



CITY OF OCEANSIDE

OFFICE OF THE CITY MANAGER

July 26, 2024

San Diego County – Local Agency Formation Commission (LAFCO)
Subdivision of the State of California | Regional Service Planning
Keene Simonds, Executive Officer
2550 Fifth Avenue, Suite 725
San Diego, CA 92103

RE: Revised Draft MSR on Oceanside Region

Dear Mr. Simonds:

Thank you for providing an opportunity for City staff to provide further feedback on the draft Municipal Service Review (MSR) prior to the public comment period. We believe that this engagement and collaboration will produce a better and more useful document. By now you should have received further statistical information from our Water Utilities Department, Fire Department, and Financial Services Department. If you are still lacking any pieces of information, please let us know as soon as possible and we will respond forthwith.

We appreciate the changes that you've made thus far and offer the following comments:

- Page 24 “No. 2” – We believe the assertion that citizen opposition to a single development project (i.e., North River Farms) is an indicator of a larger trend of citizen empowerment slowing growth in Oceanside is grossly overstated. Public opposition to the North River farms development was largely driven by a singular concern over the conversion of prime farmland into housing. In fact, several housing projects totaling over 2,000 units have been approved by the City since consideration of the North River Farms project. Many of these subsequent projects were approved despite organized community opposition. It's also worth noting that the City is in the final stages of completing a comprehensive General Plan Update that would add capacity for thousands of additional housing units along the City's transit corridors. The public has been largely supportive of this plan and the “smart growth” principles it supports.
- Page 24 – “No. 3” – We believe this section fails to account for and acknowledge that the City is largely built out and opportunities for development on vacant lands are limited, as compared to the period of substantial growth (1980-2000). This section also fails to acknowledge that the City's HCD-certified Housing Element for the 6th Cycle includes a site's inventory that shows there is capacity to accommodate the City's RHNA obligations. Further, we still assert that RNHA progress is a misplaced measurement tool as development activity is largely driven by private market forces beyond the City's control. For example, within the past few years the City has approved several housing developments totaling over 2,000 housing units but few of these projects have been built due to the recent rise in interest rates and escalating construction costs.

- Page 26 – “No. 7” - The subject area has been identified in the City of Vista's SOI since 1978. Why would it be appropriate to now change the City of Oceanside’s SOI to include this area after 46 years? The City does not need this area to meet any of its housing obligations as evidenced by our Certified Housing Element, so why now? (This note applies to Item 13(a) on Page 29, as well). The draft document fails to articulate the pressing issue(s) that would be resolved by a change to our current SOI. The issue(s) to be addressed should be understood before significant resources are expended through a future study.
- Page 25 – Item 6 – LAFCO states that the City should revisit the arrangement with SCHD regarding the payment plan associated with the SCHD Patrol Vessel. This arrangement was just revisited in June 2024 at the City’s annual budget hearing and is revisited every year. The governing body of both the City and the Harbor District have found this arrangement to be appropriate. Further, it’s important to note that the Harbor District boundaries extend down the entire coast to Carlsbad so use of the vessel outside of the Harbor itself should not be viewed as an unfair financial impact to the Harbor District.
- Page 45 – Item 2(b) – The report states that Measure X reversed a prior General Fund budget deficit. This is untrue. The City has never produced a deficit budget (we actually have a financial policy that does not allow for this). Furthermore, Measure X revenues have not supplanted any General Fund programs. Measure X programs and projects are all in addition to what was already being funded.

This item further notes that Council is expected to sponsor an extension in November 2024. This item should be updated to reflect the action Council took in June to place an extension on the November ballot.

- Page 132 – Item 7.6 “Other Post-Employment Benefits Obligations” – Items referencing the Oceanside Firefighters Association retirees reflect outdated policies that are no longer applicable. Any such references should be struck.
- Page 136 – reference to dredging – please edit so that the reader understands that while we benefit from dredging we don’t pay for or manage the contract; the US Army Corps of Engineers is responsible for this function.
- Page 147 – LAFCO asks “how is the patrol and rescue function active?” – SCHD provides this function through contracted services. The Oceanside Fire Department’s Marine Safety Unit actively provides this service.
- Page 151 – “Wharf” – The report states that nearly all leases pay a uniform minimal rental rate plus a percent of *net* revenue. In actuality, all leases pay a base rent, plus a

percentage of *gross* revenue. We would also ask you to strike the word “minimal” as this is subjective and not all lessees would agree with that statement.

While City staff appreciates LAFCO’s willingness to actively engage City staff in the MSR process, we also offer the following suggestions that would have made the process much smoother and could also prove beneficial as LAFCO completes MSRs for other County jurisdictions.

- LAFCO staff should give consideration to formalizing the MSR review process by creating an “MSR Roadmap” to be shared with affected agencies prior to embarking on the MSR process. This Roadmap should clearly articulate the process to be followed, including timeframes, opportunities for staff input and the specific documents that will be made available for staff review. Had we had the opportunity to review such a Roadmap in consultation with LAFCO staff prior to commencement of the MSR, we believe the process would have been much smoother.
- We strongly suggest that cities/agencies should have an opportunity to review the entire draft MSR prior to its release for public comment. This includes those portions of the document which include LAFCO’s specific recommendations. The “recommendations” are the most germane part of the MSR document yet we did not get to see them until the document was released to the public. While LAFCO staff has shared why we were not provided with the recommendations in advance, we believe withholding such recommendations creates an unnecessary point of friction in the process. Allowing us to review and comment on the recommendations in draft form in no way obligates LAFCO to change them in response to any subsequent city comments received.

The City thanks you again for the opportunity to review this document and make sure that it accurately and completely profiles the City and the various services it provides to the residents. We also reserve the right to provide additional comment on the draft document once it is formally released for public review.

Sincerely,


FOR
Jonathan Borrego
City Manager

CC: Oceanside City Council