the share of the regional housing need proposed to be allocated to one or more local governments.” Appeals “shall be based upon comparable data available for all affected jurisdictions and accepted planning methodology, and supported by adequate documentation, and shall include a statement as to why the revision is necessary to further the intent of the objectives listed in subdivision (d) of Section 65584.” Appeals also shall be consistent with the sustainable communities strategy included in the regional transportation plan (See Section 65584.05(b)). In accordance with Section 65584.05(b), appeals are limited to the following circumstances:

The council of governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) of Section 65584.04.

- (1) The council of governments or delegate subregion, as applicable, failed to determine the share of the regional housing need in accordance with the information described in, and the methodology established pursuant to, Section 65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in subdivision (d) of Section 65584.
- (2) A significant and unforeseen change in circumstances has occurred in the local jurisdiction or jurisdictions that merits a revision of the information submitted pursuant to subdivision (b) of Section 65584.04. Appeals on this basis shall only be made by the jurisdiction or jurisdictions where the change in circumstances has occurred.

Following the 45-day period for filing an appeal, the council of governments “shall notify all other local governments within the region or delegate subregion and the department of all appeals and shall make all materials submitted in support of each appeal available on a publicly available internet website.” (See Section 65584.05(c)). Local governments and HCD may, within 45 days, comment on one or more appeals.

Within 30 days of the end of the appeals comment period, and with at least 21 days prior notice, the council of governments “shall conduct one public hearing to consider all appeals filed pursuant to subdivision (b) and all comments received pursuant to subdivision (c).” (See Section 65584.05(d)). Within 45 days of the public hearing to consider appeals, the council of governments is required to make a written final determination for each appeal filed that either accepts, rejects, or modifies the appeal and issue a proposed final allocation plan (See Section 65584.05(e)). The written finding(s) must describe how the determination is consistent with Section 65584.05.

If a final determination on an appeal requires the council of governments to adjust the allocation to one or more local governments that are not the subject of an appeal, Section 65584.05(f) provides: (1) if the adjustment totals 7 percent or less of the regional housing need, the council of governments must redistribute those housing units proportionally to all local jurisdictions; or (2) if the adjustment totals more than 7 percent of the regional housing need, then the council of governments shall develop a methodology to distribute the amount greater than the 7 percent to local governments. The total distribution of housing need shall not equal less than the regional housing need established under Section 65584.01. (See Section 65584.05(f))

Within 45 days after issuing the proposed final allocation plan, the council of governments “shall hold a public hearing to adopt a final allocation plan.” The council of governments must then submit the final allocation plan to HCD within 3 days of adoption. HCD has 30 days to determine if the final allocation plan is consistent with the regional housing need. (See Section 65584.05(g)). The council of governments has final authority to determine the distribution of the region’s housing needs “[t]o the extent that the final allocation plan fully allocates the regional share of statewide housing need, as determined pursuant to Section 65584.01 and has taken into account all appeals.” (See Section 65584.05(g)). HCD may revise the determination of the council of governments to obtain consistency with the existing and projected housing need for the region. (See Section 65584.05(g)).

B. SANDAG Appeal Process

SANDAG received four appeals during the appeals period of November 22, 2019 to January 6, 2020. Following close of business on January 6, 2020, the appeals were posted on SANDAG’s website and distributed to the planning or community development directors of each local jurisdiction and the Board consistent with Section 65584.05(c).

SANDAG received five comment letters on the appeals during the appeals comment period from January 7, 2020 to February 21, 2020.

On February 7, 2020, SANDAG issued a notice of public hearing to consider appeals and comments on appeals at a meeting of the Board on February 28, 2020, pursuant to Section 65584.05(d), which was posted on the SANDAG website and published in two local newspapers. The Executive Committee, a committee of the Board responsible for setting Board agendas and providing direction to staff in preparing items for Board consideration, was scheduled to consider proposed RHNA Appeals Hearing Procedures at its meeting on February 14, 2020. Prior to the Executive Committee meeting, three of the appealing jurisdictions submitted letters to SANDAG stating that individual notice of the proposed public hearing was not received 21 days in advance of the February 28, 2020, public hearing date. To ensure compliance with the requirements of Section 65584.05(d), at its February 14, 2020, meeting, the Executive Committee approved continuing the public hearing to March 27, 2020, in addition to approving the RHNA Appeals Hearing Procedures with modifications. At its meeting on February 28, 2020, the Board ratified the Executive Committee’s actions.

On March 3, 2020, SANDAG issued a notice of the public hearing to consider appeals and comments on appeals on March 27, 2020, pursuant to Section 65584.05(d), which was provided to each jurisdiction, posted on SANDAG’s website, and published in two local newspapers.

The Board conducted the public hearing at its meeting on March 27, 2020.

IV. The City’s Appeal

In a letter dated January 3, 2020, the City appealed the draft allocation. The grounds for appeal are as follows:

- (1) SANDAG failed to adequately consider the information submitted pursuant to Government Code Section 65584.04(b).
- (2) SANDAG failed to determine the share of the regional housing need in accordance with the information described in Section 65584.04, and in a manner that furthers, and does not undermine, the intent of the objectives listed in Government Code Section 65584(d).

A. Statutory Factors Under 65584.04(e)

1. Section 65584.04(e)(1): Jobs-Housing Relationship
Section 65584.04(e)(1) states:

To the extent that sufficient data is available from local governments pursuant to subdivision (b) or other sources, each council of governments, or delegate subregion as applicable, shall include the following factors to develop the methodology that allocates regional housing needs:

(1) Each member jurisdiction's existing and projected jobs and housing relationship. This shall include an estimate based on readily available data on the number of low-wage jobs within the jurisdiction and how many housing units within the jurisdiction are affordable to low-wage workers as well as an estimate based on readily available data, of projected job growth and projected household growth by income level within each member jurisdiction during the planning period.

As described above, pursuant to Section 65584.04, SANDAG has been charged with developing the RHNA methodology in consultation with HCD. SANDAG has the discretion to develop this methodology so long as it meets all the procedural requirements under Section 65584, *et seq.*, and the methodology furthers the objectives in Section 65584(d) as ultimately determined by HCD. In compliance with the RHNA statute, SANDAG carefully developed its methodology with input from HCD and local jurisdictions.

The City argues that "[t]he employment data SANDAG used is inconsistent with data available by and from other jurisdictions to verify its accuracy and is even inconsistent with numbers shared by SANDAG staff." (City's Appeal, p. 2). It is unclear which jurisdictional data or SANDAG numbers the City is referring to.

The City also asserts that "[f]ailure to use independently verifiable jobs data sources and failure to allow each jurisdiction to understand how these numbers were generated or selected was arbitrary and without adequate support in facts." (City's Appeal, p. 2).

In fact, SANDAG performed extensive stakeholder outreach in defining the data sources available during the development of the methodology to ensure adequate opportunity for jurisdictions to comment. SANDAG made multiple presentations on the jobs data and sources, including presentations at the following public meetings:

- April 3, 2019, TWG Meeting
- April 26, 2019, RHNA Subcommittee Meeting
- May 9, 2019, TWG Meeting
- June 6, 2019, TWG Meeting
- May 24, 2019, RHNA Subcommittee Meeting

Additionally, SANDAG staff responded to the individual questions asked by jurisdiction staff about jobs data and data sources. SANDAG also presented the jobs data at city council meetings upon request. SANDAG included information about underlying data and assumptions used in the methodology in a Frequently Asked Questions document as well as the Draft Methodology document, which were both made available online.

The data source for the jobs component of the methodology is the SANDAG Employment Estimates, which are also being used to develop the latest Regional Growth Forecast. SANDAG Employment Estimates are derived from Quarterly Census of Employment and Wages (QCEW) data from the Economic Development Department (EDD) and the Longitudinal Employer-Household Dynamics Origin-Destination Employment Statistics (LODES) data from the Center for Economic Studies at the U.S. Census Bureau.

The LODES data combines federal, state, and Census Bureau survey data on employers and employees and SANDAG uses the QCEW dataset for its detailed geographic information on businesses to geolocate “job spaces” throughout the region. The LODES data (average of the last five years), which are available at the census block level, are used to fill the job spaces to determine total jobs within various geographies. SANDAG Employment Estimates are also supplemented by other data sources including the San Diego Military Advisory Council (SDMAC) and Defense Manpower Data Center (DMDC). Finally, the jobs data are validated against published job totals for the County from the EDD Labor Market Information’s yearly data.

Importantly, the City has failed to submit with its appeal a specific revision to the allocation or any supporting documentation or alternative data concerning the jobs component. Because a specific revision was not requested and no documentation was submitted, SANDAG cannot determine whether this request is based on comparable data for all affected jurisdictions and accepted planning methodology, and cannot determine whether the revision is necessary to further the statutory objectives.

2. Section 65584.04(e)(2): Opportunities and Constraints to Development

The City argues that the draft allocation fails to adequately account for the amount of land available for development in a jurisdiction. The City asserts that the lot size of the available land in the City averages less than the HCD-preferred one- to ten-acre lot size for residential development. However, SANDAG “may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under the alternative zoning ordinances and land use restrictions.” (See Section 65584.04 (e)(2)(B)). In fact, HCD noted in its letter dated November 1, 2019, that “[p]articularly relevant to supporting infill development and climate change goals is the fact that this methodology does not consider land capacity or vacant land as a determinant of RHNA, and instead focuses on where housing is needed to encourage transit ridership and reduced commutes.” With respect to specific lot sizes of parcels, this is not a factor for consideration in determining the regional housing need allocation under state law. Jurisdictions must work closely with HCD in updating their housing elements to address unique community characteristics. Based on the above, the facts raised by the City do not support this ground for appeal.

Nevertheless, SANDAG did specifically discuss the availability of land or jurisdictional capacity in development of the methodology at the following public meetings:

- April 3, 2019, TWG Meeting – Seven working group members and SANDAG staff discussed jurisdictional capacity at length
- April 26, 2019, RHNA Subcommittee Meeting – Five subcommittee members and an additional elected official participated in a discussion of the land availability and jurisdictional capacity. The RHNA Subcommittee received comments from four TWG working group members and one public member about land availability and jurisdictional capacity
- May 24, 2019, RHNA Subcommittee Meeting – One public speaker discussed land availability and jurisdictional capacity
- May 10, 2019, Board Meeting – In response to a question by a Board member, the Board received information from staff on the difference between the methodology used in the 5th Cycle, which considered a jurisdiction’s capacity, and the approach taken in developing the methodology for the 6th Cycle, which does not consider a jurisdiction’s capacity. Following receipt of this information, one Board member further discussed jurisdictional capacity

- June 27, 2019, TWG Meeting – Two working group members discussed jurisdictional capacity
- July 26, 2019, Board Meeting – Three public speakers and six Board members discussed land availability and jurisdictional capacity
- September 6, 2019, Board Meeting – Three public speakers and nine Board members discussed land availability and jurisdictional capacity.
- November 22, 2019, Board Meeting – One public speaker and five Board members discussed land availability and jurisdictional capacity. The Board rejected two motions that considered jurisdictional capacity among other revisions to the draft methodology.

Discussions around availability of land culminated in a proposal from the City for a small cities adjustment at the July 26, 2019, and September 6, 2019, meetings of the Board. Several SANDAG Board members requested staff apply a methodology that recognizes challenges for small cities by potentially reducing the number of housing units based on the population of the jurisdiction. The proposed small cities adjustment was considered in several comment letters during the public comment period and also discussed at the following public meetings:

- (1) July 26, 2019, Board Meeting – Two board members discussed the potential for a small cities adjustment.
- (2) September 6, 2019, Board Meeting – Eight board members discussed the potential for a small cities adjustment.

SANDAG staff also consulted with HCD⁷ on the potential for small cities to receive a reduced allocation. HCD did not support an adjustment based on the population of a city rather than based on the objectives in state law. HCD's position was reported to the Board at its September 6, 2019, meeting. Ultimately, the Board voted not to include the small cities adjustment in the final RHNA methodology.

The City also asserts that SANDAG did not adequately consider the City's small jurisdictional size or the restrictions imposed by the Coastal Act. As mentioned above, SANDAG "may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under the alternative zoning ordinances and land use restrictions." (See Section 65584.04 (e)(2)(B)).

Additionally, the Coastal Commission recently commented on a similar statement from another jurisdiction in the San Diego Union Tribune⁸:

In a statement, Coastal Commission Executive Director Jack Ainsworth said that while there are some constraints in the coastal zone related to increases in housing density around areas vulnerable to sea level rise and erosion, that doesn't mean that there are not areas within the coastal zone where significant increases in housing density are possible.

⁷ Section 65584.04(h) states that the methodology must be published on SANDAG's website and submitted to HCD after making revisions resulting from comments received during the public comment period and "as a result of consultation with [HCD]."

⁸ "San Diego County cities push back on state-mandated housing goals." San Diego Union Tribune, January 14, 2020 (<https://www.sandiegouniontribune.com/business/growth-development/story/2020-01-14/sandag-housing>).

“To make a blanket statement that the Coastal Commission would not approve increases in housing density is simply not accurate,” he wrote. “Over the past year or so, the Commission has demonstrated our commitment to increasing housing density through individual permitting actions and our local coastal program planning efforts with local governments.”

While the legislative priorities under the Coastal Act may be different from the state law governing RHNA, this can be said about other statutory schemes affecting local land use. Consistent with past cycles of RHNA, a jurisdiction wholly or partly in the coastal zone must work with the Coastal Commission when updating the housing element in its general plan.

Finally, the City has failed to submit a specific revision to the allocation based on their Local Coastal Program. Because a specific revision was not submitted, SANDAG cannot determine whether this request is based on comparable data for all affected jurisdictions and accepted planning methodology, or whether the revision would be necessary to further the intent of the statutory objectives.

3. Section 65584.04(e)(3): Public Transportation and Existing Transportation Infrastructure

Section 65584.04(e)(3) states:

To the extent that sufficient data is available from local governments pursuant to subdivision (b) or other sources, each council of governments, or delegate subregion as applicable, shall include the following factors to develop the methodology that allocates regional housing needs:

(3) The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.

The City argues that SANDAG did not adequately consider a broader population and geographic area served by rail stations; however, the area surrounding rail stations was discussed at the following public meetings:

- April 3, 2019, TWG Meeting – One working group member commented that there should be consideration of building capacity around rail stations; two working group members state that they don’t support using existing capacities of any kind. In total, seven working group members and SANDAG staff discussed jurisdictional capacity at length.
- April 26, 2019, RHNA Subcommittee Meeting – Five subcommittee members and an additional elected official participated in a discussion of the land availability and jurisdictional capacity. The Subcommittee received comments from four TWG working group members and one public member about land availability and jurisdictional capacity. One of these comments included consideration of building capacity around rail stations
- May 24, 2019, RHNA Subcommittee Meeting – One public speaker discussed land availability and jurisdictional capacity.
- May 10, 2019, Board Meeting – In response to a question by a Board member, the Board received information from staff on the difference between the methodology used in the 5th Cycle RHNA, which considered a jurisdiction’s capacity, and the approach taken in developing the methodology for the 6th Cycle, which does not consider a jurisdiction’s capacity. Following receipt of this information, one Board member discussed jurisdictional capacity.

- June 27, 2019, TWG Meeting – Two working group members discussed jurisdictional capacity.
- July 26, 2019, Board Meeting – One Board member commented that there is no capacity to build around one of the trolley stations in their jurisdiction; another Board member commented that the train station in their jurisdiction serves four jurisdictions. In total, three public speakers and six Board members discussed land availability and jurisdictional capacity in general.
- September 6, 2019, Board Meeting – One Board member discussed the area surrounding rail stations. Three public speakers and nine Board members discussed land availability and jurisdictional capacity in general.
- November 22, 2019, Board Meeting – One public speaker and five Board members discussed land availability and jurisdictional capacity. The Board rejected two motions that considered jurisdictional capacity among other revisions to the draft methodology.

In considering the land surrounding a rail station, *Rapid* station, or major transit stop, the discussion at the above public meetings revolved around existing land use restrictions and jurisdictions' ability to build within any radius or shed identified around the station. However, SANDAG "may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under the alternative zoning ordinances and land use restrictions." See Section 65584.04 (e)(2)(B). For this reason, information regarding the area surrounding rail and *Rapid* stations and major transit stops, after being considered at multiple public meetings, was not ultimately incorporated into the methodology.

In addition, the Board considered several comments received during the draft methodology public comment period discussing the same topic, including an August 8, 2019, letter from the City. In its letter, the City cites the same 2018 NCTD COASTER Survey described in its appeal, but also notes that only 42% of COASTER passengers reported traveling by car to the COASTER Station, while 13% reported traveling by rideshare or taxi and 7% by carpool or vanpool. This leaves 38% of the passengers without a known mode of travel. However, in calculating the distances cited in its appeal, the City makes an assumption that "the passengers' average travel speed to the COASTER Station was 10 miles per hour." The City does not present data/ evidence to support this assumption. As such, SANDAG cannot determine whether the analysis presented is based on accepted planning methodology.

Finally, the City has failed to submit a specific revision to the allocation concerning the area surrounding transit and rail stations. Because a specific revision was not requested, SANDAG cannot determine whether the revision is necessary to further the statutory objectives.

4. Section 65584.04(e)(9): Housing Needs of Universities and Colleges
Section 65584.04(e)(9) states:

- (e) To the extent that sufficient data is available from local governments pursuant to subdivision (b) or other sources, each council of governments, or delegate subregion as applicable, shall include the following factors to develop the methodology that allocates regional housing needs:

...

(9) The housing needs generated by the presence of a private university or a campus of the California State University or the University of California within any member jurisdiction.

The City asserts that SANDAG did not adequately consider this factor and assumed that transit “would somehow automatically cover the housing needs of campuses.” (City’s Appeal, p. 5). However, the major universities and colleges in the region are also key employers. Therefore, jobs associated with those institutions are specifically considered in the methodology. Additionally, the major universities and community colleges in the San Diego region are in fact located in urban areas served by the existing transportation network. Prioritizing transit in the methodology encourages housing development near existing transit facilities serving these key destinations. As such, both the transit and jobs components address the housing needs generated by students, faculty, and staff at private universities and campuses of the California State University or the University of California within each affected jurisdiction.

Importantly, the City has failed to submit a specific revision to the allocation or any supporting documentation or alternative data concerning the housing needs of universities and colleges within the region. Because a specific revision was not requested and no documentation was submitted, SANDAG cannot determine whether this request is based on comparable data for all affected jurisdictions and accepted planning methodology, and cannot determine whether the revision is necessary to further the statutory objectives.

5. Section 65584.04(e)(8): Housing Needs of Farmworkers

The City argues that the housing needs of farmworkers were “completely ignored” (City’s Appeal, p. 5). This is false. The final methodology accounts for all jobs in the region, farmworker jobs included, in allocating the regional housing needs. Notwithstanding, the City has failed to submit a specific revision to the allocation or any supporting documentation or alternative data concerning the housing needs of farmworkers within the region. Because a specific revision was not requested and no documentation was submitted, SANDAG cannot determine whether this request is based on comparable data for all affected jurisdictions and accepted planning methodology, and cannot determine whether the revision is necessary to further the statutory objectives.

6. Section 65584.04(e)(12): The Region’s Greenhouse Gas Emissions Targets

The City argues that information related to the region’s greenhouse gas (GHG) emissions targets provided by the California Air Resource’s Board (CARB) has not been adequately considered. In late 2017, CARB published California’s 2017 Climate Change Scoping Plan (Scoping Plan) which proposes to strengthen major programs related to climate impacts and further integrate efforts to reduce both GHG emissions and air pollution. Building on Senate Bill 743, the Scoping Plan outlines high-level objectives and goals to reduce GHG emissions in the transportation sector, including land use changes and reduction in vehicle miles traveled (VMT). The Scoping Plan notes:

“While most of the GHG reductions from the transportation sector in this Scoping Plan will come from technologies and low carbon fuels, a reduction in the growth of VMT is also needed. VMT reductions are necessary to achieve the 2030 target and must be part of any strategy evaluated in this Plan. Stronger SB 375 GHG reduction targets will enable the State to make significant progress toward this goal, but alone will not provide all of the VMT growth reductions that will be needed. There is a gap between what SB 375 can provide and what is needed to meet the State’s 2030 and 2050 goals” (Scoping Plan, p. 75).

CARB's discussion addresses land use patterns and secondary emissions caused by the vehicle manufacturing industry, demand for new infrastructure, and demand for maintenance and upkeep of existing infrastructure related to population growth:

"As California's population continues to increase, land use patterns will directly impact GHG emissions from the transportation sector, as well as those associated with the conversion and development of previously undeveloped land. Specifically, where and how the State population grows will have implications on distances traveled and tailpipe emissions; as well as on secondary emissions from the transportation sector, including emissions from vehicle manufacturing and distribution, fuel refining and distribution, demand for new infrastructure (including roads, transit, and active transportation infrastructure), demand for maintenance and upkeep of existing infrastructure. Conversion of natural and working lands further affects emissions, with the attendant impacts to food security, watershed health, and ecosystems. Less dense development also demands higher energy and water use. With the exception of VMT reductions, none of these secondary emissions are currently accounted for in the GHG models used in this Scoping Plan, but are nonetheless important considerations. Additionally, compact, lower-VMT future development patterns are essential to achieving public health, equity, economic, and conservation goals, which are also not modeled but are important co-benefits of the overall transportation sector strategy. For example, high-speed rail station locations were identified in downtown areas to reinforce existing city centers" (Scoping Plan, p. 77).

Among CARB's Vibrant Communities and Landscapes / VMT Reduction Goals identified to reduce GHG emissions from the transportation sector are the following:

- Promote all feasible policies to reduce VMT, including:
 - Land use and community design that reduce VMT,
 - Transit oriented development,
 - Complete street design policies that prioritize transit, biking, and walking, and
 - Increasing low carbon mobility choices, including improved access to viable and affordable public transportation and active transportation opportunities.
- Increase the number, safety, connectivity, and attractiveness of biking and walking facilities to increase use.
- Promote shared-use mobility, such as bike sharing, car sharing and ride-sourcing services to bridge the "first mile, last mile" gap between commuters' transit stops and their destinations.
- Continue research and development on transportation system infrastructure, including:
 - Integrate frameworks for lifecycle analysis of GHG emissions with life-cycle costs for pavement and large infrastructure projects, and
 - Health benefits and costs savings from shifting from driving to walking, bicycling, and transit use.
- Quadruple the proportion of trips taken by foot by 2030 (from a baseline of the 2010–2012 California Household Travel Survey).
- Strive for a nine-fold increase in the proportion of trips taken by bicycle by 2030 (from a baseline of the 2010–2012 California Household Travel Survey).
- Strive, in passenger rail hubs, for a transit mode share of between 10 percent and 50 percent, and for a walk and bike mode share of between 10 percent and 15 percent (Scoping Plan, p.76).

The Scoping Plan goes on to state that “compact, lower-VMT future development patterns are essential to achieving public health, equity, economic, and conservation goals, which are [] not modeled but are important co-benefits of the overall transportation sector strategy” (Scoping Plan, p. 77). Because the draft allocation encourages the development of housing near jobs and transit, it will provide the region’s residents with opportunities to live where they work and readily access transit, which can facilitate shorter commutes, reduce vehicle miles traveled, and increase trip-taking by transit or alternative modes.

Furthermore, while the City has presented some 2010 Census data, the City has failed to submit a specific revision to the allocation or any supporting documentation or alternative data concerning GHG emissions targets. Because a specific revision was not requested and no documentation was submitted, SANDAG cannot determine whether this request is based on comparable data for all affected jurisdictions and accepted planning methodology, and cannot determine whether the revision is necessary to further the statutory objectives.

B. Statutory Objectives in Section 65584(d)

1. Section 65584(d)(1): Increase Housing Supply

Section 65584(d)(1) states:

The regional housing needs allocation plan shall further all of the following objectives:

(1) Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low income households.

In its appeal, the City notes that the methodology does not consider “financial viability” of land and states that “financial assistance is severely lacking to assist cities in offsetting development costs” (City Appeal, p. 7). Neither financial viability of land nor financial assistance are factors for consideration in allocating the regional housing need under state law. In fact, in 2018 state legislation removed “[t]he market demand for housing” as a factor for consideration, and beginning in 2018, HCD introduced state funding programs to assist local jurisdictions with housing production in recognition of challenges arising from the statewide housing crisis. Notwithstanding, the economic arguments raised by the City do not support a ground for appeal.

Consistent with this statutory objective, the draft allocation distributes housing units in all four income categories to each of the region’s 19 jurisdictions. The draft allocation does so equitably, ensuring each jurisdiction receives an allocation for low- and very low income units, and further, allocating a higher share of low- and very low income units to jurisdictions that currently have a smaller share of low- and very low income households than the regional share. Because state law requires jurisdictions to zone at higher densities to accommodate their low- and very low income housing allocations, the mix of housing types will also increase.

2. Section 65584(d)(2): Promote Infill Development

Section 65584(d)(2) requires that the RHNA Plan further the following objective:

(2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas

reductions targets provided by the State Air Resources Board pursuant to Section 65080.

The City argues that the draft allocation would require violation of the Coastal Act. As mentioned above, Coastal Commission Executive Director Jack Ainsworth was recently quoted in a Union Tribune article stating that “[o]ver the past year or so, the Commission has demonstrated our commitment to increasing housing density through individual permitting actions and our local coastal program planning efforts with local governments.” As such, it is unclear how the draft allocation would require the City to violate the Coastal Act.

Also, SANDAG “may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under the alternative zoning ordinances and land use restrictions.” (See Section 65584.04 (e)(2)(B)). And as described above, HCD noted in its letter dated November 1, 2019 (p. 1-2) that “[p]articularly relevant to supporting infill development and climate change goals is the fact that this methodology does not consider land capacity or vacant land as a determinant of RHNA, and instead focuses on where housing is needed to encourage transit ridership and reduced commutes.”

The City also argues that the draft allocation fails to promote infill development because “[u]nits should be allocated to jurisdictions that are not overly built out.” (City’s Appeal, p. 8). It asserts that “[b]y failing to consider the City’s inability to absorb the units it was allocated, the allocation is flawed.” (City’s Appeal, p. 8). Again, SANDAG “may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under the alternative zoning ordinances and land use restrictions.” See Section 65584.04 (e)(2)(B). To the extent the City may be referring to the 5th Cycle RHNA methodology, which was based on general plan capacities, it is important to note that the 6th Cycle used a completely different methodology. The 6th Cycle methodology and its draft allocation address the statutory objectives set forth by the Legislature by encouraging housing development near jobs and transit, which will provide the region’s residents with opportunities to live where they work and readily access transit.

Consistent with this statutory objective, by prioritizing transit (and jobs), the methodology encourages efficient development patterns and reduces GHG emissions. An allocation based on transit and jobs will lead to more infill development while protecting natural resources and open space (See Final Methodology, p. 11). Additionally, placing residents near jobs and transit is consistent with CARB’s identified policy goals and guidance detailed in the CARB’s Scoping Plan, which is discussed in more detail above.

3. Section 65584(d)(3): Promote Jobs Housing Relationship

Section 65584(d)(3) requires that the regional housing needs allocation plan further the following objective:

- (3) Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.

The City argues that the draft allocation undermines this statutory objective because “the methodology fails to include the number of low-wage jobs in a jurisdiction and compare it to the ratio of low-wage housing.” The statutory objective does not require this. In developing the

methodology, SANDAG conducted an analysis of the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction. The analysis showed that the number of low-wage jobs far exceeds the number of existing housing units affordable to low-wage workers in every jurisdiction in the region. Therefore, allocation of low and very low income housing units to all jurisdictions in the region would improve the balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers consistent with this statutory objective.

In addition, the City questions the percentages given as weighting to the jobs and transit components of the methodology and asserts that “the percentages appear to have been taken out of thin air” (City’s Appeal, p. 9). However, members of the Board, the RHNA Subcommittee and the TWG participated in substantive discussion considering the relative weighting of jobs compared to transit at the following public meetings:

- April 3, 2019, TWG Meeting – Working group members and public attendees broke out into small groups and used laptops provided by staff to test different weightings of the components in the methodology. Following the breakout, two working group members specifically discussed giving equal or greater weight to the jobs component.
- April 26, 2019, RHNA Subcommittee Meeting – Six subcommittee members and an additional elected official participated in a discussion of the relative weighting of the jobs and transit component. The Subcommittee received comments from three TWG working group members about the relative weighting of the jobs and transit component. These comments were included in the meeting agenda and discussed aloud at the meeting.
- May 9, 2019, TWG Meeting - Three working group members discussed the relative weighting of the jobs and transit component.
- May 24, 2019, RHNA Subcommittee Meeting – One public speaker discussed the relative weighting of the jobs and transit component.
- June 6, 2019, TWG Meeting – Four working group members discussed the relative weighting of the jobs and transit component.
- June 27, 2019, TWG Meeting – One working group member discussed the relative weighting of the jobs and transit component.
- July 26, 2019, Board Meeting – One public speaker and two Board members discussed the relative weighting of the jobs and transit component. These two Board members requested that staff provide information on an estimated allocation based on equal weighting (50-50) to the transit and jobs component. This supplemental information was provided directly to the Board and made available on the SANDAG website.
- September 6, 2019, Board Meeting – Four public speakers and three Board members discussed the relative weighting of the jobs and transit component.

Again, the City has failed to submit with its appeal a specific revision to the allocation or any supporting documentation or alternative data concerning the jobs component or its weighting. Because a specific revision was not requested and no documentation was submitted, SANDAG cannot determine whether this request is based on comparable data for all affected jurisdictions and accepted planning methodology, and cannot determine whether the revision is necessary to further the statutory objectives.

The City also questions the priority given to rail and *Rapid* stations over major transit stops, and asserts that the methodology should assign housing units based on all bus stops⁹ in the region, rather than major transit stops. The weighting of the transit subcomponents and the use of major transit stops as one of the subcomponents was not arbitrary; it is the direct result of substantive consideration at the following public meetings:

- March 22, 2019, RHNA Subcommittee Meeting – Five subcommittee members discussed definitions used in the transit component and the relative weighting of the transit subcomponents for nearly 1 hour
- April 3, 2019, TWG Meeting – Three working group member discussed definitions used in the transit component and the weighting of the transit subcomponents
- April 26, 2019, RHNA Subcommittee Meeting – Four subcommittee members discussed definitions used in the transit component. The Subcommittee received comments from three TWG working group members about the relative weighting of the transit subcomponents – one of these comments specifically discusses giving equal weight to the transit subcomponents. These comments were included in the meeting agenda and discussed aloud at the meeting.
- May 24, 2019, RHNA Subcommittee Meeting – Three subcommittee members discussed definitions used in the transit component
- June 6, 2019, TWG Meeting – Three working group member discussed definitions used in the transit component and one working group member discussed the relative weighting of the transit subcomponents
- June 27, 2019, TWG Meeting – Three working group member discussed definitions used in the transit component
- July 26, 2019, Board Meeting – Two public speakers and four Board members discussed definitions used in the transit component
- September 6, 2019, Board Meeting – Three public speakers and three Board members discussed definitions used in the transit component. The Board rejected a motion to exchange the major transit stops dataset used in the draft methodology with the high-frequency transit dataset.

Ultimately, rail and *Rapid* stations were more heavily weighted to reflect the significant investment the region has made to build and improve rail lines and *Rapid* routes, as well as the permanency of rail lines and *Rapid* routes relative to local bus service. Additionally, rail and *Rapid* routes have higher capacities and are among the more popular transportation services in the region.

Moreover, state law incentivizes development near a major transit stop by providing a qualifying project with the option for CEQA streamlining.¹⁰ Contrary to the City's claim, projects near major transit stops are specifically encouraged as infill opportunities. This distinguishes major transit stops from other definitions of transit in a way that furthers the statutory objective to promote

⁹ The City states that "minimizing changes in MTS locations would also help the region achieve GHG emission targets" (City's Appeal, p. 9). It is important to note that the Metropolitan Transit System (MTS) has a robust process for evaluating and adjusting existing transit services to improve performance. Specific to major service changes, including the significant realignment of a route, changes in scheduled headways, and subarea restructuring, MTS requires a public hearing and a Title VI analysis prior to the MTS Board of Directors making a final implementation decision. See MTS Policies and Procedures, No. 42 (https://www.sdmts.com/sites/default/files/policy.42.transit_service_eval_and_adjustment.pdf).

¹⁰ Public Resources Code 21099 and California Code of Regulations 15064.3(b)(1), 15182(b)(1)(A), and Appendix M.

infill development and was a primary reason in recommending the use of major transit stops to the Board.

The City eventually states that a “better” regional balance could be achieved by allocating units in the transit component based on all bus stops, or alternatively, by 50% of the units being allocated to rail and *Rapid* and 50% to major transit stops. Its appeal, however, fails to demonstrate how either approach would be necessary to further the intent of the statutory objectives.

C. Significant and Unforeseen Change in Circumstances

The City also submitted letters during the comment period requesting that SANDAG consider a new California Department of Finance (DOF) population projection released in January 2020. A prior DOF population projection was used by HCD in developing the RHNA Determination. On February 6, 2020, SANDAG staff discussed the new DOF population projection with HCD to determine how it might affect the 6th Cycle RHNA. HCD stated that the RHNA statutes do not provide a process for revising a RHNA Determination once it is final. Section 65584.01(a) provides that “[t]he department’s determination shall be based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments.” The final RHNA Determination is produced by HCD based on the data available during the consultation process pursuant to Section 65584.01 and is not revised for either increased or decreased population estimates subsequently released. As such, SANDAG finds that the new DOF population projection does not constitute a “significant or unforeseen change in circumstances [that] has occurred in the local jurisdiction or jurisdictions . . .” See Section 65584.05(b)(3).

V. Conclusion

The City requests that SANDAG modify the draft allocation by reducing the allocation by 55% for small jurisdictions and reallocating those units to those jurisdictions whose proposed allocation is less than the Cycle 5 RHNA allocation¹¹. While not specifically included in the paragraph titled “Solana Beach’s Request for Modified Allocations” on page 10 of City’s appeal, SANDAG also has considered City’s requests to (a) adjust the allocation based on different jobs data or different jobs component weighting, (b) adjust the allocation based on a transit shed around train stations in the region, (c) adjust the allocation in the transit component based on all bus stops, or alternatively, by 50% of the units being allocated to rail and *Rapid* and 50% to major transit stops, (d) adjust the allocation to accommodate the City’s existing zoning and Local Coastal Program, (e) adjust the allocation to accommodate units for cities with college and university campuses, and (f) adjust the allocation to accommodate units for cities with farmworker jobs.

Based on the discussion above, SANDAG finds that the revisions requested are not necessary to further the objectives listed in Section 65584(d) and rejects the requests for a revised share of the regional housing need in the City’s appeal.

¹¹ It is important to note that Section 65584.04(g) prohibits SANDAG from considering prior underproduction of housing in a city or county from the previous regional housing need allocation in determining a jurisdiction’s share of the regional housing need.



STAFF REPORT CITY OF SOLANA BEACH

TO: Honorable Mayor and City Councilmembers
FROM: Gregory Wade, City Manager
MEETING DATE: April 8, 2020
ORIGINATING DEPT: City Manager's Office/City Attorney's Office
SUBJECT: Adoption of (2nd Reading) Ordinance 513 Adding Chapter 6.18 to the Solana Beach Municipal Code to Prohibit the Sale and Distribution of Flavored Tobacco Products

BACKGROUND:

On February 26, 2020, the City Council introduced Ordinance 513 which would prohibit the sale and distribution of flavored tobacco products in the City. This item is before the City Council for the second reading and adoption of Ordinance 513.

DISCUSSION:

Despite progress in reducing smoking, tobacco use is still the leading cause of preventable death in the United States. Tobacco kills more than 480,000 people in this country annually. Smoking, and now vaping, continues to be a public health crisis.

Flavored tobacco products have become increasingly popular and are sold for cigars, cigarillos, smokeless tobacco, shisha or hookah tobacco, and liquid nicotine solutions used in electronic cigarettes (e-cigarettes). E-cigarettes are extremely popular among the youth. There were 1.5 million more youth e-cigarette users in 2019 than 2018, and those who were using e-cigarettes were using more often. Frequent use of e-cigarettes increased from 20% in 2017 to 28% in 2018 among current high school e-cigarette users. The FDA has reported, according to a 2013-2014 survey, 81% of youth e-cigarette users cited the availability of appealing flavors as the primary reason for use.

The widespread use of flavored tobacco products and e-cigarettes by youth has significant public health consequences. Nicotine exposure during adolescence can impact learning, memory, and attention. Using nicotine in adolescence can also increase risk for future addiction to other drugs. In addition, there is a growing body of research

COUNCIL ACTION:

concluding that there are significant health risks associated with e-cigarette use. For example, daily e-cigarette use is associated with increased odds of a heart attack. And the American Lung Association has warned that the inhalation of harmful chemicals through vaping may cause irreversible lung damage and lung disease.

Currently, the e-cigarette device market is largely unregulated; however, on January 2, 2020, the FDA issued a policy prioritizing enforcement against certain unauthorized flavored e-cigarette products including fruit, candy, mint and dessert flavors from small, cartridge-based e-cigarettes. But menthol and tobacco-flavored e-cigarettes will be allowed to remain on the market. The FDA flavor ban will also entirely exempt large, tank-based vaping devices. Importantly, the policy still permits all flavors to continue to be sold in devices that cannot be refilled and are designed to be disposed of after the flavored nicotine has run dry. This is causing youth users to simply switch to disposable e-cigarettes.

The State has banned the sale of e-cigarettes to persons under the age of 21, with the exception of active duty military personnel who must be at least 18 (see Bus. & Prof. Code secs. 22958, 22963). California also requires electronic cigarette cartridges and solutions to be sold in child-resistant packaging. (Health & Safety Code sec. 119406(a).) Cities and counties are also attempting to regulate the use and distribution of e-cigarettes products and cities have been granted the authority for such regulations which can be more restrictive than state law. (Gov. Code sec. 7597; Bus. & Prof. Code 22962.)

[DK1]

At the current time, the City of Solana Beach prohibits smoking and the use of e-cigarettes in certain locations in the City. The draft ordinance proposes to prohibit the sale and distribution of flavored tobacco products including those used with e-cigarettes which are used much more frequently by youth. The prohibition on the sale of flavored tobacco products, including menthol cigarettes and chewing tobacco, would go into effect six months after the effective date of this ordinance.

CEQA COMPLIANCE STATEMENT:

The adoption of this ordinance will not have a significant adverse effect on the environment because the ordinance only prohibits the sale and distribution of flavored tobacco products. It is therefore exempt from California Environmental Quality Act review pursuant to Title 14, Section 15061(b)(3) of the California Code of Regulations.

FISCAL IMPACT:

There is no fiscal impact as a result of this item.

OPTIONS:

- Adopt Ordinance 513 adding Chapter 6.18 to the Solana Beach Municipal Code to Prohibit the Sale of Flavored Tobacco Products.


- Provide direction.

DEPARTMENT RECOMMENDATION:

Staff recommends the City Council adopt Ordinance 513 adding Chapter 6.18 to the Solana Beach Municipal Code to prohibit the sale and distribution of flavored tobacco products.

CITY MANAGER'S RECOMMENDATION:

Approve Department Recommendation.



Gregory Wade, City Manager

Attachments:

1. Ordinance 513

ORDINANCE 513

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, ADDING CHAPTER 6.18 TO THE SOLANA BEACH MUNICIPAL CODE TO PROHIBIT THE SALE AND DISTRIBUTION OF FLAVORED TOBACCO PRODUCTS

WHEREAS, tobacco use remains the leading cause of preventable death in the United States, killing more than 480,000 people each year. It causes or contributes to many forms of cancer, as well as heart disease and respiratory diseases, among other health disorders. Tobacco use remains a public health crisis of the first order, in terms of the human suffering and loss of life it causes, the financial costs it imposes on society, and the burdens it places on our health care system; and

WHEREAS, the National Survey on Drug Use and Health in 2017 found that four-fifths of people who smoke become daily smokers before turning twenty-one. Developing adolescent brains are especially vulnerable to the effects of nicotine; and

WHEREAS, flavored tobacco products have also become increasingly popular and are sold for cigars, cigarillos, smokeless tobacco, shisha or hookah tobacco, and liquid nicotine solutions used in e-cigarettes. They come in a variety of flavors such as chocolate, berry, cherry, apple, wintergreen and peach and are sold in colorful packaging, which can make them especially appealing to young people; and

WHEREAS, e-cigarettes entered the marketplace around 2007, and since 2014, they have been the most commonly used tobacco product among youth in the United States and include flavors that are appealing to youth; and

WHEREAS, according to the Centers for Disease Control and Prevention (“CDC”), the number of middle and high school students who reported being current users of tobacco products increased 36%— from 3.6 million to 4.9 million students—between 2017 and 2018. This dramatic increase, which has erased past progress in reducing youth tobacco use, is directly attributable to a nationwide surge in e-cigarette use by adolescents; and

WHEREAS, the FDA has reported, according to a 2013-2014 survey, 81% of youth e-cigarette users cited the availability of appealing flavors as the primary reason for use; and

WHEREAS, the widespread use of flavored tobacco products and e-cigarettes by youth has significant public health consequences. As stated by the Surgeon General, “Most e-cigarettes contain nicotine – the addictive drug in regular cigarettes, cigars and other tobacco products. Nicotine exposure during adolescence can harm the developing brain – which continues to develop until about age 25. Nicotine exposure during adolescence can impact learning, memory, and attention. Using nicotine in adolescence can also increase risk for future addiction to other drugs. In addition to nicotine, the aerosol that users inhale and exhale from e-cigarettes can potentially expose both themselves and bystanders to other harmful substances, including heavy metals, volatile organic compounds, and ultrafine particles that can be inhaled deeply into the lungs”; and

WHEREAS, there is a growing body of research concluding that there are significant health risks associated with e-cigarette use. For example, daily e-cigarette use is associated with increased odds of a heart attack. The American Lung Association has warned that the

inhalation of harmful chemicals through vaping may cause irreversible lung damage and lung disease; and

WHEREAS, on August 30, 2019, the CDC released a health advisory on a multistate outbreak of severe pulmonary disease associated with using e-cigarette products. The CDC report 215 possible cases of severe pulmonary diseases have been reported from 25 states and additional reports of pulmonary illness are under investigation. Some of these cases of severe pulmonary diseases have resulted in death; and

WHEREAS, on August 27, 2019 the California Department of Public Health issued a Health Alert for “Vaping-Associated Pulmonary Injury” stating 36 cases of vaping-associated pulmonary injury requiring hospitalization have been reported to the California Department of Public Health since June; and

WHEREAS, the City of Solana Beach wishes to address what appears from the evidence to be a major public health crisis and protect its youth;

NOW, THEREFORE, the City Council of the City of Solana Beach hereby ordains as follows:

Section 1. All of the above statements are true and correct and incorporated herein as findings.

Section 2. Chapter 6.18 is added to the Solana Beach Municipal Code to read as follows:

6.18 REGULATION OF THE SALE AND DISTRIBUTION OF FLAVORED TOBACCO PRODUCTS

6.18.010 Purpose

The City Council recognizes the inherent danger of tobacco products and that the use of tobacco products has devastating health and economic consequences. The City Council further recognizes that tobacco use is the leading cause of preventable illness and death in the United States, and that tobacco product use is started and established primarily during adolescence.

Allowing flavored tobacco products to be sold in the City increases access to these harmful and dangerous products. To that end, no flavored tobacco products shall be sold in the City except as specifically enumerated below.

6.18.020 Definitions.

For purposes of this chapter, the following definitions shall apply:

“Characterizing flavor” means a distinguishable taste or aroma or both, other than the taste or aroma of tobacco, imparted by a Tobacco Product or any byproduct produced by the Tobacco Product. Characterizing Flavors include, but are not limited to, tastes or aromas relating to any fruit, chocolate, vanilla, honey, candy, cocoa, dessert, alcoholic beverage, menthol, mint, wintergreen, herb, or spice. A Tobacco Product shall not be determined to have a Characterizing Flavor solely because of the use of additives or flavorings or the provision of ingredient information. Rather, it is the presence of a Distinguishable taste or aroma or both, as described in the first sentence of this definition, that constitutes a Characterizing Flavor.

“Distinguishable” means perceivable by either the sense of smell or taste.

“Distribute” or “Distribution” means the transfer, by any person other than a common carrier, of a Tobacco Product at any point from the place of manufacture or thereafter to the person who sells the tobacco product to an individual for personal consumption.

“Electronic Cigarette” has the meaning set forth in Section 30121 of the California Revenue and Taxation Code, as may be amended from time to time.

“Flavored Tobacco Product” means any Tobacco Product that imparts a Characterizing Flavor. A public statement or claim made or disseminated by the manufacturer of a Tobacco Product, or by any person authorized or permitted by the manufacturer to make or disseminate public statements concerning such Tobacco Product, that such Tobacco Product has or produces a Characterizing Flavor shall constitute presumptive evidence that the Tobacco Product is a flavored Tobacco Product.

“Sell,” “Sale,” and “to Sell” mean any transaction where, for any consideration, ownership of a Tobacco Product is transferred from one person to another, including but not limited to any transfer or title or possession for consideration, exchange, or barter, in any manner or by any means.

“Tobacco Product” means any tobacco cigarette, electronic cigarette cartridge, cigar, pipe tobacco, smokeless tobacco, snuff or any other form of tobacco which may be utilized for smoking, chewing, inhaling, vaping or other manner of ingestion.

6.18.030 Prohibition on Sale or Distribution of Flavored Tobacco Products

- A. It is unlawful to Sell or Distribute any Flavored Tobacco Product to a person in Solana Beach.
- B. There shall be a rebuttal presumption that a Tobacco Product, other than a cigarette, is a Flavored Tobacco Product if a manufacturer or any of the manufacturer’s agents or employees, in the course of their agency or employment, has made a statement or claim directed to consumers or to the public that the Tobacco Product has or produces a Characterizing Flavor, including, but not limited to, text, color, and or/images on the product’s labeling or packaging that are used to explicitly or implicitly communicate that the Tobacco Product has a Characterizing Flavor.
- C. This section shall not apply to a product that has been approved by the Food and Drug Administration for sale as a tobacco cessation product or for other therapeutic purposes, where the product is marketed and sold solely for such an approved purpose.

6.18.040 Enforcement.

- A. The city manager, or designee, is authorized to establish regulations and to take any and all actions reasonable and necessary to obtain compliance with this chapter, including, but not limited to, inspecting the premises of any business to verify compliance.
- B. Any person, business or tobacco retailer violating this chapter shall be guilty of an infraction, which shall be punishable by a fine in accordance with Chapters 1.16 or 1.18 of the Solana Beach Municipal Code, or a misdemeanor, which shall be punishable by a fine not exceeding one thousand dollars, or by imprisonment in the County Jail for a

period not exceeding six months or by both such fine and imprisonment. In addition to criminal fines, any person, business or tobacco retailer violating this chapter shall also be subject to civil penalties or administrative fines or both under Chapters 1.16 and 1.18 of the Solana Beach Municipal Code.

- C. The city attorney may seek legal, injunctive, or other equitable relief to enforce this chapter.
- D. Administrative enforcement of this chapter shall proceed pursuant to Chapter 1.18 of the Solana Beach Municipal Code.
- E. Each violation of this chapter shall be considered a separate offense.
- F. The remedies and penalties provided in this section are cumulative and not exclusive, and nothing in this chapter shall preclude any person from pursuing any other remedies provided by law.
- G. Notwithstanding any other provision of this chapter, this chapter may be enforced through any remedy as provided for in this section upon its effective date.

6.18.050 No Conflict with Federal or State Law

Nothing in this chapter shall be interpreted or applied so as to create any requirement, power, or duty that is preempted by federal or state law.

6.18.060 Severability

If any section, subsection, sentence, clause, phrase, or word of this chapter, or any application thereof to any person or circumstance, is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions or applications of this chapter. The City Council declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable..

Section 3. The City Council finds that this Ordinance is exempt from the provisions of the California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) because there is no possibility that the activity in question may have a significant effect on the environment..

Section 4. Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Chapter, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Chapter, or its application to any other person or circumstance. The City Council declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

EFFECTIVE DATE: This Ordinance shall be effective thirty (30) days after its adoption. Within fifteen (15) days after its adoption, the City Clerk of the City of Solana Beach shall cause

this Ordinance to be published pursuant to the provisions of Government Code Section 36933.

INTRODUCED AND FIRST READ at a regular meeting of the City Council of the City of Solana Beach, California, on the 12th day of February, 2020; and

THEREAFTER ADOPTED at a regular meeting of the City Council of the City of Solana Beach, California, on the 8th day of April, 2020, by the following vote:

AYES: Councilmembers –
NOES: Councilmembers –
ABSTAIN: Councilmembers –
ABSENT: Councilmembers –

JEWEL EDSON, Mayor

APPROVED AS TO FORM:

ATTEST:

JOHANNA N. CANLAS, City Attorney

ANGELA IVEY, City Clerk



STAFF REPORT CITY OF SOLANA BEACH

TO: Honorable Mayor and City Councilmembers
FROM: Gregory Wade, City Manager
MEETING DATE: April 8, 2020
ORIGINATING DEPT: City Manager's
SUBJECT: **Council Consideration of Resolution 2020-038 Accepting Designation of Applicant's Agent Resolution and Designating the City Manager, Assistant City Manager and Finance Director as City Authorized Agents for Signing Disaster Recovery Documentation.**

BACKGROUND:

Under federal Public Law 93-288, as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and state law under the California Disaster Assistance Act, City Staff must bring a resolution before the City Council periodically to maintain a current list of authorized signers on file at California Governor's Office of Emergency Services (Cal OES) for the purpose of obtaining certain federal and state financial assistance. Such a resolution authorizes designated City Staff to provide for all matters pertaining to such state and federal disaster assistance the assurances and agreements required.

This item is before the City Council to consider approval of Resolution 2020-038 (Attachment 1) accepting the Designation of Applicant's Agent Resolution and designating the City Manager, Assistant City Manager and Finance Director as City authorized agents for signing disaster recovery documentation.

DISCUSSION:

The City may incur extraordinary expenses during a declared disaster. During an emergency, a disaster can be declared to be a statewide disaster by the California Governor. This declaration will make State financial assistance available under the California Disaster Assistance Act. A disaster can also be declared to be a Presidential disaster by the United States President. This declaration will make Federal financial

COUNCIL ACTION:

assistance available under Public Law 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988.

In order to apply for financial assistance, the City Council must authorize certain Staff to execute the required documentation necessary for financial assistance. This is done by adopting a City Council Resolution and a California Governor's Office of Emergency Services Designation of Subrecipient's Agent Resolution (Cal OES Form 130) designating the authorized Staff.

Cal OES has provided guidance to the City regarding form 130 containing the exact language required in the attached Resolution with clear instructions to provide titles, rather than names of authorized signers. The three authorized signers recommended in the Resolution are the City Manager, Assistant City Manager, and the Finance Director. These three positions have the highest level of financial oversight and will likely be directing the Staff working most closely to the financial recovery efforts in current and future events. Form 130 must be completed, authorized, and returned to Cal OES to satisfy this requirement.

CEQA COMPLIANCE STATEMENT:

Not a project as defined by CEQA.

FISCAL IMPACT:

In order to receive financial assistance for eligible expenditures during a declared disaster, Cal OES form 130 must be on file with the Federal Emergency Management Agency (FEMA) and Cal OES.

WORK PLAN:

N/A

OPTIONS:

- Approve Staff recommendation.
- Approve Staff recommendation with alternative amendments / modifications.

DEPARTMENT RECOMMENDATION:

Staff recommends that the City Council approve Resolution 2020-038:

1. Authorizing the City Manager, Assistant City Manager and the Finance Director to execute applications to the California Governor's Office of Emergency Services for obtaining certain financial assistance and/or state financial assistance in the event of declared disaster (Attachment 1).

2. Authorizing Staff to complete Cal OES Form 130 required by California Governor's Office of Emergency Services to be executed by the governing body of the jurisdiction requesting reimbursement. (Attachment 2).

CITY MANAGER'S RECOMMENDATION:

Approve Department Recommendation.



Gregory Wade, City Manager

Attachments:

1. Resolution 2020-038
2. Cal OES Form 130

RESOLUTION 2020-038

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLANA BEACH, CALIFORNIA, APPROVING THE DESIGNATION OF APPLICANT'S AGENT RESOLUTION FOR NON-STATE AGENCIES AND DESIGNATING THE CITY MANAGER, ASSISTANT CITY MANAGER, AND FINANCE DIRECTOR AS THE CITY'S AUTHORIZED AGENTS.

WHEREAS, the City of Solana Beach, a public entity established under the laws of the State of California, hereby authorizes it's agent(s) to provide to the California Governor's Office of Emergency Services for all matters pertaining to such state disaster assistance the assurances and agreements required.

NOW, THEREFORE, the City Council of the City of Solana Beach, California, does resolve as follows:

1. That the above recitations are true and correct.
2. That the City Manager, Assistant City Manager and the Finance Director, are hereby authorized to execute for and on behalf of the City of Solana Beach, a public entity established under the laws of the State of California, applications and to file them in the California Governor's Office of Emergency Services for the purpose of obtaining certain federal financial assistance under Public Law 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and/or state financial assistance under the California Disaster Assistance Act.

PASSED AND ADOPTED this 8th day of April, at a regular meeting of the City Council of the City of Solana Beach, California by the following vote:

AYES: Councilmembers –
NOES: Councilmembers –
ABSTAIN: Councilmembers –
ABSENT: Councilmembers –

JEWEL EDSON, Mayor

APPROVED AS TO FORM:

ATTEST:

JOHANNA N. CANLAS, City Attorney

ANGELA IVEY, City Clerk

**DESIGNATION OF APPLICANT'S AGENT RESOLUTION
FOR NON-STATE AGENCIES**

BE IT RESOLVED BY THE _____ OF THE _____
(Governing Body) (Name of Applicant)

THAT _____, OR
(Title of Authorized Agent)

_____, OR
(Title of Authorized Agent)

(Title of Authorized Agent)

is hereby authorized to execute for and on behalf of the _____, a public entity
(Name of Applicant)
established under the laws of the State of California, this application and to file it with the California Governor's Office of Emergency Services for the purpose of obtaining certain federal financial assistance under Public Law 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and/or state financial assistance under the California Disaster Assistance Act.

THAT the _____, a public entity established under the laws of the State of California,
(Name of Applicant)
hereby authorizes its agent(s) to provide to the Governor's Office of Emergency Services for all matters pertaining to such state disaster assistance the assurances and agreements required.

Please check the appropriate box below:

- This is a universal resolution and is effective for all open and future disasters up to three (3) years following the date of approval below.
- This is a disaster specific resolution and is effective for only disaster number(s) _____

Passed and approved this _____ day of _____, 20_____

(Name and Title of Governing Body Representative)

(Name and Title of Governing Body Representative)

(Name and Title of Governing Body Representative)

CERTIFICATION

I, _____, duly appointed and _____ of
(Name) (Title)
_____, do hereby certify that the above is a true and correct copy of a
(Name of Applicant)

Resolution passed and approved by the _____ of the _____
(Governing Body) (Name of Applicant)

on the _____ day of _____, 20_____.

(Signature)

(Title)

Cal OES Form 130 Instructions

A Designation of Applicant's Agent Resolution for Non-State Agencies is required of all Applicants to be eligible to receive funding. A new resolution must be submitted if a previously submitted Resolution is older than three (3) years from the last date of approval, is invalid or has not been submitted.

When completing the Cal OES Form 130, Applicants should fill in the blanks on page 1. The blanks are to be filled in as follows:

Resolution Section:

Governing Body: This is the group responsible for appointing and approving the Authorized Agents.

Examples include: Board of Directors, City Council, Board of Supervisors, Board of Education, etc.

Name of Applicant: The public entity established under the laws of the State of California. Examples include: School District, Office of Education, City, County or Non-profit agency that has applied for the grant, such as: City of San Diego, Sacramento County, Burbank Unified School District, Napa County Office of Education, University Southern California.

Authorized Agent: These are the individuals that are authorized by the Governing Body to engage with the Federal Emergency Management Agency and the Governor's Office of Emergency Services regarding grants applied for by the Applicant. There are two ways of completing this section:

1. **Titles Only:** If the Governing Body so chooses, the titles of the Authorized Agents would be entered here, not their names. This allows the document to remain valid (for 3 years) if an Authorized Agent leaves the position and is replaced by another individual in the same title. If "Titles Only" is the chosen method, this document must be accompanied by a cover letter naming the Authorized Agents by name and title. This cover letter can be completed by any authorized person within the agency and does not require the Governing Body's signature.
2. **Names and Titles:** If the Governing Body so chooses, the names **and** titles of the Authorized Agents would be listed. A new Cal OES Form 130 will be required if any of the Authorized Agents are replaced, leave the position listed on the document or their title changes.

Governing Body Representative: These are the names and titles of the approving Board Members.

Examples include: Chairman of the Board, Director, Superintendent, etc. The names and titles **cannot** be one of the designated Authorized Agents, and a minimum of two or more approving board members need to be listed.

Certification Section:

Name and Title: This is the individual that was in attendance and recorded the Resolution creation and approval.

Examples include: City Clerk, Secretary to the Board of Directors, County Clerk, etc. This person **cannot** be one of the designated Authorized Agents or Approving Board Member (if a person holds two positions such as City Manager and Secretary to the Board and the City Manager is to be listed as an Authorized Agent, then the same person holding the Secretary position would sign the document as Secretary to the Board (not City Manager) to eliminate "Self Certification.")



STAFF REPORT CITY OF SOLANA BEACH

TO: Honorable Mayor and City Councilmembers
FROM: Gregory Wade, City Manager
MEETING DATE: April 8, 2020
ORIGINATING DEPT: Finance
SUBJECT: **Budget Impacts from COVID-19**

BACKGROUND:

On March 11, 2020, the World Health Organization (WHO) declared COVID-19, the illness caused by the novel coronavirus, a pandemic, pointing at that time to over 118,000 cases of COVID-19 in over 110 countries and territories around the world and the sustained risk of further global spread. This was preceded by declarations of emergency by both the County of San Diego and State of California on February 14, 2020, and March 4, 2020, respectively, followed by a federal emergency declaration on March 13, 2020, as a result of the threat posed by COVID-19. On Monday, March 16, 2020, the City Manager, acting as the Director of Emergency Services, took action under SBMC Section 2.28.060(A)(1) to proclaim the existence of local emergency conditions within the City of Solana Beach and on March 19, 2020, the City Council adopted Resolution 2020-036 confirming the ratification of that proclamation.

A statewide stay in home order went into effect on Thursday, March 19, 2020, and is in place until further notice. The order requires everyone to stay home except to carry out essential needs including shopping for food, caring for a relative or friend, obtaining necessary health care, or going to an essential job.

The impact of COVID-19 to the national economy has been swift and unprecedented. From an economy where the unemployment rate was at 3.5%, consumer confidence was strong and gross domestic product (GDP) was at two percent or greater for the last three years to a total stop in some sectors of the economy with millions of people losing their jobs in a one month period has not been seen in any previous financial crisis. As a result, on March 27, 2020, the president signed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The \$2 trillion aid package will provide financial aid to families and businesses impacted by the COVID-19 coronavirus pandemic.

The purpose of this Staff Report is to provide an initial analysis of the impacts of COVID-19 to the City's General Fund revenue budgets for FY 2019/20 and FY 2020/21.

COUNCIL ACTION:

DISCUSSION:

Staff has been conducting analyses on the City’s General Fund revenue sources to provide an initial picture of the impacts of COVID-19 to the City’s revenue stream. The adjustments that are provided for each category of revenue is compared to the FY 2019/20 Amended Budget, approved by Council at its February 26, 2020 meeting regarding mid-year adjustments, and to the FY 2020/21 Adopted Budget approved by Council in June 2019.

Sales Tax

Since the FY 2019/20 budget was approved in June 2019, sales tax receipts received by the City averaged 5% more than the expected budget amount received for the two quarters through December 2019. Staff was expecting to recommend to Council sometime in the late spring a budget adjustment to increase sales tax revenue by approximately \$160,000.

However, the given impact to retail businesses resulting from the COVID-19 pandemic, there will obviously be a reduction to the City’s sales tax receipts. Hinderliter, de Llamas & Associates (HdL), the City’s sales tax consultant, has conducted an initial analysis of those anticipated receipts. Based on this analysis, it is estimated that the gains already realized through December 2020, and the additional expected gains through mid-March 2020, will effectively be offset by the losses anticipated during the period from mid-March through June and the City’s overall expected sales tax revenue remain consistent with the FY 2019/20 budget approved by Council in June 2019. It is currently expected that this will result in a net zero impact for the current fiscal year.

For FY 2020/21, HdL is expecting a reduction in sales tax revenue of \$143,400 as compared to the FY 2020/21 Adopted Budget. A summary of the impact to the City’s projected receipts as compared to the Budgets is shown in the following table:

	FY2020				FY2021			
	AMENDED			%	ADOPTED			%
	BUDGET	ADJ	PROJECTED	Reduct	BUDGET	ADJ	PROJECTED	Reduct
Sales and Use Tax	\$ 3,259,200	\$ -	\$ 3,259,200	0%	\$ 3,308,700	\$ (143,400)	\$ 3,165,300	-4%

The largest sales tax reductions are expected in general consumer goods, restaurants and hotels, and fuel and service stations where the average adjustment is a decrease of 27% for the last quarter of the fiscal year. The same sales tax categories will also be impacted in FY 2020/21 for an average decrease of 9%. The only sales tax category that will show an increase is the City’s share of the County and State sales tax pools. Not currently accounted for is the proposed sales tax relief of up to \$50,000 for small business proposed by Governor Newsom on April 2nd. Staff is currently working with HdL to assess this additional impact should it come to fruition.

Transient Occupancy Tax

It is expected that Transient Occupancy Tax (TOT) will decrease by a total of 23% or \$321,000 for FY 2019/20 as compared to the Amended Budget and by a total of 29% or

\$415,600 for FY 2020/21 as compared to the Adopted Budget as shown in the following table:

	FY2020				FY2021			
	AMENDED		PROJECTED	%	ADOPTED		PROJECTED	%
	BUDGET	ADJ			BUDGET	ADJ		
Transient Occupancy Tax - Hotels	\$ 1,000,000	\$ (220,500)	\$ 779,500	-22%	\$ 1,000,000	\$ (266,200)	\$ 733,800	-27%
TOT - Short-term Vacation Rentals	420,000	(100,500)	319,500	-24%	420,000	(149,400)	270,600	-36%
Total TOT	\$ 1,420,000	\$ (321,000)	\$ 1,099,000	-23%	\$ 1,420,000	\$ (415,600)	\$ 1,004,400	-29%

The projected revenue amount for each fiscal year was calculated as follows:

FY 2019/20:

Actual revenue received for July to January 100%

Estimates as compared to historical trends:

February 100%
 March 50%
 April to June 20%

FY 2020/21:

Estimates as compared to historical trends:

July to September 50%
 October to June 80%

In FY 2020/21, the percentage reduction in Short Term Vacation Rental (STVR) TOT is higher than for TOT received from the hotels. Based on historical monthly collection rates for the fiscal year, the City receives 51% of its annual STVR TOT revenue in July to September while for the same period the City receives 32% of its annual hotel TOT revenue. When the estimated 50% reduction for July to September is applied to the TOT estimates, and since the STVR TOT has a higher monthly collection rate for this period, the percentage reduction in STVR revenue is estimated to be higher.

Development Related Revenue

Due to the uncertainty of when the City can begin conducting business again at City Hall, it is expected that development related revenue will also be significantly impacted through the end of FY 2019/20.

During the last recession that began in December 2007, the City realized a 30% reduction in its development related revenues in FY 2008/09 as compared to FY 2007/08. Based on this information, and with the expectation that the economy is most likely headed for a recession at least through the next fiscal year, a 25% reduction in revenues was applied to development related budgeted revenues for FY 2020/21. Based on the above assumptions, development related revenues are projected to decrease 20% or \$300,900 as compared to the Amended Budget for FY 2019/20 and

decrease by 25% or \$263,600 as compared to the Adopted Budget for FY 2020/21 as shown in the following table:

	FY2020				FY2021			
	AMENDED BUDGET	ADJ	PROJECTED	% Reduct	ADOPTED BUDGET	ADJ	PROJECTED	% Reduct
Building/Plumbing/Electrical/ Permits	\$ 281,000	\$ (65,900)	\$ 215,100	-23%	\$ 288,000	\$ (72,000)	\$ 216,000	-25%
Planning and Zoning	284,500	(63,700)	220,800	-22%	189,100	(47,300)	141,800	-25%
Building/Plan Check Fees	565,700	(84,000)	481,700	-15%	226,900	(56,700)	170,200	-25%
Public Facilities Fees	55,000	-	55,000	0%	55,000	(13,800)	41,200	-25%
Engineering Fees	210,000	(34,900)	175,100	-17%	215,300	(53,800)	161,500	-25%
Fire Plan Check Fees	77,900	(52,400)	25,500	-67%	79,800	(20,000)	59,800	-25%
Total Development Related	\$ 1,474,100	\$ (300,900)	\$ 1,173,200	-20%	\$ 1,054,100	\$ (263,600)	\$ 790,500	-25%

Property Tax

Based on expected receipts for FY 2019/20, no adjustment in property tax revenue is anticipated. In California, as required by Proposition 13, the assessed value of existing properties is only allowed to grow by either the California Consumer Price Index or 2 percent, whichever is lower. In December, the State Board of Equalization announced that the inflation rate for the 2019 year was 2.98 percent which will result in the assessed value of existing properties increasing a maximum of 2 percent as required by California law. Besides the two percent increase in assessed valuations, the City's property tax revenues have also been helped by sales of properties that result in increased valuations. Increased property tax valuations from sales of properties during FY 2019/20 will not be fully realized until FY 2020/21. At this time, and based on these factors, it is not expected that a reduction in property tax revenue as compared to the FY 2020/21 Adopted Budget will be needed. If the expected recession continues through the end of FY 2020/21, negative impacts to the City's property tax revenues will be reflected in fiscal years after FY 2020/21.

Business Registration and STVR Permits

Renewals for Business Registration and STVR permits, which is included in the Other Special Permit revenue category, would normally have been mailed out no later than November 2019 for the 2020 renewal year. Due to delays with the implementing the licensing program that is part of the City's TRAKiT software, renewals have still not been sent. It is not expected that the licensing program will be implemented before the end of April, and even if renewals can be sent out before the end of the fiscal year in June, the majority of receipts will be received in the following fiscal year. While this situation would result in a bump in revenue for FY 2020/21, due to the expected downturn in the economy, total business registration and STVR permit revenue is anticipated to decline in FY 2020/21 as shown in the following table.

	FY2020				FY2021			
	AMENDED BUDGET	ADJ	PROJECTED	% Reduct	ADOPTED BUDGET	ADJ	PROJECTED	% Reduct
Business Registration	145,000	(50,000)	95,000	-34%	148,700	(30,000)	118,700	-20%
Other Special Permits	27,000	(3,000)	24,000	-11%	27,000	(2,000)	25,000	-7%
Total Business/STVR Registration	\$ 172,000	\$ (53,000)	\$ 119,000	-31%	\$ 175,700	\$ (32,000)	\$ 143,700	-18%

Other Funds

It is expected that the economic impacts of the COVID-19 pandemic will affect other City funds where revenues are dependent on the economy. These funds would include Gas Tax, SB1 Funding, and TransNet. Staff will be evaluating impacts to these other funds as information becomes available and report them to Council.

General Fund Summary

The General Fund Budgets for FY 2019/20 and FY 2020/21 have been adjusted to reflect impacts of the COVID-19 pandemic and are summarized in the following table with a comparison to the FY 2019/20 Amended Budget and the FY 2020/21 Adopted Budget:

General Fund Summary *
Amended for Economic Conditions - 04/01/20
FY2020 to FY2021

	FY2020				FY2021		
	Adopted	Amended	Adjustments	Projected	Adopted	Adjustments	Proposed
Revenues	\$ 19,357,000	\$ 20,013,100	(674,900)	\$ 19,338,200	\$ 19,827,600	(854,600)	\$ 18,973,000
Salaries & Benefits	8,555,800	8,675,800	-	8,675,800	8,830,800	-	8,830,800
Materials, Supplies, Services	8,554,100	8,936,800	(112,400)	8,824,400	8,759,600	(96,500)	8,663,100
Internal Service	2,031,600	2,031,600	-	2,031,600	2,012,100	-	2,012,100
Total Expenditures	19,141,500	19,644,200	(112,400)	19,531,800	19,602,500	(96,500)	19,506,000
Revenues Over/(Under) Expenditures	215,500	368,900	(562,500)	\$ (193,600)	225,100	(758,100)	\$ (533,000)
Transfers Out							
Debt Service	(151,100)	(151,100)		(151,100)	(151,100)		(151,100)
Total Transfers Out	(151,100)	(151,100)		(151,100)	(151,100)		(151,100)
Net Projected Surplus (Deficit)	\$ 64,400	\$ 217,800	(562,500)	\$ (344,700)	\$ 74,000	\$ (758,100)	\$ (684,100)
Beginning FB 07/01	9,867,226	9,867,226		9,867,226	9,522,526		9,522,526
Ending FB 06/30	9,931,626	10,085,026	(562,500)	9,522,526	9,596,526	(758,100)	8,838,426

* Does not include internal service funds (Risk Management, Workers Compensation, Asset Replacement, Facilities Replacement funds, Real Property Acquisition, Other Post Employment Benefits (OPEB), and Pension Stabilization funds).

The reduction in Materials, Supplies and Services of \$112,400 in FY 2019/20 and \$96,500 in FY 2020/21 reflects expected decreased payments through EsGil, the City's third party building permit plan review and inspection contractor, because of lower building permit and plan check fees anticipated for each fiscal year. EsGil is paid 75% of these building permit services revenues.

As discussed above, the major revenue categories where a reduction in revenues are anticipated are shown in the following table:

	FY2020	FY2021
Sales Tax	\$ -	\$ (143,400)
Transient Occupancy Tax	(321,000)	(415,600)
Development Related	(300,900)	(263,600)
Total	\$ (621,900)	\$ (822,600)

As noted above, prior to the onset of the COVID-19 outbreak, the FY 2019/20 General Fund amended surplus was anticipated to be \$217,800. Our current analysis shows the impact will reduce this surplus by \$562,500 to a \$344,700 projected deficit. Similarly, for FY 2020/21, the anticipated surplus of \$74,000 will be reduced by \$758,100 to a projected \$684,100 budget deficit. This initial analysis reflects a potential \$1,320,600 reduction to our General Fund budget for the remainder of this fiscal year and the next.

Due to the rapidly evolving nature of the economic impacts due to COVID-19, Staff will continue to gather information and provide analysis on how these impacts will affect the City's budget and financial outlook.

CEQA COMPLIANCE STATEMENT:

Analysis of these budget impacts is not a project as defined by CEQA.

FISCAL IMPACT:

Current estimates are that the COVID-19 pandemic will result in an overall reduction to the General Fund Budget over the remainder of this and the next fiscal years of \$1,320,600. Staff is continuing to evaluate these and other possible budget impacts including reductions in Gas Tax, Transnet, SB1 Funding, and possible additional retail sales tax reduction as proposed by Governor Newsom.

WORK PLAN:

N/A

OPTIONS:

- Receive the report.
- Do not accept the report

DEPARTMENT RECOMMENDATION:

Staff recommends that the City Council receive the report and provide direction as necessary to Staff.

CITY MANAGER'S RECOMMENDATION:

Approve Department Recommendation



Gregory Wade, City Manager