

## Del Mar Fairgrounds Laydown/Parking Lot

A potential site which could offer partnership opportunities between the City and the Fairgrounds to create affordable housing is the Laydown/Parking Lot. The site is situated near the Fairgrounds' East Main Stable Gate, just southwest of the Via De La Valle - Jimmy Durante Blvd intersection (See Figure 36). The Laydown/Parking Lot, which is roughly 78,500 square feet (approximately 1.8 acres), is located within the City of Del Mar's Fairgrounds-Racetrack (FR) Zone. The site is currently used as a parking lot for the backstretch area.

### Laydown/Parking Lot Scenario

This scenario calls for collaborating with the 22nd DAA to convert the Laydown/Parking Lot into a residential use. The site has potential to accommodate a portion of the 78 new replacement units envisioned in Fairgrounds 2008 Master Plan in the Backstretch Area. The City of Del Mar's 2013-2021 Housing Element suggests a range of land use planning programs to designate appropriate locations for higher density residential development.<sup>114</sup> The Housing Element also acknowledges the inclusion of a housing component in the 22nd DAA Fairgrounds Master Plan at a residential density of not less than 20 dwelling units per acre.<sup>115</sup> Therefore, the Laydown/Parking Lot could create a residential complex comprised of 36-45 units at a density of 20-25 dwelling units per acre. Of this projected number, 22 units could be designated for renter-occupied affordable housing.



Figure 36- Parking Lot/Laydown Site (Source: Google Maps)

**Pros:** This scenario could help the City meet all the 22 affordable housing units identified by RHNA. The site is strategically located with good access to major transportation routes (Jimmy Durante Blvd and Via De La Valle). Since the land is owned by the State, no code amendment in zoning is required. A separate street access to the site should be considered. Using the financial feasibility model identified for two development prototypes in this report, the development costs for this scenario, when land costs and additional direct and indirect flood prevention expenses are excluded, are roughly estimated at \$460,000 per affordable unit. In this case, the financing gap that needs to be filled jointly by the City and State would be approximately \$216,000 per unit, or \$4,752,000 for 22 units.<sup>116</sup>

**Cons:** Given the existing balance of the City's Housing Assistance Reserve Fund (\$482,000 in January 2018), if the City were to independently provide 22 units, a significant financing gap would need to be filled. In this case, the Housing Assistant Reserve Fund would need to increase to \$4,752,000. Furthermore, since the site is located within the San Dieguito River's 100-year floodplain, new development will be subject to permit requirements and development limitations to help avoid or reduce projected flood impacts. As a result, extra design and construction requirements and associated fees would be added to the projected costs. Overall, it can be argued that this scenario could help the City achieve 22 affordable units to meet its RHNA obligation. Given various aspects of this approach, this scenario could be assessed as a high priority, high-feasibility strategy with medium economic desirability.

### Recommendations:

- Initiate talks with Fairgrounds officials regarding housing opportunities on the Parking Lot/Laydown Site.
- Identify funding resources from local, State, and Federal entities to fill the financing gap.