

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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March 21, 2022

Ashley Jones, City Manager
City of Del Mar
1050 Camino Del Mar
Del Mar, CA 92014

Dear Ashley Jones:

RE: Del Mar's 6th Cycle (2021-2029) Adopted Housing Element

Thank you for submitting the City of Del Mar's (City) housing element adopted December 13, 2021 and received for review on December 21, 2021. Pursuant to Government Code section 65585, subdivision (h), the California Department of Housing and Community Development (HCD) is reporting the results of its review.

The adopted housing element addresses many statutory requirements described in HCD's July 9, 2021 review; however, additional revisions are necessary to fully comply with State Housing Element Law. The revisions needed are as follows:

1. *Affirmatively further[ing] fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2...shall include an assessment of fair housing in the jurisdiction. (Gov. Code, § 65583, subd. (c)(10)(A).)*

Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics... (Gov. Code, § 65583, subd. (c)(5).)

Identified Sites and Affirmatively Furthering Fair Housing (AFFH): The element now includes some discussion of identified sites and AFFH, particularly identifying the number of units at the Fairgrounds site and adding a discussion regarding the site's connectivity. However, additional analysis is needed to make these conclusions. For instance, the element identifies the Fairgrounds units at the most northeastern portion of the City and concludes that, due to existing and potential connectivity, access to opportunities, and access to services, the site is suitable to accommodate the lower-income Regional Housing Needs Allocation (RHNA). Without any supporting information, HCD cannot adequately determine the validity of those statements relative to the City's need to AFFH. The element

must add in this information, analyze previously mentioned connectivity and access to resources, and conclude whether the Fairgrounds site AFFH. In addition, this site for lower-income households, along with other sites to accommodate the lower-income RHNA appears to be concentrated in the peripheral of the City which may necessitate adding or modifying programs to promote new housing opportunities throughout the community.

Once the full analysis of identified sites and AFFH has been conducted, the element must conclude whether the identified sites improve or exacerbate conditions within the jurisdiction.

Disproportionate Housing Need: The element now includes analysis regarding cost burdened households, overcrowded households, and substandard housing. However, the element must also analyze homelessness and provide an analysis regarding displacement risk. For example, the element can include information regarding changes in rent over time and analyze how that has impacted a resident's ability to continue to live within the community.

Goals, Priorities, Metrics, and Milestones: As noted in the July 9, 2021 review, based on a complete assessment of fair housing, the element may need to add or modify programs. In addition, the element should include actions with specific commitment to explicitly AFFH by, for example, targeting areas of higher need or lower-income or housing opportunities higher opportunity areas. In addition, actions must have specific commitment, metrics, and milestones and be significant and meaningful enough to overcome identified patterns and trends. In particular, Program 6B must be modified with actionable items, discrete timelines, and commitments from the City.

2. *An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)*

Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory... (Gov. Code, § 65583, subd. (c)(1).)

Suitability of Nonvacant Sites: The element now includes a description of the efforts made by the City to gather lease information. However, the element largely does not provide additional information or analysis regarding the potential

for residential development on these sites. Please see the December 17, 2020 and the July 9, 2021 reviews for more information.

Small Sites: The element now includes a small site analysis regarding the five identified small sites to accommodate the lower-income RHNA. While the element discusses the suitability of City-owned sites to accommodate the housing needs of lower income households, the element should include specific schedule of actions to facilitate development on these sites (beyond zoning) such as commitment to make the sites available, issue requests for proposals and expedite permit processing.

Environmental Constraints: The element now includes a discussion regarding sites locate in the bluff and lagoon overlay but must provide information regarding environmental or any other known constraints on all identified sites, including the Fairgrounds site and sites in the North Commercial and Professional Commercial zones. The element must provide information regarding the impact of mitigation efforts on the cost and feasibility of development. Please see the December 17, 2020 and the July 9, 2021 letters for more information.

Electronic Site Inventory: As noted in the prior review, pursuant to Government Code section 65583.3, subdivision (b), the City must utilize standards, forms, and definitions adopted by HCD when preparing the sites inventory and submit an electronic version of the sites inventory. While the City has submitted an electronic version of the sites inventory, if changes occur, any future re-adopted versions of the element must also submit the electronic version of the sites inventory.

Programs: As noted above, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning was not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites to accommodate the RHNA or zoning available to encourage a variety of housing types.

- 3. An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including... ..the length of time between receiving approval for a housing development and submittal of an application for building permits for that housing development that hinder the construction of a locality's share of the regional housing need in accordance with Government Code section 65584... (Gov. Code, § 65583, subd. (a)(6).)*

Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities... (Gov. Code, § 65583, subd. (c)(3).)

Length of Time from Approval to Building Permit: The element now adds in a statement regarding requests to develop at less than the densities permitted. However, the element must also analyze the length of time from approval of a housing development to the submittal of an application for building permits. Based on the outcomes of this analysis, the element should add or modify programs as appropriate.

The element will meet the statutory requirements of State Housing Element Law once it has been revised and re-adopted to comply with the above requirements.

As a reminder, the City's 6th cycle housing element was due April 15, 2021. As of today, the City has not completed the housing element process for the 6th cycle. The City's 5th cycle housing element no longer satisfies statutory requirements. HCD encourages the City to revise the element as described in this letter, re-adopt, and submit to HCD to regain housing element compliance. For more information on housing element adoption requirements, please visit HCD's website at: http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sb375_final100413.pdf.

For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), if a local government fails to adopt a compliant housing element within 120 days of this statutory deadline, then any rezoning to accommodate the RHNA, including for lower-income households, shall be completed no later than one year from the statutory deadline. Otherwise, the local government's housing element will no longer comply with State Housing Element Law, and HCD may revoke its finding of substantial compliance pursuant to Government Code section 65585, subdivision (i).

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City will meet housing element requirements for these and other funding sources.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: http://opr.ca.gov/docs/OPR_Appendix_C_final.pdf and http://opr.ca.gov/docs/Final_6.26.15.pdf.

HCD appreciates the hard work and dedication the City's housing element team provided throughout the housing element review. We are committed to assisting the City in addressing all statutory requirements of State Housing Element Law. If HCD can provide assistance in implementing the housing element, please contact Jose Ayala, of our staff, at Jose.Ayala@hcd.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Paul McDougall". The signature is stylized and somewhat cursive.

Paul McDougall
Senior Program Manager