



CITY COUNCIL  
HOUSING AUTHORITY AND  
SUCCESSOR AGENCY TO THE EL CAJON  
REDEVELOPMENT AGENCY

Council Chamber  
200 Civic Center Way  
El Cajon, CA 92020

## Agenda

MARCH 22, 2022, 3:00 p.m.

Bill Wells, Mayor

Michelle Metschel, Deputy Mayor

Steve Goble, Councilmember

Gary Kendrick, Councilmember

Phil Ortiz, Councilmember

Graham Mitchell, City Manager

Vince DiMaggio, Assistant City Manager

Morgan Foley, City Attorney

Angela Cortez, City Clerk

**CALL TO ORDER: Mayor Bill Wells**

**ROLL CALL: City Clerk Angela Cortez**

**PLEDGE OF ALLEGIANCE TO FLAG AND MOMENT OF SILENCE**

**POSTINGS:** The City Clerk posted Orders of Adjournment of the March 8, 2022, Meeting and the Agenda of the March 22, 2022, Meeting in accordance to State Law and Council/Authority/Successor Agency to the Redevelopment Agency Policy.

**PRESENTATIONS:**

**AGENDA CHANGES:**

## CONSENT ITEMS:

Consent Items are routine matters enacted by one motion according to the RECOMMENDATION listed below. With the concurrence of the City Council, a Council Member or person in attendance may request discussion of a *Consent Item* at this time.

1. Minutes of the City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency Meeting

RECOMMENDATION:

That the City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency approves Minutes of the March 8, 2022, Meeting of the El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency.

2. Warrants

RECOMMENDATION:

That the City Council approves payment of Warrants as submitted by the Finance Department.

3. Approval of Reading Ordinances by Title Only

RECOMMENDATION:

That the City Council approves the reading by title and waives the reading in full of all Ordinances on the Agenda.

4. Contract Change Order for Traffic Signal System Maintenance, Emergency Repairs, and Related Construction Services, Bid No. 001-20

RECOMMENDATION:

That the City Council adopts the next Resolution, in order to approve the Contract Change Order in the amount of \$60,000 to Southwest Signal Service, Incorporated, for the Traffic Signal System Maintenance, Emergency Repairs, and Related Construction Services contract, Bid No. 001-20, for Fiscal Year 2021-2022.

5. Contract Change Order for Street Light Maintenance, Emergency Repairs, and Related Construction Services, Bid No. 028-18

RECOMMENDATION:

That the City Council adopts the next Resolution, in order, to approve the Contract Change Order in the amount of \$60,000 to CTE, Incorporated, for the Street Light Maintenance, Emergency Repairs, and Related Construction Services contract, Bid No. 028-18, for Fiscal Year 2021-2022.

6. Community Event in the Right-of-Way – Cajon Classic Cruise

**RECOMMENDATION:**

That the City Council approves the use of the public right-of-way for the 2022 “Cajon Classic Cruise” series, subject to conditions.

**PUBLIC COMMENT:**

At this time, any person may address a matter within the jurisdiction of the City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency that is not on the Agenda. Comments relating to items on today’s docket are to be taken at the time the item is heard. State law prohibits discussion or action on items not on the Agenda; however, Council, Authority and Agency Members may briefly respond to statements or questions. An item may be placed on a future Agenda.

**WRITTEN COMMUNICATIONS:**

**PUBLIC HEARINGS:**

7. Microenterprise Home Kitchen Operations - MEHKO

**RECOMMENDATION:**

That the City Council:

1. Opens the public hearing and receives testimony;
2. Closes the public hearing;
3. Moves to INTRODUCE the next ORDINANCE, in order, APPROVING Zoning Code Amendment No. 2022-0001, and amending Title 1; and
4. Requests that the City Clerk read the ORDINANCE by title only.

**ADMINISTRATIVE REPORTS:**

8. Draft Economic Development Strategic Plan

**RECOMMENDATION:**

That the City Council:

1. Provides feedback on the draft plan;
2. Directs staff to make any adjustments and finalize the plan; and
3. Directs staff to make the finalized plan available for public review and return the plan for adoption.

9. Dollar Days Analysis

**RECOMMENDATION:**

That the City Council accepts this report.

10. 2021 General Plan Annual Progress Report

RECOMMENDATION:

That the City Council:

1. Accepts the 2021 General Plan Annual Progress Report; and
2. Directs staff to forward the report to the Governor's Office of Planning and Research (OPR), the State Department of Housing and Community Development (HCD), and the San Diego Association of Governments (SANDAG).

11. Fiscal Year 2021-22 Mid-Year Report and Five-Year Business Plan Update

RECOMMENDATION:

That the City Council:

1. Receives and accepts the Fiscal Year 2021-22 Mid-Year Report and Five-Year Business Plan update;
2. Authorizes the proposed personnel changes detailed in the report; and
3. Increases or modifies Fiscal Year 2021-22 appropriations in the net amount of \$610,000 for additional needs as detailed in the report.

12. One-Year Nurse Navigator Pilot Program

RECOMMENDATION:

That the City Council allocates \$300,000 of General Fund Reserves for a Nurse Navigator Pilot Program.

**COMMISSION REPORTS:**

**ACTIVITIES REPORTS/COMMENTS OF MAYOR WELLS**

SANDAG (San Diego Association of Governments) Board of Directors; SANDAG – Audit Committee, San Diego Division; LAFCO.

13. Council Activity Report

**ACTIVITIES REPORTS/COMMENTS OF COUNCILMEMBERS:**

14. **COUNCILMEMBER STEVE GOBLE**

MTS (Metropolitan Transit System Board); East County Advanced Water Purification Joint Powers Authority Board; Chamber of Commerce – Government Affairs Committee; SANDAG – Board of Directors – Alternate; SANDAG Public Safety Committee – Alternate; METRO Commission/Wastewater JPA – Alternate.

15. **COUNCILMEMBER GARY KENDRICK**

METRO Commission/Wastewater JPA; Heartland Communications; Heartland Fire Training JPA.

16. **DEPUTY MAYOR MICHELLE METSCHEL**  
Harry Griffen Park Joint Steering Committee; Heartland Communications – Alternate;  
Heartland Fire Training JPA – Alternate.
  
17. **COUNCILMEMBER PHIL ORTIZ**  
League of California Cities, San Diego Division; East County Economic Development  
Council; MTS (Metropolitan Transit System Board) – Alternate; East County Advanced  
Water Purification Joint Powers Authority Board – Alternate; Chamber of Commerce –  
Government Affairs Committee – Alternate.

**JOINT COUNCILMEMBER REPORTS:**

**GENERAL INFORMATION ITEMS FOR DISCUSSION:**

**ORDINANCES: FIRST READING**

**ORDINANCES: SECOND READING AND ADOPTION**

18. An Ordinance addressing the use of Electronic Signatures by the City of El Cajon

**RECOMMENDATION:**

That Mayor Wells requests the City Clerk to recite the title.

An Ordinance Adding Chapter 2.50 to Title 2 of the El Cajon Municipal Code  
Authorizing the use of Electronic and Digital Signatures

**CLOSED SESSIONS:**

**ADJOURNMENT: The Adjourned Regular Joint Meeting of the El Cajon City Council/ El  
Cajon Housing Authority/Successor Agency to the El Cajon Redevelopment Agency  
held this 22 day of March 2022, is adjourned to Tuesday, April 12, 2022, at 3:00 p.m.**



City Council  
Agenda Report

Agenda Item 1.

**DATE:** March 22, 2022

**TO:** Honorable Mayor and City Councilmembers

**FROM:** Angela Cortez, City Clerk

**SUBJECT:** Minutes of the City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency Meeting

---

**RECOMMENDATION:**

That the City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency approves Minutes of the March 8, 2022, Meeting of the El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency.

---

Attachments

03-08-22DRAFTminutes - 3PM

# JOINT MEETING OF THE EL CAJON CITY COUNCIL/HOUSING AUTHORITY/SUCCESSOR AGENCY TO THE EL CAJON REDEVELOPMENT AGENCY



## MINUTES

### CITY OF EL CAJON EL CAJON, CALIFORNIA

---

**March 8, 2022**

A Regular Joint Meeting of the El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency, held Tuesday, March 8, 2022, was called to order by Mayor/Chair Bill Wells at 3:01 p.m., in the Council Chambers, 200 Civic Center Way, El Cajon, California.

#### **ROLL CALL**

Council/Agencymembers present: Goble, Kendrick, and Ortiz  
Council/Agencymembers absent: None  
Deputy Mayor/Vice Chair present: Metschel  
Mayor/Chair present: Wells  
Other Officers present: Mitchell, City Manager/Executive Director  
DiMaggio, Assistant City Manager  
Foley, City Attorney/General Counsel  
Cortez, City Clerk/Secretary

**PLEDGE OF ALLEGIANCE TO FLAG led by Mayor Wells and MOMENT OF SILENCE.** (The Courts have concluded that sectarian prayer, as part of City Council Meetings, is not permitted under the Constitution).

**POSTINGS:** The City Clerk posted Orders of Adjournment of the February 22, 2022, meetings and the Agenda of the March 8, 2022, meeting in accordance with State Law and El Cajon City/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency Policy.

**PRESENTATIONS:**

- Annual Dance & Tumbling Recital at the Magnolia
- Human Trafficking Awareness

**AGENDA CHANGES:** None

Mayor Wells acknowledged National Women’s Day, and Deputy Mayor Metschel shared words of encouragement for all women.

**CONSENT ITEMS: (1 – 5)**

**MOTION BY WELLS, SECOND BY KENDRICK, to APPROVE Consent Items 1 to 5.**

**MOTION CARRIED BY UNANIMOUS VOTE.**

1. Minutes of El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency Meetings

Approve Minutes of the February 22, 2022, Meetings of the El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency.

2. Warrants

Approve payment of Warrants as submitted by the Finance Department.

3. Approval of Reading Ordinances by Title only

Approve the reading by title and waives the reading in full of all Ordinances on the Agenda.



**CONSENT ITEMS: (Continued)**

- 4. Award of Bid No. 016-22 – Fire Admin Offices at Public Safety Center Re-Bid
  - 1. Adopt Resolution No. 015-22 to Approve Plans and Specifications for the Fire Admin Offices at Public Safety Center Re-Bid project, Bid No. 016-22;
  - 2. Find the protest submitted by 13Zero3, Inc., dba 13Zero3 Construction (13Zero3) timely but without merit;
  - 3. Find the protests submitted by SAS Construction (SAS) and Firestone Builders, Inc. (FBI), to be untimely and without merit;
  - 4. Find the first through sixth low bidders non-responsive for the reasons set forth in the agenda report; and
  - 5. Adopt Resolution No. 016-22 to Award the bid to the lowest responsive, responsible bidder, SWCS, Inc., in the amount of \$444,470 contingent upon approval of funding.

5. Contract Amendment for Window Repair/Maintenance at City Hall

Adopt Resolution No. 017-22 to increase the contract for the Window Repair/Maintenance at City Hall contract in the not-to-exceed amount of \$14,075.

**PUBLIC COMMENT:** None

**WRITTEN COMMUNICATIONS:** None

**PUBLIC HEARINGS:** None

**ADMINISTRATIVE REPORTS:**

6. Heartland Fire & Rescue Administrative Offices - Project Update

RECOMMENDATION: That the City Council:

- 1. Receives the Heartland Fire Administrative Offices (PS0012) project update;
- 2. Authorizes the appropriation of fund equity, and transfer, of \$220,364 in the City Capital Improvement Program Fund (501); and
- 3. Appropriates \$220,364 of additional funding in the Heartland Fire Administrative Offices (PS0012) project.

**ADMINISTRATIVE REPORTS: (Item 6 – Continued)**

**DISCUSSION**

Associate Engineer, Senan Kachi, provided detailed information of the Item.

No comments were received for the Item.

Discussion ensued among Council and Staff concerning the following:

- Construction and contingency costs; and
- Clarification that the Joint Powers Agreement Cities each cover expenses for office space needed at their respective cities.

**MOTION BY ORTIZ, SECOND BY METSCHEL, to RECEIVE the Heartland Fire Administrative Offices (PS0012) project update; Authorize the appropriation of fund equity, and transfer, of \$220,364 in the City Capital Improvement Program Fund (501); and Appropriate \$220,364 of additional funding in the Heartland Fire Administrative Offices (PS0012) project.**

**MOTION CARRIED BY UNANIMOUS VOTE.**

7. Legislative Update

**DISCUSSION**

Assistant City Manager DiMaggio provided detailed information of the current Assembly and Senate bills of interest to the City.

Councilmember Ortiz commented on AB 481 and how drones are classified as military vehicles.

Councilmember Kendrick expressed concern about SB 519, which legalizes the possession of hallucinogenic drugs, and requested staff to send a letter of opposition on behalf of the City Council to the Governor.

No public comments were received for the Item.

**MOTION BY KENDRICK, SECOND BY METSCHEL, to SEND a letter to the Governor on behalf of the City Council, to oppose Senate Bill 519.**

**MOTION CARRIED BY UNANIMOUS VOTE.**

**ADMINISTRATIVE REPORTS: (Continued)**

- 8. Side Letter Agreement Between the City of El Cajon and the El Cajon Police Officers' Association

**RECOMMENDATION:**

That the City Council adopts the next Resolution, in order, approving a side letter agreement (attached) between the City and the El Cajon Police Officers' Association temporarily modifying Article 5, Section B of the Memorandum of Understanding between the City of El Cajon and the El Cajon Police Officers' Association.

**DISCUSSION**

City Manager Mitchell provided detailed information of the Item.

No comments were received for the Item.

**MOTION BY KENDRICK, SECOND BY ORTIZ, to ADOPT Resolution No. 018-22, approving a side letter agreement between the City and the El Cajon Police Officers' Association temporarily modifying Article 5, Section B of the Memorandum of Understanding between the City of El Cajon and the El Cajon Police Officers' Association.**

**MOTION CARRIED BY UNANIMOUS VOTE.**

**COMMISSION REPORTS:** None

**ACTIVITIES REPORTS/COMMENTS OF MAYOR WELLS:**

SANDAG (San Diego Association of Governments) Board of Directors; SANDAG – Audit Committee, LAFCO.

- 9. Council Activities Report/Comments

Report as submitted.

## ACTIVITIES REPORTS OF COUNCILMEMBERS:

10. COUNCILMEMBER STEVE GOBLE  
MTS (Metropolitan Transit System Board); East County Advanced Water Purification Joint Powers Authority Board; Chamber of Commerce – Government Affairs Committee; SANDAG – Board of Directors – Alternate; SANDAG Public Safety Committee – Alternate; METRO Commission/Wastewater JPA – Alternate.

Council Activities Report/Comments.

In addition to the submitted report, Councilmember Goble shared that the Sleeping Cabin project at Meridian Baptist Church is near completion.

11. COUNCILMEMBER GARY KENDRICK  
METRO Commission/Wastewater JPA; Heartland Communications; Heartland Fire Training JPA.

Council Activities Report/Comments.

In addition to the submitted report, Councilmember Kendrick spoke about the video, produced by the City, that clarifies that the homeless encampments on Magnolia Avenue are in the City of San Diego limits, and not within City of El Cajon boundaries.

12. DEPUTY MAYOR MICHELLE METSCHEL  
Harry Griffen Park Joint Steering Committee; Heartland Communications – Alternate; Heartland Fire Training JPA – Alternate.

Council Activities Report/Comments.

Report as submitted.

13. COUNCILMEMBER PHIL ORTIZ  
League of California Cities, San Diego Division; East County Economic Development Council; MTS (Metropolitan Transit System Board) – Alternate; East County Advanced Water Purification Joint Powers Authority Board – Alternate; Chamber of Commerce – Government Affairs Committee – Alternate.

Council Activities Report/Comments.

Report as submitted.

**JOINT COUNCILMEMBER REPORTS:** None

**GENERAL INFORMATION ITEMS FOR DISCUSSION:** None

**ORDINANCES: FIRST READING**

14. Introduction of Ordinance addressing the use of Electronic Signatures by the City of El Cajon

**RECOMMENDATION:**

That the City Council moves to introduce the next Ordinance, in order, and directs the City Clerk to read the Ordinance by title only.

**DISCUSSION**

No comments were received for the Item.

**MOTION BY ORTIZ, SECOND BY METSCHEL, to INTRODUCE the Ordinance.**

**MOTION CARRIED BY UNANIMOUS VOTE.**

The City Clerk recited the title of the ordinance for a first reading.

AN ORDINANCE ADDING CHAPTER 2.50 TO  
TITLE 2 OF THE EL CAJON MUNICIPAL CODE  
AUTHORIZING THE USE OF  
ELECTRONIC AND DIGITAL SIGNATURES

**ORDINANCES: SECOND READING AND ADOPTION - None**

**CLOSED SESSIONS:**

**RECOMMENDATION:** That the City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency adjourns to Closed Session as follows:

15. Closed Session - Conference with Real Property Negotiators - pursuant to Government Code section 54956.8:

Property: 31.7-acre vacant site at the northwest corner of Weld Boulevard and Cuyamaca Street

Negotiating Parties: Chesnut Properties, LLC; SGCLMC-Weld Investment Company, L.P.

**CLOSED SESSIONS: (Continued)**

City Negotiators: City Manager; Assistant City Manager; City Attorney

Under Negotiation: Price and terms for acquisition of leasehold interest, and for new lease-back to Negotiating Parties

ADJOURNED to Closed Session at 3:59 p.m.

RECONVENED To Open Session at 4:04 p.m.

City Attorney Foley reported the following action:

- No reportable action taken

Councilmember Kendrick acknowledged the public defenders assisting the war against Ukraine.

**Adjournment: Mayor Wells adjourned the Regular Joint Meeting of the El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency held this 8<sup>th</sup> day of March, 2022, at 4:05 p.m., to Tuesday, March 22, 2022, at 3:00 p.m.**

DRAFT

---

ANGELA L. CORTEZ, CMC  
City Clerk/Secretary



City Council  
Agenda Report

**DATE:** March 22, 2022  
**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Yazmin Arellano, Director of Public of Works  
**SUBJECT:** Contract Change Order for Traffic Signal System Maintenance, Emergency Repairs, and Related Construction Services, Bid No. 001-20

---

**RECOMMENDATION:**

That the City Council adopts the next Resolution, in order to approve the Contract Change Order in the amount of \$60,000 to Southwest Signal Service, Incorporated, for the Traffic Signal System Maintenance, Emergency Repairs, and Related Construction Services contract, Bid No. 001-20, for Fiscal Year 2021-2022.

**BACKGROUND:**

The City of El Cajon is the lead agency for a multi-city contract that provides traffic signal system maintenance, emergency repairs, and related construction services for the cities of El Cajon, La Mesa, Lemon Grove, and Santee. The cities have been using a cooperative arrangement for the past twenty-five years in order to receive competitive unit bid prices for this type of work.

Since the beginning of this fiscal year, there have been traffic signal pole and equipment knockdowns that have occurred at eleven (11) different traffic signal controlled intersections due to vehicle collisions. The total material and labor cost to replace these poles and equipment is approximately \$102,000. Staff typically budget approximately \$35,000 to replace traffic signal pole and equipment knockdowns each fiscal year.

The proposed increase of \$60,000 in the traffic signal system maintenance contract of \$230,462.22 would result in a total contract amount of \$290,049.38 (a 26% increase) for the current term. City Council Policy B-4, "Contract Change Orders," requires approval by City Council if the proposed total contract amount exceeds 25% of the original contract price. The 25% increase is considered cumulative over the life of the contract. Funding for this work is included in the Fiscal Year 2021-2022 Public Works Traffic Engineering Program budget.

**CALIFORNIA ENVIRONMENTAL QUALITY ACT:**

This item is statutorily exempt from CEQA.

**FISCAL IMPACT:**

This action would increase the project funds by \$60,000 for this proposed Contract Change Order to complete the work for the remainder of the fiscal year.

Prepared By: Mario Sanchez, City Engineer

Reviewed By: Yazmin Arellano, Director of Public Works

Approved By: Graham Mitchell, City Manager

---

**Attachments**

Resolution



RESOLUTION NO. \_\_\_\_-22

A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF EL CAJON APPROVING CONTRACT CHANGE ORDER  
AND APPROPRIATION OF ADDITIONAL FUNDS FOR  
TRAFFIC SIGNAL SYSTEM MAINTENANCE, EMERGENCY REPAIRS,  
AND RELATED CONSTRUCTION SERVICES  
(Bid 001-20)

WHEREAS, the City of El Cajon ("the City") is the lead agency for a multi-city contract with Southwest Traffic Signal Service, Inc. (the "Contractor") that provides traffic signal system maintenance, emergency repairs, and related construction services for the cities of El Cajon, La Mesa, Lemon Grove, and Santee (the "Contract"); and

WHEREAS, by that certain Second Amendment to the Public Works Contract between the City of El Cajon and Southwest Traffic Signal, Inc., the parties renewed the Contract for a second renewal term of one (1) year with a not-to-exceed amount of \$230,462.22 for the renewal term of July 1, 2021 through June 30, 2022 (the "2021-22 Limit"); and

WHEREAS, since July 1, 2021, the need for Contractor's services in the City has unexpectedly increased and services are now expected to exceed the 2021-22 Limit before the conclusion of the current Contract term; and

WHEREAS, it is anticipated that an increase to the 2021-22 Limit in the amount of \$60,000.00, for a total Contract amount of \$290,049.38 for the current Contract term, is necessary and appropriate, and requires the approval of the City Council as it exceeds the amount that could be approved by the City Manager under City Council Policy B-4; and

WHEREAS, funding for this work is included in the Fiscal Year 2021-2022 Public Works Traffic Engineering Program budget; and

WHEREAS, the City Council believes it to be in the City's best interest to approve the Contract Change Order and appropriate additional funds in the not-to-exceed amount of \$60,000 for unanticipated additional services from the Contract during the current Contract term.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL CAJON AS FOLLOWS:

1. The above recitals are true and correct, and are the findings of the City Council.
2. The City Council hereby approves a Contract Change Order to provide additional compensation of \$60,000 as requested by staff, for a total not-to-exceed amount of \$290,049.38 during the current Contract term.

3. The City Council hereby authorizes the City Manager to execute such documents, reports, and agreements necessary for the Contract Change Order as described herein.

03/22/22 CC Agenda

Reso – Approve Change Order – Southwest Signal (Traffic Signal Maintenance) 031422



## City Council Agenda Report

Agenda Item 5.

**DATE:** March 22, 2022

**TO:** Honorable Mayor and City Councilmembers

**FROM:** Yazmin Arellano, Director of Public of Works

**SUBJECT:** Contract Change Order for Street Light Maintenance, Emergency Repairs, and Related Construction Services, Bid No. 028-18

---

### RECOMMENDATION:

That the City Council adopts the next Resolution, in order, to approve the Contract Change Order in the amount of \$60,000 to CTE, Incorporated, for the Street Light Maintenance, Emergency Repairs, and Related Construction Services contract, Bid No. 028-18, for Fiscal Year 2021-2022.

### BACKGROUND:

The City of El Cajon is the lead agency for a multi-city contract that provides streetlight system maintenance, emergency repairs, and related construction services for the cities of El Cajon, La Mesa, Lemon Grove, and Santee. The cities have been using a cooperative arrangement for the past twenty-five years to receive competitive unit bid prices for this type of work. In 2019, the Public Works Department added the City's Parks lighting inventory to the Street Light maintenance contract to consolidate similar work into one contract.

Since the beginning of this fiscal year, there have been twelve (12) street light knockdowns due to vehicle collisions. The total material and labor cost to replace these street lights is approximately \$85,000. Staff typically budget roughly \$25,000 to replace street light knockdowns each fiscal year.

The proposed increase of \$60,000.00 in the street light maintenance contract amount of \$151,049.38 would result in a total contract amount of \$211,049.38 (a 39.7% increase) for the current term. City Council Policy B-4, "Contract Change Orders," requires approval by City Council if the proposed total contract amount exceeds 25% of the original contract price. The 25% change increase is considered cumulative over the life of the contract. Funding for this work is included in the Fiscal Year 2021-2022 Public Works Traffic Engineering, Parks Operations, and Transportation Program budget.

### CALIFORNIA ENVIRONMENTAL QUALITY ACT:

This item is statutorily exempt from CEQA.

**FISCAL IMPACT:**

This action would increase the project funds by \$60,000 for this proposed Contract Change Order to complete the work for the remainder of the fiscal year.

Prepared By: Mario Sanchez, City Engineer

Reviewed By: Yazmin Arellano, Director of Public Works

Approved By: Graham Mitchell, City Manager

---

**Attachments**

Resolution

RESOLUTION NO. \_\_\_\_-22

A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF EL CAJON APPROVING CONTRACT CHANGE ORDER  
AND APPROPRIATION OF ADDITIONAL FUNDS FOR  
STREET LIGHT MAINTENANCE, EMERGENCY REPAIRS, AND  
RELATED CONSTRUCTION SERVICES  
(Bid 028-18)

WHEREAS, the City of El Cajon ("the City") is the lead agency for a multi-city contract with C.T.E., Inc. (the "Contractor") that provides streetlight system maintenance, emergency repairs, and related construction services for the cities of El Cajon, La Mesa, Lemon Grove, and Santee (the "Contract"); and

WHEREAS, on September 16, 2021, the not-to-exceed amount of \$151,049.38 (the "2021-22 Limit") was approved for the current Contract term of September 1, 2021 through August 31, 2022; and

WHEREAS, since July 1, 2021, the need for Contractor's services in the City has unexpectedly increased and services are now expected to exceed the 2021-22 Limit before the conclusion of the current Contract term; and

WHEREAS, it is anticipated that an increase to the 2021-22 Limit in the amount of \$60,000.00, for a total Contract amount of \$211,049.38 for the current Contract term, is necessary and appropriate, and requires the approval of the City Council as it exceeds the amount that could be approved by the City Manager under City Council Policy B-4; and

WHEREAS, funding for this work is included in the Fiscal Year 2021-2022 Public Works Traffic Engineering, Parks Operations, and Transportation Program budget; and

WHEREAS, the City Council believes it to be in the City's best interest to approve the Contract Change Order and appropriate additional funds in the not-to-exceed amount of \$60,000 for unanticipated additional services from the Contract during the current Contract term.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL CAJON AS FOLLOWS:

1. The above recitals are true and correct, and are the findings of the City Council.
2. The City Council hereby approves a Contract Change Order to provide additional compensation of \$60,000 as requested by staff, for a total not-to-exceed amount of \$211,049.38 during the current Contract term.

3. The City Council hereby authorizes the City Manager to execute such documents, reports, and agreements necessary for the Contract Change Order as described herein.

03/22/22 CC Agenda  
Reso – Approve Change Order – CTE (Street Light Maintenance) 031022



City Council  
Agenda Report

**DATE:** March 22, 2022  
**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Frank Carson, Director of Parks & Recreation  
**SUBJECT:** Community Event in the Right-of-Way – Cajon Classic Cruise

---

**RECOMMENDATION:**

That the City Council approves the use of the public right-of-way for the 2022 “Cajon Classic Cruise” series, subject to conditions.

**BACKGROUND:**

Downtown El Cajon Business Partners, the management company for the Downtown El Cajon Property-Based Improvement District (PBID), requests approval for the 2022 “Cajon Classic Cruise” car show series. The weekly shows will be held every Wednesday evening from 5:00 to 8:00 p.m., May 4 through October 26, 2022, subject to compliance with the Public Health Officer orders allowing (or conditionally allowing) public gatherings of this size and nature.

The Cajon Classic Cruise events will include amplified music, inflatables, promotional banners, food/merchandise vendors, and informational booths. These events are open to the public with approximately 2,000 attendees anticipated weekly. In accordance with El Cajon Municipal Code Chapter 12.24, staff recommends that City Council approve the use of the public right-of-way for the proposed 2022 “Cajon Classic Cruise” series.

The event is not for the sole purpose of advertising products, goods, or for private profit. Instead, the event will provide a central venue to promote community involvement, City awareness, and public camaraderie. Traffic management has been approved by the City’s Traffic Engineer, which will be coordinated with Public Works staff and Police to ensure a safe and healthy event.

The event has occasionally been used by individuals to exercise their freedom of expression on topics unrelated to the event itself. Staff therefore feels that it is necessary to include provisions within this permit that strike a balance between accommodating the activities directly related to the event, while also providing a designated location within the event boundaries for the expression of Constitutionally-protected speech.

For the 2022 tentative season, organizers are requesting closure of the following streets.

Partial Street Closures (May 4 or first show – October 26, 2022)

2:30 to 10:00 p.m. Sulzfeld Way: North of East Main Street to south of the alley

2:30 to 10:00 p.m. Orange Avenue: South of West Main Street to north of the alley

2:30 to 10:00 p.m. Sunshine Avenue: South of West Main Street to north of the alley

Full Street Closures (June 29 or first show, August 3, September 21 & Oct 26, 2022)

2:30 to 10:00 p.m. Sulzfeld Way: North of East Main Street to south of the alley

2:30 to 10:00 p.m. Orange Avenue: South of West Main Street to north of alley

2:30 to 10:00 p.m. West Main Street: East of Sunshine Avenue to west of Magnolia Avenue

2:30 to 10:00 p.m. East Main Street: East of Magnolia Avenue to west of Claydelle Avenue

Upon approval, the Special Event Committee will notify the Downtown El Cajon Business Partners of the additional conditions to be met which include: approved certificates of insurance, a signed petition from a majority of affected businesses and residents, and any necessary permits or licenses. The applicant must meet with City staff to review all conditions before final approval of event.

#### CALIFORNIA ENVIRONMENTAL QUALITY ACT:

The proposed project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) according to Section 15061 (b)(3) the “General Rule,” which states that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The temporary use of the City’s right-of-way for a community event and the detouring of other modes of transportation within City streets will not have a significant effect on the environment.

#### FISCAL IMPACT:

Applicable fees to be paid by the applicants.

Prepared By:

Reviewed By: Vince DiMaggio, Assistant City Manager

Approved By: Graham Mitchell, City Manager

---





City Council  
Agenda Report

**DATE:** March 22, 2022  
**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Michael Viglione, Senior Planner  
**SUBJECT:** Microenterprise Home Kitchen Operations - MEHKO

---

**RECOMMENDATION:**

That the City Council:

1. Opens the public hearing and receives testimony;
2. Closes the public hearing;
3. Moves to INTRODUCE the next ORDINANCE, in order, APPROVING Zoning Code Amendment No. 2022-0001, and amending Title 1; and
4. Requests that the City Clerk read the ORDINANCE by title only.

**PROJECT DESCRIPTION:**

On January 25, 2022, City Council directed staff to incorporate Microenterprise Home Kitchen Operations (MEHKO) performance standards into the El Cajon Municipal Code (ECMC). The ECMC includes nuisance regulations within Title 1 (General Provisions) and performance standards for residential zones within Title 17 (Zoning), but it does not include specific regulations related to MEHKOs. The proposed changes to the ECMC will allow for the regulation of MEHKOs through Title 1 and Title 17 by defining terms, adding business licensing requirements, and establishing performance standards.

**BACKGROUND:**

Assembly Bills (AB) 626 and 377 allowed the County of San Diego (County) to adopt an ordinance to permit the operation of MEHKOs throughout the County. Where permitted, MEHKOs may prepare and sell food for on-site dining, take-out, or delivery subject to operational standards enforced by the County. The legislation allows a MEHKO to operate in a single-family or multi-family home, whether the owner or renter occupies the residence and includes monetary and daily/weekly meal maximums. On January 12, 2022, the County Board voted unanimously to adopt an ordinance allowing MEHKOs as part of a temporary program for a two-year period.

The temporary MEHKO ordinance approved by the Board applies to all jurisdictions in the County and includes requirements or operational provisions including food safety certificates, food storage areas, potable water, and ongoing testing to be enforced by the County Department of Environmental Health and Quality. Complaints regarding the operation of MEHKOs will be enforced by individual cities, which may choose to utilize existing performance standards or adopt new standards. Violation of a performance standard is considered a nuisance and would be subject to code compliance action.

It is noteworthy to mention that legislation introduced in the State Senate (SB 972, Gonzalez) proposes to remove the monetary and daily/weekly meal maximums for MEHKO operations and would allow MEHKOs to operate a mobile food facility out of a home kitchen (without requirements for commercial equipment or allowances for local zoning regulations). SB 972 must be passed by the Legislature and signed by the Governor in order to become effective.

## DISCUSSION

In order to ensure that performance standards are clear and concise for MEHKOs operating in the City, staff recommends changes to the ECMC Title 1 and Title 17. Title 1 includes current nuisance standards and the proposed amendments will define MEHKO terminology and circumstances that result in a nuisance. Proposed amendments to Title 17 include adding MEHKOs as a permitted land use, requiring a business license, referencing nuisance conditions in Title 1, and requiring building permits for commercial equipment when necessary. The complete content of each definition and standard is available in the proposed ordinance attached to this report. MEHKO operations may not:

- Block or create parking congestion on city streets.
- Store greases in such a manner as to be considered a fire hazard or to attract vermin, whether indoors or outdoors.
- Dispose of greases into the sewer system through a residential drain or toilet.
- Cause a visible build-up of greases inside residential ventilation hoods and shafts, on walls, ceilings, rooftops, or other surfaces in a way that may constitute a fire hazard or attract vermin.
- Create nuisance smoke, odors, or noises in common areas or shared gathering areas.
- Operate an outdoor wood-burning oven or bar-b-que in a manner that may constitute a hazard or attract vermin.
- Store refuse in an unsanitary manner or that which attracts vermin.
- Serve alcoholic beverages without a license from the California Department of Alcoholic Beverage Control, including but not limited to violations of existing alcohol regulations.

## PLANNING COMMISSION RECOMMENDATION:

On March 1, 2022, the Planning Commission held a public hearing to consider the new MEHKO standards in Title 17 only. The Commission discussed the item, and voted 5-0 to adopt Resolution No. 11059, recommending City Council approval of the project.

## FINDINGS:

A. The proposed zoning amendment, including any changes proposed in the various land uses to be authorized, is compatible with the objectives, policies, general land uses, and programs specified in the general plan.

The proposed changes to the Zoning Code further the goals of the General Plan by maintaining the quality of residential neighborhoods. Further, pursuant to Goal 10, the City “shall periodically revise its regulatory codes, ordinances and policies so that they may reflect current, upgraded standards of development and performance.” The proposed Zoning Code changes will clarify MEHKO performance standards and facilitate their consistent and objective application.

B. The proposed zoning amendment is consistent with any applicable specific plan governing development of the subject property.

The proposed Zoning Code amendment is applicable citywide. No zone changes are proposed as part of this project, and thus the proposed changes do not conflict with specific plans.

C. It is in the public necessity and convenience and/or general welfare that the zoning regulations governing the property be changed.

The proposed Zoning Code amendment is applicable citywide and is not property-specific. Further, the proposed changes provide clarity, consistency, and objective standards for MEHKOs to the benefit of both MEHKO operators and residents and thus advances the general welfare of residential neighborhoods within the City.

## CALIFORNIA ENVIRONMENTAL QUALITY ACT:

The proposed Zoning Code Amendment is exempt from the provisions of the California Environmental Quality Act (CEQA) according to the common sense exemption (CEQA Guidelines, section 15061(b)(3)). The common sense exemption applies where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. The proposed amendment does not result in any development or changes to the physical environment and does not raise this project to a level of significance that warrants CEQA analysis .

## PUBLIC NOTICE & INPUT:

Notice of this public hearing was published in the East County Gazette on February 17, 2022 and March 10, 2022 in compliance with Government Code sections 65090, 65091, and 65092, as applicable. Additionally, as a public service, the notice was posted in the kiosk at City Hall and on the City’s website under “Public Hearings/Public Notices.” The notice was also mailed to the two public libraries in the City of El Cajon, located at 201 East Douglas Avenue and 576 Garfield Avenue.

## RECOMMENDATION:

Staff recommends approval of amending Title 1 and Title 17 addressing regulatory changes for MEHKOs and to provide clarity in the application of the ECMC.

Prepared By: Michael Viglione, Senior Planner  
Reviewed By: Anthony Shute, Director of Community Development  
Approved By: Graham Mitchell, City Manager

---

#### Attachments

Draft Ordinance

PC Resolution No. 11059

San Diego County Department of Environmental Health and Quality Microenterprise Home  
Kitchen Operations (MEHKO) FAQs revised 03/09/2022

SB 972

ORDINANCE NO. \_\_\_\_

AN ORDINANCE AMENDING CHAPTER 1.16 OF TITLE 1  
AND CHAPTERS 17.105 AND 17.140 OF TITLE 17, AND ADDING  
CHAPTER 17.225.250 OF TITLE 17 OF THE EL CAJON MUNICIPAL CODE  
REGARDING MICROENTERPRISE HOME KITCHEN OPERATIONS

THE CITY COUNCIL OF THE CITY OF EL CAJON DOES ORDAIN AS  
FOLLOWS:

Section 1. Section 1.16.010 of Chapter 1.16 of Title 1 of the El Cajon Municipal Code is hereby repealed.

Section 2. A new section 1.16.010 is hereby added to Chapter 1.16 of Title 1 of the El Cajon Municipal Code to read as follows:

**1.16.010 Terms defined.**

For the purposes of this chapter:

"Authorized personnel" includes all department heads and designees.

"Owner" includes owners of any interest in the property, including but not limited to, owners, lessees, sublessees, mortgagee in possession, licensee, beneficiaries of deeds of trust on the property, and any person in charge and control of the property.

"Microenterprise home kitchen operation" ("MEHKO") is a restricted food service facility as defined in California Health & Safety Code section 113825.

Section 3. A new section 1.16.025 is hereby added to Chapter 1.16 of Title 1 of the El Cajon Municipal Code to read as follows:

**1.16.025 Nuisance defined – Microenterprise home kitchen operations - MEHKO**

- A. In order to mitigate concerns related to food safety and potential negative impacts on the neighborhoods where microenterprise home kitchen operations have been permitted in the city by the County of San Diego including, without limitation, adverse traffic or parking; excessive noise, odors, fumes, vibrations, food or grease waste disposal; or the existence of vermin related to such operations, and in addition to any nuisance defined elsewhere in this code or under State laws, it shall be deemed a nuisance for any microenterprise home kitchen operation ("MEHKO") to:

1. Directly, through customers, or permitted delivery services, cause blockage or congestion on city rights-of-way such that city agencies are impeded, including, but not limited to maintenance, solid waste, and street sweeping, or that results in repeated neighbor complaints by multiple neighbors, including for parking congestion.
2. Store greases in such a manner as to be considered a fire hazard or is attractive to vermin, whether indoors or outdoors.
3. Dispose of greases into the municipal sewer system through a residential drain or toilet or otherwise in violation of Chapter 13.20 of this code.
4. Cause a visible build-up of greases inside residential ventilation hoods and shafts, on walls, ceilings, rooftops, or other surfaces in a way that may constitute a fire hazard or attract vermin.
5. Create nuisance smoke, odors, or noises in common areas or shared gathering areas including but not limited to violations of Chapter 9.44 of this code, such that multiple neighbors file complaints.
6. Operating an outdoor wood-burning oven or bar-b-que in a manner that may constitute a hazard or attract vermin including but not limited to violations of Chapter 8.04 of this code, such that multiple neighbors file complaints.
7. Storing of refuse in an unsanitary manner or that which attracts vermin.
8. Serving alcoholic beverages without a license from the California Department of Alcoholic Beverage Control, including but not limited to violations of Chapter 17.210 of this code.

- B. Nuisances described in this section may be abated according to Chapter 1.16, State laws, or both.

Section 4. A new section 17.105.020 is hereby added to Chapter 17.105 of Title 17 of the El Cajon Municipal Code to read as follows:

**17.105.020 Definitions.**

"Microenterprise home kitchen operation" ("MEHKO") is a restricted food service facility as defined in California Health & Safety Code section 113825.

Section 5. A new section 17.140.210 is hereby added to Chapter 17.140 of Title 17 of the El Cajon Municipal Code to read as follows:

Residential Zones	PRD	RS-40	RS-20	RS-14	RS-9	RS-6	RM-6000	RM-4300	RM-2500	RM-2200	RM-1450	RM-HR	Notes
<b>Nonresidential Uses (subject to density restrictions)</b>													
Microenterprise home kitchen operation (MEHKO)	P	P	P	P	P	P	P	P	P	P	P	P	17

17. Subject to the provisions of section 1.16.025 (nuisance defined – microenterprise home kitchen operations) and Chapter 17.225.250 (microenterprise home kitchen operations - MEHKO)

Section 6. A new section 17.225.250 is hereby added to Chapter 17.225 of Title 17 of the El Cajon Municipal Code to read as follows:

**17.225.250 Microenterprise home kitchen operations - MEHKO**

- A. The Microenterprise Home Kitchen Operations Ordinance of the county of San Diego, being Chapter 5 of Division 1 of Title 6 of the San Diego County Code of Regulatory Ordinances (sections 61.501 through 61.505) ("County Code Chapter 5"), as adopted by the county of San Diego, is hereby adopted by reference as the regulatory provisions applicable to any microenterprise home kitchen operation ("MEHKO"), permitted by the county of San Diego and operating in the city of El Cajon, to prevent conditions of such facilities, and the mishandling of food prepared, served, sold, or stored in such facilities, from spreading foodborne illnesses, and each and all such regulations, provisions, penalties, conditions and terms of County Code Chapter 5 are referred to, adopted and made a part of this chapter as though fully set out in this chapter, excepting such portions as are added deleted, modified or amended by this chapter. The County Code Chapter is referred to in this chapter as the "Microenterprise Home Kitchen Operations Ordinance," and one copy is on file in the office of the city clerk.
- B. Permit – License.
  - 1. No person shall operate a MEHKO in the city without holding a valid operating permit issued by the County of San Diego Department of Environmental Health and

Quality ("DEHQ"). Application for a permit shall be made upon a form issued by the DEHQ and shall be accompanied by any fees established.

2. No person shall operate a MEHKO without holding a valid business license as required by Chapters 5.04 and 5.08 of this code.
- C. No person shall operate a MEHKO in the city so as to create a nuisance as defined in section 1.16.025 of Chapter 1.16 of this code.
  - D. Commercial grade equipment and/or appliances not intended for residential buildings shall require applicable permits for construction and installation from the City.

Section 7. This ordinance shall go into effect thirty (30) days following its passage and adoption.

03/22/22 CC Agenda – 1<sup>st</sup> Reading  
04/12/22 CC Agenda – 2<sup>nd</sup> Reading

Ord – Amend ECMC Chapter 1.16 & Title 17 Regulating MEHKOs 030122



PLANNING COMMISSION RESOLUTION NO. 11059

A RESOLUTION RECOMMENDING CITY COUNCIL APPROVAL OF ZONING CODE AMENDMENT NO. 2022-0001, AN AMENDMENT TO TITLE 1 AND TITLE 17 OF THE EL CAJON MUNICIPAL CODE FOR MICROENTERPRISE HOME KITCHEN OPERATIONS - MEHKO.

WHEREAS, on January 25, 2022, the City Council directed staff to initiate a Zoning Code amendment to incorporate Microenterprise Home Kitchen Operations (MEHKO) performance standards into the Municipal Code; and,

WHEREAS, on February 25, 2022, an ordinance adopted by the County of San Diego Board of Supervisors became effective, thereby allowing MEHKOs to operate within the City of El Cajon; and,

WHEREAS, the El Cajon Planning Commission duly advertised and held a public hearing on March 1, 2022, to consider an amendment to the Zoning Code to add MEHKO performance and nuisance standards; and,

WHEREAS, at the public hearing the Planning Commission received evidence through public testimony and comment, in the form of verbal and written communications and reports prepared and presented to the Planning Commission, including (but not limited to) evidence such as the following:

A. The proposed Zoning Code Amendment is exempt from the provisions of the California Environmental Quality Act (CEQA) according to the common sense exemption (CEQA Guidelines, section 15061(b)(3)). The common sense exemption applies where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. The proposed amendment does not result in any development or changes to the physical environment and does not raise this project to a level of significance that warrants CEQA analysis. None of the exemption listed under CEQA Guidelines Section 15300.2 exists

B. The proposed changes to the Zoning Code further the goals of the General Plan by maintaining the quality of residential neighborhoods. Further, pursuant to Goal 10, the city "shall periodically revise its regulatory codes, ordinances and policies so that they may reflect current, upgraded standards of development and performance." The proposed Zoning Code changes will clarify MEHKO

performance and nuisance standards and facilitate their consistent and objective application.

C. The proposed zoning code amendment is applicable citywide. No zone changes are proposed as part of this project, and thus the proposed changes do not conflict with specific plans.

D. The proposed Zoning Code amendment is applicable citywide and is not property-specific. Further, the proposed changes provide clarity, consistency, and objective standards for MEHKOs to the benefit of both MEHKO operators and residents and thus advances the general welfare of residential neighborhoods within the City.

WHEREAS, after considering such evidence and facts the Planning Commission did consider Zoning Code Amendment No. 2022-0001 as presented at its meeting; and

WHEREAS, the residential land use tables have been updated to permit MEHKOs in residential zones and reference performance and nuisance standards in Sections 1.16.025 and 17.225.250 of the El Cajon Municipal Code.

NOW, THEREFORE, BE IT RESOLVED by the El Cajon Planning Commission as follows:


Section 1. That the foregoing recitals are true and correct, and are findings of fact of the El Cajon Planning Commission in regard to Zoning Code Amendment No. 2022-0001.

Section 2. That based upon said findings of fact, the El Cajon Planning Commission hereby RECOMMENDS City Council APPROVAL of Zoning Code Amendment No. 2022-0001 included as Exhibit A.

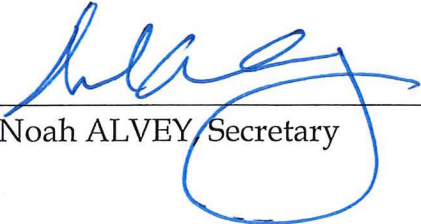
{The remainder of this page is intentionally blank}.

PASSED AND ADOPTED by the El Cajon Planning Commission at a regular meeting held March 1, 2022, by the following vote:

AYES:	CIRCO, MROZ, POLLACK-RUDE, SOTTILE, VALLES
NOES:	NONE
ABSENT:	NONE

  
\_\_\_\_\_  
Anthony SOTTILE, Chair

ATTEST:

  
\_\_\_\_\_  
Noah ALVEY, Secretary



# County of San Diego

## DEPARTMENT OF ENVIRONMENTAL HEALTH AND QUALITY

### FOOD AND HOUSING DIVISION

P.O. BOX 129261, SAN DIEGO, CA 92112-9261  
Phone: (858) 505-6900 | Fax: (858) 999-8920 | [www.sdcdehq.org](http://www.sdcdehq.org)



## Microenterprise Home Kitchen Operation (MEHKO) FAQs

### General Info

#### 1. What does the new law do?

The new law establishes a “microenterprise home kitchen operation”, also referred to as MEHKO, as a new type of retail food facility to be operated by a resident in a private home. The law requires a County to either allow or not allow MEHKOs in their jurisdiction, and the San Diego County Board of Supervisors has authorized a two-year temporary pilot program allowing MEHKOs to operate countywide. The Department of Environmental Health and Quality, Food and Housing Division (DEHQ-FHD) is the local enforcement agency responsible for issuing operating permits to MEHKOs pursuant to California Retail Food Code (CRFC) requirements and ensuring operational compliance.

#### 2. When does the new law go into effect?

The new law was effective January 1, 2019. However, the new law gives the county “full discretion” to authorize the MEHKOs in their jurisdiction. With the recent authorization of MEHKOs within San Diego County, MEHKO operators will be able to submit their application packets to DEHQ-FHD starting on February 25, 2022.

#### 3. What is a Microenterprise Home Kitchen Operation or MEHKO?

A MEHKO is a type of food service, like a mini restaurant, that is operated by a resident in a private home where food is stored, handled, and prepared that may be served to customers. Food must be prepared the day of service and can be eaten onsite or be delivered to the customer by the operator. Food may also be sold through an internet website or a phone-based mobile app belonging to an Internet Food Service Intermediary, but delivery must be by the MEHKOs operator or an employee of the MEHKOs facility. Food products may not be sold to a wholesale or retail facility. Third party delivery apps such as UberEats, Postmates, or GrubHub, etc., cannot be used by a MEHKO unless as provided for in CRFC Section 114367.5.

A MEHKO does not include either of the following:

- A catering operation, as defined in CRFC Section 113739.1.
- A cottage food operation, as defined in CRFC Section 113758.

#### 4. Who is the “local enforcement agency” for MEHKOs in the San Diego region?

The local enforcement agency for retail food facilities, including MEHKOs, in the San Diego region is the County of San Diego Department of Environmental Health and Quality (DEHQ).

#### 5. What is meant by “private home”?

“Private home” means a dwelling, including an apartment or other leased space, where individuals reside. The MEHKO must be conducted within the primary residence. A MEHKO owner cannot have more than one primary residence, and second homes, vacation homes, or motor homes DO NOT qualify as a MEHKO.

#### 6. If a person is renting a private residence/apartment or lives in a Homeowner’s Association (HOA), can they still operate a MEHKO?

A person must check their lease agreement to see if there are any restrictions to operating a home-based business out of the residence/apartment. If you have an HOA, it is advised that you make sure that a MEHKO is allowed by your HOA before applying for a MEHKO health permit.

**7. What is the difference between a MEHKO and a Cottage Food Operation (CFO)?**

A CFO is restricted to preparing and selling only prepackaged, properly labeled, non-potentially hazardous foods that have been approved by the California Department of Public Health (CDPH) (<https://www.cdph.ca.gov/Programs/CEH/DFDCS/CDPH%20Document%20Library/FDB/FoodSafetyProgram/CottageFood/ApprovedCottageFoodsList.pdf>), which may be sold directly or indirectly to the consumer. CFOs may not allow on-site food consumption. A MEHKO is able to prepare and serve potentially hazardous foods and are able to provide onsite dining, pick-up, or delivery options to their customers.

**8. Can a person operate both a CFO and a MEHKO in their residence?**

No, the law does not allow a CFO and a MEHKO in the same residence. The definition of a MEHKO does not include a CFO as provided for in CRFC Section 113825(b).

**9. Can a person operate multiple CFOs or multiple MEHKOs in their residence?**

No. A cottage food operator is an individual who operates a cottage food operation in his or her private home and is the owner (CRFC Section 113758). A MEHKO is a food facility that is operated by a resident in a private home where food is stored, handled and prepared (CRFC Section 113825). Both a CFO and MEHKO have limitations for the gross dollar amount allowed, number of employees, type of operation, allowed foods, etc. in a single residence. The law does not allow limits to be aggregated by multiple operations in the same residence.

**10. Are multiple people living in the same residence allowed to each operate a CFO or MEHKO in that residence?**

No. See Questions 8 and 9 above. There can only be one home kitchen operation (CFO or MEHKO) per residence.

**11. What constitutes a meal?**

While a meal is not defined in the California Retail Food Code, it should be sufficient in quantity to constitute a main course. This guideline is consistent with definition of a meal established by Alcohol Beverage Control (ABC) as part of their permitting process. Baked goods, condiments, sauces, or beverages are not considered a full meal.

**Application Process**

**12. Is a permit required to operate a MEHKO?**

Yes, a health permit is required from the County of San Diego Department of Environmental Health and Quality (DEHQ), Food and Housing Division, prior to operating.

**13. How does a person who wants to operate a MEHKO obtain a permit from DEHQ?**

In order to obtain a health permit, a person (the operator) must complete a permit application package that includes a health permit application, a "Standard Operating Procedures" form, the proposed menu, submit their Food Safety Manager Certificate, and a full panel of water testing results (if on a private well), and pay the permit fee. Once the application and procedures are reviewed and approved by DEHQ, an initial inspection will be scheduled and conducted at the private residence to verify compliance with state law. Once compliance is verified, the permit will be issued. Application packets can be picked up at the Department of Environmental Health and Quality Office, located at 5500 Overland Ave, Suite 170, San Diego, CA, 92123, or online at [www.sdcdehq.org](http://www.sdcdehq.org).

**14. How long does the application process take for a MEHKO?**

The application process is determined by the level of detail and completeness of the application package. The standard application process for MEHKOs is up to 20 calendar days if the application package is complete and the level of detail in the operational procedures is included to demonstrate compliance with the law. If the application must be sent back for revisions an additional 10 calendar days for review may be added.

**15. Is approval from the FHD Plan Check Unit required prior to obtaining a MEHKO permit?**

Plan check approval is not required prior to obtaining a MEHKO permit. However, if any remodel work is to be done at the residence to support the MEHKO, operators must contact their local Building Department to determine what, if any, approvals will be needed prior to starting construction.

**16. What fees are associated with operating a MEHKO?**

In order to operate a MEHKO, the initial health permit fee will need to be paid at the time of application, and then the operator will be responsible for paying their annual permit fee in each subsequent year. Additional fees will be applied for any justified complaint response as well as for reinspections that are needed to ensure compliance with the CRFC. For a list of current fees, please refer to the current fee schedule found at [www.sdcdehq.org](http://www.sdcdehq.org).

**17. If an operator moves to a new residence, do they need to go through the application process again?**

Yes, DEHQ permits are non-transferable. If an operator moves to a new residence, they must go through the application process again.

**18. How does a customer determine if a MEHKO has an approved permit?**

A MEHKO is required to display their permit, or a legible copy, during hours of operation. Customers can also visit [www.SDFoodInfo.org](http://www.SDFoodInfo.org) to determine if a MEHKO has a valid permit.

## **Operational Requirements**

**19. Does a person need any special training or certification to operate a MEHKO?**

The operator of the MEHKO must successfully pass an approved and accredited food safety manager course prior to submitting an application, and any individual, other than the operator, who is involved with the preparation, storage, or service of food in a MEHKO must also obtain a food handler card from one of the schools approved by DEHQ within 10 days of the start of their employment. Proof of food safety certification and foodhandler training must be available on site. For a list of approved food safety manager and food handler courses, visit our website at [www.sdcountyfoodhandlers.org](http://www.sdcountyfoodhandlers.org).

**20. Can a MEHKO have employees?**

A MEHKO can have one full-time equivalent employee who is an individual employed by the MEHKO. This does not include household or family members.

**21. Does all of the food I use for my MEHKO need to be stored within my home?**

MEHKOs are able to store food items in areas that are not part of the internal habitable space (including garages, outdoor sheds, workshops etc.) if the food is stored inside a refrigerator or freezer with a properly closing door/lid.

**22. Are kids and pets allowed to be in a MEHKO?**

Yes, the law exempts a MEHKO from certain requirements of the CRFC. However, MEHKO facilities are required to keep all children and animals outside of the kitchen and dining areas during food service and preparation.

**23. Are there any meal or sales limitations for MEHKOs?**

Yes, food preparation is limited to 30 meals per day or 60 individual meals per week and gross annual sales cannot exceed \$50,000 as adjusted annually according to the California Consumer Price Index. Records of all sales must be kept so that compliance with this limitation can be verified. A meal log is recommended to ensure the maximum number of meals is not exceeded. The law also allows for DEHQ to limit the number of individual meals prepared if the physical space available for food preparation, food storage, and equipment storage is not adequate to support the number of meals being prepared.

**24. Are there any restrictions to the type of food a MEHKO can serve?**

A MEHKO can prepare and sell food and beverages that have been approved by the local enforcement agency for same day on-site consumption or delivery with the exception of food or beverages that:

- Involve the production, service, or sale of raw milk or raw milk products
- Involve the service or sale of raw oysters
- Involve food processes that require a Hazard Analysis Critical Control Point (HACCP) Plan such as:
  - Smoking food as a method of food preservation
  - Curing food
  - Using food additives or adding components such as vinegar as a method of food preservation
  - Operating a molluscan shellfish life support system display tank used to store and display shellfish that are offered for human consumption
  - Using acidification or activity to prevent the growth of Clostridium botulinum
  - Packaging potentially hazardous food using a Reduced-Oxygen Packaging method
  - Preparing food by another method that is determined by the lead local agency to require a HACCP plan
- Involve the manufacturing of ice cream without a license from California Department of Food and Agriculture
- Contains alcohol without the appropriate liquor license from ABC

**25. Can I keep leftovers to serve the next day, or prepare foods, including condiments, sauces, or beverages in advance?**

Per the CRFC requirements, all food and beverages cannot be served the next day as part of the MEHKO operation. MEHKOs must prepare and serve all food and beverages on the same day and any leftovers must be properly disposed of at the end of the day.

**26. Can I package food or beverages at my MEHKO?**

Yes, a MEHKO may portion food into containers for same-day pick up or delivery service as long as it remains part of a meal. However, MEHKOs cannot use reduced-oxygen packaging (such as vacuum packing) or seal their foods in cans, bottles, or jars.

**27. Can alcoholic beverages be sold from a MEHKO?**

MEHKOs must have a valid license from the California Department of Alcoholic Beverage Control (ABC) in order to sell, serve, provide, or allow alcohol to be consumed on-site at the MEHKO. This includes allowing patrons to bring their own alcohol. Contact the ABC for more information: [www.abc.ca.gov](http://www.abc.ca.gov).

**28. Can homegrown fruits and vegetables be used in a MEHKO?**

Yes, however care should be taken to ensure all produce is grown and handled using best management practices associated with a community food producer and all produce must be thoroughly washed prior to use.

**29. Can a MEHKO add in cannabis, CBD, or Kava to the products they sell as part of their operation?**

Current restrictions imposed by the California Department of Public Health (CDPH) and the FDA prohibit a food facility from adding these ingredients into any food products that are offered to the public for consumption.

**30. Can a MEHKO operate as a caterer?**

Per the CRFC requirements, a MEHKO is prohibited from operating as a caterer or advertising any catering options as part of their permitted operation. Only permanent food facilities approved for operation, such as a restaurant, banquet facility, or other approved commercial kitchen, or operators who have obtained a Catering permit at an approved commercial kitchen, may operate as a caterer.

**31. Can a MEHKO support a mobile food facility or act as a commissary for a food truck or temporary food facility ?**

Per the CRFC requirements, MEHKOs may not sell to, operate as, or act as a commissary for a mobile food facility, such as a food truck, food cart, or a temporary food facility.



**32. Can an operator of a MEHKO sell or give away food products at temporary events or at Certified Farmer's Markets?**

An operator of a MEHKO cannot sell food products at a temporary event or a Certified Farmer's Market. A MEHKO can only conduct food service directly to the public from the residential home or sold through an internet website or a phone based mobile app belonging to an Internet Food Service Intermediary. Internet Food Service Intermediaries must be registered with the California Department of Public Health.

**33. Can an operator of a MEHKO donate any leftover food?**

An operator of a MEHKO may donate food to a food bank or to any other nonprofit charitable organization as long as the food has been handled in compliance with food safety requirements. For more information on food donations, contact the DEHQ-FHD information specialist at (858) 505-6900, or one of the two San Diego Based Food Banks, Feeding San Diego at (858) 452-3663, or the San Diego Food Bank at (858) 527-1419.

**34. Where can I advertise my MEHKO business?**

A MEHKO may advertise their business through an internet food service intermediary or other online platform such as social media, as well as print media. The MEHKO must clearly identify San Diego County Department of Environmental Health and Quality, Food and Housing Division as the permit issuer, the permit number, and the following statement of "Made in a Home Kitchen" in a conspicuous font and location within the advertisement. A MEHKO is prohibited from posting signage to advertise the business in front of the residence.

**Inspection Process**

**35. How often will a MEHKO be inspected?**

All MEHKOs will receive one annual routine inspection. The first inspection will occur before a permit is issued to ensure compliance with the law.

**36. Can a MEHKO be inspected more frequently?**

State law prohibits conducting routine inspections of MEHKOs more than once a year. Additional inspections may be required in response to a complaint, if it is suspected that adulterated or otherwise unsafe food has been produced or served by the MEHKO, or if the MEHKO has violated CRFC requirements.

**37. What areas of a private residence will be permitted and inspected as part of a MEHKO?**

The areas of a private residence that will be permitted and inspected as part of a MEHKO includes the kitchen, onsite customer eating area, food and equipment storage areas, bathroom (toilet room), janitorial or cleaning areas, and trash storage areas. Any utensils and equipment used in the MEHKO will also be inspected.

**38. What records are required to be maintained for review by the local enforcement agency?**

An operator of a MEHKO must maintain the following documents onsite for review during an inspection:

- Written standard operating procedures that include a menu and hours of operation
- A valid permit issued by DEHQ, or a legible copy of the valid permit, must be displayed onsite at all times when the MEHKO is in operation
- A copy of a valid driver's license of the person delivering food on behalf of the MEHKO
- A copy of the most recent DEHQ inspection report
- Records of all annual receipts from the sales of food and meal logs

**39. Why isn't a letter grade posted at a MEHKO like it is at a permanent food facility or a mobile food facility?**

The law exempts a MEHKO from any local grading system. Their permit to operate must be retained on site, and on display, during hours of operation. However, just like permanent food facilities and mobile



food facilities, inspection report data and violation information relating to any inspections conducted at a permitted MEHKO can be found at [www.SDFoodInfo.org](http://www.SDFoodInfo.org).

## **Equipment Requirements**

### **40. Is commercial grade equipment required in a MEHKO?**

No, commercial equipment/appliances are not required as long as the equipment/appliances used in a MEHKO are kept clean, stored in a sanitary manner, and are in good working order.

### **41. Can a MEHKO use an open-air barbecue or an outdoor wood-burning oven?**

Yes, a MEHKO may use an open-air barbecue or an outdoor wood-burning oven as long as the barbecue or wood-burning oven is:

- Operated on the same premises and is within reasonable proximity to the MEHKO
- Does not have access to by the public
- Is not in a location that constitutes a fire hazard
- Meets the requirements of CRFC Section 114143

### **42. Are restrooms required to be available for MEHKO customers?**

Yes, clean toilet facilities, in good condition, and properly stocked with warm water, dispensable soap, and single-use paper towels shall be available for the MEHKO operator, food handlers, and any employees at all times. If the MEHKO allows customers to consume food or beverages on site, the MEHKO must provide a restroom for those customers to use.

## **Zoning**

### **43. If there are complaints about odors, traffic, parking, and/or excessive noise, what agency should be notified?**

Any complaints involving nuisance concerns can be reported directly to the local city's Code Enforcement Department, or for MEHKOs in the unincorporated areas, to the County of San Diego Department of Planning & Development Services, Code Enforcement Program.

### **44. Are there any special requirements regarding a private residential water well?**

An approved source of potable water is required for all home kitchen operations. If the water will be provided by a regulated water district or small water system where water quality analysis is performed on a routine basis to ensure the water supply meets minimum bacterial and chemical standards, no further action is necessary. If the water will be provided by a private well, initial and annual testing will be required. For initial applications, a full panel of testing (bacteria, metals, nitrates) results will need to be submitted as part of the MEHKO application. At the time of an annual permit renewal, only bacteriological testing results will need to be submitted.

If testing is needed, requirements and laboratory options can be found at:

<https://www.sandiegocounty.gov/content/dam/sdc/deh/fhd/food/pdf/homekitchenpotablewater.pdf>

A list of approved water sample providers can be found at:

<https://www.sandiegocounty.gov/content/dam/sdc/deh/lwqd/Water%20Sampling%20Provider%20List.pdf>

### **45. Are there special requirements for disposing of fats, oils or grease that are produced in a MEHKO?**

Fats, oils and grease (sometimes known as FOG) are produced when cooking foods that contain fat, such as meat or dairy products, or are prepared using fat (for baking, sautéing, marinating, frying, etc.). They can cause blockages of residential and community plumbing and sewers and can result in sewage backups and overflows both inside and outside of residences. Please do not dispose of fats, oils and grease down the drain. For more information about how to properly dispose of fats, oils and grease, please contact your sewer agency or local city code enforcement for any additional restrictions on the disposal of fats, oils or grease.

### **46. Are grease traps required for MEHKOs?**

State law (California Retail Food Code) prohibits requiring MEHKOs to install grease traps. Please see Question 45 above for proper disposal of fats, oils and grease.

For additional information, please visit  
the Department of Environmental Health and Quality's webpage at: <http://www.sdcdehq.org>

**If you have any questions that have not been answered in these FAQs,  
or if additional clarification is needed, please contact the DEHQ-FHD Information  
Specialist at (858) 505-6900 or by email at [FHDUTYEH@sdcounty.ca.gov](mailto:FHDUTYEH@sdcounty.ca.gov).**

**Introduced by Senator Gonzalez**  
(Principal coauthor: Assembly Member Carrillo)  
(Coauthors: Senators Durazo and Rubio)

February 10, 2022

---

---

An act to amend Sections 113758, 113818, 113825, 113831, 113868, 113947.1, 114069, 114094, 114094.5, 114130, 114217, 114276, 114295, 114297, 114313, 114314, 114315, 114380, and 114381 of, to add Sections 113814.1 and 114289.1 to, to repeal Sections 113947.6 and 114379.50 of, and to repeal and add Section 114395 of, the Health and Safety Code, relating to retail food.

LEGISLATIVE COUNSEL'S DIGEST

SB 972, as introduced, Gonzalez. California Retail Food Code.

(1) Existing law, the California Retail Food Code, establishes uniform health and sanitation standards for, and provides for regulation by the State Department of Public Health of, retail food facilities and requires local health agencies to enforce these provisions. Existing law, for purposes of the code, defines a “cottage food operation” as an enterprise that has no more than a specified amount in gross annual sales, is operated by a cottage food operator, and has no more than 1 full-time employee within the registered or permitted area of a private home where the food products are prepared and packaged.

This bill would remove the gross annual sales limitation in the definition of “cottage food operation.” The bill would also make various other changes to the cottage food operation requirements, including authorizing the sale of the cottage food product at a mobile food facility owned by the cottage food operator.

(2) The California Retail Food Code defines “limited food preparation” as food preparation that is restricted to specified activities,

including dispensing or portioning of nonpotentially hazardous food, slicing and chopping of food on a heated cooking surface during the cooking process, and holding, portioning, and dispensing foods that are prepared at a satellite food service or catering operation.

This bill would include in the definition of “limited food preparation” dispensing and portioning for immediate service to a customer a food that has been temperature controlled until immediately prior to portioning or dispensing, slicing and chopping of nonpotentially hazardous food that has been washed at an approved facility, hot and cold holding of food previously prepared at an approved facility, and reheating of food previously prepared at an approved food facility and stored at the approved temperatures.

(3) The California Retail Food Code defines “mobile food facility” and regulates what types of food may be provided at a mobile food facility. The code requires mobile food facilities to meet specified health and safety standards, including access to warewashing sinks, restrooms, and handwashing facilities and required quantities of potable water.

This bill would create the category of “compact mobile food facility,” a subtype of mobile food facility, and would define it as a nonpermanent food facility that operates from an individual or from a pushcart, stand, display, pedal-driven cart, wagon, showcase, rack, or other nonmotorized conveyance. The bill would exempt a mobile food facility that sells only prepackaged, nonpotentially hazardous foods or whole raw fruits or vegetables from the California Retail Food Code. The bill would authorize the department to exempt mobile food facilities from specified provisions of the code, including potable water and restroom requirements, if the department determines that the mobile food facility has access to sufficient facilities for those purposes in another manner, as specified. The bill would exempt a compact mobile food facility from certain additional provisions of the code, including a requirement to have an owner or employee who has passed an accredited and approved food safety certification examination. The bill would authorize the department to pre-approve a standard plan for a standardized or mass-produced facility intended to serve as a mobile food facility and would authorize a mobile food facility to use that standardized or mass-produced facility without submitting plans for the individual unit.

The code requires a food facility to have a valid permit to be open for business and authorizes the local enforcement agency to charge a fee for the permit or registration or related services.

This bill would authorize the local enforcement agency to reduce the fee for the permit, registration, or related service for an applicant seeking approval of a compact mobile food facility.

(4) Existing law provides for the regulation of microenterprise home kitchen operations and limits those operations to not serving more than 30 individual meals per day and not more than 60 individual meals per week and to no more than \$50,000 in verifiable gross annual sales, as adjusted for inflation.

This bill would remove the meal and gross annual sales limitations on microenterprise home kitchen operations and would authorize those operations to sell directly to consumers from a mobile food facility.

(5) Under existing law, violation of the California Retail Food Code is a misdemeanor, unless otherwise specified.

This bill would remove all criminal penalties for a violation of the code and would, instead, authorize the imposition of administrative fines for violations.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 113758 of the Health and Safety Code  
2 is amended to read:

3 113758. (a) “Cottage food operation” means an enterprise that  
4 ~~has no more than the amount in gross annual sales that is specified~~  
5 ~~in this subdivision~~; is operated by a cottage food operator, *operator*,  
6 and has no more than one full-time equivalent cottage food  
7 employee, not including a family member or household member  
8 of the cottage food operator, within the registered or permitted  
9 area of a private home where the cottage food operator resides and  
10 where cottage food products are prepared or packaged for direct,  
11 indirect, or direct and indirect sale to consumers pursuant to this  
12 part. ~~A “Class A” cottage food operation shall not have more than~~  
13 ~~seventy-five thousand dollars (\$75,000) in verifiable gross annual~~  
14 ~~sales. A “Class B” cottage food operation shall not have more than~~  
15 ~~one hundred fifty thousand dollars (\$150,000) in verifiable gross~~  
16 ~~annual sales. The gross annual sales for a “Class A” or “Class B”~~  
17 ~~cottage food operation shall be annually adjusted for inflation~~  
18 ~~based on the California Consumer Price Index.~~ A cottage food  
19 operation includes both of the following:

1 (1) A “Class A” cottage food operation, which is a cottage food  
2 operation that may engage only in direct sales of cottage food  
3 products from the cottage food operation or other direct sales  
4 venues described in paragraph (4) of subdivision (b).

5 (2) A “Class B” cottage food operation, which is a cottage food  
6 operation that may engage in both direct sales and indirect sales  
7 of cottage food products from the cottage food operation, from  
8 direct sales venues described in paragraph (4) of subdivision (b),  
9 from offsite events, or from a third-party retail food facility  
10 described in paragraph (5) of subdivision (b).

11 (b) For purposes of this section, the following definitions shall  
12 apply:

13 (1) “Cottage food employee” means an individual, paid or  
14 volunteer, who is involved in the preparation, packaging, handling,  
15 and storage of a cottage food product, or otherwise works for the  
16 cottage food operation. An employee does not include an  
17 immediate family member or household member of the cottage  
18 food operator, nor an individual who delivers a cottage food  
19 product.

20 (2) “Cottage food operator” means an individual who operates  
21 a cottage food operation in their private home and is the owner of  
22 the cottage food operation.

23 (3) “Cottage food products” means nonpotentially hazardous  
24 foods, including foods that are described in Section ~~114365.5 and~~  
25 ~~114365.5~~, that are prepared for sale in the kitchen of a cottage food  
26 operation.

27 (4) “Direct sale” means a transaction within the state between  
28 a cottage food operation and a consumer, in which the consumer  
29 purchases the cottage food product directly from the cottage food  
30 operation. Direct sales include, but are not limited to, transactions  
31 at holiday bazaars or other temporary events, such as bake sales  
32 or food swaps, transactions at farm stands, certified farmers’  
33 markets, or through community-supported agriculture  
34 subscriptions, *transactions at a mobile food facility operated by*  
35 *a cottage food operator*, transactions occurring in person in the  
36 cottage food operation, and transactions made via the phone,  
37 internet, or any other digital method. A direct sale may be fulfilled  
38 in person, via mail delivery, or using any other third-party delivery  
39 service.

1 (5) “Indirect sale” means a transaction within the state between  
2 a cottage food operation, a third-party retailer, and a consumer, in  
3 which the consumer purchases cottage food products made by the  
4 cottage food operation from a third-party retailer that holds a valid  
5 permit issued pursuant to Section 114381. Indirect sales include,  
6 but are not limited to, sales made to retail shops or to retail food  
7 facilities where food may be immediately consumed on the  
8 premises. An indirect sale may be fulfilled in person, via mail  
9 delivery, or using any other third-party delivery service.

10 (6) “Private home” means a dwelling, including an apartment  
11 or other leased space, where individuals reside.

12 (7) “Registered or permitted area” means the portion of a private  
13 home that contains the private home’s kitchen used for the  
14 preparation, packaging, storage, or handling of cottage food  
15 products and related ingredients or equipment, or both, and attached  
16 rooms within the home that are used exclusively for storage.

17 SEC. 2. Section 113814.1 is added to the Health and Safety  
18 Code, to read:

19 113814.1. “Integral” means equipment that is either  
20 permanently attached to the primary unit or equipment that is  
21 securely fastened to the primary unit by means that would prevent  
22 unintentional removal. Equipment may be considered integral  
23 despite being portable or otherwise removable for cleaning,  
24 maintenance, or as part of its regular function.

25 SEC. 3. Section 113818 of the Health and Safety Code is  
26 amended to read:

27 113818. (a) “Limited food preparation” means food preparation  
28 that is restricted to one or more of the following:

29 (1) Heating, frying, baking, roasting, popping, shaving of ice,  
30 blending, steaming or boiling of hot dogs, or assembly of  
31 nonprepackaged food.

32 (2) ~~Dispensing and portioning of nonpotentially hazardous food.~~  
33 *food or dispensing and portioning for immediate service to a*  
34 *customer of food that has been temperature controlled until*  
35 *immediately prior to portioning or dispensing.*

36 (3) Holding, portioning, and dispensing of any foods that are  
37 prepared for satellite food service by the onsite permanent food  
38 facility or prepackaged by another approved source.

39 (4) Holding, portioning, and dispensing of any foods that are  
40 prepared by a catering operation.

1 (5) Slicing and chopping of *nonpotentially hazardous food that*  
2 *has been washed at an approved facility or slicing and chopping*  
3 *of food on a heated cooking surface during the cooking process.*

4 (6) Cooking and seasoning to order.

5 (7) Juicing or preparing beverages that are for immediate service,  
6 in response to an individual consumer order, that do not contain  
7 frozen milk products.

8 (8) *Hot and cold holding of food that was previously prepared*  
9 *at an approved food facility.*

10 (9) *Reheating of food if it was previously prepared at an*  
11 *approved food facility and stored at temperatures required by this*  
12 *chapter.*

13 (b) “Limited food preparation” does not include any of the  
14 following:

15 (1) Slicing and chopping *potentially hazardous food* unless it  
16 is on the heated cooking surface.

17 (2) Thawing.

18 (3) Cooling of cooked, potentially hazardous food.

19 (4) Grinding raw ingredients or potentially hazardous food.

20 ~~(5) Reheating of potentially hazardous foods for hot holding,~~  
21 ~~except for steamed or boiled hot dogs and tamales in the original,~~  
22 ~~inedible wrapper.~~

23 ~~(6) Except as authorized in paragraph (3) of subdivision (a), hot~~  
24 ~~holding of nonprepackaged, potentially hazardous food, except~~  
25 ~~for roasting corn on the cob, steamed or boiled hot dogs, and~~  
26 ~~tamales in the original, inedible wrapper.~~

27 ~~(7)~~

28 (5) Washing of foods.

29 ~~(8)~~

30 (6) Cooking of potentially hazardous foods for later use.

31 ~~(9)~~

32 (7) Handling, manufacturing, freezing, processing, or packaging  
33 of milk, milk products, or products resembling milk products  
34 subject to licensing under Division 15 (commencing with Section  
35 32501) of the Food and Agricultural Code.

36 SEC. 4. Section 113825 of the Health and Safety Code is  
37 amended to read:

38 113825. (a) “Microenterprise home kitchen operation” means  
39 a food facility that is operated by a resident in a private home



1 where food is stored, handled, and prepared for, and may be served  
2 to, consumers, and that meets all of the following requirements:

3 (1) The operation has no more than one full-time equivalent  
4 food employee, not including a family member or household  
5 member.

6 (2) Food is prepared, cooked, and served on the same day.

7 (3) Food is consumed onsite at the microenterprise home kitchen  
8 operation or offsite if the food is picked up by the ~~consumer~~  
9 *consumer, served from a mobile food facility*, or delivered within  
10 a safe time period based on holding equipment capacity.

11 (4) Food preparation does not involve processes that require a  
12 HACCP plan, as specified in Section 114419, or the production,  
13 service, or sale of raw milk or raw milk products, as defined in  
14 Section 11380 of Title 17 of the California Code of Regulations.

15 (5) The service and sale of raw oysters is prohibited.

16 (6) The production, manufacturing, processing, freezing, or  
17 packaging of milk or milk products, including, but not limited to,  
18 cheese, ice cream, yogurt, sour cream, and butter, is prohibited.

19 ~~(7) Food preparation is limited to no more than 30 individual~~  
20 ~~meals per day, or the approximate equivalent of meal components~~  
21 ~~when sold separately, and no more than 60 individual meals, or~~  
22 ~~the approximate equivalent of meal components when sold~~  
23 ~~separately, per week. The local enforcement agency may decrease~~  
24 ~~the limit of the number of individual meals prepared based on food~~  
25 ~~preparation capacity of the operation, but shall not, in any case,~~  
26 ~~increase the limit of the number of individual meals prepared.~~

27 ~~(8) The operation has no more than fifty thousand dollars~~  
28 ~~(\$50,000) in verifiable gross annual sales, as adjusted annually for~~  
29 ~~inflation based on the California Consumer Price Index.~~

30 ~~(9)~~

31 (7) The operation only sells food directly to consumers and not  
32 to ~~any~~ a wholesaler or retailer. For purposes of this paragraph, the  
33 sale of food prepared in a microenterprise home kitchen operation  
34 through the internet website or mobile application of an ~~Internet~~  
35 *internet* food service intermediary, as defined in Section 114367.6,  
36 *or directly from a mobile food facility operated by the*  
37 *microenterprise home kitchen operation permitholder* is a direct  
38 sale to consumers. An operation that sells food through the internet  
39 website or mobile application of an ~~Internet~~ *internet* food service

1 intermediary shall consent to the disclosures specified in paragraphs  
2 (6) and (7) of subdivision (a) of Section 114367.6.

3 (b) “Microenterprise home kitchen operation” does not include  
4 either of the following:

5 (1) A catering operation.

6 (2) A cottage food operation, as defined in Section 113758.

7 (c) For purposes of this section, “resident of a private home”  
8 means an individual who resides in the private home when not  
9 elsewhere for labor or other special or temporary purpose.

10 SEC. 5. Section 113831 of the Health and Safety Code is  
11 amended to read:

12 113831. (a) *“Compact mobile food facility” means a*  
13 *nonpermanent food facility that operates from an individual or*  
14 *from a pushcart, stand, display, pedal-driven cart, wagon,*  
15 *showcase, rack, or other nonmotorized conveyance.*

16 ~~(a)~~

17 (b) “Mobile food facility” means ~~any~~ a vehicle used in  
18 conjunction with a commissary or other permanent food facility  
19 upon which food is sold or distributed at retail. “*Mobile food*  
20 *facility” includes a compact mobile food facility.* “Mobile food  
21 facility” does not include a “transporter” used to transport packaged  
22 food from a food facility, or other approved source to the consumer.

23 ~~(b)~~

24 (c) “Single operating site mobile food facilities” means at least  
25 one, but not more than four, unenclosed mobile food facilities, and  
26 their auxiliary units, that operate adjacent to each other at a single  
27 location.

28 SEC. 6. Section 113868 of the Health and Safety Code is  
29 amended to read:

30 113868. “Portable” means equipment that is capable of being  
31 lifted and moved or has utility connections that are designed to be  
32 disconnected or of sufficient length to permit the unit to be moved  
33 for cleaning, and does not exceed ~~80 100 pounds (36 kg) (46 kg)~~  
34 ~~in weight.~~ *weight or is otherwise designed to be mobile or*  
35 *separately mobile.*

36 SEC. 7. Section 113947.1 of the Health and Safety Code is  
37 amended to read:

38 113947.1. (a) Food facilities that prepare, handle, or serve  
39 nonprepackaged potentially hazardous food, except temporary  
40 food *facilities and compact mobile food facilities*, shall have an

1 owner or employee who has successfully passed an approved and  
2 accredited food safety certification examination as specified in  
3 Sections 113947.2 and 113947.3. There shall be at least one food  
4 safety certified owner or employee at each food facility. ~~No A~~  
5 certified person at a food facility ~~may~~ *shall not* serve at any other  
6 food facility as the person required to be certified pursuant to this  
7 subdivision. The certified owner or employee need not be present  
8 at the food facility during all hours of operation.

9 (b) Food facilities that are not subject to the requirements of  
10 subdivision (a) that prepare, handle, or serve nonprepackaged,  
11 nonpotentially hazardous foods, except temporary food *facilities*  
12 *and compact mobile food facilities*, shall do one of the following:

13 (1) Have an owner or employee who has successfully passed  
14 an approved and accredited food safety certification examination  
15 as specified in Sections 113947.2 and 113947.3.

16 (2) Demonstrate to the enforcement officer that the employees  
17 have an adequate knowledge of food safety principles as they relate  
18 to the specific operation involved in their assigned duties.

19 ~~On and after July 1, 2007, temporary~~ *Temporary* food  
20 *facilities and compact mobile food facilities* that prepare, handle,  
21 or serve nonprepackaged food shall have an owner or person in  
22 charge who can demonstrate to the enforcement officer that ~~he or~~  
23 ~~she has~~ *they have* an adequate knowledge of food safety principles  
24 as they relate to the specific food facility operation. *For the*  
25 *purposes of this subdivision, a compact mobile food facility that*  
26 *carries, or will carry, a written copy of its standard operating*  
27 *procedures approved by an enforcement agency is deemed to have*  
28 *adequate knowledge of food safety principles as they relate to the*  
29 *specific food facility operation.*

30 (d) (1) For the purposes of this section, multiple contiguous  
31 food facilities permitted within the same site and under the same  
32 management, ownership, or control shall be deemed to be one food  
33 facility, notwithstanding the fact that the food facilities may operate  
34 under separate permits.

35 (2) This subdivision shall not apply to the premises of a licensed  
36 winegrower or brandy manufacturer utilized for wine tastings  
37 conducted pursuant to Section 23356.1 of the Business and  
38 Professions Code of wine or brandy produced or bottled by, or  
39 produced and prepackaged for, that licensee when use is limited  
40 to wine tasting.

1 (e) A food facility that commences operation, changes  
2 ownership, or no longer has a certified owner or employee pursuant  
3 to this section shall have 60 days to comply with this subdivision.

4 (f) The responsibilities of a certified owner or employee at a  
5 food facility or an owner or person in charge of a temporary food  
6 facility described in subdivision (c) shall include the safety of food  
7 preparation and service, including ensuring that all employees who  
8 handle, or have responsibility for handling, nonprepackaged foods  
9 of any kind, have sufficient knowledge to ensure the safe  
10 preparation or service of the food, or both. The nature and extent  
11 of the knowledge that each employee is required to have may be  
12 tailored, as appropriate, to the employee’s duties related to food  
13 safety issues.

14 (g) The food safety certificate issued pursuant to Section  
15 113947.3 shall be retained on file at the food facility at all times,  
16 and shall be made available for inspection by the enforcement  
17 officer.

18 (h) Certified individuals shall be recertified every five years by  
19 passing an approved and accredited food safety certification  
20 examination.

21 (i) A food safety program that was not in effect prior to January  
22 1, 1999, shall not be enacted, adopted, implemented, or enforced,  
23 unless the program fully conforms to the requirements of this part.

24 SEC. 8. Section 113947.6 of the Health and Safety Code is  
25 repealed.

26 ~~113947.6. Notwithstanding Section 114395, a violation of any~~  
27 ~~provision in Sections 113947.1 to 113947.5, inclusive, shall~~  
28 ~~constitute an infraction punishable by a fine of not more than one~~  
29 ~~hundred dollars (\$100) for each day of operation in violation.~~

30 SEC. 9. Section 114069 of the Health and Safety Code is  
31 amended to read:

32 114069. (a) Only prepackaged nonpotentially hazardous food  
33 or uncut produce may be displayed or sold outdoors by a food  
34 facility if all of the following conditions are satisfied:

35 (a)  
36 (1) Outdoor displays have overhead protection that extends over  
37 all food items.

38 (b)

1 (2) Food items from the outdoor display are stored inside the  
2 fully enclosed food facility at all times other than during business  
3 hours.

4 (e)

5 (3) Outdoor displays comply with Section 113980 and have  
6 been approved by the enforcement agency.

7 (d)

8 (4) Outdoor displays are under the control of the permit holder  
9 of the fully enclosed food facility and are checked periodically on  
10 a regular basis.

11 (b) *Subdivision (a) does not apply to a compact mobile food*  
12 *facility. A compact mobile food facility may display or sell cut fruit*  
13 *and vegetables, uncut produce, and prepackaged nonpotentially*  
14 *hazardous food if the conditions in subdivision (a) are satisfied.*

15 SEC. 10. Section 114094 of the Health and Safety Code is  
16 amended to read:

17 114094. (a) A food facility subject to Section 343(q)(5)(H) of  
18 Title 21 of the United States Code or subject to this section as it  
19 read on July 1, 2011, shall comply with the requirements of that  
20 section of the United States Code and the regulations adopted  
21 pursuant thereto.

22 (b) Notwithstanding the Sherman Food, Drug, and Cosmetic  
23 Law (Part 5 (commencing with Section 109875) of Division 104),  
24 and to the extent permitted by federal law:

25 (1) Enforcement of this section shall be made pursuant to Section  
26 113713.

27 (2) ~~(A)~~ A violation of this section is, notwithstanding Section  
28 114395, an infraction, is punishable by ~~a~~ *an administrative* fine  
29 of not less than fifty dollars (\$50) nor more than five hundred  
30 dollars (\$500). A second violation within a five-year period from  
31 a prior violation shall be punishable by ~~a~~ *an administrative* fine  
32 of not less than one hundred dollars (\$100) nor more than one  
33 thousand dollars (\$1,000). For a third or subsequent violation  
34 within a five-year period, the *administrative* fine shall be not less  
35 than two hundred fifty dollars (\$250) nor more than two thousand  
36 five hundred dollars (\$2,500). A food facility shall not be found  
37 to have committed a violation under this paragraph more than once  
38 during an inspection visit.

1 ~~(B) Alternatively, the enforcement agency may assess a civil~~  
2 ~~penalty of an amount that is no less than or greater than the~~  
3 ~~amounts specified for fines in this paragraph.~~

4 (c) Except for the civil penalties authorized by this section, this  
5 section shall not be construed to create or enhance any claim, right  
6 of action, or civil liability that did not exist under state law prior  
7 to January 1, 2009, or limit any claim, right of action, or civil  
8 liability that otherwise existed under state law prior to January 1,  
9 2009. The only enforcement mechanism of this section is the  
10 department or local enforcement agency, as set forth in Section  
11 113713.

12 (d) This section shall become operative only on and after the  
13 compliance date specified in the federal regulation implementing  
14 Section 343(q)(5)(H) of Title 21 of the United States Code.

15 SEC. 11. Section 114094.5 of the Health and Safety Code is  
16 amended to read:

17 114094.5. (a) A retail food facility shall not sell or offer for  
18 sale after the “use by” date, infant formula or baby food that is  
19 required to have this date on its packaging pursuant to the federal  
20 act, as defined in Section 109930, and federal regulations adopted  
21 pursuant to the federal act, including, but not limited to, Section  
22 107.20 of Title 21 of the Code of Federal Regulations.

23 (b) ~~Notwithstanding Section 114395, any~~ A retail food facility  
24 that violates this section ~~is guilty of an infraction, punishable by~~  
25 ~~a fine~~ *is subject to an administrative fine* of not more than ten  
26 dollars (\$10) per day for each item sold or offered for sale after  
27 the “use by” date. ~~The fine~~ *administrative fine* shall be calculated  
28 based upon the number of days past the “use by” date that the  
29 product is either found being offered for sale, or if the product is  
30 sold, the date of sale as established by evidence of the proof of  
31 purchase, including, but not limited to, a sales receipt.

32 (e) ~~An enforcement agency may assess administrative penalties~~  
33 ~~on a retail food facility that violates this section in the amount of~~  
34 ~~ten dollars (\$10) per day for each item sold or offered for sale, in~~  
35 ~~addition to other penalties authorized by law.~~

36 ~~(d)~~

37 (c) For purposes of this section, the following definitions ~~shall~~  
38 apply:

1 (1) “Baby food” shall have the meaning given to “baby foods”  
2 in paragraph (c) of Section 407.81 of Title 40 of the Code of  
3 Federal Regulations.

4 (2) “Infant formula” shall have the meaning given in subdivision  
5 (z) of Section 321 of Title 21 of the United States Code.

6 SEC. 12. Section 114130 of the Health and Safety Code is  
7 amended to read:

8 114130. (a) Equipment and utensils shall be designed and  
9 constructed to be durable and to retain their characteristic qualities  
10 under normal use conditions.

11 (b) Except as specified in subdivision (c), all new and  
12 replacement food-related and utensil-related equipment shall be  
13 certified or classified for sanitation by an ~~American National~~  
14 ~~Standards Institute (ANSI)~~ accredited certification program. In the  
15 absence of an applicable ~~ANSI~~ certified sanitation standard,  
16 food-related and utensil-related equipment shall be evaluated for  
17 approval by the enforcement agency.

18 (c) ~~Restricted~~ food service facilities need not comply with  
19 subdivision (b), depending on the extent of the food service  
20 activities, and if the enforcement officer determines that the  
21 equipment meets the characteristics of subdivision (a).

22 (d) All new and replacement electrical appliances shall meet  
23 applicable Underwriters Laboratories standards for electrical  
24 equipment as determined by an ~~ANSI~~ *American National Standards*  
25 *Institute (ANSI)* accredited certification ~~program.~~ *program or a*  
26 *certification program accredited by another accreditation body.*

27 (e) *Subdivision (b) does not apply to a compact mobile food*  
28 *facility if the enforcement agency determines that the equipment*  
29 *of the facility meets the characteristics described in subdivision*  
30 *(a).*

31 SEC. 13. Section 114217 of the Health and Safety Code is  
32 amended to read:

33 114217. (a) A potable water tank of sufficient capacity to  
34 furnish an adequate quantity of potable water for food preparation,  
35 warewashing, and handwashing purposes shall be provided for  
36 nonpermanent food facilities.

37 (b) At least five gallons of water shall be provided exclusively  
38 for handwashing for each nonpermanent food facility. ~~Any water~~  
39 *Water* need for other purposes shall be in addition to the five  
40 gallons for handwashing.

1 (c) Except as specified in subdivision (d), at least 25 gallons of  
2 water shall be provided for food preparation and warewashing.

3 (d) At least 15 gallons of water shall be provided for  
4 nonpermanent food facilities that conduct limited food preparation.

5 (e) The water delivery system shall deliver at least one gallon  
6 per minute to each sink basin.

7 (f) *An enforcement agency shall permit a mobile food facility*  
8 *to operate without providing its own supply of potable water if*  
9 *alternative supplies of water are available in the planned area of*  
10 *operation, including, but not limited to, public faucets, bottled*  
11 *water sales, or bottled water carried with the vendor but stored*  
12 *outside of the mobile food facility.*

13 (g) *An enforcement agency shall permit a mobile food facility*  
14 *to operate with an integral water tank smaller than specified under*  
15 *subdivisions (b), (c), and (d) if the enforcement agency finds that*  
16 *the mobile food facility is operating in an area and manner that*  
17 *would allow for replenishment of the water supply as needed during*  
18 *operations.*

19 SEC. 14. Section 114276 of the Health and Safety Code is  
20 amended to read:

21 114276. (a) A permanent food facility shall provide clean  
22 toilet facilities in good repair for use by employees.

23 (b) (1) A permanent food facility shall provide clean toilet  
24 facilities in good repair for consumers, guests, or invitees when  
25 there is onsite consumption of foods or when the food facility was  
26 constructed after July 1, 1984, and has more than 20,000 square  
27 feet of floor space.

28 (2) Notwithstanding Section 113984.1, toilet facilities that are  
29 provided for use by consumers, guests, or invitees shall be in a  
30 location where consumers, guests, and invitees do not pass through  
31 food preparation, food storage, or utensil washing areas to reach  
32 the toilet facilities.

33 (3) For purposes of this section, a building subject to paragraph  
34 (1) that has a food facility with more than 20,000 square feet of  
35 floor space shall provide at least one separate toilet facility for  
36 men and one separate toilet facility for women.

37 (4) For purposes of this section, the gas pump area of a service  
38 station that is maintained in conjunction with a food facility shall  
39 not be considered as property used in connection with the food



1 facility or be considered in determining the square footage of floor  
2 space of the food facility.

3 (c) (1) Toilet rooms shall be separated by well-fitted,  
4 self-closing doors that prevent the passage of flies, dust, or odors.

5 (2) Toilet room doors shall be kept closed except during cleaning  
6 and maintenance operations.

7 (d) Handwashing facilities, in good repair, shall be provided as  
8 specified in Sections 113953 and 113953.3.

9 (e) A city, county, or city and county may enact ordinances that  
10 are more restrictive than this section.

11 (f) (1) Except as provided in paragraph (1) of subdivision (b),  
12 a food facility that was constructed before January 1, 2004, that  
13 has been in continuous operation since January 1, 2004, and that  
14 provides space for the consumption of food on the premises shall  
15 either provide clean toilet facilities in good repair for consumers,  
16 guests, or invitees on property used in connection with, or in, the  
17 food facility or prominently post a sign within the food facility in  
18 a public area stating that toilet facilities are not provided.

19 (2) The first violation of paragraph (1) shall result in a warning.  
20 Subsequent violations shall ~~constitute an infraction~~ *be* punishable  
21 by ~~a~~ *an administrative* fine of not more than two hundred fifty  
22 dollars (\$250).

23 (3) The requirements of this section for toilet facilities that are  
24 accessible to consumers, guests, or invitees on the property may  
25 be satisfied by permitting access by those persons to the toilet and  
26 handwashing facilities that are required by this part.

27 SEC. 15. Section 114289.1 is added to the Health and Safety  
28 Code, to read:

29 114289.1. Notwithstanding any other law, a mobile food facility  
30 that sells only prepackaged, nonpotentially hazardous foods or  
31 whole raw fruits or vegetables is exempt from the requirements  
32 of this part.

33 SEC. 16. Section 114295 of the Health and Safety Code is  
34 amended to read:

35 114295. (a) Except as specified in subdivision (b), all mobile  
36 food facilities shall operate in conjunction with a commissary,  
37 mobile support unit, or other facility approved by the enforcement  
38 agency.

39 (b) This section does not apply to mobile food facilities that  
40 operate at community ~~events~~ *events*, as defined in Section ~~113755~~

1 113755, and that remain in a fixed position during food preparation  
2 and its hours of operation, if potable water and liquid waste  
3 disposal facilities are available to mobile food facilities requiring  
4 potable water.

5 (c) (1) Mobile food facilities shall be stored at or within a  
6 commissary or other location approved by the enforcement agency  
7 in order to have protection from unsanitary conditions.

8 (2) *An enforcement agency shall approve the storage of compact  
9 mobile food facilities in the home of the operator or permit holder  
10 if the food facility is sanitized daily.*

11 (d) Mobile support units shall be operated from and stored at a  
12 designated commissary and shall be subject to permitting and plan  
13 review.

14 (e) Notwithstanding any other provisions of this section, a  
15 mobile food facility that is engaged in food preparation, other than  
16 limited food preparation, as defined in Section 113818, shall not  
17 operate in conjunction with a mobile support unit.

18 (f) *Notwithstanding any other provision of this section, a  
19 compact mobile food facility is not required to operate in  
20 conjunction with a commissary or mobile support unit if the  
21 permit holder operates the compact mobile food facility in  
22 conjunction with a licensed cottage food operation or  
23 microenterprise home kitchen operation.*

24 SEC. 17. Section 114297 of the Health and Safety Code is  
25 amended to read:

26 114297. (a) Mobile food facilities shall be cleaned and serviced  
27 at least once daily during an operating day.

28 (b) Except as specified in subdivision (c), all mobile food  
29 facilities shall report to the commissary or other approved facility  
30 on a daily basis.

31 (c) Mobile food facilities that are serviced by a mobile support  
32 unit and that do not report to a commissary on a daily basis shall  
33 be stored in a manner that protects the mobile food facility from  
34 ~~contamination~~ contamination, which may include the home storage  
35 of the food facility. All food shall be stored at the commissary or  
36 other approved facility at the end of the operating day. *Prepackaged  
37 nonpotentially hazardous food, whole fruits, and whole vegetables  
38 may be stored in the home prior to sale or preparation of that food  
39 in a compact mobile food facility.*

1 (d) Mobile support units shall report to a commissary or other  
2 approved facility for cleaning, servicing, and storage at least daily.

3 SEC. 18. Section 114313 of the Health and Safety Code is  
4 amended to read:

5 114313. (a) Except as specified in ~~subdivisions (b) and (c),~~  
6 *subdivision (b)*, a mobile food facility where nonprepackaged food  
7 is cooked, blended, or otherwise prepared shall provide a  
8 warewashing sink with at least three compartments with two  
9 integral metal drainboards.

10 (1) The dimensions of each compartment shall be large enough  
11 to accommodate the cleaning of the largest utensil and either of  
12 the following:

13 (A) At least 12 inches wide, 12 inches long, and 10 inches deep.

14 (B) At least 10 inches wide, 14 inches long, and 10 inches deep.

15 (2) Each drainboard shall be at least the size of one of the sink  
16 compartments. The drainboards shall be installed with at least  
17 one-eighth inch per foot slope toward the sink compartment, and  
18 fabricated with a minimum of one-half inch lip or rim to prevent  
19 the draining liquid from spilling onto the floor.

20 (3) The sink shall be equipped with a mixing faucet and shall  
21 be provided with a swivel spigot capable of servicing all sink  
22 compartments.

23 ~~(b) If all utensils and equipment of a mobile food facility are  
24 washed and sanitized on a daily basis at the approved commissary  
25 or other approved food facility, and the mobile food facility  
26 provides and maintains an adequate supply of spare preparation  
27 and serving utensils in the mobile food facility as needed to replace  
28 those that become soiled or contaminated, then the mobile food  
29 facility shall not be required to provide a warewashing sink to only  
30 handle any of the following:~~

31 ~~(1) Nonpotentially hazardous foods that do not require  
32 preparation other than heating, baking, popping, portioning, bulk  
33 dispensing, assembly, or shaving of ice.~~

34 ~~(2) Steamed or boiled hot dogs.~~

35 ~~(3) Tamales in the original, inedible wrapper.~~

36 ~~(e) An unenclosed~~

37 ~~(b) A mobile food facility that prepares potentially hazardous  
38 beverages for immediate service in response to an individual  
39 consumer order is approved for limited food preparation shall do  
40 one of the following:~~

1 ~~(1) Provide a three-compartment sink described in subdivision~~  
 2 ~~(a):~~

3 ~~(2)~~  
 4 (1) Provide at least one two-compartment sink that complies  
 5 with subdivision (e) of Section 114099.3.

6 ~~(3)~~  
 7 (2) Provide a one-compartment sink with at least one integral  
 8 metal drainboard, an adequate supply of spare preparation and  
 9 serving utensils to replace those that become soiled or  
 10 contaminated, and warewashing facilities that comply with  
 11 subdivision (a) in reasonable proximity to, and readily accessible  
 12 for use by, food employees at all times.

13 (3) *Maintain an adequate supply of spare preparation and*  
 14 *serving utensils on the mobile food facility to ensure that utensils*  
 15 *used for potentially hazardous foods are replaced with clean and*  
 16 *sanitized utensils every four hours or as needed to replace those*  
 17 *that become soiled or contaminated. A mobile food facility that*  
 18 *complies with this paragraph is not required to provide a*  
 19 *warewashing sink.*

20 SEC. 19. Section 114314 of the Health and Safety Code is  
 21 amended to read:

22 114314. (a) Handwashing sinks and warewashing sinks for  
 23 unenclosed mobile food facilities shall be an integral part of the  
 24 primary unit or on an approved auxiliary conveyance that is used  
 25 in conjunction with the mobile food facility.

26 (b) Warewashing sinks for unenclosed mobile food facilities  
 27 shall be equipped with overhead protection made of wood, canvas,  
 28 or other materials that protect the sinks from bird and insect  
 29 droppings, dust, precipitation, and other contaminants.

30 (c) *A mobile food facility may satisfy the requirements of this*  
 31 *section by demonstrating access to a permitted auxiliary*  
 32 *conveyance containing the necessary handwashing and*  
 33 *warewashing sinks. The auxiliary conveyance may be operated by*  
 34 *the same or a different permit holder. An enforcement agency may*  
 35 *permit an auxiliary conveyance to serve multiple mobile food*  
 36 *facilities operating in close proximity to the auxiliary conveyance,*  
 37 *as determined by the enforcement agency.*

38 (d) *A compact mobile food facility may operate without an*  
 39 *integral handwashing sink, auxiliary sink unit, or other*  
 40 *handwashing facility if it is equipped with a supply of clean,*

1 *potable water, hand soap, a receptacle for waste water, and paper*  
2 *towels.*

3 SEC. 20. Section 114315 of the Health and Safety Code is  
4 amended to read:

5 114315. (a) A *mobile* food facility shall be operated within  
6 200 feet travel distance of an approved and readily available toilet  
7 and handwashing facility, ~~or as otherwise approved by the~~  
8 ~~enforcement agency, and, if the mobile food facility has multiple~~  
9 ~~employees or operators, may remain operable by a single employee~~  
10 ~~or operator so that employees may alternate use of a restroom, to~~  
11 ensure that restroom facilities are available to facility employees  
12 whenever the mobile food facility is stopped to conduct business  
13 for more than a one-hour period. *An enforcement agency may*  
14 *waive this requirement for a mobile food facility if it finds that the*  
15 *operations of the mobile food facility provide for adequate access*  
16 *to restroom facilities in an alternative manner.*

17 (b) This section does not limit the authority of a local governing  
18 body to adopt, by ordinance or resolution, additional requirements  
19 for the public safety, including reasonable time, place, and manner  
20 restrictions pursuant to its authority under subdivision (b) of  
21 Section 22455 of the Vehicle Code.

22 SEC. 21. Section 114379.50 of the Health and Safety Code is  
23 repealed.

24 ~~114379.50. A violation of this chapter is, notwithstanding~~  
25 ~~Section 114395, an infraction, provided, however, that the first~~  
26 ~~violation shall result in a notice of violation. A second violation~~  
27 ~~within a five-year period from the notice of violation shall be~~  
28 ~~punishable by a fine of not more than two hundred fifty dollars~~  
29 ~~(\$250). For a third or subsequent violation within a five-year~~  
30 ~~period, the fine shall be not more than five hundred dollars (\$500).~~  
31 ~~A restaurant shall not be found to have committed a violation under~~  
32 ~~this chapter more than once during an inspection visit.~~

33 SEC. 22. Section 114380 of the Health and Safety Code is  
34 amended to read:

35 114380. (a) A person proposing to build or remodel a food  
36 facility shall submit complete, easily readable plans drawn to scale,  
37 and specifications to the enforcement agency for review, and shall  
38 receive plan approval before starting any new construction or  
39 remodeling of a facility for use as a retail food facility.

1 (b) Plans and specifications may also be required by the  
2 enforcement agency if the agency determines that they are  
3 necessary to ensure compliance with the requirements of this part,  
4 including, but not limited to, a menu change or change in the  
5 facility's method of operation.

6 (c) (1) All new school food facilities or school food facilities  
7 that undergo modernization or remodeling shall comply with all  
8 structural requirements of this part. Upon submission of plans by  
9 a public school authority, the Division of the State Architect and  
10 the local enforcement agency shall review and approve all new  
11 and remodeled school facilities for compliance with all applicable  
12 requirements.

13 (2) Notwithstanding subdivision (a), the Office of Statewide  
14 Health Planning and Development (OSHDP) shall maintain its  
15 primary jurisdiction over licensed skilled nursing facilities, and  
16 when new construction, modernization, or remodeling must be  
17 undertaken to repair existing systems or to keep up the course of  
18 normal or routine maintenance, the facility shall complete a  
19 building application and plan check process as required by OSHDP.  
20 Approval of the plans by OSHDP shall be deemed compliance  
21 with the plan approval process required by the local county  
22 enforcement agency described in this section.

23 (3) Except when a determination is made by the enforcement  
24 agency that the nonconforming structural conditions pose a public  
25 health hazard, existing public and private school cafeterias, limited  
26 service charitable feeding operation facilities, and licensed health  
27 care facilities shall be deemed to be in compliance with this part  
28 pending replacement or renovation.

29 (d) Except when a determination is made by the enforcement  
30 agency that the nonconforming structural conditions pose a public  
31 health hazard, existing food facilities that were in compliance with  
32 the law in effect on June 30, 2007, shall be deemed to be in  
33 compliance with the law pending replacement or renovation. If a  
34 determination is made by the enforcement agency that a structural  
35 condition poses a public health hazard, the food facility shall  
36 remedy the deficiency to the satisfaction of the enforcement  
37 agency.

38 (e) The plans shall be approved or rejected within 20 working  
39 days after receipt by the enforcement agency and the applicant  
40 shall be notified of the decision. Unless the plans are approved or

1 rejected within 20 working days, they shall be deemed approved.  
2 The building department shall not issue a building permit for a  
3 food facility until after it has received plan approval by the  
4 enforcement agency. This section does not require that plans or  
5 specifications be prepared by someone other than the applicant.

6 *(f) Upon receipt of complete, easily readable plans drawn to*  
7 *scale, and specifications satisfactory to the enforcement agency,*  
8 *an enforcement agency may preapprove a standard plan for a*  
9 *standardized or mass-produced facility intended to serve as a*  
10 *mobile food facility. The manufacturer of the standardized facility*  
11 *may be required to affix a sticker or decal to each individual unit*  
12 *certifying that the unit was built in accordance with the*  
13 *preapproved blueprints. A person proposing to operate a mobile*  
14 *food facility who has acquired a facility for which the plans have*  
15 *already been approved is not required to submit plans for the*  
16 *individual unit, but instead the plans shall be deemed approved.*  
17 *The permit application for a mobile food facility utilizing a*  
18 *preapproved facility shall include a certification that the applicant*  
19 *has not substantially altered the facility from the preapproved*  
20 *plans.*

21 *(g) The repair of equipment or integral fixtures on a mobile*  
22 *food facility or the replacement of equipment and fixtures with*  
23 *substantially similar equipment or fixtures is not a remodel, and*  
24 *the repair or replacement of equipment or fixtures does not require*  
25 *the submission of plans to an enforcement agency.*

26 SEC. 23. Section 114381 of the Health and Safety Code is  
27 amended to read:

28 114381. (a) A food facility shall not be open for business  
29 without a valid permit.

30 (b) A permit shall be issued by the enforcement agency when  
31 investigation has determined that the proposed facility and its  
32 method of operation meets the specifications of the approved plans  
33 or conforms to the requirements of this part.

34 (c) A permit, once issued, is nontransferable. A permit shall be  
35 valid only for the person, location, type of food sales, or  
36 distribution activity and, unless suspended or revoked for cause,  
37 for the time period indicated.

38 (d) Any fee for the permit or registration or related services,  
39 including, but not limited to, the expenses of inspecting and  
40 impounding ~~any~~ a utensil suspected of releasing lead or cadmium

1 in violation of Section 108860 as authorized by Section 114393,  
2 review of HACCP plans, and alternative means of compliance  
3 shall be determined by the local governing body. Fees shall be  
4 sufficient to cover the actual expenses of administering and  
5 enforcing this part. The moneys collected as fees shall only be  
6 expended for the purpose of administering and enforcing this part.  
7 *An enforcement agency may waive or reduce a fee for the permit,*  
8 *registration, or related services for an applicant seeking approval*  
9 *of a compact mobile food facility.*

10 (e) A permit shall be posted in a conspicuous place in the food  
11 facility or in the office of a vending machine business.

12 (f) ~~Any~~—A person requesting the enforcement agency to  
13 undertake activity pursuant to Sections 114149.1 and 114419.3  
14 shall pay the enforcement agency's costs incurred in undertaking  
15 the activity. The enforcement agency's services shall be assessed  
16 at the current hourly cost recovery rate.

17 SEC. 24. Section 114395 of the Health and Safety Code is  
18 repealed.

19 ~~114395. Except as otherwise provided in this part, any person~~  
20 ~~who violates any provision of this part or regulation adopted~~  
21 ~~pursuant to this part is guilty of a misdemeanor. Each offense shall~~  
22 ~~be punished by a fine of not less than twenty-five dollars (\$25) or~~  
23 ~~more than one thousand dollars (\$1,000) or by imprisonment in~~  
24 ~~the county jail for a term not exceeding six months, or by both fine~~  
25 ~~and imprisonment.~~

26 SEC. 25. Section 114395 is added to the Health and Safety  
27 Code, to read:

28 114395. Notwithstanding any other provision of this part, a  
29 violation of any provision of this part or regulation adopted  
30 pursuant to this part is punishable only by an administrative fine.  
31 Except as otherwise provided in this part, each offense may only  
32 be punished by a fine consistent with subdivision (a) of Section  
33 51039 of the Government Code, and those fines shall be subject  
34 to the applicable mandatory reductions based on an individual's  
35 ability to pay as provided in paragraph (1) of subdivision (f) of  
36 Section 51039 of the Government Code. A violation of any  
37 provision of this part or regulation adopted pursuant to this part  
38 shall not be punishable as an infraction or misdemeanor, and the  
39 person alleged to have violated any of those provisions is not



- 1 subject to arrest except when independent grounds for that arrest
- 2 exist under law.

O



## City Council Agenda Report

**Agenda Item 8.**

**DATE:** March 22, 2022  
**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Vince DiMaggio, Assistant City Manager  
**SUBJECT:** Draft Economic Development Strategic Plan

---

### RECOMMENDATION:

That the City Council:

1. Provides feedback on the draft plan;
2. Directs staff to make any adjustments and finalize the plan; and
3. Directs staff to make the finalized plan available for public review and return the plan for adoption.

### BACKGROUND:

At the City Council meeting on April 13, 2021, the City Council was asked to provide direction on projects and programs to be implemented with American Rescue Plan Act funds. One program was the Economic Development Incentives. The City Council directed staff to engage an economic consultant to analyze El Cajon demographics, and determine what types of large-scale businesses could successfully be attracted and what type of financial participation would be needed to attract them. Furthermore, the City Council, at subsequent meetings, reinforced the need to adopt an economic development strategy as a high priority for the City. After soliciting seven economic development consultants for project proposals, The Natelson Dale Group (TNDG) was selected as the consulting firm to create the economic development strategy for the City.

The draft economic development strategic plan (EDSP) attached to this report contains the detailed demographic data; a Strengths, Weaknesses, Opportunities, Threats (SWOT) Analysis; market demand projections; target industry/cluster analysis; an action plan; and other information that provides the strategic framework of the draft EDSP. Please note that the agenda report is a high level summary of the draft EDSP and that the attached EDSP should be referenced for detailed information.

### DISCUSSION

What is an Economic Development Strategic Plan?

An EDSP serves as a planning document, similar to a Comprehensive Plan for land use (for example, a Specific Plan or General Plan), which establishes the city's position and helps the city compete in the highly competitive world of economic development. An EDSP provides the city direction in its economic development efforts with objectives such as: sustaining and increasing the city's tax base; increasing private and corporate investments; increasing

opportunities for public and private partnerships; job creation within appropriate business/industry sectors; and maximizing sustainable economic growth and viability.

### Proposed El Cajon EDSP

City staff and TNDG, in concert with an economic development steering committee made up of El Cajon business owners, a City councilmember and business representatives, helped to shape the direction of the plan. During this process, TNDG and City staff met with committee members on three separate occasions to discuss and refine demographic data, target industries/clusters, strategize priorities, and review the draft plan. At this point in the process, the EDSP is approximately 90% complete, and now is an opportune time to engage the City Council for feedback and direction.

The development of the plan includes several analyses to provide a solid data foundation including: regional economic data; target industry/cluster analysis; a SWOT Analysis; and market demand projections. Establishing the City's economic development position and SWOT Analysis allows for the development of recommendations going forward.

These recommendations include targeted industries, which describe specific industry sectors that fit the profile of El Cajon and represent viable economic development target opportunities. The most important aspect of the EDSP is the nine identified strategies and the implementation of these strategies in an action plan. This can be thought of as a road map with specific actions recommended achieving the desired outcome of maximizing appropriate economic development in the City.

The EDSP Action Plan is designed to achieve the following major goals:

- Expand economic opportunities for El Cajon's resident workforce by fostering creation of a diverse range of quality jobs accessible to residents across the spectrum of education/skill levels;
- Revitalize El Cajon's commercial and industrial areas by encouraging private investment that responds to anticipated real estate market demand; and
- Strengthen the City's fiscal position by attracting land uses and business types that have the potential to generate General Fund revenue.

These three goals are organized under the following sections to be implemented by individual strategies. Each strategy has a program description, action steps, an implementer, partners, tools/investments, timeline for implementation, and resource allocation. Strategies may be accomplished through existing staff time and resources while other strategies will require new resources and expenditures. It is important to note however, that approval of the EDSP does not commit or mandate any additional expenditures. Any additional expenditure will be subject to council approval through either budget amendments or allocations in future fiscal years.

### Industry Targeting: Business Development/Job Creation

This section offers recommended industries as high-priority targets and includes:

- Information Technology and Analytical Instruments;
- Medical Devices;
- Biopharmaceuticals;
- Real estate, construction and development;
- Aerospace vehicles and defense; and
- Health services.

Associated implementing strategies to attract and build businesses are:

1. Focus City's business retention/expansion/attraction efforts around high-priority industry clusters;
2. Collaborate with regional partners to expand availability of entrepreneurial development resources in El Cajon; and
3. Implement targeted economic development marketing program.

**Umbrella Programs: Creating an Environment for Economic Progress**

Ultimately, in this section, the implementing strategies establish a business culture that is conducive and inviting to business development within the City. A large part of this will be marketing efforts that seek to capitalize on the benefits of the City and to reposition the City's image, from a business perspective, beyond its current identity.

1. Leverage the City's in-house resources for economic development through strategic partnerships, interdepartmental collaboration, and community involvement; and
2. Enhance City's interface with education/workforce development partners.

**Land Use/Place Making Programs: Physical Changes to Accommodate Quality Growth**

The following strategies focus on place making and capital investments to make new development and investment easier to implement in response to changing markets.

Furthermore, by leveraging existing downtown assets by furthering activation could make downtown El Cajon an entertainment center. The identified strategies are:

1. Position Downtown El Cajon as a regional arts/entertainment center;
2. Implement "reposition retail" initiative to facilitate revitalization and/or re-purposing of high-vacancy shopping centers based on potential market demand for other land uses (including "tech flex" space, office, residential and mixed-use);
3. Implement strategic initiative to attract investment in new (speculative) business park/"tech flex" buildings to accommodate targeted business growth; and
4. Implement integrated effort to expand the City's land, zoning and infrastructure capacity to accommodate anticipated development demand

**Next Steps**

Staff and TNDG will finalize the plan based on the City Council's feedback, and then make it available for public review and comment before returning to the City Council for approval and adoption. Once adopted by the City Council, implementation will begin through a collaborative effort of the City and other partners. Initial strategies for implementation will be identified and then broken into individual work plans for implementation, and measures will be created to chart progress. In order to fully implement the EDSP long term, staff anticipates returning to the City Council periodically with various initiatives that require City Council action in some shape or form. Given this, the City Council will be an active participant in the policy direction and implementation of the EDSP over the next several years. While this is a multi-year work plan, the strategy will need to be reviewed periodically and updated to track the ever-changing environment of economic development and ensure that the City is positioning itself in the best manner for success. Budget amendments will eventually be required for items necessitating additional funding and council action may be required on other implementation items. After the process commences, an examination of current resources being utilized may be necessary to determine if sufficient capacity currently exists to successfully implement the program or if additional resources are necessary.

## Fiscal Impact

Eventual approval of the EDSP does not carry any direct costs. Several of the recommended strategies will have expenditures associated with them and would require budget amendments or funding under future year budgets. Many of the strategies, however, fall under items that are currently funded such as Zoning Code updates. As implementation will require joint ventures with partners, other organizations will also provide resources towards the goals.

Prepared By: Vince DiMaggio, Assistant City Manager and Anthony Shute, Director of Community Development

Reviewed By: Vince DiMaggio, Assistant City Manager

Approved By: Graham Mitchell, City Manager

---

## Attachments

Draft Economic Development Strategic Plan

CITY COUNCIL REVIEW DRAFT

**EL CAJON  
ECONOMIC DEVELOPMENT STRATEGIC PLAN**



Prepared for:

**City of El Cajon, California**

**March 11, 2022**

---

**PREPARED BY:**



**T H E N A T E L S O N D A L E G R O U P ,  
I N C .**

YORBA LINDA, CA • [www.natelsondale.com](http://www.natelsondale.com)

---

# Table of Contents

- 1. Introduction ..... 1**
  - Overview of the Strategic Planning Process* ..... 1
  - EDSP Committee* ..... 2
- 2. Executive Summary ..... 3**
  - Action Plan Goals and Scope* ..... 3
  - Prioritization of City Resources* ..... 4
  - EDSP Strategies* ..... 4
  - Recommended Business Retention/Expansion/Attraction Targets* ..... 5
- 3. SWOT Assessment ..... 8**
- 4. Highlights of Background/Technical Studies ..... 9**
  - Demographic Profile* ..... 9
  - Market Demand Projections for Commercial and Light Industrial Land Uses* ..... 12
  - Target Industry/Cluster Analysis* ..... 15
  - Existing Important Clusters in El Cajon Area ..... 16
  - “Candidate” Clusters for El Cajon’s Target Industry Program ..... 21
- 5. EDSP Action Plan ..... 24**
  - Overview of Action Plan* ..... 24
  - Prioritization of City Resources* ..... 24
  - Recommended Business Retention/Expansion/Attraction Targets* ..... 25
  - EDSP Strategies* ..... 27
  - Implementation Timeframes* ..... 28
- Appendix A: Existing Programs/Resources Relevant to the EDSP ..... 39**

# 1. Introduction

This document provides a strategic framework to guide the City of El Cajon’s economic development policies and programs over the next 5 years. The El Cajon Economic Development Strategic Plan (EDSP) is based on a comprehensive research and stakeholder input process, and reflects consensus views on the most promising opportunities and the most pressing challenges facing El Cajon’s economy. While the EDSP places primary emphasis on actions and initiatives to be pursued by the City, it recognizes that a wide array of public- and private-sector entities have roles in influencing the economic vitality of El Cajon. In this regard, some of the recommended actions will be carried out through partnerships with other entities. Even for those action items in which the City’s role is essentially coordination, this function can take many forms and is often critical to solving problems that may not otherwise have a clear constituency or single responsible entity assigned to resolving them.

## *Overview of the Strategic Planning Process*

The recommended policies and program activities are based on an extensive planning process that included the following components:

- An analysis of El Cajon’s existing and projected demographic profile, providing an understanding of underlying trends that may affect economic growth potentials.
- Direct input from a cross section of the City’s economic development stakeholders (the EDSP Committee listed below) via a series of workshop-style meetings.
- A review of the various public- and private-sector entities involved in different aspects of economic development (or related activities), along with an inventory of their existing program offerings.
- An industry “cluster” analysis to identify the industry groups (clusters) that are the most important “engines” of the existing local economy, as well as the industry groups that are likely to offer the most attractive growth potentials in the future.
- A real estate market analysis to identify potential future demand for commercial and light industrial<sup>1</sup> development in the City.

For both the industry cluster analysis and the real estate demand projections, conclusions were screened through the lens of the ongoing pandemic to identify ways in which immediate and longer-term market opportunities may be altered due to current conditions.

Where relevant, key findings of the background and technical studies are referenced in the EDSP. The full studies are provided as separate reports.

---

<sup>1</sup> For purposes of the EDSP, “light industrial” is defined to include business park and “tech flex” space, representing facility types well suited for a range of technology-oriented industries.



## *EDSP Committee*

The City of El Cajon gratefully acknowledges the participation of the following individuals in the preparation of the EDSP.

### **City of El Cajon**

Councilmember Phil Ortiz  
El Cajon City Council

Vince DiMaggio  
Assistant City Manager

Tony Shute  
Community Development Director

### **Business/Community Stakeholders**

Cameron Czubernat, Broker/Principal  
Commercial Properties Group

Greg Kaminski, President  
Gary Kaminski, President  
Toyota of El Cajon and Honda of El Cajon

Cathy Zeman, CFO and Board Member  
Downtown El Cajon Business Partners  
(Property Business Improvement District)

Daisy Melena, General Manager  
Parkway Plaza

James Sly, President and CEO  
East County Economic Development Council

## 2. Executive Summary

### *Action Plan Goals and Scope*

The EDSP Action Plan is designed to achieve the following major goals:

- Expand economic opportunities for El Cajon’s resident workforce
- Revitalize El Cajon’s commercial and industrial areas
- Strengthen the City’s fiscal position

Whereas these goals largely revolve around attracting and retaining targeted business investment, the Action Plan recognizes that the strength of the local business/development environment will ultimately depend on El Cajon’s strategic attention to a range of “foundational” conditions such as:

- Education/workforce development systems
- Entrepreneurial development resources
- The City’s reputation for business/development friendliness
- Land, zoning and infrastructure capacity
- Placemaking activities that leverage El Cajon’s unique locational advantages and sense of community
- Overall image and quality of life

On a practical level, implementation of this framework will be carried out through the nine specific strategies outlined below.

## *Prioritization of City Resources*

The EDSP is intended to provide a “roadmap” to guide the City’s economic development efforts over the next five years (starting in Fiscal Year 2022-2023). The Action Plan is intended to assist the City in aligning its program priorities to match the market opportunities identified during this planning effort. **Whereas many of the proposed strategies involve activities that the City is already undertaking to some extent, the Action Plan also recommends some programs that would be new activities for the City. As such, full implementation of the Plan would likely require additional City staff dedicated to economic development (as further discussed on page 6 below).** In addition, the Plan identifies opportunities for the City to leverage its in-house economic development resources through collaboration with various non-City partner organizations.

## *EDSP Strategies*

The EDSP Action Plan is organized around nine major strategies, shown below organized under the headings of A) Industry Targeting, B) Umbrella Programs, and C) Land Use/Placemaking:

### **Industry Targeting: Business Development / Job Creation**

1. Focus City’s **business retention/expansion/attraction** efforts around high-priority industry clusters
2. Collaborate with regional partners to expand availability of **entrepreneurial development** resources in El Cajon
3. Implement targeted **economic development marketing program**

### **Umbrella Programs: Creating an Environment for Economic Progress**

4. Leverage the City’s in-house resources for economic development through **strategic partnerships, interdepartmental collaboration, and community involvement.**
5. Enhance City’s interface with **education/workforce development** partners

### **Land Use / Placemaking Programs: Physical Changes to Accommodate Quality Growth**

6. Position Downtown El Cajon as a **regional arts/entertainment center**
7. Implement **“reposition retail” initiative** to facilitate revitalization and/or repurposing of high-vacancy shopping centers based on potential market demand for other land uses (including “tech flex” space, office, residential and mixed-use)

8. Implement strategic initiative to **attract investment in new (speculative) business park / “tech flex” buildings** to accommodate targeted business growth
9. Implement integrated effort to **expand the City’s land, zoning and infrastructure capacity** to accommodate anticipated development demand

*High-Impact Action Items for Priority City Investment*

Within each of the nine major strategies, the EDSP outlines a series of specific Action Steps. Some of the action items are relatively modest in scope (but still essential as parts of a comprehensive program), whereas others are high-impact action items that can be regarded as economic development “game changers” for El Cajon. These high-impact actions are highlighted on the table below (and are potentially candidate uses of available ARPA funding).

Major Strategy	High-Impact Action Items/ Investments
Business retention/expansion/attraction	<ul style="list-style-type: none"> <li>• Target industry identification and outreach (locally and regionally)</li> </ul>
Entrepreneurial development	<ul style="list-style-type: none"> <li>• Coordination of startup assistance programs offered by partners</li> <li>• Potential facilitation of (or direct investment in) development of business incubator</li> </ul>
Economic development marketing program	<ul style="list-style-type: none"> <li>• Professionally designed, ED-specific marketing campaign</li> </ul>
Strategic partnerships	<ul style="list-style-type: none"> <li>• Periodic special events to recognize and strengthen relationships with public and private partners (including development community)</li> </ul>
Workforce development coordination	<ul style="list-style-type: none"> <li>• Interface between El Cajon’s major employers and workforce development organizations</li> </ul>
Positioning downtown as regional arts/entertainment center	<ul style="list-style-type: none"> <li>• Facilitation of public-private Downtown Working Group (to identify specific needs and actions to elevate downtown’s market position)</li> <li>• Downtown component of overall marketing campaign</li> </ul>
“Reposition retail” initiative	<ul style="list-style-type: none"> <li>• Direct outreach to commercial/industrial property owners to identify opportunities for reinvestment in (or repurposing of) under utilized real estate</li> <li>• City-funded incentives to encourage reinvestment</li> </ul>
Attract investment in new business park / “tech flex” space	
Expand land, zoning and infrastructure capacity	<ul style="list-style-type: none"> <li>• Implementation of “floating zone” concept to expedite zone changes for targeted land use changes</li> <li>• Expedited CEQA processes (funded by City as an incentive for land use change)</li> </ul>

### *Potential Deployment of New City Resources / Staffing*

The recommended Action Plan would require deployment of new City resources in order to be effectively implemented. For purposes of this draft EDSP, the consultant recommends the following resource commitments for the City’s consideration/discussion:

Major Strategy	Additional ED Staff (FTE Allocations by Strategy)	Other Resource Commitments (Amounts TBD)
Business retention/expansion/attraction	0.25	
Entrepreneurial development	0.10	<ul style="list-style-type: none"> <li>• Funding for contracted incubator operator</li> <li>• Funding for incubator development and marketing</li> </ul>
Economic development marketing program	0.05	<ul style="list-style-type: none"> <li>• Professional marketing agency (program design and implementation)</li> </ul>
Strategic partnerships	0.10	
Workforce development coordination	0.05	
Positioning downtown as regional arts/entertainment center	0.10	<ul style="list-style-type: none"> <li>• Special events</li> <li>• Marketing</li> <li>• Development incentives</li> </ul>
“Reposition retail” initiative	0.25	<ul style="list-style-type: none"> <li>• Development incentives</li> <li>• Design prototypes and financial analysis (part of marketing package to encourage reinvestment)</li> </ul>
Attract investment in new business park / “tech flex” space		
Expand land, zoning and infrastructure capacity	0.10	<ul style="list-style-type: none"> <li>• Profession planning and environmental services</li> </ul>
<b>Total</b>	<b>1.00</b>	

## Recommended Business Retention/Expansion/Attraction Targets

The EDSP target industry analysis identified a total of 13 industry clusters that are of potential interest to El Cajon. Among the 13 clusters, eleven are recommended as strategic targets, with six of these clusters recommended as priority targets for this Action Plan<sup>2</sup>. The priority and other clusters are organized below under the two categorical headings within which they were derived:

- **Core strengths.** Build on El Cajon’s existing core strengths in “traded” (dollar-importing) clusters (Local Health Services would be an example of a core strength)
- **Regional clusters.** Tap into dominant regional industry clusters that are not currently well represented in El Cajon (e.g., Biopharmaceuticals)

Priority Industry Cluster	Cluster recommendations reflecting:	
	Core strengths	Regional clusters
1. Information Technology and Analytical Instruments		X
2. Medical Devices		X
3. Biopharmaceuticals		X
4. Real Estate, Construction and Development	X	
5. Aerospace Vehicles and Defense	X	
6. Health Services	X	

Other Strategically Significant Clusters	Cluster recommendations reflecting:	
	Core strengths	Regional clusters
7. Business Services		X
8. Communications Equipment and Services		X
9. Recreational and Small Electric Goods	X	
10. Motor Vehicle Products and Services	X	
11. Environmental Services	X	

<sup>2</sup> In order to efficiently concentrate available marketing resources on the most promising target industries, the EDSP will include an *initial* focus on the six priority clusters. The remaining five clusters would potentially be added as secondary priorities later in the implementation period (i.e., Year 3 or later).

### 3. SWOT Assessment

The technical studies and stakeholder input provided the basis for identification of important SWOT (strength-weakness-opportunity-threat) factors affecting El Cajon’s economic development potentials. The most significant SWOT issues are summarized below.

SWOT SUMMARY FOR EL CAJON EDSP	
<u>Strengths</u>	<u>Weakness</u>
<ul style="list-style-type: none"> <li>Existing concentration of retail and entertainment facilities attracts patronage from regional trade area (i.e., outside city)</li> <li>Proximity to well-developed transportation infrastructure</li> <li>Relative affordability compared to other parts of the County</li> <li>City leadership focused on improving economic development opportunities through business/development friendly policies</li> </ul>	<ul style="list-style-type: none"> <li>Some unfavorable demographic/economic characteristics (income levels, poverty rates, unemployment rates, etc.) relative to region</li> <li>Limited supply of upscale amenities that appeal to high-skilled workers: hotels, restaurants, etc.</li> <li>Concentration of local-serving industries relative to “export-oriented” industries, which tend to have higher wages and more economic spin-off opportunities</li> </ul>
<u>Opportunities</u>	<u>Threats</u>
<ul style="list-style-type: none"> <li>Additional regional arts/entertainment options in Downtown El Cajon; Magnolia Performing Arts Center as an anchor for these uses</li> <li>Existing opportunities for mid-market ownership homes (\$500-\$600K); limited supply in other parts of county</li> <li>Economic development opportunities based on location and tie-ins with existing airport</li> <li>Significant local labor force that currently commutes out of the region: potential opportunity for business attraction efforts</li> </ul>	<ul style="list-style-type: none"> <li>Relatively high shares of transient and homeless populations</li> <li>Regional government policies that do not promote economic development priorities in the East County region</li> <li>Lack of high-quality, modern real estate buildings – office and business park – to accommodate more desirable industries that are currently relocating to other parts of the County</li> </ul>

## 4. Highlights of Background/Technical Studies

### *Demographic Profile*

The demographic background report<sup>3</sup> prepared for the EDSP provides socioeconomic comparisons for the following geographies: El Cajon, the East Suburban Metropolitan Statistical Area (MSA, excluding El Cajon)<sup>4</sup>, San Diego County and California. Highlights of El Cajon’s demographic profile include the following:

#### General Demographic Characteristics

- For the 16 years and over population, the City has a lower share of residents in the labor force, compared to San Diego County. Compared to the other benchmark regions, the City’s share was only slightly lower. The unemployment rate was significantly higher in the City compared to the benchmark geographies, including for the 25 to 64 years population (more detailed unemployment data are summarized below).
- El Cajon residents are more likely to use public transportation, compared to residents in the East Suburban MSA and the County. However, a smaller share work at home compared to the benchmark geographies. Residents across the evaluated geographies have relatively similar commute times.
- In terms of occupational employment, a smaller share of El Cajon residents is employed in *Management, business, science, and arts* occupations compared to the benchmark geographies. In contrast, El Cajon residents hold a relatively higher share of jobs in *Service* occupations.
- In terms of industry sector employment, the largest share of El Cajon residents (20.5%) is employed in the *Educational services, health care and social assistance* sector (similar to the benchmark geographies). Compared to the benchmark geographies, El Cajon has a relatively larger share (14.9%) of residents employed in the *Arts, entertainment, & recreation, & accommodation & food services* sector. In contrast, the City has a relatively smaller share (11.6%) of its residents employed in the *Professional, scientific, and management, and administrative & waste management services* sector.
- For the income and benefits category, the largest share of El Cajon households (17.9%) is in the \$50,000 to \$74,999 household income range. The City’s households are relatively underrepresented (4.5%) in the highest household income range (\$200,000 or more). The City’s

---

<sup>3</sup> This summary is excerpted from Analysis of Key Datasets for Economic Development Strategic Plan, The Natelson Dale Group, Inc., December 1, 2021.

<sup>4</sup> The San Diego Association of Governments (SANDAG) divides the County into seven Major Statistical Areas (MSAs), partly for evaluating regional economic and demographic data. The East Suburban MSA is one of these seven MSAs, and it includes the City of El Cajon. The seven MSAs are aggregations of Subregional Areas (SRAs), which are aggregations of census tracts that identify large communities in the region. The East Suburban MSA includes the following SRAs: Jamul, Spring Valley, Lemon Grove, La Mesa, El Cajon, Santee, Lakeside, Harrison Crest, Alpine, and Ramona. For purposes of this analysis, data provided for the East Suburban MSA exclude the El Cajon SRA, given that the focus is to compare El Cajon to benchmark regions.



average household income level (\$73,911) is relatively lower than the level in the benchmark geographies. The City's per capita income level is about 66% to 74% of the benchmark geographies' level.

- The City's health insurance coverage rates are relatively similar to the benchmark geographies, save for a couple categories. However, a smaller share of El Cajon's residents (52.8%) has private health insurance compared to the benchmark geographies. They are much more likely to have public coverage (48.5%). This trend is consistent across all categories of the civilian noninstitutionalized population 19 to 64 years.
- Poverty rates – as measured by families and people whose income in the past 12 months was below the poverty level – for all categories of families are relatively higher in El Cajon compared to the County and the State.

#### Housing Characteristics

- The occupied housing rate (96.3%) in El Cajon is higher than in all the benchmark geographies.
- About 39.1% of El Cajon housing units are *1-unit, detached* structures, which is well below the shares in the benchmark regions. Compared to the benchmark geographies, El Cajon has significantly higher shares of housing units in the following unit count ranges: *10 to 19 units* (14.3%) and *20 or more units* (20.1%)
- Only about 6.5% of El Cajon housing units have been built since the year 2000, well below the shares in the benchmark geographies. About one-half (49.8%) of El Cajon's housing units were built between the 20-year period from 1960 to 1979, a higher share than all the benchmark geographies.
- As significantly higher share (58.9%) of El Cajon's housing units are renter-occupied compared to the benchmark geographies.
- Monthly housing costs – measured as percentage of household income – in El Cajon vary for ownership versus rental properties. For housing units with a mortgage, one-fourth (25.0%) of El Cajon households have monthly expenses that are 35.0% or more of household income. This share is below all the benchmark geographies. For rental dwelling units, about 51.4% of El Cajon households have gross rent costs that are 35.0% or more of household income. In contrast, this share is above the shares in the benchmark geographies.

#### Educational Attainment

- El Cajon underperforms in terms of educational attainment relative to the benchmark geographies. For the 18 to 24 years age category, El Cajon has the lowest share of the population (4.9%) with a *Bachelor's degree or higher*. The same finding applies to the 25 years and over age category as well: just over one-fifth (20.9%) of the City is in the *Bachelor's degree or higher category*, well below the shares in the benchmark geographies.
- For the population 25 years or over with a Bachelor's degree or higher, the City has the lowest share of residents – compared to the County and State – with a *Science and Engineering* (37.7%) a degree. The share is similar to the East Suburban MSA (37.0%).

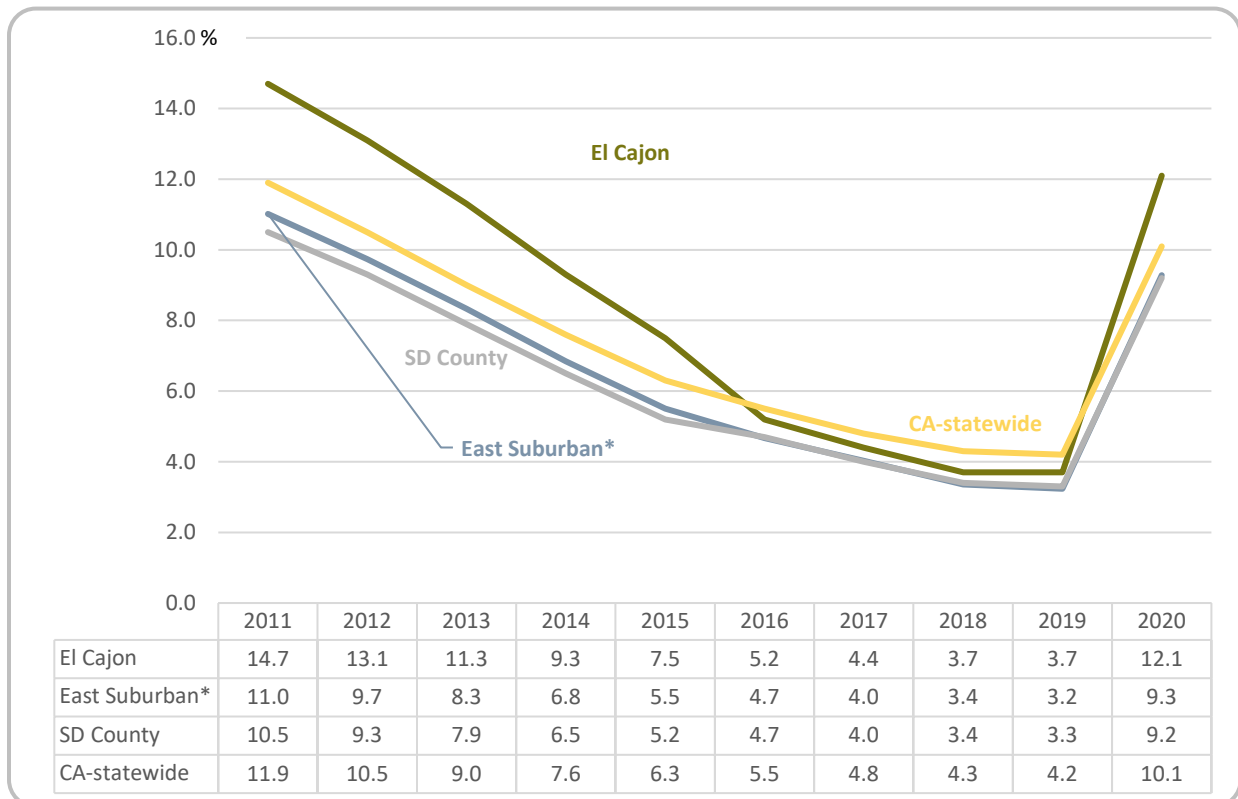
## Household Composition

Average household and family sizes are slightly higher in El Cajon relative to the benchmark geographies. In addition, the data for selected age categories show that El Cajon has relatively younger population compared to the benchmark geographies. For example, about one-fourth (25.3%) of the City’s population is under 18 years, which is a higher share relative to benchmark geographies.

## Resident Unemployment Rates

Figure 1, below, provides annual average unemployment rate estimates for El Cajon, East Suburban MSA (selected cities), San Diego County, and California for the 10-year period from 2011 to 2020. As shown in the figure, during the recovery from the Great Recession (between 2011 and 2015), El Cajon’s unemployment rates were the highest among all geographies. The City experienced a significant decrease in the unemployment rate from 2016 to 2019. As a consequence of the coronavirus pandemic, all evaluated geographies experienced a significant increase in unemployment rates, with El Cajon experiencing the most significant increase (8.4 percentage points between 2019 and 2020).

**FIGURE 1. UNEMPLOYMENT RATE ESTIMATES: EL CAJON, EAST SUBURBAN MSA\*, SAN DIEGO COUNTY, AND CA (2011-20)**

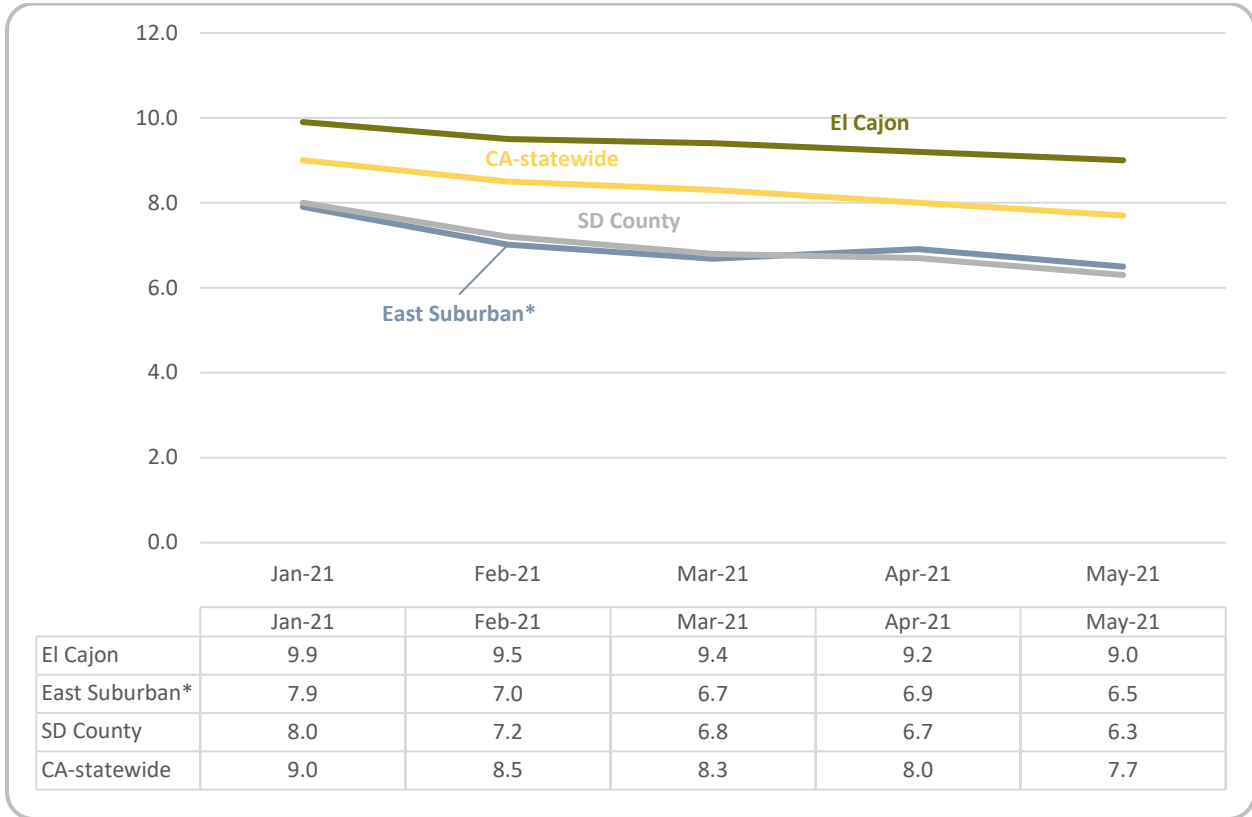


Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics (LAUS) program; TNDG.

\*East Suburban MSA includes available labor force data for the cities of La Mesa, Lemon Grove, and Santee.

In Figure 2, the same unemployment rate data is provided for the first five months of 2021. As the economy recovers, unemployment rates have declined for all four evaluated geographies for the first five months of 2021. However, El Cajon has experienced the slowest decline in rates, with the unemployment rate decreasing by 0.9 percentage points from January to May.

**FIGURE 2. UNEMPLOYMENT RATE ESTIMATES: EL CAJON, EAST SUBURBAN MSA\*, SAN DIEGO COUNTY, AND CA (JAN-MAY 2021)**



Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics (LAUS) program; TNDG.

\*East Suburban MSA includes available labor force data for the cities of La Mesa, Lemon Grove, and Santee.

### *Market Demand Projections for Commercial and Light Industrial Land Uses*

As part of the EDSP process, The Natelson Dale Group, Inc. (TNDG) completed a real estate market analysis to provide 20-year forecasts of demand for new business park (light industrial), office and retail space in El Cajon. Tables 1 and 2 on the following pages provide an abbreviated summary of the market analysis (which is more fully documented in a separate report). Given the wide range of variables that can affect development opportunities over an extended timeframe, the demand projections for each land use are presented in terms of *ranges* (rather than single definitive forecasts) of potential building absorption. **The market projections represent unconstrained/theoretical demand based on expected regional growth. The indicated demand exceeds El Cajon’s existing land/zoning capacity. The EDSP therefore places significant emphasis on strategies to expand development capacity through redevelopment/repurposing of existing underutilized properties.**

**Table 1. Summary of Commercial/Light Industrial Market Analysis  
(20-year Demand Projections)  
City of El Cajon Economic Development**

<b>Geographic Area</b>	<b>Light Industrial (1)</b>	<b>Office</b>	<b>Retail</b>
<b><u>El Cajon</u></b> Existing space (square feet) Existing vacancy rate	9,746,143 2.2%	714,892 2.7%	Data not available at city level
<b><u>East County</u></b> Existing space (square feet) Existing vacancy rate	21,524,778 1.9%	2,456,758 4.0%	19,523,057 4.2%
<b><u>San Diego County total</u></b> Existing space (square feet) Existing vacancy rate	197,695,886 3.2%	80,691,801 15.9%	135,718,717 4.9%
<b><i>Projected 20-year demand for new space (square feet) in El Cajon:</i></b>	500,000 – 750,000	250,000 – 375,000 (includes medical office)	250,000 – 500,000 (includes services space in retail centers)

(1) Light industrial includes business park and “tech flex” space suitable for technology-oriented industries.

Sources: Kidder Matthews Industrial Market Trends (4Q 2021); JLL Office Insight (Q4 2021); Voit Real Estate Services San Diego Retail report (4Q 2021); The Natelson Dale Group, Inc. (TNDG).

**Table 2. Key Market Strengths, Opportunities and Challenges for  
Commercial and Light Industrial Real Estate Development  
City of El Cajon EDSP**

<b>Market Factors</b>	<b>Light Industrial</b>	<b>Office</b>	<b>Retail</b>
Market strengths/opportunities for El Cajon	<ul style="list-style-type: none"> <li>• Potential demand generation from Gillespie Field airport</li> <li>• Global demand surge for industrial space due to e-commerce growth</li> <li>• Potential repatriation of out-commuting workers could generate demand for R&amp;D/tech tenants</li> <li>• Potential nexus to entrepreneurial development initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Potential repatriation of out-commuting workers could create office-using firms/tenants</li> <li>• Potential to position East County as a viable option for tech firms currently concentrated in North County</li> <li>• Potential to position East County as a location for shared office space attractive to “hybrid” remote workers</li> <li>• Potential nexus to entrepreneurial development initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Established/prominent retail destination within East County</li> <li>• Population growth in East County will drive incremental growth in retail space demand</li> <li>• Potential to leverage downtown as arts district (and an attractor of regional demand for retail/restaurant spending)</li> <li>• Potential to leverage El Cajon’s concentration of automobile dealerships</li> </ul>
Market challenges for El Cajon	<ul style="list-style-type: none"> <li>• Lack of available/modern industrial space inhibits business attraction</li> <li>• Limited land/zoning capacity for additional business park development (need to focus on redevelopment/ repurposing of existing underutilized properties)</li> </ul>	<ul style="list-style-type: none"> <li>• El Cajon is unproven as a Class A office market</li> <li>• Remote work trend may reduce overall demand for new office space</li> <li>• High vacancy rates regionally may delay development opportunities for new space in outlying areas</li> </ul>	<ul style="list-style-type: none"> <li>• Global trends are reducing footprint of brick-and-mortar retail</li> <li>• El Cajon’s existing image issues (homelessness, etc.) undermine market position</li> <li>• Need to proactively plan for reuse/repositioning of older retail properties</li> </ul>
Source: The Natelson Dale Group, Inc. (TNDG)			

## *Target Industry/Cluster Analysis*

This section provides a summary of the target industry/cluster analysis completed for the EDSP process. The analysis (considers industry growth/retraction trends in the City of El Cajon, comparing the local economy's recent and longer-term performance to regional and national benchmarks.

The study evaluates the City's economy in terms of industry "clusters." Clusters are groups of inter-related industry sectors whose growth potentials within a region tend to be closely aligned. The tendency of individual industries to co-locate in clusters reflects linkages through supply-chain relationships, as well as commonalities in terms of workforce requirements and infrastructure needs. The concept of industry clusters is an effective framework for economic development programming since it reflects a holistic understanding of the regional economic conditions driving the growth or retraction of individual sectors. Nationally, the Cluster Mapping Project used in this analysis recognizes a total of 70 clusters, with 19 classified as "local" clusters and 51 classified as "traded" clusters.

Total current (2020) employment in the El Cajon area<sup>5</sup> is estimated at 65,159 jobs<sup>6</sup>. Of this total, 64,274 jobs are in industries that are included in either a "local" or "traded" cluster (as further defined below); the remaining 885 jobs are in miscellaneous industries not associated with specific clusters. The local clusters currently represent a total of 50,914 jobs in the El Cajon area, while the traded clusters account for 13,359 jobs.

Whereas local and traded clusters are both critically important components of a balanced economy, they have distinct roles and characteristics, and these distinctions can be helpful in terms of planning economic development programs. Some of these distinctions are summarized as follows:

- **Local clusters** typically form the core of a region's economy; they primarily provide goods and services for the local (resident) population. They tend to account for the majority of jobs in a region (in the case of the El Cajon area, local clusters represent 78% of total jobs), and support a high quality of life by ensuring the availability of a diverse range of goods and services.
- **Traded clusters** are "export-oriented" in the sense that they include industries that are engaged in producing goods and services for end customers outside the region. Traded clusters represent close to 21% of the jobs in the El Cajon area, and are especially important from an economic development perspective given that they tend to have higher wages and higher "multiplier impacts" compared to local clusters. That is, they have a strong potential to inject new dollars into the local economy and thereby serve as "drivers" for broader economic growth.

---

<sup>5</sup> Based on the data source used for this analysis, the El Cajon area is defined to include the following zip codes: 92019, 92020, and 92021. The geographic area covered by these zip codes includes some employment centers outside the City's boundaries. Thus, total El Cajon employment indicated in this report exceeds the number of jobs located within the City limits.

<sup>6</sup> All employment data used in this analysis are from EMSI – a private data/modeling firm nationally regarded for its ability to provide detailed (6-digit NAICS code) industry employment estimates for small areas of geography (cities and zip codes).

## Existing Important Clusters in El Cajon Area

Table 3 on the next page lists all traded clusters that had 50 or more jobs in the El Cajon area in 2020, and provides the following information about each listed cluster:

- Total number of jobs in the El Cajon area in 2020 (the latest full year for which data are available)
- Location quotient (compared to U.S. benchmark) in 2020. The location quotient (LQ) measures how concentrated/important an industry cluster is in a region compared to national benchmarks. An LQ value greater than 1.0 indicates that a cluster is more concentrated in the region than it is nationally. This is generally regarded as an indication that the region has a comparative advantage relative to a particular cluster, although (especially for local clusters) an LQ below 1.0 can indicate a potential growth opportunity.
- Average annual wage for jobs in the El Cajon area<sup>7</sup>
- Change in the number of jobs for the most recent 10-year period, 2010-2020

Table 4 provides the same data for local clusters that had more than 500 jobs in the El Cajon area in 2020.

Tables 5 and 6 summarize cluster job growth/retraction performance in the El Cajon area, the East County region (excluding El Cajon), and San Diego County compared to national trends. This part of the study is based on a “shift-share” analysis for each cluster that estimates an “expected” job change based on national trends. If the El Cajon area (or East County or County) has higher job growth (or experiences less severe job losses) compared to the expected change, it indicates that the local area (or East County or County) has performed better than national trends. Conversely, if El Cajon area/East County/County has less job growth (or experiences more severe job losses) compared to the expected change, it indicates that the local area/East County/County has performed worse than national trends.

---

<sup>7</sup> Wage data are for jobs (not residents) based in El Cajon.

**TABLE 3. SUMMARY CHARACTERISTICS AND TRENDS, EL CAJON AREA LARGEST TRADED CLUSTERS  
(LIST INCLUDES ALL CLUSTERS WITH MORE THAN 50 JOBS IN 2020)**

TRADED CLUSTER	JOBS	LQ	COUNTY LQ*	AVG ANN WAGE	10-YR JOB CHANGE
Education and Knowledge Creation	4,675	1.69	1.45	\$60,187	(213)
Business Services	1,518	0.37	1.10	94,658	380
Distribution and Electronic Commerce	964	0.38	0.64	99,407	(63)
Aerospace Vehicles and Defense	926	3.49	2.90	115,091	(491)
Recreational and Small Electric Goods	595	7.79	1.64	82,665	(22)
Hospitality and Tourism	515	0.51	1.33	47,095	(288)
Furniture	361	2.34	0.40	66,327	(14)
Information Technology and Analytical Instruments	358	0.63	1.69	98,170	(105)
Environmental Services	286	5.40	0.81	79,867	61
Wood Products	265	1.65	0.20	81,379	37
Plastics	256	0.97	0.42	71,341	22
Financial Services	249	0.29	0.90	136,688	(70)
Transportation and Logistics	240	0.28	0.51	65,205	20
Paper and Packaging	232	1.59	0.27	51,444	77
Metalworking Technology	232	1.26	0.56	64,124	19
Production Technology and Heavy Machinery	190	0.50	0.72	89,302	57
Downstream Metal Products	177	0.96	0.41	75,095	37
Upstream Metal Manufacturing	177	1.15	0.27	76,762	118
Performing Arts	151	0.67	1.08	41,022	(43)
Marketing, Design, and Publishing	141	0.20	0.97	77,021	5
Lighting and Electrical Equipment	116	0.92	0.61	73,394	42
Printing Services	105	0.63	0.64	65,531	(36)
Medical Devices	85	0.69	2.18	136,972	(26)
Automotive	80	0.21	0.13	72,806	(71)
Food Processing and Manufacturing	56	0.12	0.59	54,747	15
Nonmetal Mining	56	1.35	0.30	112,098	(27)
Communications Equipment and Services	54	0.44	2.74	194,312	(28)
Insurance Services	52	0.08	0.68	89,718	(13)
<b>GROUP TOTAL / AVG</b>	<b>13,007</b>	<b>0.73</b>	<b>1.00</b>	<b>\$77,064</b>	<b>(581)</b>
<b>CITY TOTAL</b>	<b>65,159</b>	<b>N/A</b>	<b>N/A</b>	<b>\$68,612</b>	<b>5,381</b>

Note: LQ = Location Quotient; 10-year job change is from 2010 to 2020. \*County LQ provided for comparison purposes.

Source: U.S. Cluster Mapping Project; EMSI; The Natelson Dale Group, Inc. (TNDG).



**TABLE 4. SUMMARY CHARACTERISTICS AND TRENDS, EL CAJON AREA LARGEST LOCAL CLUSTERS  
(LIST INCLUDES ALL CLUSTERS WITH MORE THAN 500 JOBS IN 2020)**

LOCAL CLUSTER	JOBS	LQ	COUNTY LQ*	AVG ANN WAGE	10-YR JOB CHANGE
Local Real Estate, Construction, & Development	11,347	2.19	1.08	\$74,589	2,748
Local Health Services	5,835	0.78	0.84	63,927	1,001
Local Hospitality Establishments	4,309	0.94	1.04	27,808	343
Local Federal Government	3,436	1.68	2.81	106,743	(69)
Local Government	3,407	1.49	0.98	114,508	199
Local Community and Civic Organizations	3,319	1.42	1.10	29,826	1,474
Local Education and Training	3,236	0.91	0.88	83,137	(5)
Local Motor Vehicle Products and Services	3,158	1.67	0.80	61,622	80
Local Retailing of Clothing and Gen. Merchandise	2,337	1.34	0.91	36,811	(470)
Local Commercial Services	2,155	0.57	1.00	59,324	118
Local Personal Services (Non-Medical)	1,921	1.22	1.01	41,325	216
Local Food and Beverage Processing and Distribution	1,902	1.05	0.91	39,803	280
Local Household Goods and Services	1,116	1.18	1.09	47,609	13
Local Logistical Services	979	0.83	0.70	68,101	(73)
Local Financial Services	734	0.54	0.74	102,009	134
Local Utilities	630	1.40	0.94	179,508	52
<b>GROUP TOTAL / AVG</b>	<b>49,822</b>	<b>1.18</b>	<b>1.04</b>	<b>\$66,950</b>	<b>6,041</b>
<b>CITY TOTAL</b>	<b>65,159</b>	<b>N/A</b>	<b>N/A</b>	<b>\$68,612</b>	<b>5,381</b>

*Note:* LQ = Location Quotient; 10-year job change is from 2010 to 2020. \*County LQ provided for comparison purposes.

*Source:* U.S. Cluster Mapping Project; EMSI; The Natelson Dale Group, Inc. (TNDG).

**TABLE 5. JOB GROWTH/RETRACTION PERFORMANCE COMPARED TO NATIONAL TRENDS FOR LARGEST TRADED CLUSTERS, EL CAJON AREA, EAST SAN DIEGO, AND SAN DIEGO COUNTY**

TRADED CLUSTER	2010-20 GROWTH PERFORMANCE BASED ON SHIFT SHARE ANALYSIS		
	EL CAJON	E. SAN DIEGO	S.D. COUNTY
Aerospace Vehicles and Defense	-	N/A	+
Agricultural Inputs and Services	+	-	-
Apparel	+	+	+
Automotive	-	-	-
Biopharmaceuticals	+	+	+
Business Services	+	+	+
Communications Equipment and Services	-	-	+
Construction Products and Services	-	+	+
Distribution and Electronic Commerce	-	-	-
Downstream Chemical Products	+	+	+
Downstream Metal Products	+	-	+
Education and Knowledge Creation	-	-	+
Environmental Services	+	+	+
Financial Services	-	-	-
Food Processing and Manufacturing	+	+	+
Furniture	-	-	-
Hospitality and Tourism	-	-	-
Information Technology and Analytical Instruments	-	-	-
Insurance Services	-	-	-
Lighting and Electrical Equipment	+	-	-
Marketing, Design, and Publishing	-	-	-
Medical Devices	-	+	+
Metalworking Technology	+	-	+
Nonmetal Mining	-	+	-
Paper and Packaging	+	+	+
Performing Arts	-	+	-
Plastics	-	-	-
Printing Services	-	-	-
Production Technology and Heavy Machinery	+	+	+
Recreational and Small Electric Goods	-	-	-
Transportation and Logistics	-	-	+
Upstream Metal Manufacturing	+	+	+
Video Production and Distribution	+	-	-
Water Transportation	-	+	+
Wood Products	+	+	-

*Note:* " + " = growth performance better than expected; " - " worse than expected.

*Source:* U.S. Cluster Mapping Project; EMSI; The Natelson Dale Group, Inc. (TNDG).

**TABLE 6. JOB GROWTH/RETRACTION PERFORMANCE COMPARED TO NATIONAL TRENDS FOR LARGEST LOCAL CLUSTERS, EL CAJON, EAST SAN DIEGO, AND SAN DIEGO COUNTY**

TRADED CLUSTER	2010-20 GROWTH PERFORMANCE BASED ON SHIFT SHARE ANALYSIS		
	EL CAJON	E. SAN DIEGO	S.D. COUNTY
Local Commercial Services	-	-	-
Local Community and Civic Organizations	+	+	+
Local Education and Training	+	+	+
Local Federal Government	+	+	-
Local Financial Services	+	+	+
Local Food and Beverage Processing and Distribution	+	+	+
Local Government	+	+	+
Local Health Services	+	+	+
Local Hospitality Establishments	+	+	+
Local Household Goods and Services	-	-	-
Local Logistical Services	-	+	+
Local Motor Vehicle Products and Services	-	-	-
Local Personal Services (Non-Medical)	+	+	+
Local Real Estate, Construction, and Development	+	+	+
Local Retailing of Clothing and General Merchandise	-	+	-
Local State Government	+	+	+
Local Utilities	+	+	+

*Note:* " + " = growth performance better than expected; " - " worse than expected.

*Source:* U.S. Cluster Mapping Project; EMSI; The Natelson Dale Group, Inc. (TNDG).

## “Candidate” Clusters for El Cajon’s Target Industry Program

Table 7, on the following page, provides a list of candidate clusters for the City of El Cajon’s industry targeting program (i.e., business retention, expansion and attraction). The candidate clusters are based on two strategic approaches to industry targeting:

1. **Build on El Cajon’s existing core strengths.** In some cases (e.g., Local Health Services), the core clusters represent strong continuing growth opportunities that could be the focus of business expansion/attraction efforts. In other cases (e.g., Recreational and Small Electric Goods), the existing core clusters are currently recognized nationally as non-growth or declining industries (in these cases, the City’s industry targeting efforts would appropriately focus on retention/repositioning).
2. **Tap into dominant regional clusters that are not currently well represented in El Cajon.** This strategic approach would seek to leverage El Cajon’s competitive strengths to capture increasing shares of projected County employment growth. This component of the City’s business attraction/marketing program would focus on the El Cajon’s unique “selling points” relative to the larger regional economy (including the city’s strategic location near several San Diego County area submarkets, a resident workforce that includes large numbers of commuters potentially eager to work closer to home, and the established presence of various manufacturing-related industries). In developing the preliminary list of candidates for the “tap into dominant County clusters” strategy, the consultant has focused on clusters meeting the following criteria:
  - a. Traded clusters (local clusters are addressed in the other strategic approach)
  - b. Clusters with a high specialization of employment in the San Diego metropolitan area (identified as a “strong” cluster by the U.S. Cluster Mapping project)<sup>8</sup>
  - c. Clusters primarily oriented towards private business investment (in contrast to clusters that are substantially composed of government/nonprofit employment – which are generally considered to have lower economic “spin-off” opportunities)

Table 8 summarizes key characteristics for the candidate clusters identified in Table 7. The characteristics include annual average wages, projected 10-year job growth (for San Diego County and the State of California regions), and additional qualitative criteria.

---

<sup>8</sup> The U.S. Cluster Mapping project defines a metro area’s “strong” clusters as those with a high specialization in the region (metropolitan statistical area [MSA]). *High Specialization* indicates the LQ of Cluster Employment is greater than the 75th percentile when measured across all MSAs. There are 917 total MSAs in the U.S. Thus, for a cluster to be classified as “strong” in the San Diego MSA, its LQ must be greater than the LQ of that specific cluster in at least 687 of the MSAs in the U.S.

**TABLE 7. PRELIMINARY LIST OF CANDIDATE CLUSTERS FOR EL CAJON’S INDUSTRY PROGRAM**

STRATEGIC APPROACH	LOCAL-SERVING CLUSTERS	"TRADED" CLUSTERS
Build on El Cajon existing core strengths	<ul style="list-style-type: none"> <li>• Local Real Estate, Construction, and Development</li> <li>• Local Motor Vehicle Products and Services</li> <li>• Local Education and Training</li> <li>• Local Health Services</li> </ul>	<ul style="list-style-type: none"> <li>• Education and Knowledge Creation</li> <li>• Aerospace Vehicles and Defense</li> <li>• Recreational and Small Electric Goods</li> <li>• Environmental Services</li> </ul>
Tap into dominant County industry clusters that are not currently well represented in the local El Cajon area		<ul style="list-style-type: none"> <li>• Communications Equipment and Services</li> <li>• Business Services</li> <li>• Biopharmaceuticals</li> <li>• Medical Devices</li> <li>• IT and Analytical Instruments</li> </ul>

Source: The Natelson Dale Group, Inc. (TNDG).

TABLE 8. CHARACTERISTICS OF CANDIDATE CLUSTERS

CANDIDATE CLUSTER	AVG ANN WAGE <sup>1</sup>	PROJECTED 10-YR JOB GROWTH <sup>2</sup>		DOES THE CLUSTER LEVERAGE POTENTIAL STRATEGIC ADVANTAGES AND PRIORITIES?		
		SAN DIEGO COUNTY	CA	MFG./R&D FOCUS	SUPPORTED BY REGIONAL INITIATIVES	"STRONG" REGIONAL CLUSTER
<b>El Cajon Existing Clusters</b>						
Education and Knowledge Creation	\$139,123	5,025	71,238			✓
Aerospace Vehicles and Defense	129,218	3,070	Job Losses	✓	✓	✓
Recreational and Small Electric Goods	93,411	Job Losses	Job Losses	✓	✓	
Environmental Services	72,307	90	576	✓	✓	
<i>Local</i> Real Estate, Construction, and Development	76,226	5,165	95,702			
<i>Local</i> Motor Vehicle Products and Services	58,364	Job Losses	Job Losses			
<i>Local</i> Education and Training	80,747	2,544	31,162			
<i>Local</i> Health Services	87,255	32,293	336,391			
<b>Regional Clusters</b>						
Communications Equipment and Services	\$153,124	Job Losses	Job Losses	✓	✓	✓
Business Services	116,927	21,484	216,576		✓	
Biopharmaceuticals	164,720	841	1,179	✓	✓	✓
Medical Devices	133,868	91	2,475	✓	✓	✓
IT and Analytical Instruments	170,297	3,617	51,371	✓	✓	✓

Note: 1. Average compensation based on averages for San Diego County. 2. Net number of new jobs.

Source: The Natelson Dale Group, Inc. (TNDG); Employment Clusters Analysis, SANDAG.

## 5. EDSP Action Plan

### *Overview of Action Plan*

The EDSP Action Plan is designed to achieve the following major goals:

- Expand economic opportunities for El Cajon’s resident workforce by fostering creation of a diverse range of quality jobs accessible to residents across the spectrum of education/skill levels
- Revitalize El Cajon’s commercial and industrial areas by encouraging private investment that responds to anticipated real estate market demand
- Strengthen the City’s fiscal position by attracting land uses and business types that have the potential to generate General Fund revenue

Whereas these goals largely revolve around attracting and retaining targeted business investment, the Action Plan recognizes that the strength of the local business/development environment will ultimately depend on El Cajon’s strategic attention to a range of “foundational” conditions such as:

- Education/workforce development systems
- Entrepreneurial development resources
- The City’s reputation for business/development friendliness
- Land, zoning and infrastructure capacity
- Placemaking activities that leverage El Cajon’s unique locational advantages and sense of community
- Overall image and quality of life

### *Prioritization of City Resources*

The EDSP is intended to provide a “roadmap” to guide the City’s economic development efforts over the next five years (FY 2022-2023 through FY 2026-2027). The Action Plan is intended to assist the City in aligning its program priorities to match the market opportunities identified during this planning effort. Whereas many of the proposed strategies involve activities that the City is already undertaking to some extent, the Action Plan also recommends some programs that would be new activities for the City. As such, full implementation of the Plan would likely require additional City staff dedicated to economic development. In addition, the Plan identifies opportunities for the City to leverage its in-house economic development resources through collaboration with various non-City partner organizations.

## *Recommended Business Retention/Expansion/Attraction Targets*

Implementation of the EDSP Action Plan will position the City to be competitive for a targeted business development program including the following elements:

- **Retention** of existing firms/industries that are in a “repositioning”<sup>9</sup> mode due to national/statewide market and regulatory conditions;
- **Expansion** of existing firms in strong growth sectors;
- **Attraction** of new firms based on El Cajon’s competitive advantages within the San Diego/southern California regions; and
- **Entrepreneurial development**, with a focus on technology-oriented firms aligned with the region’s core industries.

As described in Chapter 4, the EDSP target industry analysis identified a total of eleven industry clusters<sup>10</sup> that are of potential strategic targets for El Cajon. Among the eleven clusters, six are recommended as priority targets for this Action Plan:

1. Information technology and analytical instruments
2. Medical devices
3. Biopharmaceuticals
4. Real estate, construction and development
5. Aerospace vehicles and defense
6. Health services

In order to efficiently concentrate available marketing resources on the most promising target industries, the EDSP will include an **initial** focus on the six priority clusters. The remaining seven clusters would potentially be added as secondary priorities later in the implementation period (i.e., Year 3 or later).

The table on the following page lists El Cajon’s potential target industries (with high-priority targets highlighted in yellow). The table also identifies the likely areas of programmatic focus (i.e., retention, expansion, attraction, and/or entrepreneurial development) most relevant to each industry cluster.

---

<sup>9</sup> In addition to business retention, “repositioning” could also potentially be relevant to a focus on reshoring U.S. manufacturing – a strategy that is currently receiving significant discussion in the economic development profession in light of the pandemic.

<sup>10</sup> Industry “clusters” are closely aligned groups of industry sectors representing supply-chain relationships. The “Medical Devices” cluster, for example, includes not only the actual manufacturing of medical devices but also related industries that provide inputs to the manufacturing process and support the sales and distribution of finished products.



**RECOMMENDED TARGET INDUSTRIES**  
(INITIAL PRIORITIES INDICATED IN YELLOW)

Potential Industry/Cluster Targets	Focus of economic development activity				
	Retention/ Repositioning	Expansion	Attraction	Entrepreneurial development	Community Amenity
<b>Core strengths.</b> Build on El Cajon’s existing core strengths:					
● Real estate, Construction and Development					
● Aerospace Vehicles and Defense					
● Health Services					
● Recreational and Small Electric Goods					
● Motor Vehicle Products and Services					
● Environmental Services					
<b>Regional clusters.</b> Tap into dominant regional industry clusters that are not currently well represented in El Cajon, such as:					
● Information Technology and Analytical Instruments					
● Medical Devices					
● Biopharmaceuticals					
● Business Services					
● Communications Equipment and Services					

## *EDSP Strategies*

The EDSP Action Plan is organized around nine major strategies which are outlined below and detailed on the following pages.

### **Industry Targeting: Business Development / Job Creation**

1. Focus City's ***business retention/expansion/attraction*** efforts around high-priority industry clusters
2. Collaborate with regional partners to expand availability of ***entrepreneurial development*** resources in El Cajon
3. Implement targeted ***economic development marketing program***

### **Umbrella Programs: Creating an Environment for Economic Progress**

4. Leverage the City's in-house resources for economic development through ***strategic partnerships, interdepartmental collaboration, and community involvement***.
5. Enhance City's interface with ***education/workforce development*** partners

### **Land Use / Placemaking Programs: Physical Changes to Accommodate Quality Growth**

6. Position Downtown El Cajon as a ***regional arts/entertainment center***
7. Implement ***"reposition retail" initiative*** to facilitate revitalization and/or repurposing of high-vacancy shopping centers based on potential market demand for other land uses (including "tech flex" space, office, residential and mixed-use)
8. Implement strategic initiative to ***attract investment in new (speculative) business park / "tech flex" buildings*** to accommodate targeted business growth
9. Implement integrated effort to ***expand the City's land, zoning and infrastructure capacity*** to accommodate anticipated development demand

*Implementation Timeframes*

Each EDSP Strategy includes a list of specific Action Steps, which are intended to be implemented over the next 5 years (starting July 1, 2022). The recommended implementation timeframe for each action item is provided on the tables below, based on the following color coding:

- Red = Year 1 (FY 2022-2023)**
- Green = Year 2 (FY 2023-2024)**
- Purple = Year 3 or later (FY 2024-2025 through FY 2026-2027)**

<b>STRATEGY 1: Focus City’s business retention/expansion/attraction efforts around high-priority industry clusters</b>	
<p><b>Brief Description of Program</b></p> <p>Within El Cajon’s limiting remaining land/development capacity (and opportunities for re-tenanting/repurposing existing underutilized buildings), City will focus its business development efforts on market-feasible industries/clusters (see recommended list in preceding section of the EDSP) with the highest potential to:</p> <ul style="list-style-type: none"> <li>● Create/retain high-paying jobs</li> <li>● Increase tax base</li> <li>● Contribute to sense of place</li> </ul>	<p><b>City’s Positioning/Roles in Implementation</b></p> <p>The City will take a <u>lead, in-house role</u> in implementing a El Cajon-specific target industry program. The program will also involve some coordination with (and support from) regional partners.</p>
<p><b>Action Steps</b>  <i>(Red = Year 1; Green = Year 2; Purple = Year 3 or later)</i></p> <ul style="list-style-type: none"> <li>A. Identify a “short list” of 6-8 industry clusters for the City’s initial targeting efforts (the consultant’s recommendations – based on the industry cluster analysis and the priority levels suggested by the EDSP Committee – are listed on pages 25 and 26 of the EDSP)</li> <li>B. Compile database of existing El Cajon/East County firms relevant to each targeted cluster</li> <li>C. Define outreach strategy for maintaining ongoing communication with key existing firms in retention/expansion clusters; outreach tactics could include a mix of industry meetings/mixers, online surveys, site visits, and direct mail</li> <li>D. Conduct needs assessment (via outreach in Step C) of firms receptive to business retention/expansion assistance and develop customized responses (packaging of City and non-City resources) to address specific needs of assisted firms</li> <li>E. Implement marketing effort (see Strategy 3 below) for identified business attraction targets</li> <li>F. Customize entrepreneurial development resources (see Strategy 2 below) to maximize startup potentials in targeted industry clusters</li> <li>G. Customize workforce development resources (see Strategy 5 below) to ensure competitive pipeline of workers to meeting staffing needs of targeted industry clusters</li> </ul>	
<p><b>Partnership Resources</b></p> <ul style="list-style-type: none"> <li>● Commercial/industrial real estate brokers</li> <li>● San Diego E. County Chamber of Commerce</li> </ul>	

<b>STRATEGY 1: Focus City’s business retention/expansion/attraction efforts around high-priority industry clusters</b>	
<ul style="list-style-type: none"> <li>● East County Economic Development Council (ECEDC)</li> </ul>	<ul style="list-style-type: none"> <li>● San Diego Regional Economic Development Corporation (EDC)</li> <li>● San Diego Workforce Partnership</li> </ul>
<b>Other Potential Implementation Tools/Investments</b>	
<ul style="list-style-type: none"> <li>● Business retention/expansion software (e.g., Synchronist)</li> <li>● Business screening/lead identification database (e.g., Gazelle.AI)</li> </ul>	
<b>Year 1 Milestones/Checklist</b>	
<ul style="list-style-type: none"> <li>● BRE outreach program designed</li> <li>● Target industry prioritization</li> </ul>	<ul style="list-style-type: none"> <li>● Outreach to 50 existing El Cajon firms</li> </ul>

<b>STRATEGY 2: Collaborate with regional partners to expand availability of entrepreneurial development resources in El Cajon</b>	
<b>Brief Description of Program</b>	<b>City’s Positioning/Roles in Implementation</b>
<p>City will launch an across-the-board effort (via multiple EDSP strategies) to attract and foster startups (with a particular focus on entrepreneurial opportunities in the EDSP target industry clusters).</p> <p>This strategy includes a possible City role in planning (and potentially directly investing in) a business incubator facility to foster high-value business startups in El Cajon.</p>	<p>The City will mostly serve in a <u>coordination/clearinghouse capacity</u>, drawing on the established programs of regional partners. More directly (through other EDSP strategies), the City will focus on creating an innovative business environment attractive to prospective entrepreneurs. To the extent the City determines that direct investment in an incubator facility is warranted, this could potentially be funded through available ARPA resources.</p>
<b>Action Steps</b>	
<i>(Red = Year 1; Green = Year 2; Purple = Year 3 or later)</i>	
<ul style="list-style-type: none"> <li>A. Conduct meetings with regional partners listed below to unveil EDSP target industry cluster program and identify targeted industries likely to offer significant entrepreneurial development opportunities</li> <li>B. Update webpage summarizing City’s entrepreneurial development opportunities/resources</li> <li>C. Convene East County working group to assess demand for (and potential resources to support) business incubation facilities in El Cajon</li> <li>D. In conjunction with regional partners, conduct a “gap analysis” to identify needs for new programs and to assess partner capacity to supply needed training and other entrepreneurial development resources</li> <li>E. If needed organize a local annual “startup network” workshop featuring presentations from partner organizations and providing networking opportunities for prospective startups</li> <li>F. Implement other EDSP strategies supportive of a culture of innovation and entrepreneurship, especially: <ul style="list-style-type: none"> <li>○ Economic development marketing program (Strategy 3)</li> <li>○ Workforce development interface (Strategy 5)</li> </ul> </li> </ul>	

<b>STRATEGY 2: Collaborate with regional partners to expand availability of entrepreneurial development resources in El Cajon</b>	
<ul style="list-style-type: none"> <li>○ Business park / “tech-flex” space development (Strategy 8)</li> </ul> <p>G. Pursue options for establishing incubator facilities/programs accessible to startups in El Cajon (based on initial investigations in Step C above)</p> <p>H. Investigate options for key partner organizations establishing field offices in El Cajon to support expanded focus on entrepreneurial development and startup assistance</p>	
<b>Partnership Resources</b>	
<ul style="list-style-type: none"> <li>● San Diego E. County Chamber of Commerce</li> <li>● East County Economic Development Council</li> <li>● Local banks</li> <li>● San Diego Regional EDC</li> </ul>	<ul style="list-style-type: none"> <li>● Small Business Development Center (SBDC)</li> <li>● San Diego Startup Month</li> <li>● Tech Coast Angels (San Diego)</li> </ul>
<b>Year 1 Milestones/Checklist</b>	
<ul style="list-style-type: none"> <li>● Initial meetings with all key partners</li> <li>● Initial assessment of incubator needs/ development options</li> </ul>	<ul style="list-style-type: none"> <li>● Webpage update</li> </ul>

<b>STRATEGY 3: Implement targeted economic development marketing program, consistent with City’s broader branding initiatives</b>	
<p><b>Brief Description of Program</b></p> <p>The City will launch an economic development-specific marketing program with the following objectives:</p> <ul style="list-style-type: none"> <li>● Exposure to targeted industry clusters within region (to improve El Cajon’s competitive positioning)</li> <li>● Lead generation for business attraction</li> <li>● Raising public awareness of City’s business assistance resources</li> <li>● Promoting wider awareness of the City’s established “business friendly” status</li> <li>● Promoting El Cajon’s downtown as a regional destination</li> <li>● Positioning El Cajon as an attractive place for tech/professional workers to live</li> </ul> <p>(The above elements could be phased-in over several years)</p> <p>As part of its overall marketing program, the City will pursue specific messaging that highlights the City’s successful efforts to expedite and clarify development approval processes, business permitting, and the like and initiatives that</p>	<p><b>City’s Positioning/Roles in Implementation</b></p> <p>The City will take a <u>lead, in-house role</u> in implementing the economic development-specific marketing program. Initial program design would likely require support from a professional marketing agency. El Cajon will also leverage its City-level marketing investment through participation in regional marketing initiatives.</p>

<b>STRATEGY 3: Implement targeted economic development marketing program, consistent with City's broader branding initiatives</b>	
demonstrate the City's commitment to taking proactive measures to support businesses.	
<p><b>Action Steps</b>  <i>(Red = Year 1; Green = Year 2; Purple = Year 3 or later)</i></p> <p>A. Facilitate an ad hoc committee process to define themes, objectives, targets and community "selling points" for marketing initiative</p> <p>B. Update City's economic development webpages to reflect new marketing targets identified in EDSP</p> <p>C. Coordinate with partners to ensure that EDSP marketing targets (and associated "selling points") are optimally positioned within regional marketing initiatives (including partner websites, etc.)</p> <p>D. Coordinate with partners to ensure that the message of El Cajon's business friendliness ties into whatever similar messaging is applicable to the region, through their various marketing platforms appropriate</p> <p>E. Investigate options for professional marketing services to support design/implementation of new marketing program</p>	
<p><b>Partnership Resources</b></p> <ul style="list-style-type: none"> <li>● San Diego E. County Chamber of Commerce</li> <li>● East County EDC</li> <li>● San Diego Regional EDC</li> <li>● Downtown El Cajon Business Partners</li> <li>● Commercial/industrial real estate brokers</li> <li>● Building Industry Association</li> </ul>	
<p><b>Other Potential Implementation Tools/Investments</b></p> <ul style="list-style-type: none"> <li>● Professional marketing agency (with economic development expertise)</li> </ul>	
<p><b>Year 1 Milestones/Checklist</b></p> <ul style="list-style-type: none"> <li>● Ad Hoc committee meetings as needed</li> <li>● Start communication of message</li> <li>● Webpage updates</li> <li>● Partner interface</li> </ul>	

<b>STRATEGY 4: Leverage the City's in-house resources for economic development through strategic partnerships, interdepartmental collaboration, and community involvement.</b>	
<p><b>Brief Description of Program</b></p> <p>The City's Community Development Department will systematically expand its economic development program capacity by engaging a range of internal and external partners, and key community advocates.</p>	<p><b>City's Positioning/Roles in Implementation</b></p> <p>This is an "umbrella" strategy to support the City's <u>coordination</u> of other strategies and to address broader community/regional issues which directly or indirectly affect El Cajon's competitiveness for economic development.</p>
<p><b>Action Steps</b>  <i>(Red = Year 1; Green = Year 2; Purple = Year 3 or later)</i></p> <p>A. As appropriate, convene ad hoc committees to support progress on specific topics/strategies</p> <p>B. Coordinate with <b>other City departments</b> to launch special initiatives to address communitywide issues that affect El Cajon's competitiveness for economic development (e.g., homelessness) and to institutionalize an integrated/holistic approach to economic development</p> <p>C. Systematically engage <b>City's external partners</b> in EDSP implementation</p>	

<b>STRATEGY 4: Leverage the City’s in-house resources for economic development through strategic partnerships, interdepartmental collaboration, and community involvement.</b>	
<p>D. Coordinate with external partners to collaboratively address regional issues impacting East County’s economic competitiveness (e.g., regional infrastructure investments/funding, County regulatory policy, etc.)</p> <p>F. Host annual partner appreciation luncheon (inviting all EDSP collaborating partners, City department heads, and representatives of key target industries) to report on City’s economic development progress</p> <p>E. Separate from the partner event, host annual <i>broker/developer appreciation luncheon</i> (or other appropriate event) focused on strengthening the City’s connections to the East County commercial/industrial real estate development community</p>	
<b>Partnership Resources</b>	
All partner organizations listed for other strategies	
<b>Year 1 Milestones/Checklist</b>	
<ul style="list-style-type: none"> <li>● Designation of ad hoc committees as appropriate</li> </ul>	

<b>STRATEGY 5: Enhance City’s interface with education/workforce development partners</b>	
<p><b>Brief Description of Program</b></p> <p>The City will systematically interface with education and workforce development partners to support the following outcomes:</p> <ul style="list-style-type: none"> <li>● Improve information flow between employers and educators/trainers regarding needed skills for targeted industry clusters</li> <li>● Improve El Cajon’s positioning in regional “talent attraction” initiatives</li> <li>● Increase awareness of El Cajon residents about available training/job placement services</li> </ul>	<p><b>City’s Positioning/Roles in Implementation</b></p> <p>Whereas core educational/workforce development services will continue to be delivered primarily by partner organizations, the intent of this strategy is to more strongly support these partners in a <u>coordination/clearinghouse capacity</u>. This coordination role would involve streamlining and clarifying regional/partner resources to maximize their value to El Cajon’s business community.</p>
<p><b>Action Steps</b>  <i>(Red = Year 1; Green = Year 2; Purple = Year 3 or later)</i></p> <p>A. Actively engage with San Diego Workforce Partnership to ensure that:</p> <ul style="list-style-type: none"> <li>○ City has complete/most recent information about Partnership programs; this will maximize likelihood of El Cajon businesses accessing resources; it also provides a lead generation opportunity for the Partnership</li> <li>○ City is fully linked to Partnership’s initiatives</li> </ul> <p>B. Actively engage El Cajon school districts in the City’s economic development process and constructively support the districts’ progress through the following types of activities:</p> <ul style="list-style-type: none"> <li>○ Coordination with local employers to establish high school internship opportunities</li> <li>○ Promoting student/intern “success stories” as part of City’s marketing efforts</li> </ul>	

**STRATEGY 5: Enhance City’s interface with education/workforce development partners**

- Investigate potential for mentorship programs focused on highlighting career pathways for high school students
- C. Establish and facilitate periodic meetings of a “El Cajon Workforce Excellence” taskforce (including representatives of the partner organizations listed below); this action item would serve the following major purposes:
  - Coordination of the various service providers related to workforce training to ensure consistent dissemination of information about available programs/resources
  - Facilitating useful connections between employers and training organizations
  - Ensuring equal access to workforce development programs by all El Cajon residents and identifying needs for expanded outreach to underserved communities/neighborhoods
- D. Conduct employer survey (potentially as part of business retention/expansion outreach in Strategy 1) to get direct input from employers regarding high-demand occupations and skill sets
- E. Convene periodic focus group meetings with human resources managers representing key employers in El Cajon
- F. In tandem with partners, establish other ongoing mechanisms to improve connection between employers and education/training resources

**Partnership Resources**

- San Diego Workforce Partnership
- Cajon Valley Union School District
- La Mesa-Spring Valley School District
- Grossmont Union High School District
- Grossmont College
- Kumeyaay Community College
- Cuyamaca College
- ATA College
- Summit College – El Cajon campus
- California Southern College
- East County EDC
- San Diego E. County Chamber
- Trade schools / labor unions

**Year 1 Milestones/Checklist**

- Coordination meeting with San Diego Workforce Partnership and school districts



<b>STRATEGY 6: Position Downtown El Cajon as a regional arts/entertainment center</b>	
<p><b>Brief Description of Program</b></p> <p>This strategy will build on existing assets (e.g., Magnolia Performing Arts Center, Prescott Promenade, etc.) to leverage and expand downtown’s attractiveness as an entertainment destination.</p>	<p><b>City’s Positioning/Roles in Implementation</b></p> <p>City will begin by <u>leading</u> the investigation into how this strategy can relate to and best be coordinated with other downtown strategies, including the potential role of festivals, special events, housing development, etc., and as appropriate support further research into this issue.</p>
<p><b>Action Steps</b>  <i>(Red = Year 1; Green = Year 2; Purple = Year 3 or later)</i></p> <p>A. Convene “downtown working group” comprised (at a minimum) of the partners listed below, to identify critical connections between the EDSP and downtown-specific business/development opportunities (including the potential for expanding market-rate housing)</p> <p>B. Incorporate downtown positioning strategy in City’s economic development marketing initiative (Strategy 3)</p> <p>C. Pursue additional strategies (based on needs identified by working group) to focus City policies and resources on the downtown</p>	
<p><b>Partnership Resources</b></p> <ul style="list-style-type: none"> <li>● Downtown El Cajon Business Partners</li> <li>● San Diego E. County Chamber of Commerce</li> <li>● East County EDC</li> <li>● Live Nation</li> <li>● Local/regional arts organization</li> <li>● Housing / mixed-use developers</li> </ul>	
<p><b>Year 1 Milestones/Checklist</b></p> <ul style="list-style-type: none"> <li>● Convene downtown working group and facilitate 2-4 scoping meetings</li> </ul>	

<b>STRATEGY 7: Implement “reinvent retail” initiative to facilitate revitalization and/or repurposing of high-vacancy shopping centers based on potential market demand for other land uses (including “tech flex” space, office, residential and mixed-use)</b>	
<p><b>Brief Description of Program</b></p> <p>Although the real estate market analysis completed for the EDSP process indicates some potential demand for new retail/restaurant tenancies in El Cajon (which could potentially be focused in specialty shopping areas such as the downtown), global trends for the retail industry suggest that older shopping centers will increasingly struggle to maintain acceptable occupancy levels and vibrant tenant mixes. The City will work proactively with shopping center owners to define mutually beneficial solutions to these challenges.</p>	<p><b>City’s Positioning/Roles in Implementation</b></p> <p>The City will take a <u>lead, in-house role</u> in implementing this strategy. The program will also involve direct coordination with property owners and the development community.</p>

**STRATEGY 7: Implement “reinvent retail” initiative to facilitate revitalization and/or repurposing of high-vacancy shopping centers based on potential market demand for other land uses (including “tech flex” space, office, residential and mixed-use)**

**Action Steps**

*(Red = Year 1; Green = Year 2; Purple = Year 3 or later)*

- A. Initiate contact with ownership/management of key shopping centers to assess interest in redeveloping properties and to determine means by which City could facilitate/incentivize action on redevelopment
- B. Investigate potential applicability of Federal and State authorized “tools” to increase the feasibility of redevelopment/reinvestment actions (see list of potential tools below); for example, available ARPA funds could potentially be utilized to incentivize/leverage private investment in shopping center revitalization
- C. Conduct focus group meeting with development community (developers and brokers familiar with the East County market) to identify market demand prospects for various reuse approaches/concepts:
  - Mixed-use development in which a portion of existing retail use is retained, and surplus land is devoted to other uses (mostly likely housing and/or office)
  - Opportunities to fulfill City’s RHNA affordable housing obligations by allowing residential development on shopping center sites
  - Opportunities for market-rate housing development (appropriate for a full range of income levels, including “workforce” housing) on shopping center sites
  - Opportunities to pursue development of Class A office space
  - Opportunities to pursue development of light industrial / “tech flex” space
- D. Prepare development prototypes (i.e., drawings/renderings) and pro forma financial analyses to document the potential financial attractiveness (to property owners) of site redevelopment
- E. Develop information packages to demonstrate the economic/financial advantages (to property owners) of site redevelopment

**Partnership Resources**

- Commercial/industrial real estate brokers
- Shopping center owners
- Development community

**Other Potential Implementation Tools**

- Community Revitalization and Investment Authorities (State legislation)
- Enhanced Infrastructure Financing Districts (State legislation)
- Federal Opportunity Zones
- CERF (state) and ARPA/BBB (federal) funding resources

**Year 1 Milestones/Checklist**

- Coordination with commercial brokers
- Analysis of funding options for incentives
- Meetings with shopping center owners

<b>STRATEGY 8: Attract investment in new (speculative) business park / “tech flex” buildings to accommodate targeted business growth</b>	
<p><b>Brief Description of Program</b></p> <p>The lack of available/modern industrial space in El Cajon is recognized as a key constraint to business attraction. The challenge of developing additional industrial building space is complicated by the very limited supply of vacant land zoned for industrial development. This strategy will focus on creating capacity for new development by identifying opportunities for redevelopment of existing properties, implementing innovative zoning policies, and marketing investment opportunities to the development community.</p>	<p><b>City’s Positioning/Roles in Implementation</b></p> <p>The City will take a <u>lead, in-house role</u> in implementing City policies to expand industrial development/redevelopment capacity. The program will also involve coordination with the private development community.</p>
<p><b>Action Steps</b>  <i>(Red = Year 1; Green = Year 2; Purple = Year 3 or later)</i></p> <p>A. Initiate outreach to existing industrial property owners (targeting older/underutilized facilities) to assess interest in reinvesting in properties (to create space suitable for technology-oriented tenants) and to determine means by which City could facilitate/incentivize action on reinvestment or redevelopment</p> <p>B. Identify “industrial reinvestment” target areas in which to focus other relevant EDSP strategies</p> <ul style="list-style-type: none"> <li>○ Business retention/expansion attraction (Strategy 1)</li> <li>○ Entrepreneurial development (Strategy 2)</li> <li>○ Economic development marketing (Strategy 3)</li> <li>○ “Reposition retail” initiative (Strategy 7)</li> <li>○ Expanded land, zoning and infrastructure capacity (Strategy 9)</li> </ul> <p>C. Investigate potential applicability of Federal and State authorized “tools” to increase the feasibility of redevelopment/reinvestment actions (see list of potential tools below); for example, available ARPA funds could potentially be utilized to incentivize/leverage private investment in industrial property revitalization (this Action Step is also included in Strategy 7)</p> <p>D. Design and implement specific incentive program focused on catalyzing investment in business park / “tech flex” development</p>	
<p><b>Partnership Resources</b></p> <ul style="list-style-type: none"> <li>● Commercial/industrial property owners</li> <li>● East County EDC</li> <li>● Development community</li> </ul>	
<p><b>Other Potential Implementation Tools</b></p> <ul style="list-style-type: none"> <li>● Community Revitalization and Investment Authorities (State legislation)</li> <li>● Enhanced Infrastructure Financing Districts (State legislation)</li> <li>● Federal Opportunity Zones</li> </ul>	
<p><b>Year 1 Milestones/Checklist</b></p> <ul style="list-style-type: none"> <li>● Outreach to industrial property owners</li> <li>● Designation of industrial reinvestment zones</li> <li>● Funding source analysis (to support implementation of incentive program)</li> </ul>	

**STRATEGY 9: Implement integrated effort to expand City’s land, zoning and infrastructure capacity to accommodate anticipated development demand**

<b>Brief Description of Program</b>	<b>City’s Positioning/Roles in Implementation</b>
<p>This strategy will have a dual, integrated focus:            a) comprehensive evaluation of the City’s zoning and related land use policies, to expand capacity for anticipated commercial and light industrial development demand; and b) alignment of the City’s Capital Improvement Plan (CIP) with EDSP based on a comprehensive assessment of infrastructure needs in high-priority development areas.</p> <p>The city’s review of policies will include investigation into the potential for creative zoning revisions that could expedite the conversion of some older areas into more productive uses. Potential strategies can include proactive steps to both change zoning and zoning language and expedite change requests, and also consider “floating zones” to facilitate repurpose of obsolete commercial/industrial facilities.</p> <p>The effectiveness and feasibility of some of the recommended EDSP strategies will be highly dependent on strategic infrastructure investments to expand El Cajon’s capacity for targeted development. The City’s Economic Development staff will coordinate closely with other City departments to ensure that capital improvement projects critical to economic development are prioritized in the City’s CIP. The City will also closely track regional infrastructure investments impacting El Cajon’s economic development potentials.</p>	<p>The City’s economic development staff will have a lead role in coordinating relevant research etc. and eventually proposing new City zoning policies and infrastructure investments in response to emerging market opportunities.</p>

**Action Steps**  
*(Red = Year 1; Green = Year 2; Purple = Year 3 or later)*

A. Conduct comprehensive review of existing business-related zoning districts and specific provisions, to assess: 1) current functionality in relation to existing development demands; 2) extent to which current zoning can facilitate upgrading of existing properties, for example to increase the supply of office and business park space; and 3) the potential to design and apply special overlay districts (or the concept of a citywide “floating zone”) for areas in particular need of revitalization/redevelopment

**STRATEGY 9: Implement integrated effort to expand City’s land, zoning and infrastructure capacity to accommodate anticipated development demand**

- B. Conduct review of City’s existing development processing/entitlement/permitting procedures to identify opportunities for streamlining
- C. Investigate options for streamlining the CEQA process for individual development projects (e.g., through the use of program-level environmental documents covering overall planning areas)
- D. In conjunction with partner organizations involved in Strategies 1 through 8, develop lists of infrastructure improvements needed to support implementation of EDSP
- E. Segment EDSP infrastructure list in terms of responsible party (i.e., City infrastructure versus improvements that fall under jurisdiction of other entities) and priority level
- F. Coordinate with City’s CIP preparation process to position EDSP-related capital projects in CIP
- G. Coordinate with regional partners to prioritize EDSP-related improvements in regional infrastructure plans
- H. Consider the use of professional planning/environmental services to address the preceding steps

**Partnership Resources**

- San Diego E. County Chamber of Commerce
- East County EDC
- Development community
- SANDAG

**Other Potential Implementation Tools/Investments**

- Professional planning/CEQA services
- Community Revitalization and Investment Authorities (State legislation)
- Enhanced Infrastructure Financing Districts (State legislation)

**Year 1 Milestones/Checklist**

- Review of zoning districts
- Concept development for “floating zone”
- Identification CEQA streamlining options
- Identification of funding sources for planning/CEQA services

# Appendix A: Existing Programs/Resources Relevant to the EDSP

## *Local Business Incentives*

1. **San Diego Science and Technology Grant Program (The San Diego Foundation)**  
Science & Technology grant program supports efforts to create and expand a pipeline connecting young adults to college and career opportunities.

## *State Business Incentives*

2. **Employment Training Panel (ETP)**  
Through a competitive application process ETP will issue contracts for specific training, typically geared towards higher skills or specialized positions.
3. **America's Job Center of California**  
Works with local businesses offering a variety of services from pre-screening candidates for open positions, to offering interview facilities and support services for job seekers, free of charge.
4. **College Access Tax Credit (CATC)**  
Provides a tax credit to taxpayers and businesses who contribute to Cal Grants, the State of California's largest source of educational financial aid.
5. **California Competes Tax Credit**  
Helps companies stay and grow in California by reducing their state income tax.
6. **California Research and Development Credit**  
Reduces income or franchise tax.
7. **California Capital Access Program (CalCAP)**  
The program encourages banks and other financial institutions to make loans to small businesses that have difficulty obtaining financing.
8. **California Partial Sales Tax Exemption for Construction and Tenant Improvements**  
Qualified purchases made under construction contracts for tenant or infrastructure improvements are also eligible for the same partial sales tax exemption of 3.9375%
9. **California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA)**  
Provides a sales and use tax exclusion (full rate, including local and district taxes) on qualifying property that is used in the design, manufacture, production, or assembly of "advanced transportation technologies or alternative energy source products, components, or systems," or "clean technology."
10. **California Employment Hiring Credit**  
Eligible businesses could generate up to \$112,000 in tax credits per year from this program by hiring 10 new qualified employees.
11. **Recycling Market Development Zone**

Businesses within the South San Diego / Imperial County Recycling Market Development Zone that can demonstrate that they are recycling paper, plastic, glass and/or organic material are eligible for low-interest loans and technical assistance.

**12. Economic Development Rate Program**

This program gives special utility discounts for businesses that require high-energy loads to operate, or continue operating, in California.

**13. Manufacturing and Research & Development Partial Sales and Tax Exemption**

Manufacturers and certain research and developers may qualify for a partial exemption of sales and use tax on certain manufacturing and research and development equipment purchases and leases.

**14. Industrial Development Bonds**

Industrial development bonds provide financing for the acquisition, construction, rehabilitation and equipping of manufacturing and processing facilities for private companies.

*Federal Business Incentives*

**15. Business Energy Investment Tax Credit (ITC)**

A Department of Energy tax incentive that provides rebates to businesses when they use alternative energy, including solar.

**16. New Markets Tax Credit Program**

Incentivizes community development and economic growth through the use of tax credits that attract private investment to distressed communities.

**17. Opportunity Zones**

Provide investors tax incentives to invest in low-income census tracts by allowing them to defer tax on capital gains and decrease taxes on potential future gains.

**18. Work Opportunity Tax Credit**

A federal income tax credit incentive provided to private sector employers. An employer may be eligible for WOTC when they hire from certain target groups of job seekers who face employment barriers.

**19. Historically Underutilized Business Zone (HUBZone) Program**

The Historically Underutilized Business Zone (HUBZone) was created to stimulate economic development and employment growth in economically distressed communities by providing Federal contracting preferences to small businesses. Administered by the U.S. Small Business Administration (SBA), these preferences go to HUBZone certified small businesses that employ residents who live in a designated HUBZone as well as maintain its "principal office" in one of the specially designated areas.



City Council  
Agenda Report

**DATE:** March 22, 2022  
**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Frank Carson, Director of Parks & Recreation  
**SUBJECT:** Dollar Days Analysis

---

**RECOMMENDATION:**

That the City Council accepts this report.

**BACKGROUND:**

In Spring 2021, the City Council allocated \$700,000 of American Rescue Plan Act (ARPA) funds for Parks and Recreation programming and services. That funding was used to create a pilot program referred to as "Dollar Days, allowing almost all classes to be offered for \$1. During Dollar Days, swim classes were offered at \$5 for the two-week sessions.

In comparison, Summer and Fall 2019 had a total of 4,395 registrants in programs and services, whereas the "Dollar Days" time period of Summer and Fall 2021 had 4,895 registrants (an almost 25% increase). Also, a total of 3,938 instructional hours were provided in 2019 compared to 5,225 in 2021 (an increase of almost 33%). This allowed additional new programs such as Coffee and Canvas, Zumba Gold, and Adult Dance.

In addition to the increased registration numbers, the City collaborated with the Cajon Valley Union School District for a free learn to swim program. The majority of the students in this program had never received swim instruction before nor had been in a pool. During Summer 2021, 189 students were transported from various locations of the valley floor to the Fletcher Hills Pool to receive free swim instructions. In Fall 2021, City staff collaborated with Johnson Elementary to transport another 120 students to the Fletcher Hills Pool for free swim instruction. All school sites that were selected to receive the free swim opportunity were in census tracts categorized as disadvantaged or severely disadvantaged.

Approximately \$100,000 remains in the ARPA funding for this activity. With that limited amount, staff recommends that the City use the funds to train local youth to become lifeguards and swim instructors this Spring as well as continuing the collaboration with the Cajon Valley Union School District to provide free swim lessons.

**FISCAL IMPACT:**

City Council budgeted \$700,000 of "Dollar Days" from the ARPA funding.



Prepared By: Frank Carson, Director of Parks & Recreation

Reviewed By: Vince DiMaggio, Assistant City Manager

Approved By: Graham Mitchell, City Manager

---



City Council  
Agenda Report

**DATE:** March 22, 2022  
**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Noah Alvey, Deputy Director of Community Development  
**SUBJECT:** 2021 General Plan Annual Progress Report

---

**RECOMMENDATION:**

That the City Council:

1. Accepts the 2021 General Plan Annual Progress Report; and
2. Directs staff to forward the report to the Governor's Office of Planning and Research (OPR), the State Department of Housing and Community Development (HCD), and the San Diego Association of Governments (SANDAG).

**BACKGROUND:**

California Government Code Section 65400 requires planning agencies to provide an annual report to their legislative body, the Office of Planning and Research (OPR) and the Department of Housing and Community Development (HCD) by April 1st of each year on the status of their General Plan and their progress in its implementation through the previous calendar year. The report must also detail the progress in meeting the City's share of regional housing and address efforts toward removing governmental constraints to the maintenance, improvement, and development of housing. Furthermore, in accordance with SANDAG Board Policy No. 033, local jurisdictions are requested to submit the same Housing Element annual report information to SANDAG.

The attached 2021 General Plan Annual Progress Report fulfills the City's reporting requirements under Government Code Section 65400(b) and summarizes the key areas of progress during 2021 in accordance with the City Council's goals and priorities without individually reviewing all of objectives and policies contained in the General Plan. Housing data is included as Appendix 1 of the report and is formatted differently than the rest of the report because HCD has specific form requirements used for reporting housing data.

Prepared By: Noah Alvey, Deputy Director of Community Development

Reviewed By: Anthony Shute, Director of Community Development

Approved By: Graham Mitchell, City Manager

---

Attachments

2021 General Plan Annual Report

# City of El Cajon 2021 General Plan Annual Progress Report



March 22, 2022



## **EXECUTIVE SUMMARY**

The purpose of the General Plan Annual Progress Report (APR) is to inform the City Council and the residents of the City of El Cajon (City) regarding the implementation status of the General Plan. California Government Code Section 65400(a) requires that cities and counties “investigate and make recommendations to the legislative body regarding reasonable and practical means for implementing the general plan or elements of the general plan, so that it will serve as an effective guide for orderly growth and development, preservation and conservation of open-space land and natural resources, and the efficient expenditure of public funds relating to the subjects addressed in the general plan.”

The APR is required to be prepared and submitted to the City Council, Governor’s Office of Planning and Research (OPR), and the California Department of Housing and Community Development (HCD) by April 1<sup>st</sup> of each year. The APR address:

- The status of the General Plan and efforts in its implementation;
- The City’s efforts in meeting its share of the regional housing needs; and
- Local efforts to remove governmental constraints to the maintenance, improvement, and development of housing.

This report summarizes the planning and implementation activities for the City from January 1, 2021 to December 31, 2021. The General Plan includes nearly 300 policies, many of which are ongoing activities. As such, this APR focuses on relevant ongoing and completed activities and projects, in accordance with annual goals set by the City Council. The final portion of the APR is included in Appendix 1, which includes HCD mandated housing data including permits issued, as well as estimated affordability levels.

## **LAND USE ELEMENT**

City leadership and staff endeavor to maintain regulatory codes, ordinances, and policies that respect the contemporary economic environment and evolving California law. To that end, amendments to the Zoning Code were completed in 2021 to facilitate business operations during the COVID-19 pandemic and adapt to new State regulations:

- Temporary zoning relief during the COVID-19 pandemic was extended in late 2021 through 2022, including no cost Temporary Use Permits to accommodate the outdoor relocation of indoor operations.
- New zoning incentives to support small business retention and growth were also completed in 2021, including additional flexibility in parking space design, eased food truck requirements, increased outdoor display opportunities for retail merchandise, relaxed alcohol service regulations at Parkway Plaza, and expanded opportunity for freeway oriented uses in the downtown area.





Several new commercial projects were completed in 2021 including the Mazda Dealership at 572 North Johnson Avenue, a new Mission Federal Credit Union at 270 Fletcher Parkway, and a Starbucks at 850 N. Second. These facilities include onsite and public right-of way improvements which augment the appearance of the City and the local economy.



Source: Courtesy of <https://www.teammazdaofelcajon.com/>

Construction also commenced on Phase II of the Dentt Industrial project at 1948 through 1990 N Marshall Ave in Spring 2021. The project will provide an additional 112,000 sq. ft. of quality industrial space in the Gillespie Field area.



Source: Courtesy of City Ventures

The Gateway Townhomes project at 300 El Cajon Boulevard, which consists of 116 townhomes in the City’s Transit District Specific Plan, was approved in July 2021. Construction permits were submitted in fall 2021 and are nearing approval.

As the first large redevelopment project within the Transit District Specific Plan, these “for sale” townhomes will increase home ownership opportunities and improve the appearance of El Cajon Boulevard. The project features significant public improvements and proposes residences which embrace adjacent street frontages consistent with plan area design guidelines.

### HOUSING ELEMENT

155 new housing units were added to the City’s inventory in 2021. This includes 117 low income units, 12 moderate income units, and 26 above moderate income units (Appendix 1).

On February 22, 2021, the former Rodeway Inn at 1250 El Cajon Boulevard received permission to operate as a 113 unit single room occupancy (SRO) apartment complex called Vista Palms Residences. This project accounts for the majority of units within this year’s housing inventory and rents at the complex are affordable to low income households. The Conditional Use Permit authorizing the conversion requires participation in the Crime Free Multi-Housing Program.



1250 El Cajon Boulevard



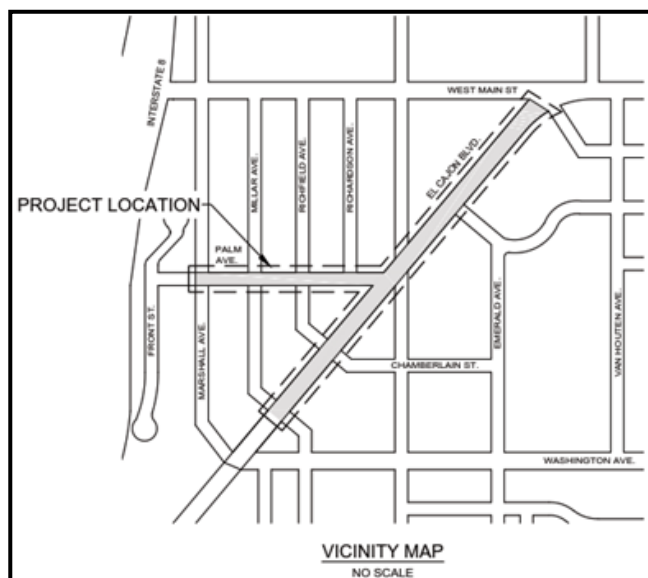
The City adopted an update to the Housing Element for the 2021 to 2029 planning cycle on July 27, 2021. The update, which is currently awaiting certification by the California Department of Housing and Community Development, plans for 3,280 units in the City consistent with Regional Housing Needs Allocation administered by the San Diego Association of Governments.

The City also continued to implement housing programs related to rental and utility assistance, as well as homeless prevention:

- The City provided affordable housing assistance through the Housing Choice Voucher Program operated by the Housing Authority of the County of San Diego. 3,141 low income households participated in the program and 7,809 households were on the waiting list in 2021.
- The City continued its rental and utility assistance program for households experiencing income loss as a result of the COVID-19 pandemic through the first two months of 2021. The assistance provided through Home Start, CSA San Diego County, and Interfaith Shelter Network aided eight households before it was discontinued in favor of a regional program administered by the County of San Diego likewise available to El Cajon residents.
- 342 persons were assisted with Fair Housing Services by CSA San Diego County.
- 2,285 persons were assisted with services for homelessness prevention, emergency sheltering, and rapid rehousing by Crisis House, Home Start, East County Transitional Living Center and Interfaith Shelter Network.
- The Home of Guiding Hands provided disability services to three persons through the rehabilitation of a residential rental home serving developmentally disabled adults.

### CIRCULATION ELEMENT

Design plans for the El Cajon Boulevard Roundabout and Streetscape Project, a major revitalization effort within the Transit District Specific Plan area of the City, were completed in 2021. The existing traffic signal at El Cajon Boulevard and Johnson Avenue will be replaced with a single-lane roundabout featuring high visibility crosswalks, and public plazas. Streetscape enhancements will span El Cajon Boulevard from West Main Street to Lemon Avenue and Palm Avenue from Johnson Avenue to the Transit Center.





Design and construction of the following road safety improvements projects also continued in 2021:

- El Cajon Active Transportation Plan is currently being prepared and will guide future mobility investments, and proposed approaches for safer and better bicycle and pedestrian networks.
- The Jamacha Road-North Second Street Safety Improvement Project design process continued and will include the installation of raised medians, high visibility pedestrian crossings at signalized intersections, sidewalk curb extensions, and pedestrian crossing improvements at uncontrolled locations (with enhanced safety features with flashing warning beacons) from Broadway to Washington Avenue.
- The Madison Avenue Safety Improvement Project design continued and includes the installation of forty-five (45) new street lights, new bicycle lanes, high visibility pedestrian crossings at existing signalized intersections, and pedestrian crossing improvements at uncontrolled locations from North Johnson Avenue to North Second Street.
- Implementation of the Annual Pavement Resurfacing/Overlay Program continued and included preventative maintenance for the city's 195 miles of roadway network.
- The Americans with Disabilities Act (ADA) Sidewalk Improvement Program replaced and/or upgraded 12 pedestrian curb ramps and replaced damaged or noncompliant curbs and gutters. This project is part of a 25 year work plan.
- The 2021 Street Light LED Retro-fit Program project replaced over 700 High Pressure Sodium fixtures with energy efficient LED fixtures.

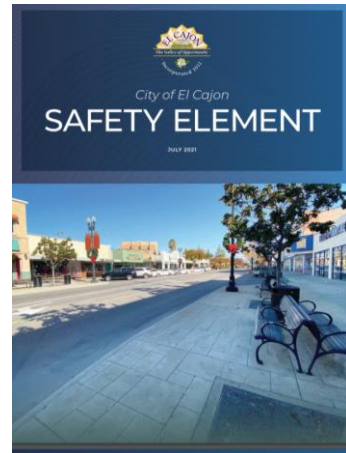
## **OPEN SPACE AND PARKS ELEMENT**

The City maintains 16 parks and seven recreational facilities on 120 acres. Facilities include six lighted ball fields, three adult fitness areas and seven playgrounds. Due to the pandemic, many events, programs and activities were modified, reducing participant numbers in 2021. Over 160 community groups typically utilize centers and parks on a monthly basis and many of these groups returned in 2021 with modified programming. The Parks and Recreation Department provided support to three citizen groups: Teen Coalition, Recreation Council and the Veteran's Coalition and coordinated several large special events annually, but due to pandemic restrictions some events were cancelled or modified. The annual 4th of July celebration which typically has an attendance of 10,000 people was held with modifications. Hauntfest which has an attendance of over 30,000 annually was held with modifications and had an attendance of 10,000. Finally, the Parks and Recreation Department was proud to bring back the annual Dance and Tumbling Recital, a program with a rich tradition of over 50 years. The program was modified to host performers only and all participants received a video to share with their families.



## SAFETY ELEMENT

The Safety Element was updated on July 27, 2021 and addresses natural and human-caused hazards and the risk to human life, property damage, and economic and social dislocation from hazard events. The Safety Element helps prioritize actions that address the greatest risks to El Cajon over the next 20 years and guides how El Cajon is built to ensure reduction in the risk from hazards by regulating building in hazardous areas, ensuring streets are adequate for fire trucks and first responders, and using trees and green spaces to improve El Cajon's air quality and provide shade on hot days as identified in the City's Sustainability Initiative.



Heartland Fire and Rescue (Heartland) is in its 13<sup>th</sup> year of the cooperative service agreement between the Cities of El Cajon, La Mesa and Lemon Grove for shared fire service management. Heartland maintains its Insurance Service Office (ISO) Class 1 status for its emergency response and suppression capabilities. The Fire Prevention Division continues to work with homeowner associations and individual property owners to promote fire safety by providing fire wise assessments and fuel modification reviews to ensure properties maintain defensible space within fire hazard severity zones, as well as routine fire and life safety inspections, and public education.

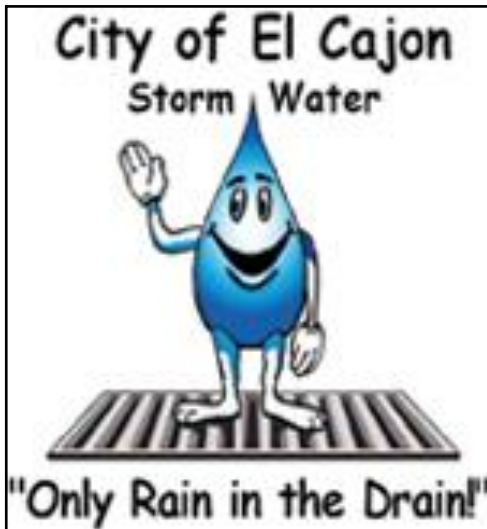
The Police Department (PD) Communications Center processed 182,500 calls in 2021 and officers responded to 61,700 calls for service. In an effort to better connect with the community, the Police Department continues to pursue a more substantial social media presence on Twitter and Instagram. The Police Department also administers a crime free multi-family housing program, a park ranger program, and provides four (4) full-time police officers to staff the primary Grossmont Union High School District (GUHSD) high-school campuses through a contract with GUHSD. To help reduce homelessness, the Police Department continues working in partnership with other East County resource providers in a homeless outreach program through its Special Enforcement Unit (SEU). The City also continues to collaborate with Home Start to provide additional resources to homeless in need.

In 2021, the City implemented the Sustainability Initiative by replacing existing heating and cooling systems at City Hall and the Magnolia with modern, energy efficient models. The pool pumps at the Fletcher Hills pool and lighting at Wells Park Recreation Center (formerly the Boys and Girls Club) were similarly upgraded. In an effort to ensure the safety of the residents, the City continues to apply the development standards set forth in the City's Flood Damage Prevention Ordinance and Drainage Master Plan as well.



## CONSERVATION ELEMENT

The City continued to require that all development proposals receive proper environmental review under the California Environmental Quality Act. The City also implemented the California Green Standards Building Code for new construction; enforced the California Energy Efficiency Standards and expedited photovoltaic submittals and related projects through the building permit process.



The City also continued the implementation of its Storm Water Best Management Practices (BMP) Design Manual. The BMP Manual provides procedures for the planning, preliminary design, selection and final design of permanent storm water best management practices. The annual report for the San Diego River Watershed Water Quality Improvement Plan (WQIP) was submitted by the watershed jurisdictions in January 2021. The goal of the WQIP is to identify the high priority pollutants impacting the San Diego River and develop short and long term strategies to reduce or eliminate those pollutants.

## NOISE ELEMENT

The City continually implements the noise standards and criteria stated in the Municipal Code for all projects. Noise attenuating measures such as building setbacks, walls, increased landscaping, and building insulation are required for residential land uses proposed in noise-sensitive areas. The City also applies the compatibility policies contained in the Montgomery and Gillespie Field Airport Land Use Compatibility Plans for new developments to minimize the public's exposure to airport noise.



Gillespie Field: Courtesy of [www.sandiegocounty.gov](http://www.sandiegocounty.gov)

## ENVIRONMENTAL JUSTICE ELEMENT

The City adopted an Environmental Justice Element into the General Plan on July 27, 2021 as required by California Government Code Section 65302. The Environmental Justice Element seeks to reduce health risks in disadvantaged communities by facilitating improvements to air quality, access to public facilities, food access, safe and sanitary homes, and physical activity. The City implements the Environmental Justice Element through appropriate land use planning and El Cajon Municipal Code requirements.



**Appendix 1  
Regional Housing Needs Allocation Progress  
Permitted Units by Affordability**

Income Level		RHNA Allocation by Income Level	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Very Low	Deed Restricted	481	-	-	-	-	-	-	-	-	-	-	481
	Non-Deed Restricted		-	-	-	-	-	-	-	-	-		
Low	Deed Restricted	414	-	-	-	-	-	-	-	-	-	117	297
	Non-Deed Restricted		117	-	-	-	-	-	-	-	-		
Moderate	Deed Restricted	518	-	-	-	-	-	-	-	-	-	12	506
	Non-Deed Restricted		12	-	-	-	-	-	-	-	-		
Above Moderate		1,867	26	-	-	-	-	-	-	-	-	26	1,841
<b>Total RHNA</b>		<b>3,280</b>											
<b>Total Units</b>			<b>155</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>155</b>	<b>3,125</b>

Note: Units serving extremely low-income households are included in the very low-income permitted unit totals and must be reported as very low-income units.



City Council  
Agenda Report

**DATE:** March 22, 2022  
**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Clay Schoen, Director of Finance  
**SUBJECT:** Fiscal Year 2021-22 Mid-Year Report and Five-Year Business Plan Update

---

**RECOMMENDATION:**

That the City Council:

1. Receives and accepts the Fiscal Year 2021-22 Mid-Year Report and Five-Year Business Plan update;
2. Authorizes the proposed personnel changes detailed in the report; and
3. Increases or modifies Fiscal Year 2021-22 appropriations in the net amount of \$610,000 for additional needs as detailed in the report.

**BACKGROUND:**

The City of El Cajon prepares the Mid-Year Report and Five-Year Business Plan Update as part of an overall financial planning and monitoring program. Other major components of the program include the Annual Budget and the Annual Comprehensive Financial Report. When viewed as a cycle, they represent long-term planning, the implementation of that plan, and the execution and measurement of that plan.

**Mid-Year Report** - This document is an opportunity to measure financial performance at the midpoint of the fiscal year. Mid-year results are compared to both budgeted amounts and previous year's results. This is also the basis for projecting year-end results, as well as longer-term projections.

**Five-Year Business Plan** - This document is a long range financial plan intended to clarify City goals and objectives. By forecasting five years, City decision-makers can easily see the long-term impacts of their decisions, as well as provide time to prepare for future challenges.

As part of this process, it is common to identify City Council actions, including budget adjustments, which are needed for financial and/or operational circumstances that have arisen since the Fiscal Year 2021-22 budget was developed last year. A brief description of each such circumstance follows.

**Personnel Adjustments**

City staff recommends the addition of two positions in total. The first is the addition of an Associate Engineer to the Public Works Department's Private Development Division. Adding the new position will bring expertise, accelerate review times, and improve customer service.

The addition of one Accountant position in the Department of Finance is also proposed. There is a significant increase in workload related to the implementation of the City's new Enterprise Resource Planning (ERP) system. This position will help with the transition of data, testing of the new system, and establishment of new citywide processes.

Two reclassifications of existing positions are proposed in order to properly categorize and compensate City staff for work assignments reconsidered since the adoption of the annual budget in June 2021. Two Administrative Secretary positions were evaluated by Human Resources staff, and it was determined that the classification of Management Assistant is more representative of the duties performed. The proposed reclassification is for one position, each, in the City Clerk's Office and in the Public Works Department.

No appropriation adjustment is required for these adjustments as they will be funded by projected expenditure savings.

### **Appropriation Adjustments / Authorizations**

The following item requires an appropriation increase or modification.

#### Heartland Fire and Rescue (141000/145000)

The fall 2021 wildfire season was particularly busy, and Heartland Fire and Rescue deployed significant resources to help battle six separate fires. These strike teams are reimbursable by State agencies at predetermined rates to offset the costs associated with these deployments. Therefore, staff recommends the appropriation of approximately \$610,000 of anticipated reimbursement revenue in the Heartland Fire and Rescue Department for this purpose.

#### **FISCAL IMPACT:**

The Fiscal Year 2021-22 Mid-Year Report and Five-Year Business Plan are critical for informed financial decision-making and the ongoing implementation of City goals. As part of the analysis performed in preparing the Report and Plan, a number of items require Council Action, some of which will result in appropriation increases and/or modifications in the total amount of \$610,000.

Prepared By: Clay Schoen, Director of Finance

Reviewed By: N/A

Approved By: Graham Mitchell, City Manager

---

Attachments

FY22 Mid-Year Report and Five-Year Business Plan Update

# CITY OF EL CAJON MID-YEAR REPORT FISCAL YEAR 2021-22

This report is intended to evaluate the status of revenues and expenditures at the halfway point of the fiscal year, as well as communicate anticipated year-end results. In evaluating mid-year performance, current year activity is compared to that of previous years and budgeted expectations. This analysis has been conducted for the City of El Cajon’s major funds: the General Fund, the American Rescue Plan Act special revenue fund, the HOME special revenue fund, the Low-Moderate Income Housing Asset Fund special revenue fund, City Capital Improvement Program Fund, and the Wastewater enterprise fund. This report is useful for both managing operations for the remainder of this fiscal year, as well as contributing information necessary for the Five-Year Business Plan and developing the Fiscal Year 2022-23 Annual Budget.

*Note: The following analysis was prepared solely for the purpose of determining how revenues and expenditures are performing as related to the budget. Consequently, the information contained herein may not be presented in accordance with generally accepted accounting principles.*

## GENERAL FUND

### Overview

As of December 31, 2021, General Fund Revenues and Sources of Funds totaled \$26.7 million, an increase of 8.9% (\$2.2 million) from the same point last year. Expenditures and Uses of Funds totaled \$34.3 million, which is down approximately 7.1% (\$2.6 million) from last year’s midway point. This change is due to timing differences related to pension contributions and debt service payments for Pension Obligation Bonds.

For this period, July through December 2021, Expenditures and Uses of Funds exceeded Revenues and Sources of Funds by approximately \$7.6 million. Several of the General Fund’s larger revenue streams, such as Property Taxes, are received in the latter half of the fiscal year. During the first six months of the fiscal year, the General Fund cash flow needs are reliant upon the City’s 20% Operating Reserve which prevents the City from having to borrow funds (i.e. issue tax and revenue anticipation notes), thereby avoiding additional interest and issuance expenses.

The table below summarizes this activity for the current year, as well as the two previous years.

	FY21-22 Budget*	FY21-22 Mid-Year	% of Budget	FY20-21 Mid-Year	FY19-20 Mid-Year
Revenues and Sources of Funds	\$83,639,061	\$26,748,750	32.0	\$24,563,861	\$24,324,932
Expenditures and Uses of Funds	83,789,061	34,310,637	41.0	36,953,020	38,209,136

By fiscal year end, Revenues and Sources of Funds are projected to total \$86.8 million, which is \$3.2 million above budget, and represents a 4.2% increase from last year. Expenditures and Uses of Funds are estimated to be \$81.1 million at fiscal year-end. That

total is \$2.7 million below budget and 3.1% above last year’s total expenditures. Further analysis of selected revenues and expenditures follows.

**Revenue and Sources of Funds**

While the General Fund has many sources of revenue, three major categories account for 82.0% of total budgeted revenue. These categories are: Sales Taxes, Property Taxes, and Franchise Fees. Each of these will be discussed separate of all remaining sources.

**Sales Taxes-** Sales tax revenue is comprised of two components: the City’s share of the State sales tax rate and a voter approved 0.5% general sales tax (Proposition J). At the mid-year point of the fiscal year, sales tax receipts are up \$1.4 million (10.0%) from the same point last year. The table below summarizes these balances, as well as those of the two previous years.

	FY21-22 Budget	FY21-22 Mid-Year	% of Budget	FY20-21 Mid-Year	FY19-20 Mid-Year
Sales Taxes	\$28,245,985	\$10,671,497	37.8	\$9,827,365	\$9,577,179
Sales Taxes (Proposition J)	10,943,138	4,267,394	39.0	3,758,885	3,576,535

Sales Taxes are expected to be over budgeted amounts by approximately \$4.0 million by fiscal year end. This is the result of better than expected economic performance. Although this is encouraging, it should be noted that the results of the holiday season are not available at this time, and may change this projection.

**Property Taxes-** Property tax revenue is comprised of three major components: regular property taxes, property tax received in lieu of Vehicle License Fees, and the residual distribution from the Redevelopment Property Tax Trust Fund. Property taxes, in total, are down approximately 2.6% (\$107,040) from last year.

	FY21-22 Budget	FY21-22 Mid-Year	% of Budget	FY20-21 Mid-Year	FY19-20 Mid-Year
Property Taxes (PT)	\$10,294,343	\$3,976,967	38.6	\$4,083,604	\$3,697,592
PT – In Lieu VLF	11,014,748	-	-	403	-
PT – RPTTF Residual Distribution	1,500,000	-	-	-	-

The majority of this revenue is received in the second half of the fiscal year, and projections indicate that year-end results will fall just short of budgetary expectations for this category.

**Franchise Fees-** Franchise fees are collected from San Diego Gas & Electric, Waste Management, EDCO, Cox Communications, and Pacific Bell. At the midpoint of the fiscal year, current year Franchise Fees are up 10.0% (\$125,234) from last year. The table below illustrates Franchise Fees for the current year, as well as the two previous years.

	FY21-22 Budget	FY21-22 Mid-Year	% of Budget	FY20-21 Mid-Year	FY19-20 Mid-Year
Franchise Fees	\$6,553,000	\$1,381,573	21.1	\$1,256,339	\$1,151,313

**Other Revenue Categories-** The remaining revenue categories represent 18.0% of total budgeted General Fund Revenues and Sources of Funds. The following table details the mid-year performance of each category for the current year, as well as the two most recent years.

	FY21-22 <u>Budget</u>	FY21-22 <u>Mid-Year</u>	% of <u>Budget</u>	FY20-21 <u>Mid-Year</u>	FY19-20 <u>Mid-Year</u>
Transient Occupancy Tax	\$2,353,000	\$810,193	34.4	\$562,305	\$625,921
Business Licenses	827,206	398,414	48.2	520,196	525,708
Real Property Transfer Tax	422,444	515,760	122.1	157,240	241,243
Ambulance/Paramedic Tax	360,000	96,672	26.9	80,797	64,677
Licenses and Permits	1,819,000	913,100	50.2	822,295	1,181,573
Intergovernmental Revenues	1,054,950	309,714	29.4	107,096	291,760
Charges for Services	2,863,980	1,486,713	51.9	1,493,929	1,635,519
Investment Earnings	800,000	355,942	44.5	191,975	247,064
Fines and Forfeitures	684,000	207,831	30.4	180,195	277,713
Other Revenue & Reimbursement	3,692,760	1,345,016	36.4	1,508,116	1,205,811
Other Financing Sources	210,507	12,463	5.9	13,119	25,323

Projected results for each major revenue category is shown in the following table.

	FY21-22 <u>Budget</u>	FY21-22 <u>Projected</u>	% of <u>Budget</u>
Sales Taxes	\$39,189,123	43,171,095	110.2
Property Taxes	22,809,091	22,342,856	98.0
Franchise Fees	6,553,000	6,454,885	98.5
All Other Categories	<u>15,087,847</u>	<u>14,876,445</u>	98.6
Total General Fund Revenue	<u>\$83,639,061</u>	<u>\$86,845,281</u>	103.8

### **Expenditures and Uses of Funds**

Expenditures and Uses of Funds are \$34.3 million or 41.0% of budget at mid-year. This represents a 7.1% (\$2.6 million) decrease from the same point last year. This change is due to timing differences related to pension contributions and debt service payments for Pension Obligation Bonds. The following table shows mid-year expenditures organized by function for the current year, as well as the two preceding years.

	FY21-22 <u>Budget</u>	FY21-22 <u>Mid-Year</u>	% of <u>Budget</u>	FY20-21 <u>Mid-Year</u>	FY19-20 <u>Mid-Year</u>
General Government	\$7,814,578	\$3,002,438	38.4	\$2,990,566	\$3,382,339
Public Safety- Police	41,414,645	17,428,843	42.1	19,345,491	19,010,683
Public Safety- Fire	17,894,511	8,105,994	45.3	8,332,772	8,289,657
Public Works	8,921,338	3,215,412	36.0	3,559,881	4,344,300
Recreation	3,636,513	1,494,198	41.1	1,434,625	1,600,543
Community Development	3,107,476	1,063,752	34.2	1,289,685	1,581,614
Other Financing Uses	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Fund Expenditures	<u>\$83,789,061</u>	<u>\$34,310,637</u>	41.0	<u>\$36,953,020</u>	<u>\$38,209,136</u>

General Fund expenditures are also shown by category in the following table.

	FY21-22 <u>Budget</u>	FY21-22 <u>Mid-Year</u>	% of <u>Budget</u>	FY20-21 <u>Mid-Year</u>	FY19-20 <u>Mid-Year</u>
Salaries and Benefits	\$54,992,237	\$26,568,701	48.3	\$30,146,337	\$30,534,117
Materials, Services, and Supplies	19,353,704	7,741,937	40.0	6,755,293	7,669,479
Capital Outlay	185,570	-	-	51,390	5,540
Other Financing Uses	<u>9,255,550</u>	<u>-</u>	-	<u>-</u>	<u>-</u>
Total General Fund Expenditures	<u>\$83,789,061</u>	<u>\$34,310,637</u>	41.0	<u>\$36,953,020</u>	<u>\$38,209,136</u>

By year end, these categories in total are projected to total less than budgeted amounts. Projected results for each expenditure category is shown in the following table.

	FY21-22 <u>Budget</u>	FY21-22 <u>Projected</u>	% of <u>Budget</u>
Salaries and Benefits	\$54,992,237	53,961,525	98.1
Materials, Services, and Supplies	19,353,704	17,742,582	91.7
Capital Outlay	187,570	150,056	80.0
Other Financing Uses	<u>9,255,550</u>	<u>9,255,550</u>	-
Total General Fund Expenditures	<u>\$83,789,061</u>	<u>\$81,109,713</u>	96.8

### **Fund Balance**

Fund balance is comprised of reserves and designations for specific operating needs or purposes. The 20% Operating Reserve is used to provide sufficient cash flow during the first half of the fiscal year, primarily resulting from the timing differences between expenditures and revenues. The Economic Uncertainty Reserve is established for the purpose of stabilizing delivery of City services during periods of budget deficits and to mitigate the effects of major economic uncertainties resulting from unforeseen changes in revenues and/or expenditures. The Reserve for Unfunded Retirement Obligation was established to address increasing unfunded liabilities and higher employer contribution rates. Any remaining fund balance creates a Carryover Reserve.

The fund balance at the start of the fiscal year was \$53.0 million. Taking into consideration projected revenues and expenditures at fiscal year-end; fund balance is expected to total approximately \$58.7 million. The following table illustrates projected reserve balances at year-end.

### **Projected General Fund Balance**

	07/01/21 <u>Fund Balance</u>	06/30/22 Estimated <u>Fund Balance</u>
20% Operating Reserve	\$15,531,197	\$15,531,197
Economic Uncertainty Reserve	6,500,000	6,500,000
Reserve for Unfunded Retirement Obligation	8,000,000	8,000,000
Carryover Reserve **	<u>22,982,958</u>	<u>28,718,526</u>
Total Fund Balance	<u>\$53,014,155</u>	<u>\$58,749,723</u>

\*\* Carryover Reserve is available to bridge any imbalance of expenditures exceeding revenues.



**AMERICAN RESCUE PLAN ACT FUND**

The American Rescue Plan Act Fund is a special revenue fund used to manage various programs related to the mitigation of the impacts of the public health crisis related to the Covid-19 virus. The fund is administered by the City Manager’s Office, and is funded primarily by revenues generated from the American Rescue Plan Act.

	FY21-22 <u>Budget</u>	FY21-22 <u>Mid-Year</u>	% of <u>Budget</u>	FY20-21 <u>Mid-Year</u>	FY19-20 <u>Mid-Year</u>
Expenditures	\$30,399,751	\$2,193,979	7.22	\$ -	\$ -
Revenues	15,199,875	7,600	0.1	-	-

**HOME INVESTMENT PARTNERSHIPS (HOME) FUND**

The Home Investment Partnerships (HOME) Fund is a special revenue fund used to manage various housing related programs such as the First Time Homebuyer and Rehabilitation Loan Programs. The fund is administered by the City’s Community Development Department, and is funded primarily by revenues generated from federal grants and its programs.

	FY21-22 <u>Budget</u>	FY21-22 <u>Mid-Year</u>	% of <u>Budget</u>	FY20-21 <u>Mid-Year</u>	FY19-20 <u>Mid-Year</u>
Expenditures	\$3,456,202	\$ 44,064	1.3	\$ 34,868	\$ 23,790
Revenues	611,412	170,097	27.8	162,952	2,652

The activity in this fund is largely project based, and therefore highly impacted by timing differences. However, it is anticipated that year-end results will be within budget.

**LOW-MODERATE INCOME HOUSING ASSET FUND**

The Low-Moderate Income Housing Asset Fund (LMIHAF) is a special revenue fund used to manage the housing programs and projects to increase affordable housing opportunities for the City’s lower income households. The fund is administered by the City’s Community Development Department, and is funded primarily by revenues generated from the housing assets transferred from the former redevelopment agency.

	FY21-22 <u>Budget</u>	FY20-21 <u>Mid-Year</u>	% of <u>Budget</u>	FY20-21 <u>Mid-Year</u>	FY19-20 <u>Mid-Year</u>
Expenditures	\$3,236,821	\$ 242,270	7.5	\$ 96,003	\$ 98,371
Revenues	503,421	182,103	36.2	4,656,573	226,128

The activity in this fund is largely project based, and therefore highly impacted by timing differences. However, it is anticipated that year-end results will be within budget.

## CITY CAPITAL IMPROVEMENT PROGRAM FUND

This capital fund includes capital projects primarily funded by general tax revenues. However, some projects include alternative funding sources. Projects are multi-year in nature. The following table illustrates the current project budget and expenditures since inception through the half-way point in the year for each capital project in this fund.

PROJECT DESCRIPTION	PROJECT NUMBER	PROJECT BUDGET	PROJECT EXPENDITURES	% of BUDGET
Window Repair / Maintenance at City Hall	IFM3727	\$ 350,000	\$ 111,400	31.8%
Heartland Fire Training Facility Improvements	IFM3725	696,300	93,330	13.4%
Bill Beck Park Playground Resurfacing	IFM3726	100,000	91,040	91.0%
Public Safety Energy Efficiency Improvements	IFM3740	3,800,300	295,230	7.8%
Public Works Operations Electric Gate Improvements	IFM3741	60,000	2,408	4.0%
Recreation Center Upgrades - Cool Zones & Evacuation Sites	IFM3752	3,000,000	-	0.0%
Solar PV abd Battery Storage Improvements - Phase 2	IFM3753	4,534,700	-	0.0%
Expand Broadband Citywide	IFM3754	2,300,000	-	0.0%
<b>TOTAL</b>		<b>\$ 14,841,300</b>	<b>\$ 593,408</b>	<b>4.0%</b>

## WASTEWATER ENTERPRISE FUND

Revenues at the midpoint of the fiscal year total \$27.5 million, which is up 21.2% (\$4.8 million) from the same point last year. The chart below illustrates mid-year performance for the current year, as well as the two preceding years.

<u>Wastewater Revenues</u>	FY21-22 Budget	FY21-22 Mid-Year	% of Budget	FY20-21 Mid-Year	FY19-20 Mid-Year
Sewer Service Fee	\$26,000,000	\$26,820,607	103.2	\$22,053,296	\$7,434,279
Septic Tank Disposal Fee	1,900,000	428,758	22.6	404,298	212,570
All Other Revenue	<u>3,746,000</u>	<u>281,493</u>	7.5	<u>262,188</u>	<u>768,801</u>
Total Revenue	<u>\$31,646,000</u>	<u>\$27,530,859</u>	87.0	<u>\$22,719,782</u>	<u>\$8,415,650</u>

Expenditures of \$10.0 million are 4.9% (\$522,084) lower than the same period last year. It is anticipated that the Wastewater Fund expenditures will be within budget at year end.

<u>Wastewater Expenditures</u>	FY21-22 Budget	FY21-22 Mid-Year	% of Budget	FY20-21 Mid-Year	FY19-20 Mid-Year
Salaries & Benefits	\$4,597,888	\$1,935,797	42.1	\$2,131,495	\$1,753,119
Materials, Services, and Supplies	19,442,214	7,537,495	38.8	7,887,849	7,437,129
Debt Service	585,868	421,190	71.9	475,485	469,546
Capital Outlay and Projects	<u>6,910,075</u>	<u>130,735</u>	1.9	<u>52,472</u>	<u>329,884</u>
Total Expenditures	<u>\$31,536,045</u>	<u>\$10,025,217</u>	31.8	<u>\$10,547,301</u>	<u>\$9,989,678</u>

**CITY OF EL CAJON  
MID-YEAR REVENUE AND SOURCES OF FUNDS COMPARISON REPORT**

FUND	CURRENT YEAR / FY2021-22				PRIOR YEAR / FY2020-21			
	BUDGET	REVENUE	BALANCE	%	BUDGET	REVENUE	BALANCE	%
101 GENERAL FUND								
101000 CITY COUNCIL	\$ -	\$ 500.00	\$ (500.00)	-	\$ -	\$ -	\$ -	-
103000 COMMUNITY SVCS & E	84,000.00	2,300.00	81,700.00	2.74	84,000.00	20,000.00	64,000.00	23.81
106000 CITY ATTORNEY	-	41.10	(41.10)	-	-	239.00	(239.00)	-
107000 CITY CLERK AND ELE	15,000.00	1,430.00	13,570.00	9.53	25,000.00	18,986.35	6,013.65	75.95
110000 CITY MANAGER	180,000.00	89,482.02	90,517.98	49.71	93,545.00	62,200.88	31,344.12	66.49
114000 FINANCE	76,549,394.00	24,096,319.36	52,453,074.64	31.48	67,785,956.00	22,042,279.58	45,743,676.42	32.52
123000 FACILITIES MAINTEN	41,960.00	8,775.45	33,184.55	20.91	51,800.00	9,339.48	42,460.52	18.03
130110 PD ADMINISTRATION	1,825,807.00	450,789.55	1,375,017.45	24.69	1,689,707.00	247,286.15	1,442,420.85	14.63
130120 PD INSPECTION & TR	-	-	-	-	-	395.00	(395.00)	-
130160 PD PATROL	-	(15.18)	15.18	-	-	-	-	-
130230 PD AUXILIARY	-	1,123.64	(1,123.64)	-	-	-	-	-
135000 ANIMAL CONTROL	-	-	-	-	256,000.00	57,211.28	198,788.72	22.35
140000 FIRE ADMINISTRATIO	280,000.00	37,874.27	242,125.73	13.53	100,200.00	47,121.74	53,078.26	47.03
141000 FIRE SUPPRESSION	100,000.00	27,066.67	72,933.33	27.07	100,000.00	540.71	99,459.29	0.54
145000 FIRE HEARTLAND FIR	50,000.00	-	50,000.00	-	50,000.00	-	50,000.00	-
146000 FIRE EMERGENCY MED	965,000.00	399,874.71	565,125.29	41.44	802,000.00	264,364.10	537,635.90	32.96
151330 ENG - PRIVATE DEVE	350,000.00	288,067.93	61,932.07	82.31	250,000.00	330,706.56	(80,706.56)	132.28
151900 ENG - CIP PROJECTS	800,000.00	223,544.86	576,455.14	27.94	800,000.00	346,384.38	453,615.62	43.30
152310 TRAFFIC ENGINEERIN	18,000.00	7,100.00	10,900.00	39.44	18,000.00	7,248.00	10,752.00	40.27
160000 PARKS	-	4,179.59	(4,179.59)	-	9,260.00	4,905.45	4,354.55	52.97
165000 RECREATION	168,500.00	63,746.60	104,753.40	37.83	173,500.00	3,442.32	170,057.68	1.98
170110 HOUSING & SA ADMIN	293,000.00	58,549.68	234,450.32	19.98	219,676.00	160,823.21	58,852.79	73.21
170510 PLANNING DIVISION	404,000.00	220,455.69	183,544.31	54.57	292,000.00	250,857.22	41,142.78	85.91
171000 BUILDING AND FIRE	1,514,400.00	768,044.01	746,355.99	50.72	1,256,170.00	689,529.30	566,640.70	54.89
<b>TOTAL GENERAL FUND</b>	<b>\$ 83,639,061.00</b>	<b>\$ 26,748,749.95</b>	<b>\$ 56,890,311.05</b>	<b>31.98</b>	<b>\$ 74,056,814.00</b>	<b>\$ 24,563,860.71</b>	<b>\$ 49,492,953.29</b>	<b>33.17</b>
201 AMERICAN RESCUE PL	15,199,875.00	7,600.39	15,192,274.61	0.05	-	-	-	-
202 CARES ACT FUND	283,612.00	-	283,612.00	-	-	1,288,954.00	(1,288,954.00)	-
209 CA BEVERAGE GRANT	25,868.00	384.50	25,483.50	1.49	26,073.00	325.68	25,747.32	1.25
211 GAS TAX	2,708,477.00	1,314,507.18	1,393,969.82	48.53	2,659,466.00	1,288,939.73	1,370,526.27	48.47
213 TRANSIT	103,323.00	83,264.70	20,058.30	80.59	97,392.00	103,501.81	(6,109.81)	106.27
215 STATE COPS GRANT-B	242,500.00	155,659.77	86,840.23	64.19	242,500.00	132,589.30	109,910.70	54.68
221 ST HOMELAND SEC GR	81,968.00	(0.28)	81,968.28	(0.00)	78,379.00	-	78,379.00	-
222 ASSET FORFEITURE	21,700.00	3,263.47	18,436.53	15.04	21,000.00	4,510.13	16,489.87	21.48
223 STATE ASSET FORFEI	160.00	25,852.49	(25,692.49)	16,157.81	11,000.00	814.43	10,185.57	7.40
224 LOCAL PUB SAFETY P	474,900.00	240,284.35	234,615.65	50.60	408,800.00	247,167.18	161,632.82	60.46
225 POLICE MISC GRANTS	295,597.00	29,635.83	265,961.17	10.03	473,287.00	38,116.07	435,170.93	8.05
240 RECREATION PROGRAM	730,500.00	287,272.31	443,227.69	39.33	651,600.00	112,765.48	538,834.52	17.31
241 ECPAC FUND	1,700,000.00	22,328.78	1,677,671.22	1.31	1,000,000.00	100,000.00	900,000.00	10.00
253 UASI GRANTS	1,039,319.00	(2,417.44)	1,041,736.44	(0.23)	434,630.00	(1,901.19)	436,531.19	(0.44)
254 INDIAN GAMING GRAN	-	-	-	-	-	122.13	(122.13)	-
265 COMM DEV MISC GRAN	225,000.00	(84,020.34)	309,020.34	(37.34)	310,000.00	-	310,000.00	-
266 STATE CASP (AB1379)	28,000.00	17,488.00	10,512.00	62.46	26,000.00	18,724.00	7,276.00	72.02
270 CDBG	1,313,106.00	24,352.53	1,288,753.47	1.85	1,364,440.00	-	1,364,440.00	-
275 HOME	611,412.00	170,096.81	441,315.19	27.82	646,351.00	162,951.87	483,399.13	25.21
298 LOW/MOD HOUSING AS	503,421.00	182,102.68	321,318.32	36.17	5,018,421.00	4,656,573.30	361,847.70	92.79
299 HOUSING IN LIEU FE	-	1,401.51	(1,401.51)	-	-	1,638.19	(1,638.19)	-
401 PENSION OBLIGATION	9,119,116.00	0.53	9,119,115.47	0.00	-	-	-	-
501 CITY CAPITAL IMPRO	10,507,630.00	407,846.10	10,099,783.90	3.88	259,630.00	34,815.00	224,815.00	13.41
502 PUBLIC SFTY FACILI	-	16,824.14	(16,824.14)	-	-	26,100.55	(26,100.55)	-
503 TRANSNET	2,558,000.00	248,924.36	2,309,075.64	9.73	2,758,659.00	674,497.75	2,084,161.25	24.45
504 SPECIFIC ST OBLIGA	100,000.00	-	100,000.00	-	100,000.00	100,000.00	-	100.00
505 PARKS & REC IMPROV	-	23,389.81	(23,389.81)	-	-	244,193.76	(244,193.76)	-
506 TRAFFIC CONGESTION	-	1,677.30	(1,677.30)	-	-	1,960.56	(1,960.56)	-
508 PARKS & REC GRANTS	-	-	-	-	400,000.00	-	400,000.00	-
515 PARKS IMPACT FEES	30,000.00	1,071.63	28,928.37	3.57	30,000.00	9,890.26	20,109.74	32.97
550 PW TRANSPORTATION	8,712,375.00	737,825.75	7,974,549.25	8.47	7,833,259.00	2,404,708.08	5,428,550.92	30.70
552 TRANSPORTATION GRA	245,900.00	48,844.54	197,055.46	19.86	(294,429.00)	193,803.50	(488,232.50)	(65.82)
553 REG TRANS CONGSTIO	-	11,047.33	(11,047.33)	-	(75,000.00)	73,597.82	(148,597.82)	(98.13)
554 ROAD MAINT & REHAB	2,063,118.00	719,994.41	1,343,123.59	34.90	2,627,309.00	652,440.01	1,974,868.99	24.83
601 VEHICLE/EQUIP MAIN	2,200,000.00	1,100,379.08	1,099,620.92	50.02	2,200,000.00	1,100,022.00	1,099,978.00	50.00
605 VEHICLE/EQUIP REPL	-	-	-	-	-	-	-	-
610 SELF-INSURANCE	2,002,937.00	1,476,984.63	525,952.37	73.74	1,885,003.00	942,504.00	942,499.00	50.00
611 WORKERS COMP SELF-	1,505,558.00	814,769.55	690,788.45	54.12	1,700,148.00	850,098.00	850,050.00	50.00
615 IT SERVICES FUND	3,825,479.00	1,910,559.41	1,914,919.59	49.94	3,256,695.00	1,578,348.00	1,678,347.00	48.46
620 OTHER POST-EMP BEN	956,000.00	478,984.98	477,015.02	50.10	884,906.00	449,188.24	435,717.76	50.76
650 WASTEWATER	31,646,000.00	27,530,859.26	4,115,140.74	87.00	25,397,000.00	22,719,781.56	2,677,218.44	89.46

**CITY OF EL CAJON  
MID-YEAR EXPENDITURE AND USES OF FUNDS COMPARISON REPORT**

FUND		CURRENT YEAR / FY2021-22				PRIOR YEAR / FY2020-21			
		BUDGET	EXPENDITURE	BALANCE	%	BUDGET	EXPENDITURE	BALANCE	%
101	GENERAL FUND								
101000	CITY COUNCIL	\$ 604,394.00	\$ 288,780.60	\$ 315,613.40	47.78	\$ 492,267.00	\$ 202,744.20	\$ 289,522.80	41.19
103000	COMMUNITY SVCS & E	125,450.00	48,082.27	77,367.73	38.33	132,900.00	47,801.38	85,098.62	35.97
104000	CONTINGENCY	60,000.00	20,000.00	40,000.00	33.33	60,000.00	1,500.00	58,500.00	2.50
105000	ECONOMIC DEVELOPME	1,040,000.00	273,408.06	766,591.94	26.29	800,000.00	108,855.71	691,144.29	13.61
106000	CITY ATTORNEY	822,549.00	254,302.00	568,247.00	30.92	800,079.00	281,293.30	518,785.70	35.16
107000	CITY CLERK AND ELE	613,013.00	223,507.66	389,505.34	36.46	621,114.00	318,364.19	302,749.81	51.26
110000	CITY MANAGER	1,464,107.00	600,681.89	863,425.11	41.03	1,296,854.00	631,760.87	665,093.13	48.71
114000	FINANCE	2,197,608.00	938,026.69	1,259,581.31	42.68	2,047,810.00	1,067,973.72	979,836.28	52.15
118000	HUMAN RESOURCES	1,012,907.00	403,730.97	609,176.03	39.86	848,382.00	377,417.18	470,964.82	44.49
123000	FACILITIES MAINTEN	2,490,703.00	898,502.00	1,592,201.00	36.07	2,241,525.00	930,649.62	1,310,875.38	41.52
130110	POLICE ADMINISTRAT	3,424,719.00	1,577,463.12	1,847,255.88	46.06	3,092,032.00	1,563,665.61	1,528,366.39	50.57
130120	INSPECTION & TRAIN	2,482,551.00	1,129,768.65	1,352,782.35	45.51	2,177,595.00	1,092,226.36	1,085,368.64	50.16
130130	RECORDS	1,419,353.00	463,154.11	956,198.89	32.63	1,067,005.00	533,843.70	533,161.30	50.03
130150	COMMUNICATIONS	3,031,185.00	1,248,329.73	1,782,855.27	41.18	2,607,096.00	1,310,358.82	1,296,737.18	50.26
130160	PATROL	17,142,325.00	7,049,649.27	10,092,675.73	41.12	16,595,587.00	8,286,015.28	8,309,571.72	49.93
130170	SPECIAL OPERATIONS	3,069,350.00	1,375,070.87	1,694,279.13	44.80	2,848,173.00	1,629,662.87	1,218,510.13	57.22
130190	TRAFFIC ENFORCEMEN	2,183,388.00	911,699.36	1,271,688.64	41.76	2,178,316.00	993,829.08	1,184,486.92	45.62
130210	INVESTIGATION	6,387,937.00	2,702,835.21	3,685,101.79	42.31	5,650,568.00	2,847,463.24	2,803,104.76	50.39
130220	LABORATORY	1,071,870.00	458,180.39	613,689.61	42.75	955,184.00	474,614.88	480,569.12	49.69
130230	AUXILIARY	142,367.00	62,908.90	79,458.10	44.19	119,951.00	71,449.95	48,501.05	59.57
135000	ANIMAL CONTROL	1,059,600.00	449,783.79	609,816.21	42.45	1,073,054.00	542,360.88	530,693.12	50.54
140000	FIRE ADMINISTRATIO	2,289,313.00	1,092,639.57	1,196,673.43	47.73	2,096,857.00	1,072,946.68	1,023,910.32	51.17
141000	SUPPRESSION	13,047,005.00	5,921,736.55	7,125,268.45	45.39	12,549,984.00	6,250,361.68	6,299,622.32	49.80
145000	HEARTLAND FIRE & R	2,237,993.00	1,079,494.25	1,158,498.75	48.23	2,074,386.00	974,015.11	1,100,370.89	46.95
146000	FIRE EMERGENCY MED	320,200.00	12,123.68	308,076.32	3.79	222,300.00	35,445.39	186,854.61	15.94
150000	PW ADMINISTRATION	559,355.00	236,896.63	322,458.37	42.35	502,183.00	263,084.47	239,098.53	52.39
151310	ENG - OTHER	2,150.00	862.92	1,287.08	40.14	4,980.00	17,152.71	(12,172.71)	344.43
151330	ENG - PRIVATE DEVE	432,815.00	158,188.07	274,626.93	36.55	532,594.00	212,770.64	319,823.36	39.95
151900	ENG - CIP PROJECTS	560,906.00	210,687.15	350,218.85	37.56	764,469.00	328,309.68	436,159.32	42.95
152310	TRAFFIC ENGINEERIN	1,116,141.00	536,522.40	579,618.60	48.07	976,207.00	382,820.08	593,386.92	39.22
152320	TRAFFIC MAINTENANC	753,930.00	312,901.41	441,028.59	41.50	739,019.00	326,858.97	412,160.03	44.23
160000	PARKS	2,140,080.00	683,303.34	1,456,776.66	31.93	2,084,554.00	859,957.18	1,224,596.82	41.25
161000	ST MEDIAN MAINT &	865,258.00	177,547.67	687,710.33	20.52	821,662.00	238,277.48	583,384.52	29.00
165000	RECREATION	3,511,063.00	1,446,115.91	2,064,947.09	41.19	3,216,451.00	1,386,824.15	1,829,626.85	43.12
170110	HOUSING & SA ADMIN	439,392.00	190,178.76	249,213.24	43.28	570,407.00	305,919.51	264,487.49	53.63
170510	PLANNING DIVISION	1,273,626.00	413,228.11	860,397.89	32.45	997,141.00	478,610.50	518,530.50	48.00
171000	BUILDING AND FIRE	1,394,458.00	460,345.30	934,112.70	33.01	1,007,299.00	505,154.94	502,144.06	50.15
190000	OTHER FINANCING US	1,000,000.00	-	1,000,000.00	-	3,000,000.00	-	3,000,000.00	-
	<b>TOTAL GENERAL FUND</b>	<b>\$ 83,789,061.00</b>	<b>\$ 34,310,637.26</b>	<b>\$ 49,478,423.74</b>	<b>40.95</b>	<b>\$ 79,865,985.00</b>	<b>\$ 36,952,360.01</b>	<b>\$ 42,913,624.99</b>	<b>46.27</b>
201	AMERICAN RESCUE PL	30,399,751.00	2,193,978.50	28,205,772.50	7.22	-	-	-	-
202	CARES ACT FUND	283,612.00	-	283,612.00	-	-	2,741,797.01	(2,741,797.01)	-
209	CA BEVERAGE GRANT	25,868.00	1,395.37	24,472.63	5.39	46,743.00	-	46,743.00	-
211	GAS TAX	2,848,699.00	1,259,756.70	1,588,942.30	44.22	3,295,487.00	1,210,572.19	2,084,914.81	36.73
213	TRANSIT	104,974.00	24,865.51	80,108.49	23.69	106,575.00	27,361.91	79,213.09	25.67
215	STATE COPS GRANT-B	457,227.00	262,552.17	194,674.83	57.42	261,200.00	43,578.26	217,621.74	16.68
221	ST HOMELAND SEC GR	81,968.00	-	81,968.00	-	78,379.00	-	78,379.00	-
222	ASSET FORFEITURE	67,850.00	24,512.60	43,337.40	36.13	67,850.00	18,035.73	49,814.27	26.58
224	LOCAL PUB SAFETY P	752,407.00	232,406.89	520,000.11	30.89	641,407.00	239,845.06	401,561.94	37.39
225	POLICE MISC GRANTS	353,575.00	53,353.99	300,221.01	15.09	532,427.00	153,250.13	379,176.87	28.78
240	RECREATION PROGRAM	737,744.00	250,418.41	487,325.59	33.94	738,134.00	215,239.52	522,894.48	29.16
241	ECPAC FUND	1,124,775.00	263,735.63	861,039.37	23.45	953,272.00	346,826.51	606,445.49	36.38
253	UASI GRANTS	1,039,319.00	1,036.00	1,038,283.00	0.10	434,630.00	10,477.08	424,152.92	2.41
265	COMM DEV MISC GRAN	225,000.00	19,638.25	205,361.75	8.73	310,000.00	9,779.97	300,220.03	3.15
266	STATE CASP (AB1379)	27,340.00	757.17	26,582.83	2.77	27,910.00	1,026.98	26,883.02	3.68
270	CDBG	4,319,785.00	510,682.48	3,809,102.52	11.82	1,514,440.00	1,320,739.55	193,700.45	87.21
275	HOME	3,456,202.00	44,064.01	3,412,137.99	1.27	646,351.00	34,867.55	611,483.45	5.39
280	CAL HOME GRANT	64,588.00	-	64,588.00	-	-	-	-	-
298	LOW/MOD HOUSING AS	3,236,821.00	242,270.06	2,994,550.94	7.48	7,250,587.00	96,002.85	7,154,584.15	1.32
299	HOUSING IN LIEU FE	303,000.00	-	303,000.00	-	303,000.00	-	303,000.00	-
399	EMERGENCY OPERATIO	-	-	-	-	-	24,315.13	(24,315.13)	-
401	PENSION OBLIGATION	9,119,116.00	2,436,480.48	6,682,635.52	26.72	-	-	-	-
501	CITY CAPITAL IMPRO	11,490,800.00	420,922.11	11,069,877.89	3.66	615,500.00	139,555.45	475,944.55	22.67
502	PUBLIC SFTY FACILI	70,000.00	9,355.27	60,644.73	13.36	(239,000.00)	42,052.07	(281,052.07)	(17.60)
503	TRANSNET	2,875,350.00	256,009.24	2,619,340.76	8.90	2,758,659.00	1,249,276.15	1,509,382.85	45.29
504	SPECIFIC ST OBLIGA	-	-	-	-	400,000.00	-	400,000.00	-
505	PARKS & REC IMPROV	-	23,389.81	(23,389.81)	-	-	212,331.26	(212,331.26)	-
508	PARKS & REC GRANTS	-	-	-	-	400,000.00	-	400,000.00	-
515	PARKS IMPACT FEES	90,000.00	-	90,000.00	-	-	-	-	-
550	PW TRANSPORTATION	5,378,250.00	779,013.47	4,599,236.53	14.48	7,858,678.00	2,393,669.12	5,465,008.88	30.46
552	TRANSPORTATION GRA	245,900.00	113,578.06	132,321.94	46.19	(294,429.00)	281,338.11	(575,767.11)	(95.55)
553	REG TRANS CONGSTIO	720,000.00	-	720,000.00	-	(500,000.00)	-	(500,000.00)	-
554	ROAD MAINT & REHAB	3,300,000.00	-	3,300,000.00	-	2,920,000.00	847,077.58	2,072,922.42	29.01
601	VEHICLE/EQUIP MAIN	2,199,548.00	861,563.53	1,337,984.47	39.17	2,157,957.00	944,512.33	1,213,444.67	43.77
605	VEHICLE/EQUIP REPL	1,229,823.00	3,864.88	1,225,958.12	0.31	446,000.00	188,816.98	257,183.02	42.34
610	SELF-INSURANCE	2,500,123.00	1,327,739.33	1,172,383.67	53.11	2,227,033.00	1,281,944.15	945,088.85	57.56
611	WORKERS COMP SELF-	2,007,000.00	1,397,012.17	609,987.83	69.61	2,700,000.00	974,903.64	1,725,096.36	36.11
615	OTHER SERVICES FUND	5,796,339.00	2,106,752.52	3,689,586.48	36.35	4,535,025.00	2,033,777.03	2,501,247.97	44.85
620	IT SERVICES FUND	1,096,000.00	328,597.50	767,402.50	29.98	1,134,906.00	170,656.97	964,249.03	15.04
650	WASTEWATER	31,536,045.00	10,025,217.26	21,510,827.74	31.79	28,805,292.00	10,547,301.45	18,257,990.55	36.62

## CITY OF EL CAJON FIVE-YEAR BUSINESS PLAN FISCAL YEAR 2022-23 UPDATE

The Five-Year Business Plan is used to evaluate and update revenue and expenditure assumptions for the General Fund and other funds based on current economic conditions. Long-range forecasting can reveal imbalances not apparent today, providing time to take corrective action in a proactive way. Accordingly, financial planning is central to how the City is governed and managed. This long-range financial forecast is not intended as a budget, but as a decision-making tool.

The purpose of the plan is to assist City staff in making better business decisions by assessing mid-term and long-term financial implications of current economic conditions and proposed obligations, policies, programs, and assumptions. As such, the Five-Year Business Plan is an important tool in preparation of the upcoming budget. The plan represents the opportunity to take a broad view of the City's operating finances before considering the details of the Annual Budget.

### **Economic Outlook**

The economic outlook for the county, state, and nation are taken into consideration when updating the Five-Year Business Plan. Economies seem to be recovering from the economic impacts resulting from the public health crisis caused by the COVID-19 pandemic. However, new challenges are emerging relating to the Russian invasion of Ukraine.

The Federal Reserve's Open Market Committee (FOMC) made the following comments summarizing the economy in its March 16, 2022 press release.

Indicators of economic activity and employment have continued to strengthen. Job gains have been strong in recent months, and the unemployment rate has declined substantially. Inflation remains elevated, reflecting supply and demand imbalances related to the pandemic, higher energy prices, and broader price pressures.

The invasion of Ukraine by Russia is causing tremendous human and economic hardship. The implications for the U.S. economy are highly uncertain, but in the near term the invasion and related events are likely to create additional upward pressure on inflation and weigh on economic activity.

This sentiment was also expressed by the UCLA Anderson Forecast in a March 9, 2022 release with the following comments.

Now, just as the economy seemed poised to return to some semblance of normalcy, Russia's invasion of Ukraine has injected a new sense of uncertainty and risk into the forecast, along with apprehension about a new world order whose outlines are still unclear.

And continued:

The timing of the invasion, coinciding with the waning of the pandemic, underscores the interconnectedness of economic factors. A return to normal activities assumes a resumption of services spending and a reduction in goods spending, which, in turn, would ease pressure on supply chains and bring down inflation. And while an eventual return to normal is still anticipated, the invasion has derailed assumptions regarding lower inflation.

“Once again, our economic forecast comes with considerable uncertainty,” Feler writes. “It depends on the future course of the pandemic, and it depends on how long the war between Russia and Ukraine will last and whether it will spread to include other countries. These are the immediate risks we know of, not to mention the risks that are not at the forefronts of our minds, like global climate change and political divisions in the U.S.”

Inflation remains a concern, with higher oil and energy prices considered key factors that are continuing to push up inflation. During the early phase of the pandemic, in response to lower demand from people staying home and avoiding travel, oil production in the U.S. shrank. As people once again began going out, demand recovered, but oil supply has not kept pace.

Looking past the immediate concerns in Europe, the Forecast made the following comments about the economic outlook.

Following average GDP growth of 5.7% in 2021, the current Anderson Forecast calls for continued economic strength in 2022, 2023, and 2024, forecasting 4.3% growth in 2022, 2.8% in 2023, and 2.3% in 2024. An uptick is expected in the second quarter of 2022, to 6.1% on a seasonally adjusted annual basis, as the economy moves past the pandemic and demand for consumer services surges. Growth is then expected to normalize around 3% to 4% on an annual basis for the remainder of the year. Driving this growth is the strength of consumer spending and business investment.

While production and employment have essentially recovered from the pandemic, Feler writes that the U.S. is still in a period of economic turmoil. The inflation we are experiencing, coupled with the current geopolitical conflict, poses substantial risks to the recovery. In previous forecasts, Feler expected a euphoric boom time for the American economy, and while the economy is still booming, the euphoria is now gone, he notes. With supply shocks exacerbated by the Russia–Ukraine war, and with inflation having become more persistent, the Federal Reserve now faces the difficult challenge of coordinating a “soft landing” for the economy, reining in inflation without sacrificing employment and output, Feler writes.

As if to answer the Forecast, the FOMC’s release stated its intentions with the following.

The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. With appropriate firming in the stance of monetary policy, the Committee expects inflation to return to its 2 percent objective and the labor market to remain strong. In support of these goals, the Committee decided to raise the target range for the federal funds rate to 1/4 to 1/2 percent and anticipates that ongoing increases in the target range will be appropriate. In addition, the Committee expects to begin reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities at a coming meeting.

In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook. The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee’s goals.

Although events appear to be unfolding in a generally positive way, caution remains prudent. The City will monitor events closely, and continue to make sound decisions based on data, rather than speculation.

### **Highlights of this Update**

The most important element of this report's projected activity is the stronger than previously expected Sales Tax revenue performance. Last year's edition of this report remarked on the unexpected strengthening of sales tax revenue, and the year since have seen this critical revenue source continue to grow. While this revenue's projected performance is surely optimistic, it is supported by actual experience and the analysis of both the City's sales tax consultant and staff.

This report has traditionally included the projection of the next five years. This timeframe represents a dependable window in which to anticipate performance. However, as focus shifts to longer-term solutions and strategies, the need for a longer view had grown. Therefore, starting in last year's edition, the projections include an additional five years to the General Fund projections, for a total projection window of ten years. What is most noteworthy in these additional projected years is the significant drop-off in revenues as a result of the conclusion of the additional sales tax authorized by Proposition J in 2009. While this work has value in helping to understand the long-term effects of decisions, it should be noted that accuracy diminishes with each successive year projected.

New to the Five-Year Business Plan this year is the addition of projections for the Wastewater Enterprise Fund. As the City's second largest fund, the inclusion of these projections is an enhancement to the report. While the current five-year data is valuable, we will continue to fine-tune and perfect the methodology used for these projections so their quality will be of the same caliber as that of the General Fund projections.

### **Employee Retirement – CalPERS**

The City is a member of the California Public Employees' Retirement System (CalPERS). All City employees who work at least 1,000 hours per fiscal year are eligible to participate in CalPERS. Participants in the plan vest after five years of employment.

Over the past few years the CalPERS Board approved significant changes to actuarial policies and assumptions to enhance the long-term stability of the fund. These changes, along with poor investment performance, caused employer retirement contribution rates to increase and significantly burdened City finances. As a result, the City took significant action to address the challenge.

The City adopted a Pension Funding Policy that guides pension funding strategy. A significant component of this Policy is a requirement to annually assess plan status and required action. Additionally, a Public Agency retirement Services Section 115 Trust was

establish to provide the City an alternative to investing pension funding with CalPERS, as well as to assist in rate stabilization. Lastly, early in 2021, the City issued \$147.2 million Pension Obligation Bonds (POB) in an effort to refinance a portion of its pension debt at a dramatically lower cost. As a result of issuing POBs, the City’s combined unfunded liability with CalPERS was reduced, and will reduce contribution requirements going forward.

Presented below are tables showing projected CalPERS contribution rates, as well as projected total contributions alongside POB debt service payments.

**PROJECTED CALPERS EMPLOYER CONTRIBUTION RATES**

	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>FY 2023-24</u>	<u>FY 2024-25</u>	<u>FY 2025-26</u>	<u>FY2026-27</u>
<b>Miscellaneous</b>	38.04%	41.68%	41.80%	31.20%	28.10%	28.60%
<b>Safety</b>	36.57%	40.43%	40.60%	40.70%	40.80%	40.90%

\*The rates stated above are employer rates only; employee rates apply in addition to the above rates.

**PROJECTED CALPERS/POB CASH FLOW ANALYSIS**

<u>Fiscal</u>	<u>CalPERS</u>	<u>POB Debt</u>
<u>Year</u>	<u>Contribution</u>	<u>Service</u>
<b>FY 2021-22</b>	12,583,113	9,118,884
<b>FY 2022-23</b>	14,245,408	9,122,874
<b>FY 2023-24</b>	14,689,804	9,121,854
<b>FY 2024-25</b>	13,359,856	9,120,081
<b>FY 2025-26</b>	13,220,860	9,118,645
<b>FY 2026-27</b>	13,693,048	9,122,192

CalPERS employer contributions, and the City’s unfunded pension liability, continue to represent one of the most significant challenges for the City. While the City has taken significant action to mitigate this issue, there is no guarantee that CalPERS contributions will not continue to grow. It is imperative that the City maintains focus on this issue to ensure the continuation of the progress it has made.

**Assumptions Utilized in the Five-Year Business Plan**

The Five-Year Business Plan is based on the following assumptions regarding the future.

**General Fund Revenue Assumptions**

1. Revenue projections are based on anticipated Fiscal Year 2021-22 revenues as determined by mid-year analysis, as well as the most recent data available.
2. Sales tax revenue projections are based on estimates provided by the City’s sales tax consultant/analyst.
3. Property tax revenues are projected to grow by 4.0% annually.
4. Residual revenue distribution resulting from the dissolution of the redevelopment agency is conservatively projected based on experience.
5. Assumes most other revenues to grow 2.0% annually where appropriate.



6. Anticipates no revenue reductions to aid in balancing the State's budget.
7. Assumes no extension of the additional sales tax authorized by Proposition J in 2009.

### **General Fund Expenditure Assumptions**

1. Salary and wages are projected using negotiated rates where available, and assumes 2.0% growth where applicable.
2. Personnel costs assume an attrition rate of 5.0% in all projected years.
3. Pension related costs are projected based on information provided by CalPERS as part of the actuarial valuations.
4. Materials and Supplies expenditure growth is projected at 2.0% annually where appropriate.
5. Assumes General Fund funding of the City's capital improvement program and vehicle replacement resumes Fiscal Year 2022-23.
6. Assumes no additional pension related contributions; however, this may be presented for consideration in conjunction with the Annual Pension Review in the fall of 2022.
7. Assumes no additional General Fund subsidy in support of Magnolia Performing Arts Center operation.

### **Wastewater Enterprise Fund Assumptions**

1. Revenue projections are based on anticipated Fiscal Year 2021-22 revenues as determined by mid-year analysis, and assumes revenues to grow 2.0% annually.
2. Potential rate increases are not included in the projections.
3. Salary and wages are projected using negotiated rates where available, and assumes 2.0% growth where applicable.
4. Personnel costs assume an attrition rate of 5.0% in all projected years.
5. Pension related costs are projected based on information provided by CalPERS as part of the actuarial valuations.
6. Capital expenses (and revenues) are projected using the average of the previous six years, and an assumed annual 2.0% growth rate.
7. All other non-personnel expenses are projected at known amounts, or 2.0% annually.

### **Projection Limitations**

Projections are designed to anticipate future performance based on past results, but unforeseen events can dramatically impact anticipated results. Projections should therefore be used as a planning tool and to identify structural flaws. The mitigation of these unforeseen events takes place during the annual budget process and the daily operation of the organization.

**General Fund Projection Results**

Once the assumptions identified above are taken into account, and weighed alongside objective information, a picture of anticipated results emerges. The overall conclusion is that revenue growth is anticipated to stabilize and closely align to projected expenditures. The impact of unforeseen events may have much bigger impacts than what is anticipated here. The information presented below indicates the starting point from which adjustments can be made during the annual budget process to ensure balanced budgets going forward.

**Summary of Projected General Fund Activity**

<b>Fiscal Year</b>	<b>Projected Inflows</b>	<b>Projected Outflows</b>	<b>Change in Fund Balance</b>
FY 2021-22	86,845,281	81,109,713	5,735,568
FY 2022-23	90,072,504	89,936,882	135,622
FY 2023-24	92,728,437	93,520,196	(791,759)
FY 2024-25	95,612,620	94,374,361	1,238,259
FY 2025-26	98,626,141	95,961,879	2,664,262
FY 2026-27	101,774,591	99,066,059	2,708,532
<i>FY 2027-28</i>	<i>104,499,163</i>	<i>100,902,106</i>	<i>3,597,057</i>
<i>FY 2028-29</i>	<i>107,304,556</i>	<i>102,754,148</i>	<i>4,550,408</i>
<i>FY 2029-30</i>	<i>94,612,664</i>	<i>104,643,231</i>	<i>(10,030,567)</i>
<i>FY 2030-31</i>	<i>97,120,159</i>	<i>106,570,095</i>	<i>(9,449,936)</i>
<i>FY 2031-32</i>	<i>99,702,515</i>	<i>108,535,497</i>	<i>(8,832,982)</i>

**Fund Balance**

City Council Policy B-12, Fund Balance, establishes a policy that ensures the City maintains adequate fund balance and reserves to provide sufficient cash flow for daily needs, secure and maintain investment grade bond ratings, offset significant economic downturns and revenue shortfalls, and provide funds for unforeseen expenditures related to emergencies.

In accordance with the Policy, the General Fund, Fund Balance is currently segregated into an operating reserve, an economic uncertainty reserve, an unfunded pension obligation reserve, and a carryover reserve. The purpose for each of these reserves is discussed more fully below.

Operating Reserve – The Operating Reserve is recomputed annually at 20% of expenditures and is maintained each year. The Operating Reserve serves the following essential purposes:

1. Provides cash flow to avoid borrowing (tax and revenue anticipation notes) during low cash periods (typically the first six-months of the fiscal year).
2. Provides interest-earning revenues to benefit the General Fund.

- 3. Serves as the single most important practice evaluated by credit rating agencies when rating a municipality.
- 4. Protects the City from unforeseeable circumstances such as:
  - Unexpected costs resulting from a national or local disaster.
  - A sudden worsening in the economy.
  - Unanticipated external factors, such as litigation or negative actions of other governments.

Economic Uncertainty Reserve – This reserve is established for the purpose of stabilizing delivery of City services during periods of structural budget deficits and to mitigate the effects of major economic uncertainties resulting from unforeseen changes in revenues and/or expenditures.

Unfunded Retirement Obligation Reserve - This reserve was established to address the increasing unfunded liability and higher employer contribution rates. CalPERS conducts periodic evaluations of the actuarial assumptions and, after due consideration by its Board, modifies the assumptions based on actual experience.

Carryover Reserve – The Carryover Reserve is available for the following purposes, and, without mitigation, is expected to be reduced over the course of the Five-Year Business Plan:

- 1. Allocating additional contributions to vehicle/equipment replacement, information technology replacement, and capital improvement projects for long-term fiscal sustainability.
- 2. Stabilizing delivery of City services during periods of operational budget deficits.
- 3. Mitigating the effects of major economic uncertainties resulting from unforeseen changes in revenues and/or expenditures.

Based on projections, and without mitigation, the table below summarizes the impact on fund balance of anticipated activity over the next five years.

GENERAL FUND	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
Projected Total Ending Fund Balance	\$58,749,723	\$58,885,346	\$58,093,587	\$59,331,846	\$61,996,108	\$64,704,640

**Wastewater Enterprise Fund Projection Results**

Once the assumptions identified above are taken into account, and weighed alongside objective information, a picture of anticipated results emerges. The impact of unforeseen events may have much bigger impacts than what is anticipated here. The information presented below indicates the starting point from which adjustments can be made during the annual budget process to ensure balanced budgets going forward.

**Summary of Projected Wastewater Fund Activity**

<b>Fiscal Year</b>	<b>Projected Inflows</b>	<b>Projected Outflows</b>	<b>Change in Fund Balance</b>
FY 2021-22	30,272,403	27,436,543	2,835,860
FY 2022-23	33,299,727	30,232,124	3,067,603
FY 2023-24	33,965,722	30,915,036	3,050,686
FY 2024-25	34,645,036	31,315,099	3,329,937
FY 2025-26	35,337,937	31,882,480	3,455,457
FY 2026-27	36,044,696	32,647,540	3,397,156

It should be noted that this set of projections does not include the impact of user rate increases. As the City increases its repair, maintenance, and development of its sewer system beyond previous levels, authorized rate increases may be necessary. Based on projections, without mitigation, rates increases, significant increases in Metropolitan Wastewater JPA participation, or expanded capital activity, the table below summarizes the impact on fund balance of anticipated activity over the next five years.

The table below summarizes the impact on fund balance of this projected activity over the next five years.

WASTEWATER FUND	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
Projected Total Ending Budgetary Fund Balance	\$38,804,977	\$41,872,580	\$44,923,266	\$48,253,203	\$51,708,660	\$55,105,816

**Guidelines for Fiscal Year 2022-23 Budget Development**

- Overtime must be limited to only covering vacancies and other staffing shortfalls.
- Contain material, supplies, and services growth allowing for only inflation/cost increases where applicable.
- Non-General Fund resources should be utilized as a first priority for capital needs.



City Council  
Agenda Report

**DATE:** March 22, 2022  
**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Graham Mitchell, City Manager  
**SUBJECT:** One-Year Nurse Navigator Pilot Program

---

**RECOMMENDATION:**

That the City Council allocates \$300,000 of General Fund Reserves for a Nurse Navigator Pilot Program.

**BACKGROUND:**

One of the goals that emerged from the City Council priority/goal setting workshop earlier in 2022 was for staff to present one-time expenditure projects for City Council consideration that would rely on the City's General Fund Reserves. Staff recommends that any proposed expenditure of the General Fund Reserves be for projects or programs that will demonstrate a return on the investment in terms of savings, revenue generation, or improvements to the community's quality of life.

Fire Department staff has been working with various stakeholders in the region (Grossmont Healthcare District, Heartland Communications, AMR, and Access2Care) to pilot a one-year program that could result in significant savings for the City, ambulance transport services, and local hospitals by expanding the current 911 call triage system with an integrated healthcare solution utilizing a nurse based triage service.

Nationally, roughly 30 percent of 911 requests are for medical or trauma conditions that could be managed more appropriately by non-urgent healthcare services--in other words, almost a third of all 911 calls are unnecessary. Limited healthcare and transport options often leave little choice other than to call 911 for transport to the hospital. Not only does this stress the emergency response system and overcrowd the emergency department, it also leads to ineffective, expensive, and inappropriate care for minor ailments and injuries.

A pilot program nurse-based triage system would match the appropriate level of care based on the caller's medical needs. Callers could be offered alternative options such as urgent care and nurses can arrange for walk-in appointments at neighborhood clinics. A hailride (Uber or Lyft) option would be used for callers that have no means of transportation and not requiring immediate medical attention. This option would include stopping off at the pharmacy to get prescriptions filled after they receive care. A nurse-based triage system frees up resources for emergency calls, reduces unnecessary utilization, provides better access to care and improves the patients' experience by matching the right care to their needs.

Staff recommends that the City Council allocate \$300,000 in General Fund Reserves at this time. With that allocation, staff will complete work on developing the pilot program and will return to the City Council for formal approval and authorization to spend the allocation.

Prepared By: Graham Mitchell, City Manager & Steve Swaney, Fire Chief

Reviewed By:

Approved By: Graham Mitchell, City Manager

---



City Council  
Agenda Report

**DATE:** March 22, 2022  
**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Mayor Wells  
**SUBJECT:** Council Activity Report

---

**RECOMMENDATION:**

That the City Council accepts and files the following report of Council/Mayor activities attended during the current agenda period.

**BACKGROUND:**

Government Code Section 53232.3(d) requires members of a legislative body to provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

**REPORT:**

Since the last City Council meeting, I have attended the following events on behalf of the City of El Cajon:

- March 7, 2022 – Interview with CBS 8
- March 7, 2022 – Interview with KUSI
- March 11, 2022 – SANDAG Board of Directors Meeting
- March 12, 2022 – Attend City's Arbor Day Celebration
- March 12, 2022 – Big Table Charity Breakfast
- March 12, 2022 – Speak at San Diego Gun Owners Forum
- March 22, 2022 – Attend City Council Meeting(s)

I am available to answer questions.

Submitted By: Bill Wells, Mayor

---



## City Council Agenda Report

**Agenda Item 14.**

**DATE:** March 22, 2022

**TO:** Honorable Mayor and City Councilmembers

**FROM:** Councilmember Goble

**SUBJECT: COUNCILMEMBER STEVE GOBLE**

MTS (Metropolitan Transit System Board); East County Advanced Water Purification Joint Powers Authority Board; Chamber of Commerce – Government Affairs Committee; SANDAG – Board of Directors – Alternate; SANDAG Public Safety Committee – Alternate; METRO Commission/Wastewater JPA – Alternate.

---

**RECOMMENDATION:**

That the City Council accepts and files the following report of Council/Mayor activities attended during the current agenda period.

**BACKGROUND:**

Government Code Section 53232.3(d) requires members of a legislative body to provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

**REPORT:**

Since the last City Council meeting, I have attended the following events on behalf of the City of El Cajon:

- March 4, 2022 - Lunch with Humbert C.
- March 10, 2022 - MTS Board Meeting
- March 10, 2022 - Emails with Mayor/City Manager re: MTS meeting
- March 10, 2022 - Emails w/Poway Councilmember Frank re: SANDAG subsidy
- March 10, 2022 - Emails with Allen C/Nick C re: AWP issues
- March 10, 2022 - Email w/Del Mar Councilmember Quirk re: U-T editorial
- March 11, 2022 - Emails w/Amy P @ AWP re: Form 700 submission
- March 12, 2022 - Attend Arbor Day Tree Event
- March 15, 2022 - Attend East County Forum Connection lunch
- March 16, 2022 - Attend Grossmont High School Theatre ribbon cutting
- March 18, 2022 - Attend SANDAG Public Safety Committee meeting
- March 19, 2022 - Participate in Amikas Cabin Assembly
- March 22, 2022 - Meeting with City Manager
- March 22, 2022 - Attend City Council meeting(s)

I am available to answer questions.



Submitted By: Steve Goble, Councilmember

---



City Council  
Agenda Report

Agenda Item 15.

**DATE:** March 22, 2022  
**TO:** Honorable Mayor and City Councilmembers  
**FROM:** Councilmember Kendrick  
**SUBJECT: COUNCILMEMBER GARY KENDRICK**  
METRO Commission/Wastewater JPA; Heartland Communications;  
Heartland Fire Training JPA.

---

**RECOMMENDATION:**

That the City Council accepts and files the following report of Council/Mayor activities attended during the current agenda period.

**BACKGROUND:**

Government Code Section 53232.3(d) requires members of a legislative body to provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

**REPORT:**

Since the last City Council meeting, I have attended the following events on behalf of the City of El Cajon:

March 16, 2022 – Metro JPA Meeting  
March 22, 2022 – Attend City Council Meeting(s)

I am available to answer questions.

Submitted By: Gary Kendrick, Mayor Pro Tem

---



City Council  
Agenda Report

Agenda Item 16.

**DATE:** March 22, 2022

**TO:** Honorable Mayor and City Councilmembers

**FROM:** Deputy Mayor Metschel

**SUBJECT: DEPUTY MAYOR MICHELLE METSCHEL**

Harry Griffen Park Joint Steering Committee; Heartland Communications – Alternate; Heartland Fire Training JPA – Alternate.

---

**RECOMMENDATION:**

That the City Council accepts and files the following report of Council/Mayor activities attended during the current agenda period.

**BACKGROUND:**

Government Code Section 53232.3(d) requires members of a legislative body to provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

**REPORT:**

Since the last City Council meeting, I have attended the following events on behalf of the City of El Cajon:

March 7, 2022 – Interview with CBS 8

March 8, 2022 – Meeting with business near Magnolia encampment

March 11, 2022 – Attended East County Homeless Task Force meeting

March 12, 2022 – Attend City's Arbor Day Celebration – Accepted Tree City Flag

March 12, 2022 – Attended Homeless Resource Fair at ECTLC

March 14, 2022 – Meeting with business near Magnolia encampment

March 19, 2022 – Attend Recreation Department's Annual Dance and Tumbling Recital

March 22, 2022 – Attend City Council Meeting(s)

I am available to answer questions.

Submitted By: Michelle Metschel, Councilmember

---



City Council  
Agenda Report

Agenda Item 17.

**DATE:** March 22, 2022

**TO:** Honorable Mayor and City Councilmembers

**FROM:** Councilmember Ortiz

**SUBJECT: COUNCILMEMBER PHIL ORTIZ**

League of California Cities, San Diego Division; East County Economic Development Council; MTS (Metropolitan Transit System Board) – Alternate; East County Advanced Water Purification Joint Powers Authority Board – Alternate; Chamber of Commerce – Government Affairs Committee – Alternate.

---

**RECOMMENDATION:**

That the City Council accepts and files the following report of Council/Mayor activities attended during the current agenda period.

**BACKGROUND:**

Government Code Section 53232.3(d) requires members of a legislative body to provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

**REPORT:**

Since the last City Council meeting, I have attended the following events on behalf of the City of El Cajon:

March 14, 2022 – League of California Cities Meeting

March 16, 2022 – Soccer Game: El Cajon Valley High School vs El Cajon Police

March 16, 2022 – East County Economic Development Council Board Meeting

March 22, 2022 – Attend City Council Meeting(s)

I am available to answer questions.

Submitted By: Phil Ortiz, Councilmember

---



City Council  
Agenda Report

**Agenda Item 18.**

**DATE:** March 22, 2022

**TO:** Honorable Mayor and City Councilmembers

**FROM:** Angela Cortez, City Clerk

**SUBJECT:** An Ordinance addressing the use of Electronic Signatures by the City of El Cajon

---

**RECOMMENDATION:**

That Mayor Wells requests the City Clerk to recite the title.

An Ordinance Adding Chapter 2.50 to Title 2 of the El Cajon Municipal Code Authorizing the use of Electronic and Digital Signatures

---

Attachments

Ord 5116

ORDINANCE NO. 5116

AN ORDINANCE ADDING CHAPTER 2.50 TO  
TITLE 2 OF THE EL CAJON MUNICIPAL CODE  
AUTHORIZING THE USE OF  
ELECTRONIC AND DIGITAL SIGNATURES

The City Council of the City of El Cajon does ordain as follows:

Section 1. A new Chapter 2.50 is hereby added to Title 2 of the El Cajon Municipal Code to read as follows:

**Chapter 2.50            DIGITAL SIGNATURES**

**2.50.010 Purpose.**

In order to reduce the amount of paper, time, and costs associated with transmitting, approving, and executing physical documents, including contracts, agreements, correspondence, communications, and other similar documents necessary to the conduct of city business; and to obtain benefits from the efficiencies that are created with the use of digital and electronic signatures; all of which will improve efficiencies, save costs, and provide a better means for management of city records, this chapter establishes the authorization of the use of electronic and digital signatures in the conduct of the city's business in a manner that is safe and secure when in compliance with this chapter as well as state and federal laws, and city policies. This chapter codifies existing city policies that authorized the use of electronic or digital signatures, and allows the city manager to adopt additional policies and procedures to implement this chapter and to comply with future state and federal laws related to such, as well as to safeguard the city's digital records and investments.

**2.50.020 Definitions.**

The following definitions apply to this chapter:

"Electronic signature" has the same meaning as in section 1633.2 of the California Civil Code.

"Digital signature" has the same meaning as in section 16.5 of the California Government Code.

"Director" shall mean the Director of Information Technology for the city.

"Transaction" has the same meaning as in section 1633.2 of the California Civil Code.

"UETA" means the Uniform Electronic Transactions Act, commencing at section 1633.1 of the California Civil Code.

**2.50.030 Electronic and digital signatures accepted.**

A In any transaction with the city in which the parties have agreed to conduct the transaction by electronic means, the city may use and accept an electronic signature if the electronic signature complies with the UETA.

B. In any written communication with the city in which a signature is used or required, the city may use or accept a digital signature, if the digital signature complies with section 16.5 of the California Government Code.

C. The city manager or the director shall determine the documents for which the city may use and accept electronic signatures or digital signatures.

**2.50.040 Accepted technologies.**

The city manager or the director shall determine acceptable technologies and vendors under this section to ensure the security and integrity of any data and signatures. Prior to accepting a digital signature, the city manager or the director shall comply with all applicable regulations, including but not limited to: ensuring that the level of security used to identify the signer of a document; the level of security used to transmit the signature are sufficient for the transaction be conducted; to the extent necessary, the city manager or the director shall ensure that any certificate involved in obtaining a digital signature by the signer is sufficient for the city's security and interoperability needs; and the city manager or the director shall ensure that the signature is created by an acceptable technology. The city manager or the director shall set forth these determinations in a written policy or administrative regulation.

Section 2. The City Council of the City of El Cajon intends this ordinance to supplement, not to duplicate or contradict, applicable state and federal law and this ordinance shall be construed in light of that intent. If any section, subsection, sentence, clause, phrase, or portion of this ordinance is held invalid or unconstitutional for any reason by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portion.

Section 3. This ordinance shall go into effect thirty (30) days following its passage and adoption.