

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

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January 15, 2026

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

RE: City of Del Mar's 6th Cycle Housing Element Programs – Letter of Inquiry

Dear Ashley Jones:

The purpose of this letter is to inquire about the status of the City of Del Mar's (City) implementation of 6th Cycle Housing Element programs pursuant to Government Code section 65585, subdivision (i). The California Department of Housing and Community Development (HCD) sent the City a letter on May 31, 2023, finding the City's housing element in substantial compliance with Housing Element Law.¹ This was based on, among other reasons, the City's commitment to implement programs according to specific timelines.

Although the City provided HCD with updates regarding implementation of its Housing Element programs on September 9, 2025, several programs with past commitment dates remain pending. HCD requests that the City provide an update on the status and timeline for implementation of the following programs:

- **Program 1D** (Economic Study and Affordable Housing Overlay Zone): The Economic Study was completed timely. However, the ordinance for the Affordable Housing Overlay Zone was due by December 2025. The City's Annual Progress Report (APR) from 2024 states that the City was exploring options for use of Cycle 2 regional Housing Acceleration Program (HAP) consulting resources to facilitate public discussions and would proceed with preparation and processing of the Overlay Zone in FY2025-2026 (which began July 2025). Based on the latest update provided to HCD from the City, the ordinance is now expected to be completed by June 2026. Please provide a detailed timeline and program actions to meet new implementation deadlines (e.g., Planning Commission, City Council, and Coastal Commission hearings).

¹ Gov. Code, § 65580 et seq.

- **Program 1E** (Rezone of Vacant North Bluff and/or South Stratford Properties): This is a contingency program to be implemented if Program 3A experiences delays. Please see below under *Programs 1E and 3A for the Fairgrounds Affordable Housing Project*.
- **Program 1I** (Streamlining Incentives for Affordable Housing): The 2024 Annual Progress Report (APR) states that multiple incentives have been completed; however, it is not clear which incentives those are. Please provide an update on the incentives that have been completed.
- **Program 3A** (Pursue a Binding Agreement with the State to Develop Housing on the Fairgrounds Property): Please see below under *Programs 1E and 3A for the Fairgrounds Affordable Housing Project*.
- **Program 4A** (Residential Care Facilities): This program was due by December 2024. The 2024 APR states that the project was initiated in 2024 but had been on pause due to limited staff resources and that the project work was anticipated to resume and be completed by the March 2026 HAP Grant deadline. The City noted that it would process the Residential Care Facilities ordinance in compliance with state law but did not provide a timeline for adopting the ordinance. Based on the latest update provided to HCD from the City, the ordinance is now expected to be completed by September 2026. Please provide a detailed timeline and program actions to meet new implementation deadlines (e.g., Planning Commission, City Council, and Coastal Commission hearings).
- **Program 4B** (Emergency Shelters, Transitional Housing and Supportive Housing, Single Room Occupancy Units, and Low Barrier Navigation Centers): This program was due by December 2024. The 2024 APR states that the project was initiated in 2024 but had been on pause due to limited staff resources and that the project work was anticipated to resume and be completed by the March 2026 HAP Grant deadline. Based on the latest update provided to HCD from the City, the City will prepare and post new resource information and adopt an ordinance by September 2026. Please provide a detailed timeline and program actions to meet new implementation deadlines (e.g., Planning Commission, City Council, and Coastal Commission hearings).
- **Program 4C** (Shared Housing Program): This program is ongoing. The 2024 APR states that the City would receive an annual update on the services provided by a non-profit during the FY2025-2026 budget adoption process between March and June 2025. Based on the latest updates provided to HCD from the City, there are no changes to this program's status. However, the City should provide an update on what other actions the City is taking to assist with matching tenants with existing homeowners.
- **Program 6F** (Vote Threshold Requirement for Future Legislative Actions Related to General Plan Amendments for Housing Element Implementation): This program is ongoing. The 2024 APR states that the City would explore whether to modify the local voting threshold from a super majority requirement for modifications to the Del Mar Community Plan to a simple majority (study and potential ordinance/public

vote) and would continue consulting with the City Attorney to ensure compliance with state law. While the City states no action is required at this time as this issue does not affect the City's ability to implement its certified Housing Element, the City should provide a timeline for completion of the study. This program is important as the Housing Element identifies the more restrictive processing requirement as a potential constraint on development.

Programs 1E and 3A for the Fairgrounds Affordable Housing Project

The City has identified Program 1E as a contingency measure, to be implemented if Program 3A cannot be implemented in a timely manner. To support Program 3A, the City has received Cycle 2 HAP Grant funds from the San Diego Association of Governments (SANDAG) to study the development feasibility of lower-income housing at the Fairgrounds site. HCD is currently engaged in ongoing coordination with the City and the 22nd District Agricultural Association (District) to monitor this effort.

Specifically, HCD reminds the City that Program 1E is required should Program 3A's binding agreement be suspended or terminated or should development of the Fairgrounds Affordable Housing project be rendered infeasible within the 6th cycle planning period by additional delays or extensions of key milestones. Based on the timelines provided by the City and subsequent conversations with the City and the District, HCD understands that the City must meet the following deadlines, among others, to feasibly construct affordable housing on the Fairgrounds by 2031:

- **March 2026:** District completes pre-development studies.
- **August 2026:** City completes additional feasibility analysis studies (as needed).
- **September 2026:** City prepares conceptual development program.
- **November 2026:** City and District agree on the final development site and execute a ground lease, and City prepares RFP/RFQ and developer solicitation.
- **April 2027:** City secures an ENRA with developer.
- **September 2027:** City completes CEQA, NEPA, and entitlement processes.
- **August 2028:** City executes Disposition and Development Agreement (DDA) with developer and obtains Coastal Commission approval.
- **June 2029:** Developer secures project financing, and City executes a Lease with developer.
- **June 2031:** Developer completes construction and lease-up.

HCD acknowledges that some of these deadlines extend beyond those previously provided by the City and discussed in a prior technical assistance letter that HCD sent to the City on December 11, 2024.² HCD expects the City to meet the deadlines above, with no further delays.

To confirm project feasibility within the 6th cycle planning period, HCD requests that the City confirm in writing with HCD when it achieves each of the milestones above. If the City fails to meet these deadlines, it will be required to implement Program 1E or get back on track with the remaining milestones above in order to maintain housing element compliance.

Consequences of Failure to Implement Programs

Government Code section 65585, subdivision (i), grants HCD authority to review any action or failure to act by a local government that it determines is inconsistent with an adopted housing element or Housing Element Law. This includes failure to implement program actions included in the housing element. Failure to implement actions in the programs listed above by the statutory deadline may result in HCD revoking its finding of substantial compliance with Housing Element Law.

Various consequences may apply if the City does not have a housing element in compliance with Housing Element Law, including ineligibility or delay in receiving certain state funds, referral to the California Office of the Attorney General, court-imposed financial penalties, the loss of local land use authority to a court-appointed agent, and the application of the “builder’s remedy.”³

Conclusion

Housing elements are essential to developing a blueprint for growth and are a vital tool to address California’s prolonged housing crisis. Accordingly, state law has established clear disincentives for local jurisdictions that fail to comply with Housing Element Law. To ensure the City continues to meet the 6th cycle update requirements for a substantially compliant housing element, the City must submit any adopted ordinances or resolutions, or documentation that demonstrates that housing element program commitments have been met, to HCD for review.⁴

HCD understands the City has many commitments and recognizes the challenges of implementation. HCD will consider any written response before taking further action authorized by Government Code section 65585, subdivision (i), including issuance of a Corrective Action Letter and removal of HCD’s finding of housing element compliance.

² City of Del Mar Technical Assistance Letter available at:
www.hcd.ca.gov/sites/default/files/docs/planning-and-community/HAU/del-mar-he-ta-121124.pdf.

³ Gov. Code, §§ 65585, subds. (i)(1)(C), (j), (l)(1); 65589.5, subds. (d)(6), (h)(11).

⁴ Gov. Code, § 65585.

Ashley Jones, City Manager
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Please provide a written response to this inquiry by February 13, 2026. If you have any questions or would like to discuss the content of this letter, please contact Linda Ly at linda.ly@hcd.ca.gov and Mao Lee at mao.lee@hcd.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Melinda Coy", followed by a long, sweeping horizontal stroke.

Melinda Coy
Housing Accountability Unit Chief