

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

DIVISION OF HOUSING POLICY DEVELOPMENT

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December 3, 2025

Sean McGlynn, City Manager
City of Escondido
201 North Broadway
Escondido, CA 92025

RE: City of Escondido – Letter of Inquiry

Dear Sean McGlynn:

The purpose of this letter is to inquire about the status of the City of Escondido's (City) 6th Cycle Housing Element Implementation Programs pursuant to Government Code section 65585, subdivision (i). The California Department of Housing and Community Development's (HCD) sent the City a letter on December 12, 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 responsibility to complete Programs according to timeline commitments.

As the commitment date has passed for the programs listed below, HCD requests that the City provide an update on the status and accompanying documentation (e.g., ordinances, resolutions, zoning codes, etc.) as appropriate, or timeline for completion for the following:

- Program 1.2 (Density Transfer Program) that was due by December 31, 2022: Though the City's Density Transfer Program has been established with the adoption of the East Valley Specific Plan (EVSP), the affordable housing trust fund and associated in-lieu fee have yet to be established and implemented. The City reported that it was unable to gain funding for this program. The City should report a schedule for applying for future funding sources.
- Program 1.4 (City Owned Sites) that was due by April 30, 2024: Though the City currently acts in accordance with State Law, HCD understands that the City has yet to review and update their policies in accordance with the Surplus Land Act or determine if any city-owned sites in the Residential Lands Inventory are suitable for the facilitation of development. The City should report on future actions consistent with the program, including, for example, site identification and utilizing a Request for Proposal process.

¹ Gov. Code, § 65580 et seq.

- Program 1.7 (Removal of Constraints to Development), per the 2024 APR, has not been completed. Provide a schedule to complete the actions listed in the program, including but not limited to, amending zoning code to identify and remove constraints to development, developing objective design standards, establishing a procedure to qualify projects under SB 35, and establishing written procedures to provide affordable housing with priority for water and sewer services in compliance with SB 1087.
- Program 1.8 (Monitoring of Growth Management Measure) that was due by April 30, 2022: The 2024 Annual Progress Report states that the City continues to monitor Proposition S and its potential impacts to development in the City. Though the City reported that Prop S has not impacted the entitlement process, HCD understands that local developer interest in development is constrained by the impacts of Prop S. As Prop S has been identified as a constraint, the City should take actions in alignment with the program, including but not limited to, seeking input from residential developers and affordable housing stakeholders in reviewing the effects of Proposition S, the City's ability to continue to accommodate the City's regional housing needs allocation (RHNA), and as appropriate, develop actions to mitigate impacts. These actions could include conducting outreach to educate the community regarding State Law requirements and the need for a balanced community.
- Program 2.1 (Accessory Dwelling Units) that was due by December 31, 2022: HCD acknowledges the City's progress in the development of Accessory Dwelling Units (ADUs) as part of the program and RHNA commitments. The City should report a schedule for the adoption of a compliant ADU ordinance and the development of an ordinance that allows ADUs on churches, places of worship, and other premises with social organization as the principal land use.
- Program 2.7 (Special Needs Housing) that was due by December 31, 2022: The City should report a schedule for amending its Zoning Code to address the provision of special needs housing, including compliance with SB 745, AB 2162, SB 2, the Employee Housing Act, and permitting residential care facilities for seven or more persons as similar uses in the same zone and permitting manufactured housing meeting building code standards in zones where residential uses are permitted.
- Program 3.3 (Preservation of At-Risk Housing) that was due by April 30, 2022: The 2024 Annual Progress Report states that the City is close to executing contracts for the renewal of affordability of Daybreak Grove (13 units) and Sunrise Place (8 units), HCD recognizes this partial progress and also understands that the renewal of affordability for 75 units at Silvercrest has yet to be completed. The City should report a schedule to complete the execution of the contract with Daybreak Grove and Sunrise Place and report a schedule outlining outreach and other actions required to renew affordability at Silvercrest, among other actions listed in the program.
- Program 3.4 (Fair Housing) that was due by December 31, 2024: The Department recognizes the City's progress in the implementation of this program, including significant progress in the City's focus on place-based improvements in priority investment neighborhoods and Environmental Justice Communities. However, several actions have not been completed, for example, the conduction of random

testing on a regular basis to identify fair housing issues, trends, and problem properties, increasing outreach and education regarding the State's Source of Income Protection (SB 239 and SB 222), the establishment of an affordable housing trust fund and associated in-lieu fee, and revising and removing policies that can contribute to displacement, among other commitments outlined in the program. The City should provide a schedule of actions to be completed in accordance with this program's commitments.

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 Programs 1.2, 1.4, 1.7, 1.8, 2.1, 2.7, 3.3, and 3.4 by the statutory deadline means the City's housing element will no longer substantially comply with Housing Element Law, and HCD may revoke its finding of substantial compliance.

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."²

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 to HCD for review or documentation that demonstrates that housing element program commits have been met.³

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 Gov. Code, §§ 65585, subds. (j), (l)(1), (i), 65589.5, subd. (d)(6) and (h)(11).

³ Gov. Code, § 65585.

Sean McGlynn, City Manager

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Please provide a written response to this inquiry by January 2, 2026. If you have any questions or would like to discuss the content of this letter, please contact Sydney Sloan of our staff at Sydney.Sloan@hcd.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Melinda S".

Melinda Coy
Housing Accountability Unit Chief
Division of Housing Policy Development