



# City of Del Mar Staff Report

TO: Honorable Mayor and City Council Members

FROM: Joseph D. Smith, AICP, Director of Planning and Community Development  
Amanda Lee, Principal Planner  
Shaun McMahon, Management Analyst  
Via CJ Johnson, City Manager

DATE: April 20, 2020

SUBJECT: Housing Element Outline and Goal Setting

**REQUESTED ACTION/RECOMMENDATION:**

Staff recommends the City Council receive the report and provide direction to staff as desired.

**BACKGROUND:**

On January 13, 2020, the City Council received the first presentation on the 6<sup>th</sup> Cycle update to the City's Housing Element and established a Citizen's Task Force. The Housing Element is a State-mandated policy document within the Del Mar Community Plan that provides direction for the implementation of various programs to meet existing and projected future housing needs for all income levels within the Del Mar community.

The January 13, 2020 staff report to City Council can be viewed here:

<https://www.delmar.ca.us/DocumentCenter/View/6264/Housing-Element-Informational-Report-CC-Meeting-1132020>.

Minutes, audio recordings, and agendas for the 6<sup>th</sup> Cycle Housing Element Citizen's Task Force meetings are available here:

<https://www.delmar.ca.us/780/6th-Cycle-Housing-Element-Ad-Hoc-Citizen>

On February 29, 2020, the City held a public workshop focused on the 6<sup>th</sup> Cycle Housing Element update and associated environmental review process. The following items from the workshop are available at the links below:

Public Workshop Materials:

<http://www.delmar.ca.us/DocumentCenter/View/6512/Public-Workshop-Welcome-Packet-22920>

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City Council Action:

Workshop PowerPoint Presentation:

<http://www.delmar.ca.us/DocumentCenter/View/6513/Presentation-from-Public-Workshop-1-22920>

Workshop Recording (Video):

<http://delmar.12milesout.com/video/meeting/860ef8b9-6f0d-46d0-82b4-5fdf1e9a0466>

An in-depth recap of the comments received during the public workshop on February 29, 2020 is also provided as Attachment A.

On March 16, 2020, the City made the Housing Element Community Survey available to the public. The survey is currently available online and is anticipated to be accessible for public participation through April 20, 2020. As of April 12, 2020, there have been 160 unique participants in the survey. The purpose of the survey is to provide the community with an additional means to participate in the planning process that supplements currently planned workshops, meetings, and various web-based resources. These various engagement methods are intended to enhance the public participation process and provide convenient ways for the Del Mar community to participate.

The City's main goal in updating its Housing Element is gaining certification by the California Department of Housing and Community Development (HCD). In order to do so and comply with State law, the City's Housing Element must be updated for the planning period 2021-2029 to ensure the City's policies and programs can accommodate estimated housing growth need identified in the San Diego County Association of Government's (SANDAG) Regional Housing Needs Assessment (RHNA). This is referred to as the 6<sup>th</sup> Cycle.

The Housing Element update will require environmental review pursuant to the California Environmental Quality Act (CEQA). It is anticipated that an Environmental Impact Report will provide the necessary environmental clearance pursuant to State law. Once complete, the CEQA document and the 6<sup>th</sup> Cycle Housing Element Update must be approved locally by the City Council. This is scheduled for consideration by the City Council in October 2020. All documents will then be reviewed for compliance with State law by HCD. Pursuant to State law, the Housing Element must be complete, adopted by the Del Mar City Council, and certified by HCD no later than April 15, 2021. If the City is unsuccessful in gaining certification before the April 2021 deadline, the City may be exposed to various repercussions and penalties (Attachment B).

The City's 6<sup>th</sup> Cycle Housing Element update will be structured very similarly to the City's current certified 2014-2021 Housing Element (5<sup>th</sup> Cycle), and will consist of five (5) sections with detailed Appendices. The sections to be included in the document are as follows:

1. Introduction
2. Community Profile
3. Housing Constraints
4. Housing Resources

## 5. Del Mar Housing Policy Plan (2021-2029)

Appendices to the document will include analysis of past Housing Element performance, an analysis of adequate sites to accommodate future growth need, a summary of all community engagement and outreach activities, an analysis of impediments to fair housing, and a glossary of terms used in the Housing Element.

The Del Mar City Council will need to review and approve the draft 6<sup>th</sup> Cycle Housing Element by October 30, 2020, to allow sufficient time for HCD to review and comment on the City's draft Housing Element and completed CEQA analysis prior to the statutory deadline for HCD certification by April 15, 2021. Additional information and updates on the City's progress will continue to be published on the City's Housing Element webpage which can be found at [www.delmar.ca.us/HousingElement](http://www.delmar.ca.us/HousingElement).

### DISCUSSION/ANALYSIS:

To provide the City Council with an overview of the work that has been completed to date and is still underway, a summary of each section in the proposed Housing Element is described below and entails a summary of the respective work efforts needed to complete each section of the Housing Element update.

#### **Section 1: Introduction**

This section of the Housing Element will provide background information and a baseline for the primary sections of the Housing Element. It will discuss the role of the Housing Element in relation to the Community Plan, provide a description of the community and the City's existing and future housing need, and summarize applicable State law and State requirements. This section will summarize the community engagement process, including community and Task Force participation, the organization of the Housing Element, and a list all data sources utilized. The majority of the content in this section has already been provided to the City Council and public at the January 13, 2020 City Council meeting and the City's 6<sup>th</sup> Cycle Housing Element webpage<sup>1</sup>. As the Housing Element update process progresses, staff and the consultant team will continue to supplement and refine this section to ensure internal consistency throughout the Draft Housing Element document.

#### **Section 2: Community Profile**

The Community Profile section will provide a summary of relevant demographic and housing data and provide a discussion of constraints and resources that influence housing need. The Community Profile utilizes the most current available data sources from County, State and Federal agencies. Census data utilizes the most recently available American Community Survey (ACS) estimates.

The Community Profile identifies community characteristics that form the foundation for developing future policies contained in the Housing Element and contains all requisite

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<sup>1</sup> January 13, 2020 City Council Report: <https://www.delmar.ca.us/DocumentCenter/View/6264/Housing-Element-Informational-Report-CC-Meeting-1132020>  
City of Del Mar Housing Element Webpage: [www.delmar.ca.us/HousingElement](http://www.delmar.ca.us/HousingElement)

analysis defined in State Housing Element law. The Community Profile will include the following information:

1. Population Characteristics
  - a. Del Mar and regional population growth trends, age characteristics, and race/ethnicity.
2. Economic Characteristics
  - a. Employment, commuting patterns, and wage characteristics in Del Mar and the region.
3. Household Characteristics
  - a. Housing type, size, and household income.
4. Housing Problems
  - a. Analysis of housing conditions including overcrowding and overpayment.
5. Special Needs Populations
  - a. Analysis of state-defined special needs populations including seniors, persons with physical and developmental disabilities, large households (5+ people), single-parent households, farmworkers, persons experiencing homelessness and student populations.
6. Housing Stock Characteristics
  - a. Housing growth trends, existing housing types, affordability, availability, tenure, age, condition, market trends, sales prices and rental market characteristics.

Similar to Section 1 (Introduction), the majority of the content that makes up the Community Profile has already been provided to the City Council and public through the January 13, 2020 staff report and the City's 6<sup>th</sup> Cycle Housing Element webpage<sup>2</sup>. As the Housing Element update process moves forward, staff and the City's consultant, Kimley-Horn, will continue to refine this section to ensure consistency with the entirety of the document.

### **Section 3: Housing Constraints**

As required by State law, the City must analyze governmental and non-governmental constraints to housing production that are to be addressed by programs included in the 2021-2029 Housing Plan (Section 5 below) to achieve the desired goals and results. The governmental constraints analysis must cover regulatory requirements imposed by Federal and State government that affect the production of housing, such as the Federal Emergency Management Agency (FEMA) floodplain management regulations, California Coastal Commission coastal zone management requirements, California Building Code requirements, and environmental review and processing requirements per the California Environmental Quality Act (CEQA). The governmental constraints analysis also must cover any local zoning requirements and land use plan policies, and internal processes that affect housing project permitting complexity, timelines, and costs. The City must specifically report the length of time it takes for applications to move through the local development review and building permit issuance processes.

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<sup>2</sup> January 13, 2020 City Council Report: <https://www.delmar.ca.us/DocumentCenter/View/6264/Housing-Element-Informational-Report-CC-Meeting-1132020>  
City of Del Mar Housing Element Webpage: [www.delmar.ca.us/HousingElement](http://www.delmar.ca.us/HousingElement)

The City will also be required to identify various non-governmental constraints and include programs to address them. Non-governmental constraints can influence housing development due to various circumstances such as prevailing interest rates, labor costs, construction costs, and the availability of building materials. These types of constraints also include potential factors which are inherently more localized. Examples of local factors in other cities have included voter-initiated ballot measures and/or imposition of similar extra processing steps and pre-conditions to new development (in addition to applicable regulatory requirements); the filing of lawsuits to stop or delay development projects that comply with applicable regulatory requirements; and other actions that can hinder, delay, and preclude proposed housing units from being built.

As part of the non-governmental constraints analysis, the Housing Element must identify a variety of environmental and infrastructure-related constraints such as topography, geologic and seismic hazards, flooding and hydrology, sea level rise, wastewater capacity, water supply, stormwater management, and capacity of emergency services and response. State law also requires that an analysis of fair housing, including analysis of impediments to fair housing choice, be conducted. The fair housing analysis must identify and address any segregated living patterns which the City must then identify programs to emphasize how the existing patterns will be eliminated (i.e., anti-displacement policies, a balance of age-friendly housing options, or inter-jurisdictional programs to reduce homelessness).

Staff and the City's consultant are actively identifying a list of specific constraints and reviewing relevant City programs, fees, development standards, and processes that may address these identified constraints. The data collected will help to inform future discussions about options for Housing Element programs that potentially helps to reduce or eliminate the identified housing constraints.

The City will need to demonstrate to HCD that new multiple dwelling unit housing (serving a range of household incomes) could feasibly be developed during the 2021-2029 housing cycle in accordance with applicable local processes and regulations. Due to limited vacant sites in Del Mar, most new housing units will need to be produced through the redevelopment of existing sites. It is anticipated that these sites will be located in developable areas without environmental constraints and will likely require some adjustment to the land use designations and zoning. Since the City's Design Review process was already a constraint identified in the 5<sup>th</sup> Cycle Housing Element, the City can likely expect HCD to require actions that will further streamline design review approvals and new programs focused on modifying development standards and approval processes to facilitate new housing. The intent is to connect the constraints identified with programs to achieve desired results, even where only minor adjustments are needed, to facilitate new housing in a way that best preserves the community character and quality of life.

➤ ***Staff asks that the City Council review the draft list of potential constraints below and identify additional housing constraints that should be considered for analysis in the Housing Element:***

1. Potential Governmental Constraints (pursuant to CA Gov. Code 65583 (a) (5))
  - a. Required Mitigation and Permitting Fees

- b. Conditional Use Permit Requirements
  - c. Projects Requiring Multiple Permits are Not Consolidated for Processing
  - d. Zoning and Land Use Designations (lack of zones allowing 20 du/acre density)
  - e. Floor Area, Lot Coverage, and Height Limits in Commercial/Mixed Use Zones
  - f. Parking Requirements
  - g. 22<sup>nd</sup> District Agricultural Association (potential State laws limiting residential development or limiting the City's ability to count units towards RHNA at the Del Mar Fairgrounds)
  - h. Flood Management Regulations (Federal and State Laws)
  - i. Coastal Commission's Required Allowances for Short Term Vacation Rentals
  - j. Private View Protection Requirements
  - k. Process for Approval of Residential Care, Transitional and Supportive Housing
  - l. Design Review Process (DRO, Design Guidelines, non-objective criteria)
2. Potential Non-governmental Constraints (pursuant to CA Gov. Code 65583 (a)(6))
    - a. Land, Labor, and Construction Cost
    - b. Availability of Financing
3. Potential Environmental and Infrastructure-Related Constraints
    - a. Geological and Seismic Hazards
    - b. Climate Change and Sea Level Rise
    - c. Wastewater Capacity and Water Supply
    - d. Topographical
4. Potential Impediments to Fair Housing
    - a. Displacement Patterns
    - b. Segregated Living Patterns
    - c. Age-based Living Patterns

**Section 4: Housing Resources** (pursuant to CA Gov. Code 65583)

As required by State law, the City must also assess housing resources available to the City to address existing and future housing needs and constraints. This section addresses the availability of adequate sites to meet the City's 2021-2029 RHNA future growth need identified by income category. The review of candidate sites to accommodate future housing growth needs may include analyzing the viability of parcels within non-residential or mixed use zones to accommodate future housing. The Housing Element will discuss historical regional and local development trends that will influence future housing growth.

This section will also discuss the availability of funding and financial resources to assist in housing production and address existing housing need. Resources may include local funding sources, Section 8 Housing Vouchers, Community Development Block Grants (CDBG), HOME Investment Partnership Program, State and Federal grants, tax credits, and private assistance programs.

Items to be analyzed in this section include the following:

1. RHNA future growth need allocations (CA Gov. Code 65584)

2. Sites available to accommodate RHNA (sites analysis and inventory) (CA Gov. Code 65583 (a)(3))
3. Financial Resources
4. Energy Efficiency/Conservation (CA Gov. Code 65583 (a)(8))

➤ ***Staff requests that the City Council provide feedback and/or ideas into other outside resources that may be potentially available and should be considered in the Housing Element.***

**Section 5: Del Mar 2021-2029 Housing Plan (CA Gov. Code 65583 (c))**

The Housing Plan section will contain the requisite Housing Element goals, policies, and programs that the City intends to implement to address housing-related needs and issues within Del Mar. Some of the programs included in this section will be carried over from the 5<sup>th</sup> Cycle Housing Element. A list of potential carry-over programs is provided as Attachment C. The Housing Plan will focus on meeting existing and future housing growth needs by providing a broad range of policies and programs to meet the needs of current and future residents of all income levels.

In accordance with the Del Mar Community Plan, the City's overall goal is to "preserve and enhance the special character of Del Mar, the elements of which are a village-like community of substantially single-family residential character, a picturesque and rugged site, and a beautiful beach." The following draft goals are intended to address key requirements of State law that promotes a greater balance of housing options at various income levels that are currently not available in Del Mar.

➤ ***Staff requests the City Council review and provide feedback on the following draft housing-related goal statements for the 2021-2029 Housing Plan. A discussion of the desired housing goals necessary to achieve the desired results for certification of the Housing Element is intended to be the main focus of the Council discussion for this item. The draft goals are intended to facilitate discussion and can be amended or replaced based on City Council direction. Once the goals have been set, the results from the community survey, comments received from the public workshop, and comments from the Ad-Hoc Citizens' Task Force can be organized into a more formal matrix of potential programs and objectives to be considered for implementation of each overall goal.***

**1. Facilitate Construction of a Variety of Quality Housing Types that Complement the Existing Character of the Community**

Example Programs: Set and evaluate annual housing production targets; Accommodate specialized housing types; Process updates to the Community Plan and Zoning Code to address development standards in areas most suitable for infill development; Implement permit process improvements; Create objective design standards for streamlined processing of projects with affordable housing.

**2. Prioritize Production of Accessory Dwelling Units (ADUs)**

Example Programs: Creation/extension of incentive program for deed-restricted ADUs; Creation of publicly available ADU plans; Fee waivers or reductions for ADU applications.

**3. Prioritize Housing Opportunities on 22<sup>nd</sup> District Agricultural Association Property (Del Mar Fairgrounds)**

Example Programs: Partner with the 22<sup>nd</sup> DAA to develop housing on the Surf and Turf RV Lot; Develop a plan to upgrade and/or convert backstretch housing to permanent affordable units.

**4. Provide a Greater Balance of Housing Options and Affordability for a Variety of Income Levels**

Example Programs: Promote diversity of housing; Facilitate the production of affordable housing for all income levels; Incentivize the construction and long term rental of dwelling units and Accessory Dwelling Units at affordable rates; Support programs aimed at housing vulnerable and special needs populations including seniors; Track the production of new housing units and affordability levels.

**5. Improve and Preserve the Existing Housing Stock**

Example Programs: Provide funding and/or help connect owners to funding programs for small home improvement/renovation programs such as HUD Healthy Homes Grant; Regulate short term vacation rentals to preserve long term rental units; Increase the Existing Housing Reduction Fee; Require Inclusion of a “Housing Impact Statement” in Staff Reports.

**6. Ensure a Sustainable Approach to New Housing Opportunities that Protects the Quality of Life and Future of Del Mar**

Example Programs: Promote sustainable building practices that align with the Climate Action Plan and greenhouse gas reduction targets; Promote and incentivize projects that reduce vehicle miles of travel (VMT) through job-housing balance; Reduce resource consumption in existing homes; Promote City energy efficiency and conservation programs.

**7. Promote Housing Resources and Assistance Opportunities**

Example Programs: Utilize mortgage assistance or down-payment assistance programs; Provide opportunities to foster community discussion; Utilize and support local non-profit assistance programs (Del Mar Community Connections, St. Peter’s Helping Hands, Del Mar Foundation); Make housing resource information more easily accessible.

PRIOR CITY COUNCIL REVIEW:

The City Council received a presentation on the 6<sup>th</sup> Cycle Housing Element on January 13, 2020. Additionally, staff routinely provide updates on the 6<sup>th</sup> Cycle Housing Element process as part of the standing Housing item on the City Council meeting agenda.

FISCAL IMPACT:

The adopted FY 2019-20 and FY 2020-21 Operating and Capital Budget includes a total of \$453,600 (\$304,200 in FY2019-2020 and \$149,400 in FY2020-2021) for the 6<sup>th</sup> Cycle Update which includes preparation of Program Environmental Impact Report (CEQA Review) and associated legal review.

ENVIRONMENTAL IMPACT:

The City of Del Mar is the lead agency for the proposed 6th Cycle Housing Element and Program EIR pursuant to the California Environmental Quality Act (CEQA). CEQA Guidelines §15063 provide that if a Lead Agency determines that an Environmental Impact Report (EIR) will clearly be required for a project, an Initial Study is not required. For the Housing Element Update, the City has determined that an EIR will need to be prepared based on the Project's potential to create short-term, long-term, and cumulative impacts associated with other development. Therefore, a Program EIR will be prepared.

The Notice of Preparation (NOP) review period for the Program EIR opened on February 19, 2020 and closed March 20, 2020 (30 days). A Public Scoping Session to identify potential concerns and issues to address in the EIR was completed on February 29, 2020 as part of a Community Workshop. The City has begun work on the Draft EIR and a Notice of Availability of the draft document for public review is anticipated to be issued mid-May, 2020. Members of the public will have until mid-July, 2020 (60 days) to review and provide comments on the draft EIR document. City staff will also present draft EIR findings to the Planning Commission and City Council during the development of the report.

NEXUS TO CITY COUNCIL GOALS AND PRIORITIES:

The 6<sup>th</sup> Cycle Update to the City's certified Housing Element is a City Council Priority for Fiscal Years 2020 and 2021.

ATTACHMENTS:

- Attachment A – Summary of Comments Received at Public Workshop #1
- Attachment B – Potential Penalties for Non-Certification
- Attachment C – List of Ongoing Programs from 5<sup>th</sup> Cycle Housing Element

**ATTACHMENT A**  
**RECAP OF COMMENTS RECEIVED AT PUBLIC WORKSHOP #1**

The first Community Workshop/CEQA Scoping Session for the 2021-2029 Housing Element Update was held on Saturday, March 29, 2020 at 9:30 am. The Workshop was conducted as part of the Housing Element Citizens' Task Force and included an introductory presentation of the Housing Element Update, a Notice of Preparation Scoping Session and an open house style Community Workshop. The Workshop was also televised live and recorded. A link to the recorded meeting is provided on the City's Housing Element webpage at [www.delmar.ca.us/HousingElement](http://www.delmar.ca.us/HousingElement).

The Workshop format and content was created to establish a framework by which the City can meet its four main housing goals of production of new housing, preservation of existing housing, providing community assistance, and meeting the RHNA need.

The Agenda for the Workshop/NOP Scoping Session included:

- I. Housing Element Overview
- II. 6<sup>th</sup> Cycle Housing Element Update (2021-2029)
- III. NOP Scoping Comments
- IV. Interactive Exercise – Station Topics
- V. Station Topic Summaries
- VI. Conclusion/Next Steps

Each participant was provided a Welcome Packet. The packet provided the following information:

- Meeting Agenda
- Housing Element Fact Sheet
- CEQA info sheet
- Notes Pages
- Removable Scoping Comment Card
- View the welcome packet here:
  - <http://www.delmar.ca.us/DocumentCenter/View/6512/Public-Workshop-Welcome-Packet-22920>

The Workshop presentation focused on the following topics:

- What a Housing Element is
- Why Housing Elements are updated, and
- What components make up Del Mar's 6<sup>th</sup> Cycle Housing Element

The presentation also described what the Regional Housing Needs Assessment (RHNA) is and the allocation provided to Del Mar. This purpose of the first workshop presentation was to inform the community and the Task Force of issues and opportunities related to housing.

**Notice of Preparation Scoping Session Comments**

As part of the Workshop, the City conducted a Notice of Preparation Scoping Session providing an overview of the Environmental Review process for the Housing Element. This was followed by an opportunity for speakers to identify environmental issues that should be considered in the environmental analysis for the Housing Element.

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Written Comments Received During the Scoping Session included:

- North Commercial rezone to high-density residential;
- Hydrology water quality when building on lagoon;
- Public services issues/no public transportation;
- Aesthetics of high-density not compatible with community character;
- Wildfire risk with Crest Canyon traffic congestion could be an issue for evacuation;
- Traffic congestion and greenhouse gasses;
- Noise pollution on Lagoon vs Birds/owls;
- Allocation of 163 units based on inaccurate employment data. Great need to modify allocation and for Del Mar to accurately verify, current employment data as first step in process;
- It would be good to clearly establish at each meeting that the topic under discussion does not include the question of whether 163 units is the correct number of units required. Everybody should accept the 163 and deal with whether 163's the right number can be discussed elsewhere;
- The charm of Del Mar is that the residential and commercial are not congested. We would like the future plans to continue this. One suggestion would be to have some housing above existing businesses;
- Are Mira Costa College or Veterans' Affairs or other organizations interested in partnering with the City of Del Mar to allocate and build new housing? My feeling is the community in general lumps "low-income" with significant mental health needs/other populations that will bring drugs, crime to DM. Focusing on housing students, teachers, caregivers, widowed/divorced, who fit the income criteria would be more palatable. I went to college in a small affluent town not so different from Del Mar and the dorms were counted as the town's "low-income" housing. Just a thought!
- Questions and comments. The EIR needs to address the multiple iterations/combinations to get to 163 units. It seems every iteration would have a different environmental impact. So how does the EIR meaningfully address housing impacted without having an idea of what a housing plan might look like?

It should be noted that a number of the Scoping Session comments were not germane to the environmental review process but will be still be considered part of the record when developing the Housing Element document.

**Oral Comments Received During the Scoping Session**

- Will all 19 environmental categories be studied?
- 163 unit allocation of RHNA to Del Mar:
  - Is methodology accurate?
  - Is allocation based on inaccurate info?
- How are short term rental issues addressed?
- Hydrology/Water Quality
- Aesthetics of High-Density Housing in Del Mar

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- Emergency response/noise issues
  - Study diligently
- Wildfire risks
  - Number of evacuation routes
- Evacuation/traffic patterns
- Land Use issues
  - Example: ADU permitting can mean R1 to R2
- Fairgrounds (600 units possible?)
  - Stable area as an opportunity?

Written comments will continue to be received up until the close of the NOP Scoping Period on March 20, 2020. Any additional comments, if received, will be provided to the City Council at a later date.

**Interactive Exercise – Open House Stations**

Following the scoping session, the open house portion of the Workshop included a half-hour free-flowing, interactive session where attendees visited three stations and provided comments on three discussion prompts including:

- Station #1 Prompt: *What Creative Ways Can Del Mar Provide Housing in Existing Commercial and Residential Areas?*
- Station #2 Prompt: *What Types of Community Assistance Programs can the City Provide to Facilitate Housing?*
- Station #3 Prompt: *How Should the City Incorporate Public Lands into the Housing Element Strategy?*

A summary of the community's responses received is provide below.

**Station #1**

**Prompt: *What Creative Ways Can Del Mar Provide Housing in Existing Commercial and Residential Areas?***

*Comments received at Station #1 focused on zoning in Del Mar, including suggestions to allow residential in currently zoned commercial areas, specifically the downtown village, update some zones to allow mixed-use, and development of affordable housing on public lands. Comments also discussed different ways to encourage housing development, including development incentives for property owners. Comments also reflected that regulations and City processes may be a barrier to increased housing.*

Station #1 responses are listed below:

- Our commercial zone already allows one residential unit per commercial parcel – ideally if every parcel had one unit, we would have about 55 units approximately, we have about 5 now, we should speak to owners and find out why they have not taken advantage of this opportunity. Is it cost? Is it hassle and dealing with the

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City? Is it height or FAR? Once we know we can then address to make safe and facilitate;

- Convert upper floors of commercial buildings for residential use;
- Can there be incentives to help business for downtown owners to upgrade buildings to mixed use and make downtown more modern and vital?
- Mixed-use commercial area, fewer offices, more housing units;
- There are R1 zones that have illegal 2<sup>nd</sup> units, we have not been enforcing so perhaps create an amnesty program to legalize them with restrictions to rent for affordable housing;
- Making regulations for affordable housing simpler, quicker and less expensive;
- Stop R-1 building in R-2 zones;
  - Tearing down multi units for one big single family;
- Housing in restaurants?
- Look at City-owned parcels, see if any are appropriate to build, sell and take the money to put into affordable housing building in viable location;
- Encourage community buy-in and code changes to allow modifications to make residential above commercial building in downtown;
- Mixed use in downtown village;
- Allow rental units within R-1 zone homes;

**Station #2**

**Prompt:      *What Types of Community Assistance Programs can the City Provide to Facilitate Housing?***

*Station #2 comments included opportunities for financial assistance for seniors, students, and persons with disabilities, as well as renters looking to become homeowners. Comments also suggested including community groups in the conversation about financial and housing assistance.*

Station #2 responses are listed below:

- Housing financial advisor;
- Low interest loans, housing assistance, assistance for City employees/interns, assistance for disabled, group home for disabled;
- Students who need down payment assistance;
- Special needs – adult children with disabilities, group home, board and care
- Assistance with “granny flat” availability and remodel to help elderly create the granny flat;
- Parents who want to live closer to Winston school, mortgage loan qualification;
- Home loans;
- Project based vouchers for senior housing – Gary and Mary West, Ramona Senior Service;
- Financial assistance for disabled rental assistance, security deposit;
- We need to include community groups to the discussion of assistance programs – can’t expect City government to do it all;

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- Encourage a short-term rental home to convert to an elderly group home and hire a caretaker company to manage it, or for disabled;
- Project based vouchers through serving seniors – Gary and Mary West, Ramona, Vista, San Marcos;

**Station #3**

**Prompt:** *How Should the City Incorporate Public Lands into the Housing Element Strategy?*

*Station #3 responses included various options including multiple suggestions for using Crest Canyon and the Fairgrounds in the Housing Element strategy. Some suggestions included using the land south of the race track and east of the rail line, others suggested types of housing, such as tiny homes and mobile homes on public land. Comments also included opportunities to partner with the State and use the Fairgrounds for temporary homeless shelters.*

Station #3 responses are listed below:

- ADUs (1-2) in shores park rather than parking and offices;
- Crest Canyon in play?
- Crest Canyon, Fairgrounds, area south of Jimmy Durante;
- Make better use out of City Hall property by building City-owned residential units there;
- Church Property? Library?
- West of track;
- South of practice track;
- East of rail line;
- Long term units in this area (not just temporary during fair);
- Tiny shelter – shelter/community on Fairgrounds 9 months out of the year;
- Temporary homeless shelter on Fairgrounds;
- Horse caretaker housing should be considered low income housing. They need a variance to not have kitchen in each but use communal kitchen;
- Tiny homes or mobile homes on 20 RV spots on Fairgrounds;
- Look for Zuni Reservoir are there other PROW parcels in this area along crest?
- Housing and safety paramount for growth;
- Joint opportunity with State – press hard to partner;

**Key Workshop Takeaways**

To assist in the creation of future policy options, a summary of workshop input related to Del Mar’s four community housing goals is provided below:

***Production of new housing units:***

- Incentivize development within commercial and mixed-use zones;
- Incentivize Tiny House/ADU development;
- Partner with the State for joint development opportunities.

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***Preservation of existing housing:***

- Don't allow large single-dwelling in the R2 zones. Leads to people tearing down multi-dwelling and replacing with single-dwelling;
- Provide a way to permit existing illegal accessory dwelling units (ADUs).

***Community Assistance***

- Provide assistance programs for different housing needs groups, including elderly, disabled, students, and veterans;
- Include community groups in the housing discussion;
- Provide a Housing financial advisor or various financing programs;
- Simplify/explain the ADU development process (permit-ready ADU program).

***Meeting City's RHNA allocation:***

- Review public (City-owned) lands for potential housing development;
- Explore the following areas for potential development: Canyon Crest, land adjacent to the Del Mar Fairgrounds, church properties, and land adjacent to NCTD rail corridor.

**ATTACHMENT B**  
**Potential Exposure and Penalties for Non-Certification**

Over the years, California has steadily increased the penalties for not having a legally compliant Housing Element, and this trend is expected to continue. Repercussions include:

- 1) Limited access to State Funding, Including Grants.** Many of the funding sources like the recent Senate Bill 2 (SB 2) Grants are forthcoming. Local Early Action Planning (LEAP) funding is formula-based, free funds, which require compliant housing elements. With the current severe limitations on the availability of local, state and federal funding directly related to housing, this provides the City with a resource to aid in program, construction and maintenance of our housing stock. Without certification, this will not be available.
  
- 2) Lawsuits.** Developers and advocates have the right to sue jurisdictions if their Housing Element is not compliant with State Law. In addition, Assembly Bill 72 (AB 72) provides additional methods for the State to be accountable to housing element compliance. There are several avenues of legal exposure, including:
  - a. Mandatory compliance – The court can order the community to bring the Element into compliance within 120 days. This was the case with the City of Encinitas recently.
  - b. Suspension of local control on building matters – The court has the authority in state law to suspend the locality’s authority to issue all building permit activity until compliance or the court may compel the City to make zoning changes, variances or subdivision map approvals.
  - c. Court approval of housing developments – The court has the authority in state housing law to step in and approve housing projects without local discretion or review, including large housing projects that may not be wanted by residents or currently permitted by local zoning.
  - d. Fair Housing Risk – If the element is not deemed in compliance with the state, the City is at risk of additional claims under federal law. Therefore lawsuits may include fair housing claims. Also, in bringing fair housing claim under the Fair Housing Act (FHA), there is no exhaustion requirement, and evidence may be introduced outside the record.
  - e. Fees – If a jurisdiction faces a court action stemming from its lack of compliance and either loses or settles the case, it will be subject to substantial attorney fees to the plaintiff’s attorneys in addition to the fees paid to its own attorneys. These fees can easily exceed \$100,000. In addition, AB 72 can review non-compliant and decertified housing elements to the Attorney General can impose penalty fees that can accrue penalties in the 1,000’s of dollars on a daily basis
  - f. Private parties may sue the City – As evidenced by the three lawsuits brought against the City of Encinitas for their housing element, private parties or interest groups can sue local jurisdictions and the record of evidence can further support plaintiff claims if the City does not have a certified element. Because of this, it leaves the City with constant exposure to legal challenge with a non-certified Element.
  
- 3) Future Updates Follow a 4-Year Cycle instead of 8-Year Cycle.** If the City is unsuccessful in obtaining certification from the State within 120 days of the statutory deadline, the City will be placed on a 4-year Housing Element Cycle. Once this occurs, the City will need to successfully process three (3) consecutive 4-Year Cycle Housing Element updates before being placed back on the 8-Year cycle. HCD often uses the phrase: “If you’re late, you don’t get eight”.

New state law provides a heightened ability for the state to compel compliance. Because of the new laws in place, it essentially makes the costs of non-compliance a much more financially damaging, legally challenging path to choose.

# Attachment C

## 5th Cycle Housing Element Ongoing Program List

Housing Program #	Annual Progress Report - Year Reported	Synopsis of Program
<b>1-A.</b>	2018 Ongoing	Continue implementing the City's Condominium Conversion Ordinance to protect and mitigate against loss of apartment stock.
<b>1-E.</b>	2018 Ongoing	Continue to use collected mitigation fees for affordable housing programs.
<b>1-H.</b>	2018 Ongoing	Continue allowance for retention of structural and residential density non-conformities for multi-family structures (three or more units).
<b>1-K.</b>	2018 Ongoing	Continue to guard against degradation and loss of affordable housing stock
<b>2-A.</b>	2018 Ongoing	Continue to implement Community Plan and Zoning Ordinance to provide opportunities and incentives for the construction of 42 new residential units during 2013-2021 cycle for: extremely low, very low, low and moderate income levels
<b>2-M.</b>	2018 Ongoing	Continue to encourage St. Peter's Episcopal Church to continue its Interfaith Shelter Network Rotating Shelter and its Helping Hands program.
<b>2-P.</b>	2018 Ongoing	Continue to permit community care facilities through the same zoning provisions applicable to residential units.
<b>3-A.</b>	2018 Ongoing	Continue to use Housing Assistance Reserve for Rental Subsidy program, consider increasing number of individuals/families served from 8 to 16 per year.
<b>3-D.</b>	2018 Ongoing	Continue to accommodate and promote the construction of affordable Second-Dwelling Units.
<b>4-A.</b>	2018 Ongoing	Continue Shared Housing Program.
<b>4-B.</b>	2018 Ongoing	Continue to work with Community Connections to keep records on the duration of each Shared Housing matches.
<b>4-C.</b>	2018 Ongoing	Continue to contract with the San Diego County Housing Authority to administer the Housing Voucher Program.
<b>4-D.</b>	2018 Ongoing	Continue to support the County Housing Authority's applications.
<b>4-E.</b>	2018 Ongoing	Continue to promote the Housing Choice Voucher Program to owners and residents of City-approved Second-Dwelling-Units.
<b>4-I.</b>	2018 Ongoing	Continue to monitor and maintain records regarding the affordability of new construction, conversion, and demolition of residential units.
<b>4-N.</b>	2018 Ongoing	Monitor the affordability covenants and restrictions of all future affordable housing components of new development
<b>4-O.</b>	2018 Ongoing	Take necessary steps to enroll City in the County's Mortgage Credit Certificate Program.
<b>5-A.</b>	2018 Ongoing	Continue the application processing fee reduction/waiver program for projects with an affordable housing component.

<b>5-B.</b>	2018 Ongoing	Continue to implement the development processing streamlining program for affordable housing development proposals.
<b>6-A.</b>	2018 Ongoing	Continue to contract with Del Mar Community Connections or similar agencies to assure unrestricted access to housing in the community.
<b>6-B.</b>	2018 Ongoing	Support of Del Mar Community Connections to disperse information regarding the shared housing and fair housing services they provide.
<b>6-C.</b>	2018 Ongoing	Continue to work with Del Mar Community Connections to provide services for the elderly and those with special needs.