

CITY COUNCIL REGULAR MEETING

JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY

TUESDAY, JUNE 4, 2024

5:30 PM

AGENDA
JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY

City Council Regular Meeting - Tuesday, June 4, 2024
5:30 PM

THIS MEETING WILL BE HELD VIRTUALLY AND IN PERSON, IS COMPLIANT WITH ASSEMBLY BILL ("AB") 2449, SIGNED INTO LAW ON SEPTEMBER 13, 2022, WHICH AMENDS GOVERNMENT CODE SECTION 54953 TO PROVIDE AUTHORITY FOR PUBLIC AGENCIES TO CONTINUE TO HOLD VIRTUAL MEETINGS AND REMAIN IN COMPLIANCE WITH THE BROWN ACT (GOV. CODE §§ 54950 ET SEQ.).
TO PARTICIPATE IN THE ZOOM COUNCIL WEBINAR LIVE:

https://us02web.zoom.us/j/88349100938

Webinar ID: 883 4910 0938

To participate telephonically by calling the number below:
(669) 900-6833

Webinar ID: 883 4910 0938#

If prompted to enter a participant ID, press #

TO PARTICIPATE IN PERSON:
City Hall Council Chamber
1 Pendergrass Way
Sand City, CA

How to submit written Public Comments:
If any member of the public would like to provide written comments at the meeting, please do as set forth below.

Written: All comments received before 8:00 am the day of the meeting will be posted on the City's website as "Correspondence" under the relevant agenda item and provided to the City Council members at the meeting. Please email your comments to: cityclerk@sandcityca.org.

Read Aloud During the Meeting: Email your comments to cityclerk@sandcityca.org. When the Mayor opens the public comment period for the relevant agenda item; please indicate the agenda item and title in your email subject line. If you want your comment read aloud, prominently write "Read Aloud at Meeting" at the top of the email and your comments will be read into the record (not to exceed three minutes at staff's cadence).

DURING EACH MEETING, members of the public may participate by calling and speaking live during the designated time(s), subject to time limits that may be imposed pursuant to the Brown Act at the number provided above. Please use the "raise your hand" option on Zoom, and the City Clerk will call on your name.

---

1. ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. INVOCATION

4. ANNOUNCEMENT BY MAYOR, CITY ATTORNEY, AND CITY MANAGER

5. COMMUNICATIONS

Members of the public may address the City Council/Successor Agency on matters not appearing on the City Council/Successor Agency Agenda at this time for up to three minutes. In order that the City Clerk may later identify the speaker in the minutes of the meeting, it is helpful if speakers state their names. Public comments regarding items on the scheduled agenda will be heard at the time the item is being considered by the City Council/Successor Agency. The City Council Chambers podium is equipped with a portable microphone for anyone unable to come to the podium. If you need assistance, please advise the City Clerk as to which item you would like to comment on and the microphone will be brought to you.

6. CONSENT CALENDAR

The Consent Agenda consists of routine items for which City Council approval can be taken with a single motion and vote. A Council member may request that any item be placed on the Regular Agenda for separate consideration.

6A. Approve the City Council Special Meeting and Regular Meeting Minutes for March 19, 2024, April 16, 2024, and May 21, 2024
Minutes

6B. Approve a Resolution Calling for the Holding of a November 5, 2024 General Municipal Election, Requesting the County of Monterey Board of Supervisors to Consolidate the General Municipal Election, and Requesting the County of Monterey Elections Department to Conduct the Election
Staff Report
Resolution
2024 Election Service Agreement

6C. Approve a Resolution Establishing an Appropriations Limit for Fiscal Year 2024-2025 Pursuant to Article XIII B of the California Constitution
Staff Report
Resolution
Price Factor and Population Information Letter

6D. Approve a Resolution Granting CUP 24-001 for 398 Shasta Street ***This item was continued from May 21, 2024.***

Staff Report
Resolution
EXHIBIT A_Findings and Conditions of Approval (24-001)
Exhibit_B Notice of Exemption
EXHIBIT C_Aerial Map
EXHIBIT D_Site Floor Plan
EXHIBIT E_PARKING Plan
EXHIBIT F_Site Photo
EXHIBIT G_Haz Mat Questionnaire

7. CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

8. PRESENTATION

9. PUBLIC HEARING

10. NEW BUSINESS

10A. Approve a Resolution Adopting the City of Sand City's Budget for the Fiscal Year 2024-2025
Staff Report
Resolution
FY 24-25 City Budget Book

10B. Approve a Resolution Approving Delegation of Authority for Executing Caltrans Documents
Staff Report
Resolution

10C. 2023-2031 Housing Element of the General Plan:
1. Approve a Resolution Adopting a Categorical Exemption for the 2023-2031 Housing Element Update and;
2. Approve a Resolution Adopting a General Plan Amendment to Repeal the 2015-2023 Housing Element and Adopt the 2023-2031 Housing Element of the General Plan in Compliance with State Housing Element Law

Staff Report
1_Resolution Adopting Categorical Exemption
1_A Categorical Exemption
2_Resolution Adopting 2023-2031 Housing Element
2_A_2023-2031 Housing Element
3_HCD 90-day Letter 11.1.2023
4_Response to the HCD Findings 5.20.24
5_HCD Letter 5.24.24

11. COMMENTS BY COUNCILMEMBERS ON ITEMS OF INTEREST TO SAND CITY

12. ADJOURNMENT

The current agenda is available in PDF format on our website at:
www.sandcity.org

If you have a request for a disability-related modification or accommodation, including auxiliary aids or services, which will allow you to participate in a Sand City public meeting, please call the City Clerk at (831) 394-3054 extension 220, or give your written request to the City Clerk at 1 Pendergrass Way, Sand City, CA 93955 at least 48 hours prior to the scheduled meeting to allow the City Clerk time to arrange for the requested modification or accommodation.

AGENDA ITEM
6A.

Approve the City Council Special Meeting and Regular Meeting Minutes for March 19, 2024, April 16, 2024, and May 21, 2024

MINUTES
JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY

City Council Special Meeting - Tuesday, March 19, 2024 4:30 PM

As allowed by Assembly Bill AB 2449, this meeting was conducted in person and by teleconference.

Mayor Carbone called the meeting to order at 4:48 PM.

1. ROLL CALL

Present: Mayor Carbone
Vice Mayor Blackwelder
Councilmember Diaz
Councilmember Hawthorne
Councilmember Sofer

Staff: City Manager Vibeke Norgaard
Interim City Attorney Adam Lindgren
City Clerk Kerry Lindstrom

2. COMMUNICATIONS

No public comment received.

3. CLOSED SESSION

Regarding Item 3A, due to a conflict of interest, those residing within 500 feet of 501 Ortiz Avenue, Vice Mayor Blackwelder, Councilmembers Diaz, Hawthorne, and Sofer, a straw draw was conducted to establish a quorum by random selection. Councilmembers Diaz and Sofer were selected. Vice Mayor Blackwelder and Councilmember Hawthorne recused themselves from Item 3A.

Due to a conflict of interest, Vice Mayor Blackwelder recused himself from Items 3B and 3C

No public comment received.

3A. Conference with real property negotiators pursuant to Government Code §54956.8. Property: 501 Ortiz Avenue, APN 011-195-014 & 011-195-015. City Negotiators: City Manager Vibeke Norgaard, City Attorney Adam Lindgren, and EMC President Michael Groves. Negotiating Parties: Katherine M. Roper & Roper Trust and Robin Aeschliman. Under Negotiation: Price and terms of payment.

3B. Conference with legal counsel - anticipated litigation - significant exposure to litigation pursuant to Govt. Code 54956.9(d)(2); (existing facts and circumstances) (nine claims filed against the city related to flooding in the city on January 21-22, 2024).

3C. Conference with legal counsel – initiation of litigation (Gov Code section 54956.9(d)(4)

3D. Re-Adjourn to Open Session to report any action taken at the conclusion of Closed Session in accordance with California Government Code §54957.1

City Manager Vibeke Norgaard reported that Council received updates on Items 3A, 3B, and 3C, and no reportable action was taken.

4. ADJOURNMENT

_____
Kerry Lindstrom, City Clerk

MINUTES
JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY

City Council Regular Meeting - Tuesday, March 19, 2024 5:30 PM

As allowed by Assembly Bill AB 2449, this meeting was conducted in person and by teleconference.

Mayor Carbone called the meeting to order at 5:30 PM.

1. ROLL CALL

Present: Mayor Carbone
Vice Mayor Blackwelder
Councilmember Diaz
Councilmember Hawthorne
Councilmember Sofer

Staff: City Manager Vibeke Norgaard
Interim City Attorney Adam Lindgren
City Clerk Kerry Lindstrom

2. PLEDGE OF ALLEGIANCE

Councilmember Hawthorne led the Pledge of Allegiance.

3. INVOCATION

Reverend Hellam led the invocation.

4. ANNOUNCEMENT BY MAYOR, CITY ATTORNEY, AND CITY MANAGER

Mayor Carbone stated she was out of town for a few days attending a conference and will have the Mayor's Report available at the next City Council Meeting. City Manager Vibeke Norgaard provided the Council with the City Manager's Report and copies were made available to the public.

5. COMMUNICATIONS

No public comment received.

6. CONSENT CALENDAR

No public comment received.

Upon motion by Vice Mayor Blackwelder and seconded by Councilmember Hawthorne, Council voted 5-0 to approve the Consent Calendar.

6A. Received January 2024 Financial Report.

6B. Approved Resolution SC 24-10 Honoring Mary L. Adams as the 2023 Monterey Peninsula Chamber of Commerce Ruth Vreeland Memorial Public Official of the Year.

6C. Approved Resolution SC 24-11 Honoring Clarissa Rowe as the 2023 Monterey Peninsula Chamber of Commerce 2023 Robert C. Littlefield Lifetime

Achievement Award.

6D. Approved Resolution SC 24-12 Honoring Ron Johnson as the Monterey Peninsula Chamber of Commerce 2023 Community Impact Award

6E. Approved Resolution SC 24-13 Honoring Mike Marotta, Jr. as the 2023 Monterey Peninsula Chamber of Commerce Citizen of the Year.

7. CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR
No items were pulled.

8. PRESENTATION
None.

9. PUBLIC HEARING
None.

10. NEW BUSINESS

10A. Discussion and Consideration of Planning, Building, and Engineering and Public Works Fee Schedule FY 2024-25

No public comment received.

Council discussed and considered Planning, Building, and Engineering and Public Works Fee Schedule FY 2024-25 and upon motion by Councilmember Sofer and seconded by Mayor Carbone, Council voted 5-0 to accept the proposed 50% of cost recovery fees.

10B.
State Coastal Conservancy Coastal Trail Grant Agreement and EMC Planning Group Contract for Coastal Trail Planning

1. Approve a Resolution Approving the Grant of Funds from the State Coastal Conservancy to the City of Sand City for the Purpose of Planning the Sand City Coastal Trail and;
2. Approve a Resolution Authorizing the City Manager to Enter into a Contract with EMC Planning Group Inc. to Plan, Obtain Permits, and Conduct CEQA Review for Sand City's Coastal Trail Project.

No public comment received.

Upon motion by Vice Mayor Blackwelder and seconded by Councilmember Hawthorne, Council voted 5-0 to approve Resolution SC 24-14 approving the Grant of Funds from the State Coastal Conservancy to the City of Sand City for the purpose of planning the Sand City Coastal Trail.

Upon motion by Vice Mayor Blackwelder and seconded by Councilmember Hawthorne, Council voted 5-0 to approve Resolution SC 24-15 authorizing the City Manager to enter into a contract with EMC Planning Group Inc. to plan,

obtain permits, and Conduct CEQA review for Sand City's Coastal Trail Project.

10C. Approve a Resolution Authorizing the Acquisition of Property at 501 Ortiz Avenue, and Authorize the City Manager to Execute a Purchase and Sale Agreement, Certificate of Acceptance, and Recordation of a Grant Deed

Due to a conflict of interest, those residing within 500 feet of 501 Ortiz Avenue, Vice Mayor Blackwelder and Councilmembers Diaz and Hawthorne, a straw draw was conducted to establish a quorum by random selection. Councilmember Diaz name was selected. Vice Mayor Blackwelder and Councilmember Hawthorne recused themselves.

No public comment received.

Upon motion by Councilmember Sofer and seconded by Councilmember Diaz, Council voted 3-0-2, Vice Mayor Blackwelder and Councilmember Hawthorne recused, to authorize the City Manager to execute a Purchase and Sale Agreement, Certificate of Acceptance, and Recordation of a Grant Deed.

10D. Consideration and Approval for the Cancellation of the April 2, 2024 Regular City Council Meeting ***This item was heard by Council before Item 10C.***

Upon motion by Councilmember Diaz and seconded by Councilmember Hawthorne, Council voted 5-0 to approve the cancellation of the April 2, 2024 Regular City Council Meeting.

11. COMMENTS BY COUNCILMEMBERS ON ITEMS OF INTEREST TO SAND CITY
None.

12. ADJOURNMENT
Mayor Carbone closed the meeting in a moment of silence for Kelly Jack Morgan Sand City's former City Administrator, Planner, and resident.

Council adjourned the meeting at approximately 6:52 PM.

_____
Kerry Lindstrom, City Clerk

AGENDA
JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY

City Council Special Meeting - Tuesday, April 16, 2024 5:00 PM

As allowed by Assembly Bill AB 2449, this meeting was conducted in person and by teleconference.

Mayor Carbone called the meeting to order at 5:00 PM.

1. ROLL CALL

Present: Mayor Carbone
Vice Mayor Blackwelder
Councilmember Diaz
Councilmember Hawthorne
Councilmember Sofer

Staff: City Manager Vibeke Norgaard
Interim City Attorney Anthony Amara
City Clerk Kerry Lindstrom

2. COMMUNICATIONS

No public comment received.

3. CLOSED SESSION

No public comment received.

3A. City Council/Successor Agency Board to Adjourn to Closed Session, Conference with labor negotiators pursuant to Government Code Section 54957.6. Negotiator: Vibeke Norgaard, City Manager and Interim City Attorney Anthony Amara. Employee organization: Police Officers Association

3B. Re-adjourn to Open Session to report any action taken at the conclusion of Closed Session in accordance with California Government Code Section 54957.1

Interim City Attorney Anthony Amara reported Council discussed and considered Closed Session Item 3A and unanimously voted to appoint a labor negotiator. The Council took no other reportable action.

4. ADJOURNMENT

The Council adjourned the meeting at approximately 5:25 PM.

_____
Kerry Lindstrom, City Clerk

MINUTES
JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY

City Council Regular Meeting - Tuesday, April 16, 2024, 5:30 PM

As allowed by Assembly Bill AB 2449, this meeting was conducted in person and by teleconference.

Mayor Carbone called the meeting to order at 5:30 PM.

1. ROLL CALL

Present: Mayor Carbone
Vice Mayor Blackwelder
Councilmember Diaz
Councilmember Hawthorne
Councilmember Sofer

Staff: City Manager Vibeke Norgaard
Interim City Planner Zane Mortensen
Interim City Attorney Anthony Amara
City Clerk Kerry Lindstrom

2. PLEDGE OF ALLEGIANCE

Councilmember Sofer led the Pledge of Allegiance.

3. INVOCATION

Reverend Hellam led the invocation.

4. ANNOUNCEMENT BY MAYOR, CITY ATTORNEY, AND CITY MANAGER

Mayor Carbone announced copies of the Mayor's Report were placed on the table in the Council Chamber for the public and noted the report contained a list of upcoming events.

Regarding Measure X, City Manager Vibeke Norgaard announced that the TAMC Oversight Committee is recommending to the TAMC Board to change the ordinance that sets the maintenance of effort and lower the maintenance of effort from $500,000 to $200,000. The City Manager attended a meeting at the CalAm Desal plant to understand why the desal plant is not producing at full capacity. While the plant has been down many facility upgrades have occurred. Grand opening of the South of Tioga playground is the end of May.

5. COMMUNICATIONS

Public comment received from Brian Clark, EKN Development President Ebbie Nakhjavani, and Jacqueline Simon.

6. CONSENT CALENDAR

No public comment received.

Upon motion by Vice Mayor Blackwelder and seconded by Councilmember Sofer, Council voted 5-0 to approve the Consent Calendar.

6A. Approved of City Donation/Contribution - In Support of the 2nd Annual Red Dress Day

6B. Approved Resolution SC 24-17 amending the Special Event Permit 24-01 for the Bicycle Criterium to change date to July 7, 2024.

7. CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

No items were pulled.

8. PRESENTATION

Public comment received from Brian Clark.

8A. Received an update on the California American Water Desal Project from Josh Stratton and David Pezzini.

9. PUBLIC HEARING

None.

10. NEW BUSINESS

10A. Approve a Resolution Authorizing the City Manager to Execute an Agreement with Talking Walls for Mural Curator Services for the 2024 we.Mural Festival

Public comment received from Brian Clark.

Upon motion by Councilmember Hawthorne and seconded by Vice Mayor Blackwelder, Council voted 5-0 to approve Resolution SC 24-18 authorizing the City Manager to execute an agreement with Talking Walls for mural curator services for the 2024 we.Mural Festival.

10B. Approve a Resolution Adopting the Proposed Budget Amendment #1 for Fiscal Year 2023-2024

No public comment received.

Upon motion by Councilmember Hawthorne and seconded by Councilmember Sofer, Council voted 5-0 to approve Resolution SC 24-19 adopting the Proposed Budget Amendment #1 for Fiscal Year 2023-2024.

10C. Approve a Resolution Amending the Fee Schedule

No public comment received.

Upon motion by Vice Mayor Blackwelder and seconded by Councilmember Hawthorne, Council voted 5-0 to approve Resolution SC 24-20 amending the Fee Schedule.

10D. Monterey Bay Air Resources District Clean Air Management Program Grant Funding for Multiuse Commuter Trail:

1. Approve a Resolution Authorizing Monterey Bay Air Resources District

Clean Air Management Program Grant Funding and;

2. Approve a Resolution Approving a Professional Service Agreementwith EMC Planning Group for Preliminary Planning of the Sand City Multiuse Commuter Trail

No public comment received.

Upon motion by Vice Mayor Blackwelder and seconded by Councilmember Hawthorne, Council voted 5-0 to approve Resolution SC 24-21 authorizing Monterey Bay Air Resources District Clean Air Management Program grant funding for multiuse commuter trail and;

Upon motion by Vice Mayor Blackwelder and seconded by Councilmember Hawthorne, Council voted 5-0 to approve Resolution SC 24-22 approving a Professional Service Agreement with EMC Planning Group for preliminary planning of the Sand City Multiuse Commuter Trail.

10E. Approve a Resolution Authorizing the City Manager to Enter Into a Contract with EMC Planning Group Inc. to Revise the City's Municipal Code to Reflect 6th Cycle Housing Element Programs

No public comment received.

Upon motion by Vice Mayor Blackwelder and seconded by Councilmember Sofer, Council voted 5-0 to approve Resolution SC 24-23 authorizing the City Manager to enter into a contract with EMC Planning Group Inc. to revise the City’s Municipal Code to reflect 6th Cycle Housing Element Programs.

11. COMMENTS BY COUNCILMEMBERS ON ITEMS OF INTEREST TO SAND CITY

Councilmember Sofer reminded the public of 2024 Red Dress Day on May 4, 2024. Vice Mayor Blackwelder stated the Monterey One Water ad hoc committee is in the process of a feasibility study on purifying methane. Mayor Carbone commented that Monterey One Water is looking into ways to further treat and use wastewater and safely reintroduce it to the environment.

12. ADJOURNMENT

Council adjourned the meeting at approximately at 7:44 PM.

_____

Kerry Lindstrom, City Clerk

.

MINUTES
JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY

City Council Special Meeting - Tuesday, May 21, 2024 4:00 PM
As allowed by Assembly Bill AB 2449, this meeting was conducted in person and by teleconference

---

1. ROLL CALL

2. COMMUNICATIONS
No public comment received.

3. CLOSED SESSION

3A. Public Employee Performance Evaluation Pursuant to Government Code §54957 Title: City Manager

3B. Conference with Labor Negotiators pursuant to Government Code Section 54957.6. Negotiators: Vibeke Norgaard, City Manager, Adam Lindgren, Interim City Attorney, and Che Johnson, LCW Attorney. Employee Organization: Police Officers Association

3C. Re-adjourn to Open Session to report any action taken at the conclusion of Closed Session in accordance with California Government Code section 54957.1

Interim City Attorney Adam Lindgren reported on Item 3A; Council conducted and concluded the City Manager's regularly scheduled annual performance evaluation and overall, the City Council concluded that in the last year, the City Manager's performance was great. The City Council and the City Manager had a productive collaborative evaluation and the City Manager received valuable feedback to help further improve performance in the coming year.

Mayor Carbone reported Item 3B, will be continued to a date uncertain.

4. ADJOURNMENT
Council adjourned the meeting at approximately at 5:15 PM.

_____
Kerry Lindstrom, City Clerk

AGENDA
JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY

City Council Regular Meeting - Tuesday, May 21, 2024 5:30 PM

As allowed by Assembly Bill AB 2449, this meeting was conducted in person and by teleconference.

Mayor Carbone called the meeting to order at 5:30 PM.

1. ROLL CALL

Present: Mayor Carbone
Vice Mayor Blackwelder
Councilmember Diaz
Councilmember Hawthorne
Councilmember Sofer

Staff: City Manager Vibeke Norgaard
Interim City Attorney Adam Lindgren
City Clerk Kerry Lindstrom

2. PLEDGE OF ALLEGIANCE

Vice Mayor Blackwelder led the Pledge of Allegiance.

3. INVOCATION

Reverend Hellam led the invocation.

4. ANNOUNCEMENT BY MAYOR, CITY ATTORNEY, AND CITY MANAGER

Mayor Carbone announced she provided the Mayor's Report and copies were made available to the public.

City Manager Vibeke Norgaard reported the Purchase and Sale Agreement for 501 Ortiz is in the hands of the owners and escrow is expected to be opened shortly. EMC submitted the Housing Element to HCD and is now in 7-day public review period and the City anticipates a substantial compliance letter from HCD by the end of next week for adoption at the June 4, 2024, City Council meeting.

Interim City Attorney Adam Lindgren attended the annual City Attorney's Department Meeting of the CalCities 2 weeks ago, there were several productive panels, and one highlighted topic of conversation on housing and homelessness with a possibility of the supreme court decision changing the area of code enforcement as it relates to homeless encampments with cities getting back authority to regulate homeless encampments. Also, there were various updates on applicable laws.

5. COMMUNICATIONS

Public comment received from Brian Clark.

6. CONSENT CALENDAR

No public comment received.

Upon motion by Vice Mayor Blackwelder and seconded by Councilmember Hawthorne, Council voted 5-0 to approve the Consent Calendar.

6A. Approved the City Council Regular Meeting Minutes for March 5, 2024 and May 7, 2024.

6B. Accepted the City/Successor Agency Financial Reports from April 2024.

6C. Approved Resolution SC 24-27 authorizing the renewal of a Maintenance Services Agreement with Hope Rehabilitation Services for Fiscal Year 2024-2025.

6D. Reviewed GreenWaste Recovery's 2024-25 Rate Request-FinalReport.

7. CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

No items were pulled.

8. PRESENTATION

None.

9. PUBLIC HEARING

None.

10. NEW BUSINESS

10A. Approve FY 25 Amendments to Exhibits A & B of the MOU Between ReGen Monterey and its Member Jurisdictions Regarding Compliance with California's Senate Bill 1383 ***This item was continued to a date uncertain.***

Upon motion by Vice Mayor Blackwelder and seconded by Councilmember Hawthorne, Council voted 5-0 to continue Item 10A to a date uncertain.

10B. Approve a Resolution Adopting Objective Design and Development Standards

Public comment received from Brian Clark

Upon motion by Councilmember Hawthorne and seconded by Vice Mayor Blackwelder, Council voted 5-0 to approve Resolution SC 24-28 adopting Objective Design and Development Standards.

10C. Approve a Resolution Granting CUP 24-001 for 398 Shasta Street ***This item was continued to June 4, 2024.***

Due to a conflict of interest, those residing within 500 feet of 398 Shasta Street, Vice Mayor Blackwelder and Councilmembers Diaz and Hawthorne, a straw draw was conducted to establish a quorum by random selection. Vice Mayor Blackwelder's name was selected. Councilmembers Diaz and Hawthorne recused themselves.

Public comment was received from Brian Clark.

Upon motion by Vice Mayor Blackwelder and seconded by Councilmember Sofer, Council voted 3-0-2, Councilmembers Diaz and Hawthorne having recused, to continue Item 10C to June 4, 2024.

11. COMMENTS BY COUNCILMEMBERS ON ITEMS OF INTEREST TO SAND CITY

Councilmember Sofer announced attending the Women's Fund Luncheon on May 17, 2024.

12. ADJOURNMENT

Council adjourned the meeting at approximately at 6:20 PM.

_____

Kerry Lindstrom, City Clerk

AGENDA ITEM
6B.

Approve a Resolution Calling for the Holding of a November 5, 2024 General Municipal Election, Requesting the County of Monterey Board of Supervisors to Consolidate the General Municipal Election, and Requesting the County of Monterey Elections Department to Conduct the Election

City of Sand City

STAFF REPORT

TO: Honorable Mayor and City Council
FROM: Kerry Lindstrom, City Clerk
SUBJECT: Calling for November 5, 2024 General Municipal Election, Requesting the County Elections Department to Conduct the Election, and Requesting Consolidation of the Election
DATE: June 4, 2024

BACKGROUND/DISCUSSION:
Section 6 of the Sand City Charter establishes November of even-numbered years as the General Municipal Election date for the election of the Mayor and two Councilmembers in Sand City.

The resolution calling for the election and requesting consolidation allows the City to combine its election with the statewide election and avoid duplication of printing and mailing of sample ballots, computer tabulation, precinct workers, and canvassing results. The City may by resolution request that the Board of Supervisors of the County request that the County Elections Department conduct and consolidate the elections on behalf of the City. (See Cal. Elections Code section 10001).

It has been a standard procedure for the City of Sand City to consolidate the general municipal elections with the Monterey County Elections Department for the ease and convenience to the city's registered voters and to minimize election costs. The City has also historically paid for the cost of the candidate's statements.

CEQA:
This action does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) guidelines section 15378.

FISCAL IMPACT:
The estimated cost per registered voter is $7 to $10 for the November 5, 2024, General Election. An allocation of $3450.00 has been incorporated into the Proposed Fiscal Year 2024-2025 City Budget. The estimated 200-word limit candidate statement cost is $94.00 per statement for both Mayoral and Councilmember candidates. The number of candidates is not known at this time.

RECOMMENDATION:
Staff recommends the Council approve a resolution calling for a November 5, 2024 General Municipal Election, Requesting the County Elections Department to Conduct the Election, and Requesting Consolidation of the Election.

ATTACHMENTS:

1. Resolution
2. Agreement

CITY OF SAND CITY

RESOLUTION SC 24-__, 2024

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAND CITY CALLING FOR THE HOLDING OF A NOVEMBER 5, 2024 GENERAL MUNICIPAL ELECTION, REQUESTING THE COUNTY OF MONTEREY BOARD OF SUPERVISORS TO CONSOLIDATE THE GENERAL MUNICIPAL ELECTION, AND REQUESTING THE COUNTY OF MONTEREY ELECTIONS DEPARTMENT TO CONDUCT THE ELECTION

WHEREAS, pursuant to the provisions of Section 4. of the Sand City Charter, each Councilmember shall be elected at large at the General Municipal Election. Said election shall be held on Tuesday, November 5, 2024; and

WHEREAS, pursuant to Sections 10001 of the Elections Code, the governing body of the City of Sand City must call the election to be held November 5, 2024, for the purpose of electing successors to the terms of office which will expire in 2024; and

WHEREAS, pursuant to Elections Code Section 10002, the governing body of any city may by resolution request the Board of Supervisors of the County to permit the County elections official to render specified services to the city relating to the conduct of an election; and

WHEREAS, pursuant to Section 13307 of the Elections Code, it is incumbent upon this City Council to determine who will pay the cost of the candidate's statement and to fix the maximum number of words to be submitted; and

WHEREAS, for the ease and convenience to the registered voters within this City and to take advantage of any possible reduction in election costs, it is desirable that this City election be consolidated with any other election to be held on the same day and that a vote by mail precinct be provided within the City of Sand City; and

WHEREAS, the City Council authorizes the City Clerk to enter into and sign the attached service agreement for the provision of election services between the City of Sand City and Monterey County Registrar of Voters.

NOW, THEREFORE, BE IT RESOLVED and ordered by the governing body of the City of Sand City that:

1. The Monterey County Elections Department conducts the election for the purpose of electing one Mayor for a two-year term, and two Councilmembers for four-year terms on November 5, 2024.

2. Pursuant to Elections Code Section 10002 said governing body hereby requests the Board of Supervisors of the County of Monterey to permit the Monterey County Elections Department to provide any and all services necessary for conducting an election and agrees to pay for said services in full, and

3. Pursuant to Section 13307 of the Elections Code, the City Council has resolved that the City will pay the cost of the candidate's statement. Said statement shall not exceed 200 words in length and no other candidate materials will be allowed to be mailed pursuant to Section 13303 of the Election Codes. The cost for candidate statements will be included in the billing to the City of Sand City by the Monterey County Elections Department.

4. This election shall be consolidated with any other election to be held totally or partially within the boundaries of this City.

5. A vote-by-mail precinct/receiving station will be arranged at Sand City Hall, and the City will pay the costs associated with providing and operating this vote-by-mail precinct/receiving station within Sand City.

6. The City Council hereby authorizes the official canvass to be conducted by the Registrar of Voters commencing no later than November 5, 2024.

7. The Registrar of Voters is authorized to bill the City, on a prorated basis, for any and all costs associated with the City election and vote by mail precinct.

8. In all particulars not recited in this resolution, said elections shall be noticed and held and all publications made as provided by law for holding municipal elections.

NOW THEREFORE, BE IT FURTHER RESOLVED that:

1. Pursuant to Elections Code Section 15651(a), a tie vote shall be resolved by drawing lots.

2. Tie votes shall be determined by the City Council acting as the Election Board.

PASSED AND ADOPTED by the City Council of the City of Sand City on this __ day of ____, 2024 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

_____
Mary Ann Carbone, Mayor

ATTEST:

DATED: _____

_____
Kerry Lindstrom, City Clerk

5733726.1

SERVICE AGREEMENT FOR THE PROVISION OF ELECTION

SERVICES BETWEEN **CITY OF SAND CITY** AND

COUNTY OF MONTEREY DEPARTMENT OF ELECTIONS

NOVEMBER 5, 2024

This Agreement, entered into this _____ day of _____ 2024, by and between **City of Sand City** and County of Monterey Department of Elections (hereinafter referred to as the Department);

WHEREAS, it is necessary and desirable that the Department be retained for the purpose of conducting an election hereinafter described for the **City of Sand City** (hereinafter referred to as the City);

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:

SERVICES TO BE PERFORMED BY THE CITY:

1) No later than the 88th day prior to the election the City shall submit a resolution requesting the Department to conduct an election for the City on **NOVEMBER 5, 2024** and requesting election related services of the Department.

2) The City shall publish the Notice of Election and the Notice to File Declarations of Candidacy for the offices to be voted on, and/or the Notice to File Arguments for or against any measure.

3) The City shall submit to the Department in writing the exact number of offices to be voted on and the names and ballot designations of the candidates for those offices, and/or the exact ballot wording to be voted by no later than the 88th day prior to the election, or by the 83rd day prior to the election if Elections Code §§ 10225, 10229, and 10407 are applicable.

4) The City shall prepare and deliver to the Department the Voter Guide information containing, as applicable, candidates' statements of qualifications, ballot measure, tax rate statements, impartial analysis, arguments for or against and rebuttals thereto. The last day for the submission of primary arguments (300 words) and

impartial analysis shall be no later than **AUGUST 15, 2024.** The last day for the submission of rebuttal arguments (250 words) is **AUGUST 22, 2024**.

5) The City shall be responsible for reviewing and approving the language of the sample ballot and official ballot wording for candidates and measures.

SERVICES TO BE PERFORMED BY THE DEPARTMENT:

1) The Department shall select and contract with the sample and official ballot printer(s) on behalf of the City.

2) The Department shall prepare and deliver to the printer the official ballot information.

3) The Department shall issue, receive and process all ballots on behalf of the City matters.

4) The Department shall procure all necessary and appropriate polling place locations, hire polling place workers, and conduct the election in accordance with all applicable state, federal and local laws.

5) The Department shall prepare a Canvass of Votes Cast and submit a Certificate of Registrar of Voters to the City regarding the City matters.

6) The Department shall conduct other various and miscellaneous election activities as required including but not limited to all those required as the City's Election Official other than those described under "Services to be Performed by the City".

TERMS:

This Agreement shall be in effect for the performance of all services incident to the preparation and conduct of the election to be held on **NOVEMBER 5, 2024.**

The parties will use best efforts to perform services herein. However, in the event the Department is unable to perform services required under this Agreement that are beyond their control, including an employee strike, vendor conditions, natural disasters, war, or other similar conditions, the Department will be relieved of all obligations under this Agreement. The Department will provide reasonable notice, if practical, of any conditions beyond their control, including notice at least 60 days prior to **NOVEMBER 5, 2024** of vendor conditions affecting the election services. In the event a vendor does not perform, the Department will attempt to obtain substitute services.

CONSIDERATION:

In consideration of the performance of services and supplies provided by the Department, the City shall pay to the Department a sum equal to the actual cost of such services, expenses, and supplies related to the work performed on behalf of City. In the event that this Agreement is terminated prematurely, the City shall pay to the Department a sum equal to the actual cost of such services performed or supplies/expenses incurred as of the effective date of the termination.

The City shall make payment within 30 days of receipt of invoice from the Department.

CITY:

Signature: _____ Date: _____

Print Name: _____

Title: _____

COUNTY:

Signature: _____ Date: 04/23/2024

Print Name: Gina Martinez

Title: County of Monterey, Registrar of Voters

AGENDA ITEM
6C.

Approve a Resolution Establishing an Appropriations Limit for Fiscal Year 2024-2025 Pursuant to Article XIII B of the California Constitution

City of Sand City

STAFF REPORT

TO: Honorable Mayor and City Council
FROM: Jennifer Pope, Finance Manager
SUBJECT: Resolution Setting the Appropriations Limit for FY 2024-2025
DATE: June 4, 2024

BACKGROUND/DISCUSSION:
Article XIII B of the California Constitution provides that the total annual appropriations subject to limitations of each governmental entity, shall not exceed the appropriations limit of such entity of government for the prior year, adjusted for changes in population and inflation mandated by Proposition 4 (1979) and Proposition 111 (1990), except as otherwise provided in aid Article XIII B and implementing state statutes. Pursuant to Article XIII B of the California Constitution, and section 7900 et seq of the California Government Code, the City is required to calculate and set its appropriations limit for each fiscal year.

Pursuant to Section 7910 of the California Government Code, the City has made available to the public the documentation used to determinate the appropriations limit and the appropriations limit of $17,663,692 was established for Fiscal Year 2023-2024. The new appropriations limit for Fiscal Year 2024-2025 has been calculated at $18,349,043, using the inflation factor and annual percentage change in population as required by state law.

CEQA:
This action does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) guidelines section 15378.

FISCAL IMPACT:
There is no fiscal impact.

RECOMMENDATION:
Approve a resolution setting the Appropriations Limit for Fiscal Year 2024-2025; or discuss and take other action related to this item.

ATTACHMENTS:

1. Resolution
2. Price Factor and Population Information Letter

CITY OF SAND CITY
RESOLUTION SC 24-___, 2024

RESOLUTION OF THE CITY COUNCIL OF SAND CITY ESTABLISHING AN APPROPRIATIONS LIMIT FOR FISCAL YEAR 2024-2025 PURSUANT TO ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION

WHEREAS, Article XIII B of the California Constitution provides that the total annual appropriations subject to limitations of each governmental entity, including this City, shall not exceed the appropriations limit of such entity of government for the prior year adjusted for changes in population and inflation mandated by Proposition 4 (1979) and Proposition 111 (1990), except as otherwise provided in said Article XIII B and implementing state statutes; and

WHEREAS, pursuant to Article XIII B of the California Constitution, and Section 7900 et seq. of the California Government Code, the City is required to calculate and set its appropriations limit for each fiscal year; and

WHEREAS, based on such calculations the City had determined said appropriations limit and pursuant to Section 7910 of the California Government Code has made available to the public the documentation used in the determination of the appropriations limit; and

WHEREAS, an appropriations limit of $17,663,692 was calculated and established for Fiscal Year 2023-2024, and a new appropriations limit for Fiscal Year 2024-2025 has been calculated as $18,349,043 illustrated on Exhibit A, attached hereto and incorporated herein by this reference, using the inflation factor and population increase factor allowed by state law.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Sand City that the appropriations limit for Fiscal Year 2024-2025 shall be and is hereby established in the amount of $18,349,043.

PASSED AND ADOPTED, at a regular meeting of the City Council of the City of Sand City, this 4th day of June, 2024 by the following votes:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

_____
Mary Ann Carbone, Mayor

ATTEST:
DATED: _____

_____
Kerry Lindstrom, City Clerk

EXHIBIT A

CITY OF SAND CITY
APPROPRIATIONS LIMIT CALCULATION
FISCAL YEAR 2024-2025

A. LAST YEAR'S LIMIT $17,663,692

B. ADJUSTMENT FACTORS

1. Sand City Population Growth Ratio = $\frac{0.26 + 100}{100}$ = 1.0026

2. Inflation Ratio (Per Capita Income) = $\frac{3.62 + 100}{100}$ = 1.0362

C. Annual Ratio (increase) = 1.0362 x 1.0026 = 1.0388

D. THIS YEAR'S LIMIT (FY 2024-2025)
($17,663,692 X 1.0388 = $18,349,043) $18,349,043

DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR

Gavin Newsom ▪ Governor
1021 O Street, Suite 3110 ▪ Sacramento CA 95814 ▪ www.dof.ca.gov

April 30, 2024

Dear Fiscal Officer:

Price Factor and Population Information

Appropriations Limit
California Revenue and Taxation Code section 2227 requires the Department of Finance to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2024, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2024-25. Attachment A provides the change in California's per capita personal income and an example for utilizing the factors to calculate the 2024-25 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts
Some special districts must establish an annual appropriations limit. California Revenue and Taxation Code section 2228 provides additional information regarding the appropriations limit. Article XIII B, section 9(C) of the California Constitution exempts certain special districts from the appropriations limit calculation mandate. Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

Population Certification
The population certification program applies only to cities and counties. California Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2024**. Please note: The prior year's city population estimates may be revised. The per capita personal income change is based on historical data.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

/s Richard Gillihan

RICHARD GILLIHAN
Chief Operating Officer

Attachment

A. **Price Factor**: Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2024-25 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2024-25	3.62

B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2024-25 appropriation limit.

2024-25:

Per Capita Cost of Living Change = 3.62 percent
Population Change = 0.17 percent

Per Capita Cost of Living converted to a ratio: $\frac{3.62 + 100}{100} = 1.0362$

Population converted to a ratio: $\frac{0.17 + 100}{100} = 1.0017$

Calculation of factor for FY 2024-25: 1.0362 x 1.0017 = 1.0379

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	 1-1-24	Total Population 1-1-24
Monterey				
Carmel-By-The-Sea	0.55	3,105	3,122	3,122
Del Rey Oaks	0.64	1,559	1,569	1,569
Gonzales	0.98	8,384	8,466	8,466
Greenfield	2.01	20,155	20,561	20,561
King City	1.78	13,968	14,216	14,216
Marina	1.91	22,269	22,695	22,695
Monterey	0.56	24,096	24,232	27,106
Pacific Grove	0.63	14,872	14,966	14,966
Salinas	0.73	160,870	162,037	162,037
Sand City	0.26	378	379	379
Seaside	0.04	28,075	28,085	30,197
Soledad	2.94	19,565	20,140	26,966
Unincorporated	0.75	104,372	105,157	105,334
County Total	0.94	421,668	425,625	437,614

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Attachment C

Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024

County	Percent Change	--- Population Minus Exclusions ---	
	23-24	1-1-23	1-1-24
Alameda			
Incorporated	-0.48	1,500,626	1,493,403
County Total	-0.54	1,648,369	1,639,409
Alpine			
Incorporated	0.00	0	0
County Total	-0.34	1,183	1,179
Amador			
Incorporated	-0.80	13,813	13,703
County Total	-0.89	36,091	35,770
Butte			
Incorporated	1.61	144,871	147,197
County Total	-0.32	206,579	205,928
Calaveras			
Incorporated	-0.47	3,604	3,587
County Total	-0.15	44,853	44,786
Colusa			
Incorporated	-0.18	11,997	11,975
County Total	-0.40	21,831	21,743
Contra Costa			
Incorporated	0.11	971,251	972,337
County Total	0.12	1,145,274	1,146,626
Del Norte			
Incorporated	0.52	4,019	4,040
County Total	-0.08	24,787	24,768
El Dorado			
Incorporated	0.32	31,220	31,320
County Total	0.26	187,974	188,463

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Attachment C

Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024

County	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	1-1-24
Fresno			
Incorporated	0.81	847,846	854,714
County Total	0.69	1,005,004	1,011,968
Glenn			
Incorporated	2.77	14,458	14,858
County Total	1.43	28,330	28,736
Humboldt			
Incorporated	-1.14	63,392	62,667
County Total	-1.11	134,351	132,866
Imperial			
Incorporated	2.02	145,696	148,634
County Total	1.95	176,282	179,725
Inyo			
Incorporated	-0.13	3,853	3,848
County Total	-0.16	18,826	18,796
Kern			
Incorporated	0.96	587,734	593,394
County Total	0.77	887,906	894,734
Kings			
Incorporated	0.15	108,741	108,903
County Total	0.04	133,516	133,575
Lake			
Incorporated	0.90	21,343	21,535
County Total	0.47	66,619	66,933
Lassen			
Incorporated	-0.22	9,355	9,334
County Total	-0.08	24,305	24,286

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Attachment C

Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024

County	Percent Change	--- Population Minus Exclusions ---	
	23-24	1-1-23	1-1-24
Los Angeles			
Incorporated	0.07	8,812,107	8,818,472
County Total	0.05	9,810,925	9,815,428
Madera			
Incorporated	0.28	79,869	80,096
County Total	0.79	152,734	153,934
Marin			
Incorporated	-0.55	187,420	186,385
County Total	-0.53	250,360	249,041
Mariposa			
Incorporated	0.00	0	0
County Total	-0.04	16,912	16,905
Mendocino			
Incorporated	0.27	28,485	28,562
County Total	-0.08	89,496	89,424
Merced			
Incorporated	0.95	194,657	196,508
County Total	0.72	284,081	286,138
Modoc			
Incorporated	-0.19	2,664	2,659
County Total	-0.20	8,501	8,484
Mono			
Incorporated	-2.67	7,305	7,110
County Total	-2.53	13,097	12,765
Monterey			
Incorporated	1.00	317,296	320,468
County Total	0.94	421,668	425,625

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Attachment C

Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024

County	Percent Change	--- Population Minus Exclusions ---	
	23-24	1-1-23	1-1-24
Napa			
Incorporated	0.47	111,044	111,570
County Total	0.38	132,816	133,324
Nevada			
Incorporated	-0.01	33,530	33,525
County Total	-0.30	100,421	100,115
Orange			
Incorporated	0.29	3,010,335	3,019,168
County Total	0.31	3,140,716	3,150,493
Placer			
Incorporated	0.87	298,393	300,976
County Total	0.67	410,085	412,844
Plumas			
Incorporated	-1.14	2,099	2,075
County Total	-0.80	18,993	18,841
Riverside			
Incorporated	0.48	2,021,243	2,030,847
County Total	0.55	2,420,896	2,434,285
Sacramento			
Incorporated	0.44	972,430	976,744
County Total	0.12	1,572,419	1,574,358
San Benito			
Incorporated	0.73	44,579	44,904
County Total	1.06	65,165	65,853
San Bernardino			
Incorporated	0.48	1,856,711	1,865,629
County Total	0.42	2,143,575	2,152,555

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Attachment C

Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024

County	Percent Change	--- Population Minus Exclusions ---	
	23-24	1-1-23	1-1-24
San Diego			
Incorporated	0.03	2,756,900	2,757,771
County Total	0.07	3,235,324	3,237,699
San Francisco			
Incorporated	0.11	841,745	842,644
County Total	0.11	841,745	842,644
San Joaquin			
Incorporated	1.19	623,820	631,215
County Total	1.01	781,227	789,081
San Luis Obispo			
Incorporated	0.17	157,084	157,353
County Total	-0.08	275,541	275,307
San Mateo			
Incorporated	-0.49	683,226	679,897
County Total	-0.50	745,168	741,435
Santa Barbara			
Incorporated	0.44	300,067	301,380
County Total	0.28	436,302	437,524
Santa Clara			
Incorporated	0.05	1,811,705	1,812,582
County Total	0.02	1,901,768	1,902,166
Santa Cruz			
Incorporated	-0.04	135,179	135,121
County Total	-0.29	263,282	262,509
Shasta			
Incorporated	0.18	113,195	113,397
County Total	0.05	178,923	179,019

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Attachment C

Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024

County	Percent Change 23-24	--- Population Minus Exclusions --- 1-1-23	1-1-24
Sierra			
Incorporated	-0.41	727	724
County Total	-0.50	3,187	3,171
Siskiyou			
Incorporated	-0.12	19,636	19,613
County Total	-0.15	43,430	43,363
Solano			
Incorporated	0.06	417,409	417,662
County Total	0.04	434,801	434,963
Sonoma			
Incorporated	-0.22	348,147	347,375
County Total	-0.27	478,480	477,187
Stanislaus			
Incorporated	0.64	437,381	440,200
County Total	0.55	545,753	548,744
Sutter			
Incorporated	1.90	78,432	79,924
County Total	1.90	98,248	100,110
Tehama			
Incorporated	-0.50	22,913	22,798
County Total	-0.61	64,578	64,182
Trinity			
Incorporated	0.00	0	0
County Total	-0.11	15,878	15,860
Tulare			
Incorporated	1.08	340,642	344,328
County Total	0.90	474,294	478,547

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Attachment C

Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024

County	Percent Change	--- Population Minus Exclusions ---	
	23-24	1-1-23	1-1-24
Tuolumne			
Incorporated	0.25	5,119	5,132
County Total	-0.11	52,207	52,148
Ventura			
Incorporated	-0.21	732,348	730,833
County Total	-0.23	822,161	820,254
Yolo			
Incorporated	0.44	186,763	187,591
County Total	0.55	220,454	221,666
Yuba			
Incorporated	0.93	16,492	16,645
County Total	1.25	80,672	81,679

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

AGENDA ITEM
6D.

Approve a Resolution Granting CUP 24-001 for 398 Shasta Street This item was continued from May 21, 2024.

City of Sand City

STAFF REPORT

TO: Mayor and City Council
FROM: Matt Papurello, Contract City Planner
SUBJECT: Conditional Use Permit 24-001 for Renovations at 398 Shasta Ave.
DATE: May 21, 2024

BACKGROUND:

The Conditional Use Permit (CUP) 24-001 submitted by Jeff Reisdorf (The Applicant) consists of an extensive remodel to the existing triplex located at 398 Shasta Avenue, APN: 011-253-012 (The Subject Property). The triplex remodel involves interior improvements, including renovations to the existing bathroom and kitchen in each of the three units. At this time, the applicant has not indicated any exterior changes to the existing triplex or renovations of any kind associated with the existing vacant commercial office building located on the parcel.

The Subject Property is not located in the coastal zone and has a Planned-Mixed Use (MU-P) zoning designation and a General Plan land use designation of Mixed-Use (MU-D). Multi-Family Dwellings are a permitted use under this zoning designation with an approved conditional use permit (Sand City Municipal Code 18.13.040(O)). A conditional use permit is required for all development uses within the MU-P Zoning district. This Conditional Use Permit only applies to the residential building on site. The Applicant would be required to apply for a separate Conditional Use Permit, when a use for the commercial building on site is proposed.

Improvements and rehabilitation of the city's multi-family rental housing stock supports goals in the City's Housing Element. Facilitating rehabilitation ensures that units are kept up in good habitable condition. Additionally the units range from 1-3 bedrooms which will provide for a wider array of income levels and family sizes.

SITE DISCRIPTION:

The Subject Property consists of a single parcel (011-253-012) which is roughly 100 feet wide by 70 feet deep. There are two buildings on this parcel, one multi-family residential triplex and one commercial office building. Neither building is currently occupied. Utilities (i.e. gas, electric, water, sewer, etc.) are available to the building and street improvements (i.e. curb, gutter, drive-apron, etc.) are in fair condition along the Subject Property's Shasta Avenue frontage. The commercial building shares a driveway to its loading area, and the commercial building currently has no setback from the property line.

PROJECT DESCRIPTION:

The Applicant intends to remodel the interior of residential building only, at this time, which includes three (3) existing residential units in one building; and re-establish the building's multi-family residential use. Each of the three units in the building will include their own kitchen area, bathroom, and bedroom(s). The proposed units bedroom and bathroom composition are as follows: unit 1 will be a two bedroom, one-bathroom apartment, unit 2 will be a one-bedroom one-bathroom apartment, and unit 3 will be a three-bedroom, one-bathroom apartment. Each residence will have separate entrances, without interior connections or access between the units. There are no renovations proposed for the exterior of the building or the adjacent commercial office building located on the property at this time.

Land Use: The Subject Property has a Zoning Map designation of "Planned Mixed Use" and a General Plan designation of Mixed-Use Development (MU-D). Section 18.13.040 of the City's Zoning Ordinance lists 'multi-family residential' as an allowable use subject to the issuance of a conditional use permit. The Applicant's Use satisfies this zoning definition. Therefore, staff finds the Applicant's Use consistent and compatible with the intent of the General Plan and Zoning Code.

Housing Element: The Housing Element is part of the City's General Plan. The Housing Element is currently being updated (6th Cycle Housing Element Update), and encourages the creation of new housing opportunities to all income levels while protecting affordable housing while improving the overall housing stock; and to provide new affordable housing and other special needs housing.

Parking & Driveway: The property currently provides a total of five (5) parking spaces, which are accessible from Shasta Street. This does satisfy the parking space requirements for multi-family residential units in MU-P zoning which is as follows. Dwellings, multiple (apartments, condominiums, or other multiple family developments), one and one-half (1-1/2) covered parking spaces per unit of which at least one parking space per unit shall be covered for units of zero through two bedrooms; two spaces per unit for units of three or more bedrooms, of which at least one parking space per unit shall be covered. (Sand City Municipal Code 18.64.050(G)). However; staff finds the off street parking this property to be legal non-conforming, and will therefore not be required to provide covered parking on the following basis: the addition of covered parking would require the Applicant to build directly against the property line, the Property currently has uniform setbacks to other nearby residential uses and the addition of carports in the front of the Property would change the property to no longer have uniform setbacks with other nearby residential uses, and according to Sand City Municipal Code such repairs and maintenance work as required to keep it in sound condition may be made to a nonconforming building or structure; provided, no structural alterations shall be made

except such as are required by law or ordinance or authorized by the Council. Except as otherwise provided elsewhere in this title, the total structural repairs and alterations that may be made in a nonconforming building or structure shall not, during its life subsequent to the date of its becoming a nonconforming use, exceed 50% of its then reasonable market value as determined by the City Council at such time, unless such building or structure is changed to a nonconforming use (Sand City Municipal Code 18.70.111).

Trash: Waste removal services are provided for the property. There shall be an enclosure where storage of individual residential containers for waste, recycling and yard waste/compost will be stored. These waste containers will be physically wheeled on collection days to the curb by building occupants for service and removed from the public right-of-way directly following trash collection.

Hazardous Materials: According to the Monterey County Hazardous Material Questionnaire completed and submitted by the Applicant (see Exhibit G), no hazardous materials or products will be stored or used on-site. This Questionnaire form was provided to the Monterey County Health Department by City staff in the processing of this application.

Water: It is staff understanding from discussions with the Applicant that this project will not require any new fixtures. It was previously a vacant three (3) unit, multi-family residential building prior to the remodel and will continue to be after the full remodel. Therefore, the building currently has sufficient water credits for this use. Should fixture units change the Applicant shall be required to apply for extra water allocation from the city and a new permit from the Monterey Peninsula Water Management District (MPWMD).

Local/Regional Compliance: All requirements of the City's contracted Building and Fire Departments, the City Engineer, the City Building Official, the City Police Department, the Sand City Code Enforcement officer(s), the Seaside County Sanitation District, Monterey One Water, the Monterey Bay Air Resources District, and Monterey County Health Department, that are applicable to the Applicant's Use, shall be implemented to the satisfaction of each department/agency and inspector thereof. Failure of the Applicant to comply shall be sufficient grounds for City termination of CUP 24-001.

Fire Department: The Applicant's Use of the Applicant's Unit, as authorized by CUP 24-001, must conform to occupancy, exiting, storage, and operational requirements specified in the California Building and Fire Codes to the satisfaction of the City's Building Official or Fire Department inspector. The Applicant shall work with the City's Building Official to determine and post the occupancy load per the Building and/or Fire Codes. The Applicant's Unit shall be available and open for Fire Department, City Building Official, and/or City code enforcement inspections. Failure to comply with Building Official, Fire Inspector, and/or code enforcement requirements may be

sufficient grounds for City issuance of a 'Cease and Desist' order for closure of the Applicant's Use and/or City termination of CUP 24-001.

Indemnification: To the extent permitted by law, the Applicant and Property Owner shall indemnify and hold harmless the City, its City Council, its officers, employees, consultants, and agents (the "indemnified parties") from and against any claim, action, or proceeding brought by a third party against the indemnified parties, the Applicant, and/or Property Owner in connection with this Permit, including but not limited to any such action to attack, set aside, or void, any permit or approval authorized hereby, including (without limitation) reimbursing the City for its actual attorney's fees and costs incurred in defense of the litigation. The City may, in its sole discretion, elect to defend any such action with attorneys of its own choice.

Consistency Determination: The project as proposed is consistent with the City's General Plan, Housing Element and Zoning Code, with the exception of parking. The City;s Municipal Code requires one and one-half (1-1/2) covered parking spaces per unit of which at least one parking space per unit shall be covered for units of zero through two bedrooms; two spaces per unit for units of three or more bedrooms, of which at least one parking space per unit shall be covered. (Sand City Municipal Code 18.64.050(G)). The current water allocation is also consistent with the MPWMD rules and regulations, as well as; with the City's current allocation of water for this parcel. To ensure consistency with the approved use type outlined in the Conditional Use Permit (CUP24-001), renovations to the existing multi-family residential building will require a building permit. The building permit process will include a final inspection of the property prior to occupancy.

CEQA:
The Applicant's Use at the Subject Property qualifies for a categorical exemption, under the California Environmental Quality Act (CEQA) Guidelines, Section 15301(a), involving the minor alteration to the interior of an existing building.

RECOMMENDATION:
Staff Recommends **APPROVAL** of the CUP 24-001 with conditions.

FISCAL IMPACTS:
There is no fiscal impact to the City associated with this action.

ATTACHMENTS:

1. Resolution
2. Exhibit A: Findings and Conditions of Approval
3. Exhibit B: CEQA Exemption
4. Exhibit C: Aerial Map
5. Exhibit D: Floor Plan

6. Exhibit E: Parking Plan
7. Exhibit F: Site Photo
8. Exhibit G: Hazardous Material Questionnaire

CITY OF SAND CITY
RESOLUTION SC ___, 2024

RESOLUTION OF THE CITY COUNCIL OF SAND CITY
GRANTING CUP 24-001 for 398 SHASTA STREET

WHEREAS, Conditional Use Permit (24-001), application submitted by Jeff Reisdorf, consists of an extensive remodel of an existing residential triplex located at 398 Shasta Avenue (APN: 011-253-012). The residential triplex remodel involves interior improvements, including renovations and rehabilitation of the existing bathroom and kitchen areas in each of the three units; and

WHEREAS, the intended use for the existing residential building is rehabilitation and rental occupancy of three (3) multi-family residential units. Where unit 1 will be a two bedroom, one-bathroom apartment, unit 2 will be a one-bedroom one-bathroom apartment, and unit 3 will be a three-bedroom, one- bathroom apartment as described herein and illustrated by the Floor Plan (Exhibit D) attached hereto and incorporated herein by reference; and

WHEREAS, the property currently provides a total of five (5) parking spaces, which are accessible from Shasta Street. Staff finds there is adequate space for off street parking as set forth by Sand City Municipal Code 18.64.050, and is also considered legal non-conforming (Sand City Municipal Code 18.70.111). Therefore, the applicant will not be required to build covered parking for the subject property at this time.

WHEREAS, the Applicant's Use at the Subject Property qualifies for a categorical exemption, under the California Environmental Quality Act (CEQA) Guidelines, Section 15301(a), involving the minor alteration to the interior of an existing building; and

WHEREAS, existing on-site water credit will be sufficient to facilitate the project; and

WHEREAS, the City Council of the City of Sand City has accepted the findings for approving Conditional Use Permit CUP23-003 as outlined in the City staff report, dated May 21, 2024, and futher described in Exhibit A, Findings and Conditions of Approval, attached hereto and incorporated herein by reference.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Sand City does hereby grant and issue the Conditional Use Permit CUP24-001 with the following terms and conditions listed in Exhibit A – Findings and Conditions of Approval

PASSED AND ADOPTED by the City Council of the City of Sand City this ___, day of _____, 2024 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

_____
Mary Ann Carbone, Mayor

ATTEST:
DATED: _____

_____
Kerry Lindstrom, City Clerk

EXHIBIT A

CITY OF SAND CITY
CONDITIONAL USE PERMIT CUP24-001
FINDINGS AND CONDITIONS OF APPROVAL

Project Name: Conditional Use Permit (CUP24-001) for three (3) multi-family residential units at 398 Shasta Street
Address: 398 Shasta Street, Sand City, CA
Hearing Date: May 21st, 2024

Conditions of Approval:

A. Permit Effectiveness/Time Limits:

1. Conditional Use Permit CUP24-001, is not valid, and project use(s) shall not commence, until two (2) copies of this Resolution/Permit, signed by the permittee and landowner, acknowledging receipt of the Resolution/Permit and acceptance of the terms and conditions, are returned to the City's Planning Department. Failure of the applicant to return the 2 copies of the signed Resolution/Permit within thirty (30) days from the date of City Council approval shall cause said Conditional Use Permit to become null and void unless good cause to grant an extension is found acceptable by the Community Development Director.

B. Land Use Terms and Conditions:

1. Property Maintenance: The site shall be maintained in a clean, orderly, weed-free, and litter-free condition. The property owner shall be responsible for maintenance and upkeep of the entire property.

2. Refuge storage & pickup: Trash, litter, boxes, crates, debris, or other used and/or discarded materials generated by the occupants of this building shall be stored within the appropriate waste collection receptacle(s). Except on a designated trash collection day, said waste receptacle(s) shall be screened from public view. The property owner shall be responsible for arranging and providing waste hauler access for standard pick-up services.

3. Storage: No outdoor storage or storage containers are allowed, unless they are fully screened/enclosed, subject to review and approval of the Building Official.

4. Hazardous Material: No hazardous materials will be stored or used on-site.
5. Building: Proper building permits shall be acquired for all construction related activities, including the following: interior building remodel and trash enclosures, subject to approval of the City Building Official.

6. Design: Approval for all exterior improvements, shall be subject to design approval by the Design Review Committee and appealable to the City Council, prior to the issuance of a Building Permit.

C. General Requirements:

1. All use types will remain consistent with the permitted uses as described in the Conditional Use Permit, which includes the following:
    - Multi-family residential
2. Any future use within the existing commercial building located on the property will require a separate CUP.

3. Violation: If the City determines any term or condition of the CUP 24-001 has been violated, written notice shall be issued to the property owner, that if such violation is not corrected or removed within 30 days, a public hearing may then be scheduled where the City Council may consider amending or revoking the Conditional Use Permit CUP24-001 and may then order said Permits amended or revoked.

4. Interpretation: Any questions of intent or interpretation regarding any condition of Conditional Use Permit CUP24-001 shall be resolved by the City Manager or their designee.

5. The issuance of Conditional Use Permit CUP24-001 shall not supersede or override any applicable requirements of any other City, County, State, or Federal agency.

Findings of Approval:

2. The intended use type for the existing commercial building is consistent with the Planned Mixed-Use (MU-P) zoning of the surrounding properties as indicated in the Sand City Municipal Code (18.13.040); and on the City of Sand City Zoning Map;

3. The establishment of multi-family residential with the intended use types as described in CUP24-001 is allowed under the MU-P zoning regulations with an approved Conditional Use Permit as indicated in the Sand City Municipal Code (18.13.040); and on the City of Sand City Zoning Map;

4. Adequate parking can be provided for the project which is as follows. Dwellings, multiple (apartments, condominiums, or other multiple family developments), one and one-half (1-1/2) covered parking spaces per unit of which at least one parking space per unit shall be covered for units of zero through two bedrooms; two spaces per unit for units of three or more bedrooms, of which at least one parking space per unit shall be covered. (Sand City Municipal Code 18.64.050(G)). Staff finds the existing off-street parking conditions to be legal non-conforming, therefore the Applicant will not be required to build covered parking which is as follows: Such repairs and maintenance work as required to keep it in sound condition may be made to a nonconforming building or structure; provided, no structural alterations shall be made except such as are required by law or ordinance or authorized by the Council. Except as otherwise provided elsewhere in this title, the total structural repairs and alterations that may be made in a nonconforming building or structure shall not, during its life subsequent to the date of its becoming a nonconforming use, exceed 50% of its then reasonable market value as determined by the City Council at such time, unless such building or structure is changed to a nonconforming use (Sand City Municipal Code 18.70.110)

5. Utilities, including electricity, gas, and, sewer, are sufficiently available to facilitate the Applicant's Use at the Subject Property as the properties previous use is not being changed from its existing use a 3-unit multi-family residential development.

6. The previous use of this building was three (3) one-bedroom one-bathroom multi-family residential, therefore, there will be no need for additional water credits as there is no change in use nor will there be a change in the number of units, as it is staffs understanding through conversation with the Applicant that there will be no change in fixture counts;

7. The Applicant's Use is not anticipated to pose an impediment of traffic flow, once completed there will be no regular large shipments to the property which would require large vehicles to make deliveries that impede traffic flow to the surrounding area and neighborhood;

8. A notice detailing the project was submitted to local advisory agencies on February 16, 2024. No comments or concerns regarding the project were received from the advisory agencies; and

9. The intended use on this property qualifies for a categorical exemption, under California Environmental Quality Act (CEQA) guidelines section 15301(a). which states that Interior or exterior alterations involving such things as interior partitions, plumbing, and electrical conveyances are permitted exempt projects given that the project consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use.

Print Form

Notice of Exemption

Appendix E

To: Office of Planning and Research
P.O. Box 3044, Room 113
Sacramento, CA 95812-3044

County Clerk
County of: _____

From: (Public Agency): City of Sand City
1 Pendergrass Way, Sand City, CA 93955

(Address)

Project Title: Interior Remodel at 398 Shasta Avenue

Project Applicant: Jeff Reisdorf

Project Location - Specific:

398 Shasta Avenue, Sand City, CA 93955

Project Location - City: Sand City Project Location - County: Monterey

Description of Nature, Purpose and Beneficiaries of Project:

The triplex remodel involves interior improvements, including renovations to the existing bathroom and kitchen in each of the three units.

Name of Public Agency Approving Project: _____

Name of Person or Agency Carrying Out Project: _____

Exempt Status: **(check one):**

- ☐ Ministerial (Sec. 21080(b)(1); 15268);
- ☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));
- ☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- ☒ Categorical Exemption. State type and section number: 15301(a)
- ☐ Statutory Exemptions. State code number: _____

Reasons why project is exempt:

This project is strictly interioir improvements to an already existing muti-family residential structure

Lead Agency Contact Person: Matt Papurello Area Code/Telephone/Extension: 831-649-1799

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? ☐ Yes ☐ No

Signature: _____ Date: 04/01/24 Title: Contract City Planner

☐ Signed by Lead Agency ☐ Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code.
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Date Received for filing at OPR: _____

EXHIBIT C

AERIAL MAP



EXHIBIT D

SITE PLANS

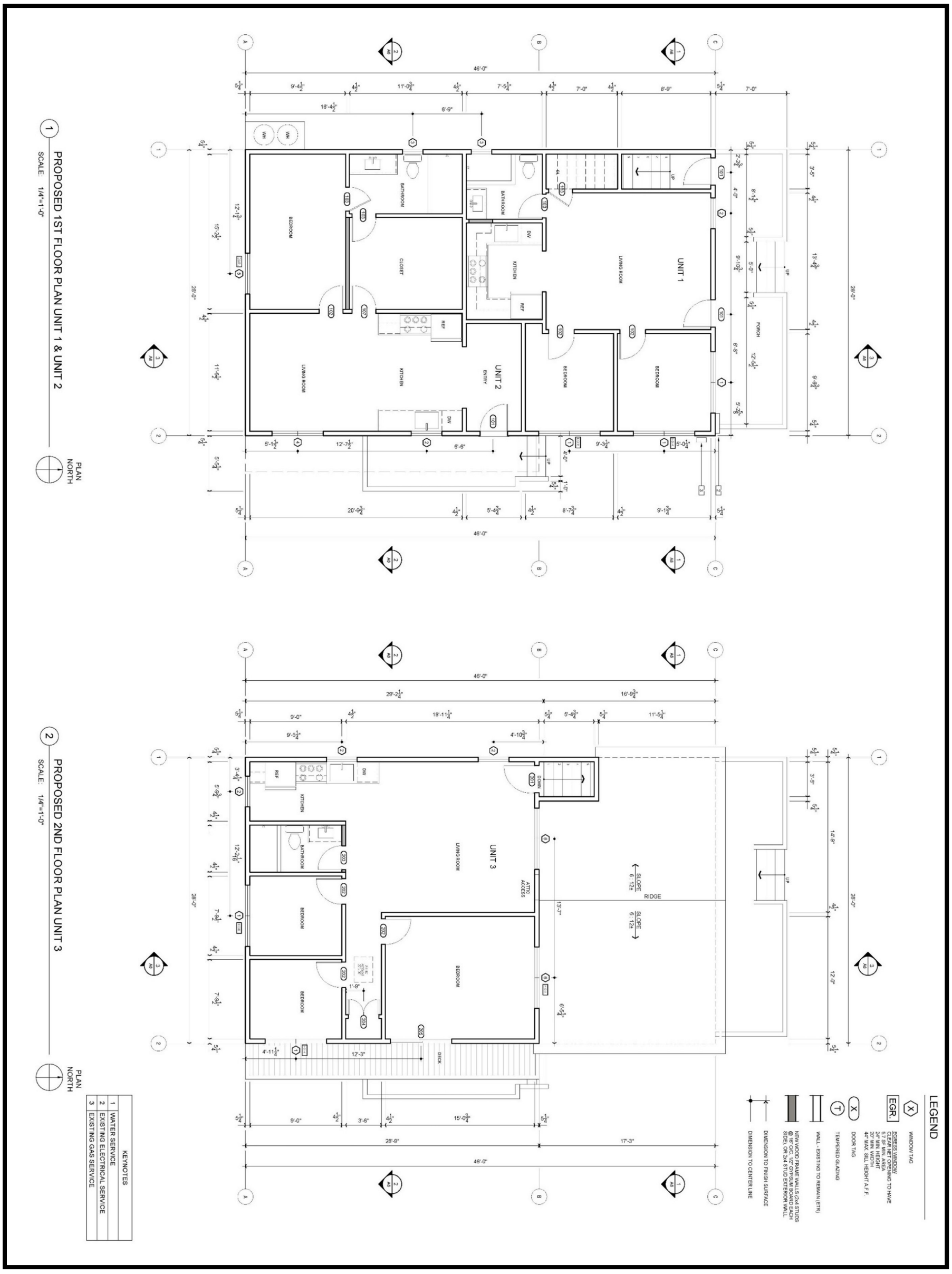
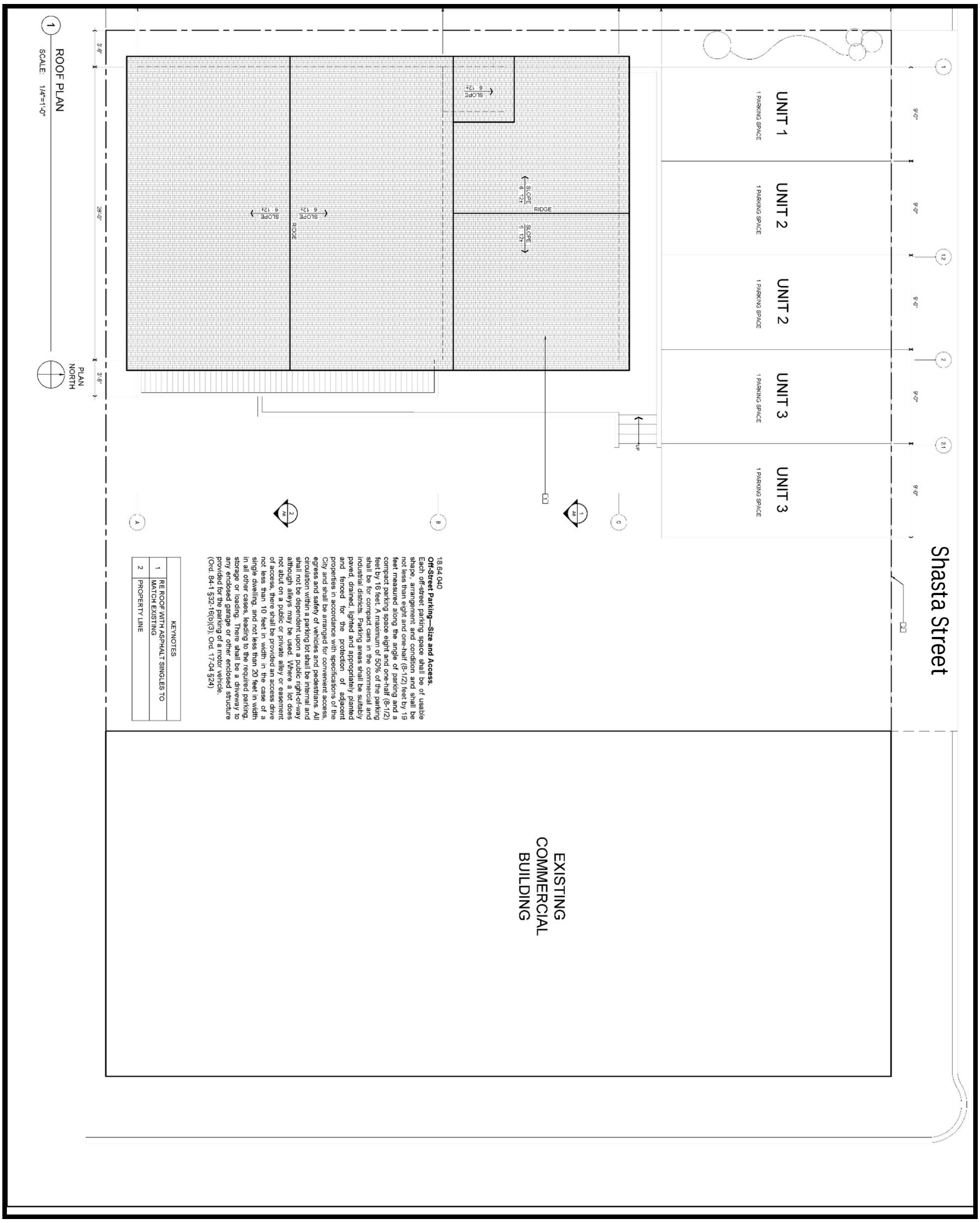


EXHIBIT E

PARKING PLANS



18.64.040
Off-Street Parking—Size and Access.
Each off-street parking space shall be of usable shape, arrangement and condition and shall be not less than eight and one-half (8-1/2) feet by 19 feet measured along the angle of parking and a compact parking space eight and one-half (8-1/2) feet by 16 feet. A maximum of 50% of the parking shall be for compact cars in the commercial and industrial districts. Parking areas shall be suitably paved, drained, lighted and appropriately planted and fenced for the protection of adjacent properties in accordance with specifications of the City and shall be arranged for convenient access, egress and safety of vehicles and pedestrians. All circulation within a parking lot shall be internal and shall not be dependent upon a public right-of-way although alleys may be used. Where a lot does not abut on a public or private alley or easement of access, there shall be provided an access drive not less than 10 feet in width in the case of a single dwelling, and not less than 20 feet in width in all other cases, leading to the required parking, storage or loading. There shall be a driveway to any enclosed garage or other enclosed structure provided for the parking of a motor vehicle.
(Ord. 84-1 §32-16(b)(3); Ord. 17-04 §24)

EXHIBIT F

SITE PHOTO



EXHIBIT G

HAZARDOUS MATERIAL QUESTIONNAIRE

Business Name Multi Family Residential Type of Business N/A
Site Location 398 Shasta City Sand City APN: 011-293-012
Mailing Address 4165 Arroyo Trail Carmel CA 93922
Business Contact Jeff Reisdorf 831-521-4977
Name *Phone Number*
Property Owner CHC ENTERPRISES LLC 831-521-4977
Name *Phone Number*

1. Will your business/proposed project be using any hazardous materials such as oil, fuels, solvents, compressed gases, acids, corrosives, pesticides, fertilizers, paints or other chemicals?
☐ Yes ☒ No

2. Will your business/proposed project be using hazardous materials in quantities of 55 gallons and above for liquids, 500 lbs. and above for solids and/or 200 cubic feet and above for compressed gases?
☐ Yes ☒ No

3. Will your business/proposed project be using any quantities of acutely hazardous materials such as ammonia, chlorine, sulfuric acid, formaldehyde, hydrogen peroxide, methyl bromide or other restricted pesticides?
☐ Yes ☒ No

4. Will your business/proposed project be using underground storage tanks to store hazardous materials?
☐ Yes ☒ No

5. Will your business/proposed project be generating any quantities of hazardous waste such as waste oil, waste solvents, etc?
☐ Yes ☒ No

6. Will your business/proposed project be emitting any hazardous air emissions?
☐ Yes ☒ No

CERTIFICATION:
I declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct to the best of my knowledge and belief.

ANY QUESTIONS REGARDING THIS FORM CAN BE DIRECTED TO:
Monterey County Health Department
Division of Environmental Health
1270 Natividad Road, Room B301
Salinas, CA 93906
(831) 755-4511

Executed AT:
Sand City CA
City, State

Print Name of Owner/Operator: Jeff Reisdorf / CHC Enterprises LLC

Signature of Owner/Operator: _____

For Local Jurisdiction Use Only:

1. Is there a known or proposed school, hospital, day care, or long term care facility within 1,000 feet of this site location?
☐ Yes ☒ No

2. Is there a known or proposed school, hospital, day care, or long term care facility ¼ mile of this site location?
☐ Yes ☒ No

Health Department Clearance
Signature: _____ Date: _____
Print Name and Title: _____

Air Pollution District Clearance
Signature: _____ Date: _____
Print Name and Title: _____

EXHIBIT G
CUP 24-001 HAZARDOUS MATERIAL QUESTIONNAIRE

AGENDA ITEM
10A.

Approve a Resolution Adopting the City of Sand City's Budget for the Fiscal Year 2024-2025

City of Sand City

STAFF REPORT

TO: Honorable Mayor and City Council
FROM: Vibeke Norgaard, City Manager, Jennifer Pope, Finance Manager, & Audrey Cray, HR/Risk Manager
SUBJECT: Approval of Proposed Budget for Fiscal Year 2024-2025
DATE: June 4, 2024

BACKGROUND/DISCUSSION:
In accordance with Sand City Municipal Code Section 2.50.070, we are pleased to present the proposed annual budget for the upcoming fiscal year. The proposed Fiscal Year 2024-2025 budget was developed with input from all City departments and is based on conservative growth projections in the forthcoming year.

The projected revenue for Fiscal Year 2024-2025 totals $13.4 million and includes $10.4 million in operating revenue and $3 million in special projects and grants, a $1,101,476 increase over the prior year's amended budget. The Fiscal Year 2024-2025 proposed expenditure budget is approximately $12.2 million, out of which $8.7 million is projected operating expenditures and $3.4 million projected capital improvements and special projects. It is currently projected that the City will have a surplus of $1.3 million for Fiscal Year 2024-2025, though this will most likely be amended as financial circumstances change throughout the year and new projects come online.

CITY BUDGET SUMMARY

Description	FY 22/23 Actuals	FY 23-24 Amended Budget	FY 24-25 Proposed Budget	Difference
Operating Revenue	$9,320,041	$10,289,504	$10,405,529	$116,025
Non-Operating Revenue	$255,131	$2,045,696	$3,031,147	$985,451
SUB TOTAL	**$9,575,172**	**$12,335,200**	**$13,436,676**	**$1,101,476**
Operating Expenditures	$6,900,853	$8,256,040	$8,700,354	$444,314
Non-Operating Expenditures	$823,003	$3,671,859	$3,460,859	-$211,000
SUB TOTAL	**$7,723,856**	**$11,927,899**	**$12,161,213**	**$233,314**
TOTAL	**$1,851,316**	**$407,301**	**$1,275,463**	**$868,163**

Revenue
The proposed revenue budget is $13.4 million, an increase of $1.1 million from Fiscal Year 2023-2024.

Operating Revenue:

The City is projecting a conservative increase in operating revenue for FY 2024-2025. Staff's projections included an estimated increase in operating revenues of approximately $116,025 when compared to Fiscal Year 2023-2024. Some of the larger changes include approximately $94,909 in Sales Tax and $185,000 in Transaction Use Tax.

Other Revenue:

Staff's projections also include an estimated increase in Special Projects and Grant revenue of approximately $985,451 when compared to the previous fiscal year. This includes an increase of approximately $1.8 million in grant funding. The grant funding has been awarded but the City will be able to use it to reimburse expenditures as the projects move ahead. These include: Prop 1 SW IRWM (Catalina) grant ($652,000), Prop 1 SW (Contra Costa) grant ($1,639,500), the California Coastal Conservancy grant ($423,000), the Permanent Local Housing Allocation grant ($131,647), and Cannabis Retail Access grant ($115,000). It also includes a decrease of $725,000 from the Housing Account which will be used for the purchase of real estate and a decrease of $45,000 that was previously received through a reimbursement agreement for the South of Tioga Project.

City Revenue Budget Summary

Description	FY 22/23 Actuals	FY 23-24 Amended Budget	FY 24-25 Proposed Budget	Increase (Decrease)	Percent Change
OPERATING REVENUES					
Property Taxes	$158,418	$153,176	$137,962	-$15,214	-10%
Sales/Use Taxes	$3,622,075	$3,729,000	$3,823,909	$94,909	3%
Transaction Tax	$3,495,665	$4,446,000	$4,631,000	$185,000	4%
TOT Tax	$124,723	$126,000	$120,000	-$6,000	-5%
Franchise/Users Tax	$288,154	$156,600	$140,500	-$16,100	-10%
Business License	$655,275	$711,000	$710,100	-$900	0%
Planning Revenues	$8,308	$16,300	$11,925	-$4,375	-27%
Building Revenues	$27,018	$31,800	$27,150	-$4,650	-15%
Police Revenues	$49,296	$25,243	$17,700	-$7,543	-30%
Public Works Revenues	$34,880	$57,040	$44,533	-$12,507	-22%
Interest	$267,889	$336,300	$235,600	-$100,700	-30%
Rental	$17,293	$19,000	$19,000	$0	0%
ROPS Residual	$145,642	$230,000	$230,000	$0	0%
SA Admin Fees Reimbursement	$127,330	$0	$0	$0	0%
Misc. Revenues	$87,005	$46,986	$57,250	$10,264	22%
Recurring Grants	$159,176	$198,059	$191,900	-$6,159	-3%
Cal-Am	$51,892	$7,000	$7,000	$0	0%
SUBTOTAL OPERATING REVENUE	**$9,320,041**	**$10,289,504**	**$10,405,529**	**$116,025**	**1%**
OTHER REVENUE SOURCES					
Special Project Revenues	$234,380	$115,000	$70,000	-$45,000	-39%

Housing Account	$0	$725,000	$0	-$725,000	-100%
Grants	$20,751	$1,205,696	$2,961,147	$1,755,451	146%
SUBTOTAL OTHER REVENUE	**$255,131**	**$2,045,696**	**$3,031,147**	**$985,451**	**48%**
TOTAL REVENUE	**$9,575,172**	**$12,335,200**	**$13,436,676**	**$1,101,476**	**9%**

Expenditures

The proposed expenditure budget for FY 24-25 is $12.1 million, an estimated increase of $233,314.

Operating Expenditures:

The City anticipates an increase in operating expenditures for FY 2024-2025. Staff's projections included an estimated increase in operating expenditures of approximately $444,314 when compared to the Fiscal Year 2023-2024 budget. For Fiscal Year 2024-2025, there is a large increase to non-departmental expenditures ($710,333) and a large decrease to Public Safety ($250,125) and Public Works ($201,495). These changes are due to the new budget moving Unfunded Accrued Liability (UAL) payments and Retiree Health Payments from department expenditures to the non-departmental category. There is also an increase in planning ($45,373), building, ($49,990) and attorney's fees ($117,900) which reflects the need for increased services due to the significant increase in capital improvements, major projects, and multiple awards of new grant funding requiring administration and project development in a short time period.

Other Expenditures:

Other expenditures include an estimated decrease of $211,000 compared to the previous fiscal year. The decrease in expenditures from the prior fiscal year is due to the one-time payment of $725,000 expected to be made in Fiscal Year 2023-2024 for the purchase of real estate.

City Expenditure Budget Summary

Description	FY 22/23 Actuals	FY 23-24 Amended Budget	FY 24-25 Proposed Budget	Increase (Decrease)	Percent Change
OPERATING EXPENSES					
City Council	$116,563	$105,188	$127,880	$22,692	22%
Administration	$679,574	$856,239	$816,410	-$39,829	-5%
Finance	$509,175	$596,970	$546,795	-$50,175	-8%
Attorney	$172,814	$257,100	$375,000	$117,900	46%
Planning	$399,475	$454,500	$499,873	$45,373	10%
Building	$39,951	$54,800	$104,790	$49,990	91%
Police	$3,490,115	$3,847,330	$3,597,205	-$250,125	-7%
Fire	$328,054	$346,268	$358,387	$12,119	3%
Public Works	$746,643	$1,248,861	$1,047,366	-$201,495	-16%

Parks	$7,776	$39,500	$47,230	$7,730	20%
Government Buildings	$71,905	$70,619	$87,853	$17,234	24%
Community Outreach/Econ Dev	$215,254	$240,800	$243,369	$2,569	1%
Non-Departmental	$123,554	$137,865	$848,198	$710,333	515%
SUBTOTAL FOR OPERATING EXPENSES	**$6,900,853**	**$8,256,040**	**$8,700,354**	**$444,314**	**5%**
OTHER EXPENSES					
Capital Outlay	$560,292	$2,259,918	$2,906,147	$646,229	28.60%
Housing Account	$0	$725,000	$0	-$725,000	-100.00%
Special Projects	$262,711	$686,941	$554,712	-$132,229	-19.25%
SUBTOTAL OTHER EXPENSES	**$823,003**	**$3,671,859**	**$3,460,859**	**-$211,000**	**-6%**
TOTAL EXPENSES	**$7,723,856**	**$11,927,899**	**$12,161,213**	**$233,314**	**2%**

Capital Improvement Plan

The proposed budget includes funding for ongoing capital improvement projects. An updated five-year Capital Improvement Plan will be presented to the Council during the first half of Fiscal Year 2024-2025.

At the May 29, 2024, Budget and Personnel Committee meeting, the Committee reviewed the Proposed Budget for Fiscal Year 2024-2025 and approved staff's recommendation to bring the Proposed Budget to the City Council for consideration and approval.

FISCAL IMPACT:

The total revenue for the proposed Fiscal Year 2024-2025 budget is $13.4 million and the total proposed expenditures is $12.2 million, with an estimated surplus of $1.3 million for the fiscal year.

RECOMMENDATION:

Staff recommends the approval of the Fiscal Year 2024-2025 Proposed Budget.

ATTACHMENTS:

1. Resolution
2. Fiscal Year 2024-2025 Proposed Budget Book

CITY OF SAND CITY
RESOLUTION SC 24- ___, 2024

RESOLUTION OF THE CITY COUNCIL OF SAND CITY ADOPTING THE CITY OF SAND CITY'S BUDGET FOR THE FISCAL YEAR 2024-2025.

WHEREAS, the Budget and Personnel Committee and the City Council of Sand City has reviewed the Proposed Budget for Fiscal Year 2024-2025; and

WHEREAS, the Budget and Personnel Committee has recommended the proposed budget (Exhibit A), be considered for adoption by the City Council; and

WHEREAS, the City Council recognizes that the proposed budget is subject to further review and amendments at appropriate times as the fiscal year progresses; and

WHEREAS, certain general economic conditions may impact the City which may require changes to the City Budget throughout the year: and

WHEREAS, the City Council of Sand City finds the Fiscal Year 2024-2025 Proposed Budget satisfactory to commence the operations and capital improvement programs of the City in the next fiscal year.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sand City as follows:

1. The Proposed City Budget for Fiscal Year 2024-2025 (Exhibit A) is hereby adopted.

2. City staff is authorized to continue City operations as generally prescribed in the 2024-2025 Proposed Budget and is directed to follow the general financial guidelines outlined therein.

PASSED AND ADOPTED by the Sand City Council on this __ day of ___ 2024 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

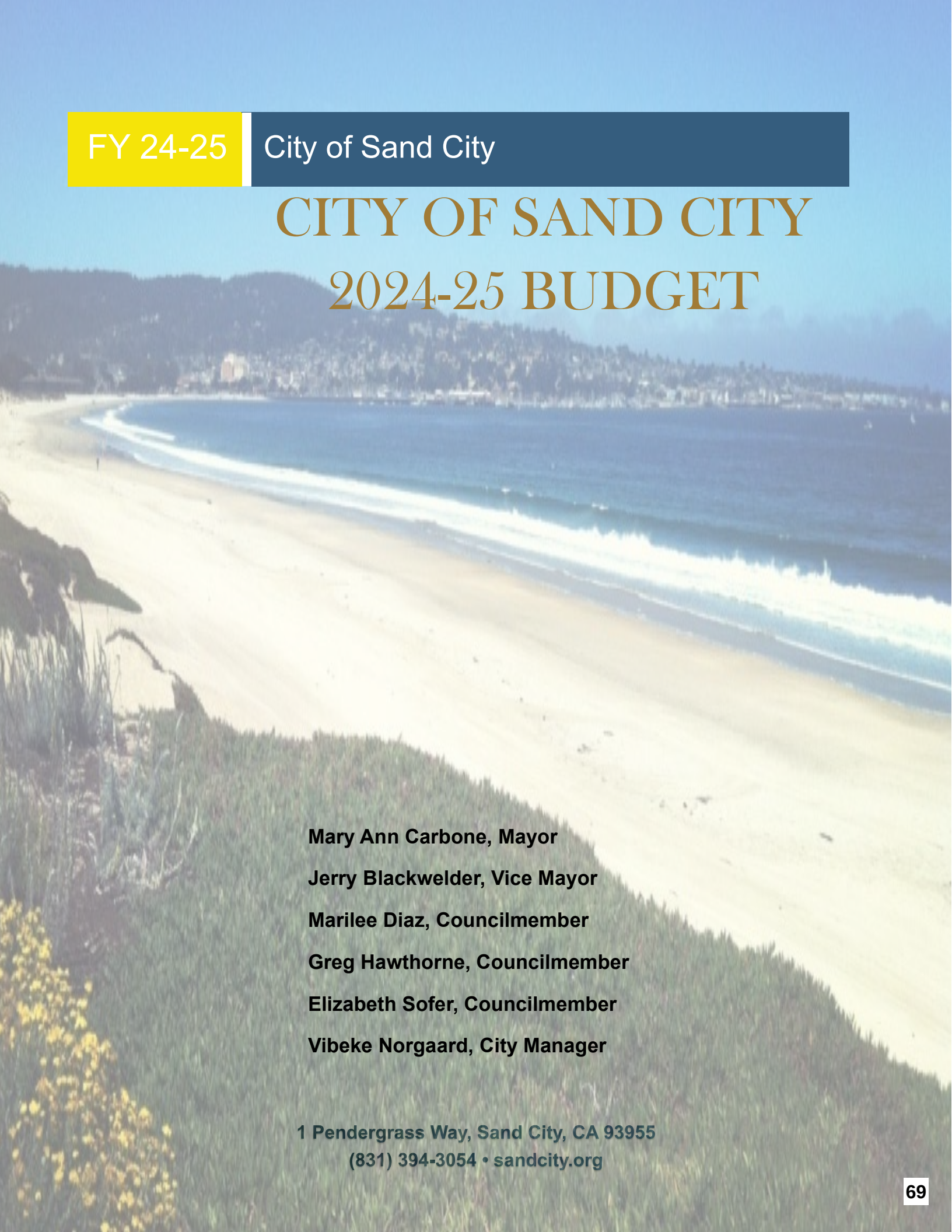
_____
Mary Ann Carbone, Mayor

ATTEST:
DATED: _____

_____

Kerry Lindstrom, City Clerk

CITY OF SAND CITY
2024-25 BUDGET



Mary Ann Carbone, Mayor

Jerry Blackwelder, Vice Mayor

Marilee Diaz, Councilmember

Greg Hawthorne, Councilmember

Elizabeth Sofer, Councilmember

Vibeke Norgaard, City Manager

1 Pendergrass Way, Sand City, CA 93955
(831) 394-3054 • sandcity.org

TABLE OF CONTENTS

INTRODUCTION **2**
City Manager's Message 2
Revenues 8
Expenditures 11

OPERATING BUDGET **13**
City Council 13
City Attorney 15
Administration 17
Finance 22
Non-Departmental 25
Community Development 28
Public Works 34
Engineering 38
Public Safety 40
Police 40
Fire 44
Community Outreach 45
Government Buildings 46
Parks 47

CAPITAL IMPROVEMENT PLAN **48**

GRANTS **50**

APPROPRIATIONS LIMIT **55**

City of Sand City 2024-25 Budget

CITY OF SAND CITY

Introduction

City Manager's Message

Honorable Mayor, City Council, and Residents of Sand City,

The Fiscal Year 2024-2025 ("FY 24-25") proposed budget is presented for your consideration and recommended adoption on June 4, 2024. The proposed budget communicates what we think is the most fiscally responsible approach to funding operations and capital investments, to best serve the needs of the Sand City community. I am particularly proud to be presenting the budget in a new budget-book format that is intended to make the budget more accessible and transparent – a team effort by all Department Heads and the result of a great deal of hard work on the part of our Finance team.

We will start the fiscal year with a relatively strong projected financial outlook, and a highly competent and efficient workforce eager to improve the Sand City community. In fiscal year 23-24, much of our capacity has been spent on major projects such as the completion of the 6th Cycle Housing Element, researching and applying for grant funding for CIP projects such as the coastal trail and the multi -use bike trail, as well as completing two CIP projects that had languished for years – the Calabrese park upgrade and the restoration of the storm-damaged observation platform.

Although we are a small City, in our drafting of the Fiscal Year 24-25 budget we have taken into account various factors at the global, national, state and local levels that have the potential to impact our City's financial health. At the global level, we continue to face economic uncertainty and instability due to relatively high interest rates, conflicts overseas, and volatility in financial markets. At the national level, we continue to see a decline in personal savings and the markets, along with other sectors of the economy, remain tentative about the effects of the outcome of the presidential race this year, remain higher than the long-term average of 3.28%. The national inflation rate at the time of writing this is 3.36% compared to 4.93% last year. At the state level, the economic outlook is mixed: largely as a result of severe revenue decline in 2022-23, the state faces a $68 billion budget

deficit; at the same time, studies suggest that California's economy should grow somewhat faster than the nation's economy. At the same time, California's unemployment rate is expected to remain above the national average. (According to the Bureau of Labor Statistics, the state's unemployment rate is currently 5.3%; the national rate was 3.9%.). The Consumer price index (a measure of the average change over time in the prices paid by urban consumers for consumer goods and services) is currently 3.4%.

These national and international events have the potential to affect budgeted revenue as they impact businesses and consequently sales tax revenue generated in the City. With these unknown variables in mind, we have produced a budget that is conservative from a revenue perspective. However, the City's revenue has been greatly improved by the voters' passage of a new transaction use tax initiative in 2022, as well as a strong grant writing effort on the part of the City staff. The budget, therefore, proposes a slight increase in revenue.

The projected revenue for FY 24-25 totals $13.4 million and includes $10.4 million in operation revenue and $3 million in special projects and grants revenue, a $1,101,476 increase over the prior fiscal year's amended budget.

The FY 24-25 proposed expenditure budget is approximately $12.2 million, out of which $8.7 million is projected operating expenditures and $3.4 million projected capital improvements and special projects. The current budget projects that the City will have a surplus of $1.3 million for FY 24-25, although we anticipate that we will bring back to the Council a consideration of an amendment to the budget as financial circumstances change throughout the year and new projects come online. Notably, the surplus when just considering operating revenue compared to operating expenditures is approximately $1.7 million.

Over the last year, four new employees were hired in key City positions: a new Finance Director, Police Chief, Administrative Assistant, and a new HR/Risk Manager. Currently the City has 19 full-time employees within the following departments: Administration, Finance, City Clerk, Public Safety, and Public Works. The City utilizes consultants in several areas for assistance in lieu of permanent additions to the payroll, such as legal services, engineering, planning and information technology, which allows for a broad array of expertise in those areas from the firms that provide the services.

I believe the proposed budget will result in an even greater service level to our residents than we already offer, it allows for further technological efficiencies to move the City away from antiquated paper-based systems in accounting and other departments, and it retains a strong commitment to public safety and supports a strategic investment into infrastructure and economic development.

CITY BUDGET SUMMARY

Description	FY 22/23 Actuals	FY 23-24 Amended Budget	FY 24-25 Proposed Budget	Difference
Operating Revenue	$9,320,041	$10,289,504	$10,405,529	$116,025
Non Operating Revenue	$255,131	$2,045,696	$3,031,147	$985,451
SUB TOTAL	**$9,575,172**	**$12,335,200**	**$13,436,676**	**$1,101,476**
Operating Expenditures	$6,900,853	$8,256,040	$8,700,354	$444,314
Non Operating Expenditures	$823,003	$3,671,859	$3,460,859	-$211,000
SUB TOTAL	**$7,723,856**	**$11,927,899**	**$12,161,213**	**$233,314**
TOTAL	**$1,851,316**	**$407,301**	**$1,275,463**	**$868,163**

Revenue:

The budget projects an estimated increase in operating revenues of approximately $116,025 when compared to FY 23-24. Some of the larger changes include approximately $94,909 in Sales Tax and $185,000 in Transaction Use Tax as well as an increase in grant revenue of approximately $985,451 when compared to the previous fiscal year.

The increase in revenue is partly affected by revenue generated from grant sources as grant-funded projects come online. These projects include: The Stormwater Improvement Project (Prop 1 SW IRWM -Catalina grant ($652,000) ; and Prop 1 SW-(Contra Costa grant ($1,639,500); the Coastal Trail project (California Coastal Conservancy grant ($423,000)), the feasibility study of an affordable housing project at the Art Park (the Permanent Local Housing Allocation grant ($131,647)); and the initiation of a cannabis retail program (Cannabis Retail Access grant ($115,000)). It also includes a decrease of $725,000 from the Housing Account which will be used for the purchase of real estate and a decrease of $45,000 that was previously received through a reimbursement agreement for the South of Tioga Project.

CITY REVENUE SUMMARY

Description	FY 22/23 Actuals	FY 23-24 Amended Budget	FY 24-25 Proposed Budget	Increase (Decrease)	Percent Change
OPERATING REVENUES					
Property Taxes	$158,418	$153,176	$137,962	-$15,214	-10%
Sales/Use Taxes	$3,622,075	$3,729,000	$3,823,909	$94,909	3%
Transaction Tax	$3,495,665	$4,446,000	$4,631,000	$185,000	4%
TOT Tax	$124,723	$126,000	$120,000	-$6,000	-5%
Franchise/Users Tax	$288,154	$156,600	$140,500	-$16,100	-10%
Business License	$655,275	$711,000	$710,100	-$900	0%
Planning Revenues	$8,308	$16,300	$11,925	-$4,375	-27%
Building Revenues	$27,018	$31,800	$27,150	-$4,650	-15%
Police Revenues	$49,296	$25,243	$17,700	-$7,543	-30%
Public Works Revenues	$34,880	$57,040	$44,533	-$12,507	-22%
Interest	$267,889	$336,300	$235,600	-$100,700	-30%
Rental	$17,293	$19,000	$19,000	$0	0%
ROPS Residual	$145,642	$230,000	$230,000	$0	0%
SA Admin Fees Reimbursement	$127,330	$0	$0	$0	0%
Misc. Revenues	$87,005	$46,986	$57,250	$10,264	22%
Recurring Grants	$159,176	$198,059	$191,900	-$6,159	-3%
Cal-Am	$51,892	$7,000	$7,000	$0	0%
SUBTOTAL OPERATING REVENUE	**$9,320,041**	**$10,289,504**	**$10,405,529**	**$116,025**	**1%**
OTHER REVENUE SOURCES					
Special Project Revenues	$234,380	$115,000	$70,000	-$45,000	-39%
Housing Account	$0	$725,000	$0	-$725,000	-100%
Grants	$20,751	$1,205,696	$2,961,147	$1,755,451	146%
SUBTOTAL OTHER REVENUE	**$255,131**	**$2,045,696**	**$3,031,147**	**$985,451**	**48%**
TOTAL REVENUE	**$9,575,172**	**$12,335,200**	**$13,436,676**	**$1,101,476**	**9%**

Expenditures

The budget proposes expenditures of $12.1 million, an estimated increase of $233,314. The budget projections include an estimated increase in operating expenditures of approximately $444,314. There is also an increase in planning ($45,373), building, ($49,990) and attorney's fees ($117,900) which reflects the need for increased services due to the significant increase in capital improvements, major projects, potential litigation and multiple awards of new grant funding requiring administration and project development in a short time period.

The large increase in Non-Departmental expenditures ($710,333) and a large decrease in Public Safety ($250,125) and Public Works ($201,495) are due to the new budget moving Unfunded Accrued Liability (UAL) payments and Retiree Health Payments from each individual department's expenditures to the Non-Departmental category.

Other expenditures include an estimated decrease of $211,000 compared to the previous fiscal year which is due to a one-time payment of $725,000 expected to be made for the purchase of real estate.

CITY EXPENDITURE SUMMARY

Description	FY 22/23 Actuals	FY 23-24 Amended Budget	FY 24-25 Proposed Budget	Increase (Decrease)	Percent Change
OPERATING EXPENSES					
City Council	$116,563	$105,188	$127,880	$22,692	22%
Administration	$679,574	$856,239	$816,410	-$39,829	-5%
Finance	$509,175	$596,970	$546,795	-$50,175	-8%
Attorney	$172,814	$257,100	$375,000	$117,900	46%
Planning	$399,475	$454,500	$499,873	$45,373	10%
Building	$39,951	$54,800	$104,790	$49,990	91%
Police	$3,490,115	$3,847,330	$3,597,205	-$250,125	-7%
Fire	$328,054	$346,268	$358,387	$12,119	3%
Public Works	$746,643	$1,248,861	$1,047,366	-$201,495	-16%
Parks	$7,776	$39,500	$47,230	$7,730	20%
Government Buildings	$71,905	$70,619	$87,853	$17,234	24%
Community Outreach/Econ Dev	$215,254	$240,800	$243,369	$2,569	1%

Non-Departmental	$123,554	$137,865	$848,198	$710,333	515%
SUBTOTAL FOR OPERATING EXPENSES	**$6,900,853**	**$8,256,040**	**$8,700,354**	**$444,314**	**5%**
OTHER EXPENSES					
Capital Outlay	$560,292	$2,259,918	$2,906,147	$646,229	28.60%
Housing Account	$0	$725,000	$0	-$725,000	-100.00%
Special Projects	$262,711	$686,941	$554,712	-$132,229	-19.25%
SUBTOTAL OTHER EXPENSES	**$823,003**	**$3,671,859**	**$3,460,859**	**-$211,000**	**-6%**
TOTAL EXPENSES	**$7,723,856**	**$11,927,899**	**$12,161,213**	**$233,314**	**2%**

Capital Improvement Plan

The proposed budget includes funding for ongoing capital improvement projects. Council previously approved a five-year Capital Improvement Plan which will be updated and will be presented to the Council during the first half of FY 24-25.

I would like to thank each City Councilmember for their leadership, insight, and support. Their guidance allows the City to operate within a fiscally responsible spending plan that reflects thoughtful goals, and most importantly, provides funding for municipal services that positively benefit the community.

I also thank the entire Sand City team for its awesome work this past year and its eagerness to make Sand City an even better place to live and visit than it already is!

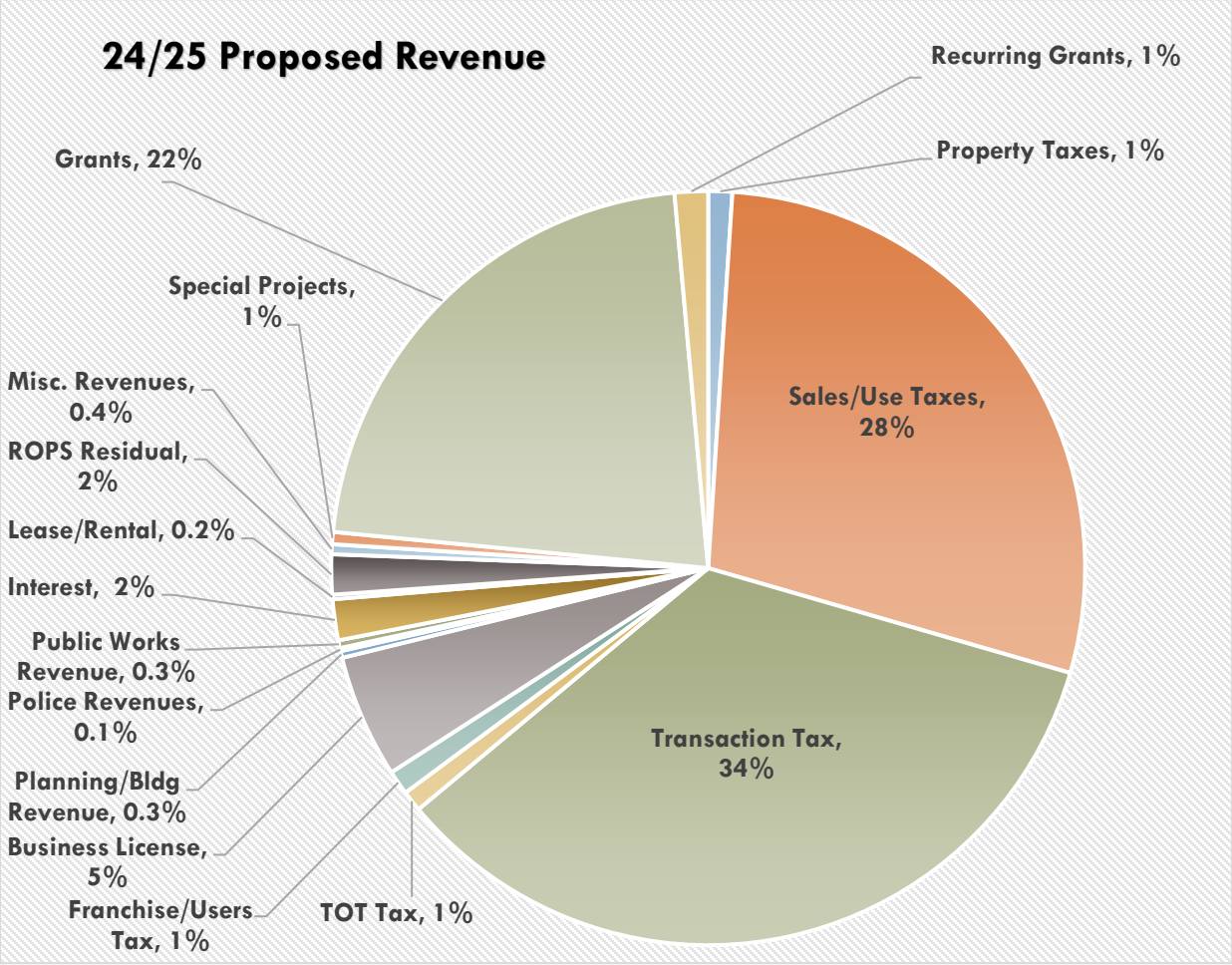
Respectfully submitted,

Vibeke Norgaard

City Manager

Revenues

The Fiscal Year 2024-2025 Proposed Budget includes $10,405,529 in recurring revenue and $13,436,676 in total revenue. As illustrated in the chart below, the major source of revenue is tax revenue at 65%.



Operating Revenue

Tax Revenue, at a proposed amount of $8,853,371 for Fiscal Year 2024-2025 consists of property taxes, franchise/utility users taxes, sales and use taxes, and transaction taxes, among others.

- *Franchise Utility Users Tax* is a five percent (5%) fee on those who provide garbage, electric, gas, and cable services. In Sand City, these are Greenwaste, Pacific Gas and Electric Company, CalAm, and Comcast.

Business License Revenue accumulates from the fee for business license applications and renewals for all businesses located in Sand City and all businesses providing

supplies or services in Sand City. In Fiscal Year 2023-2024, Business License revenue is collected by HDL and sent to the City of Sand City. This ensures accurate tax reporting and oversight.

Interest Revenue stems from various bank accounts, Certificates of Deposit, and investment accounts.

Other Miscellaneous Revenue encompasses all items that do not fall into the other categories such as impact, mitigation fees, copies of documents, and West End Celebration revenue for donations and exhibitor fees.

Departmental Revenue is revenue that is created from the departments of Planning, Public Safety, and Public Works. Planning revenue ($11,925) comes from the fees associated with coastal development permits, conditional use permits, temporary conditional use permits, site permits, design review, plan check, and parking permits. Building revenue ($27,150) comes from the fees of building permits and Short-Term Rental inspections. Public Safety ($17,700) revenue arises from City fines, parking violation fines, motor vehicle fines, State allocated funding, dog licensing, asset forfeiture, unclaimed property, and police reports. Public Works ($44,533) revenue derives from engineering fees; a combination of taxes, State allocated funding, and California code fines.

Recurring Grants includes the Department of Justice Community Oriented Policing Services (COPS) grant, the Bureau of Justice Assistance Bulletproof Vest Partnership (BVP) grant, the California Department of Resources Recycling and Recovery (CalRecycle) grant, the Monterey Bay Area Insurance Authority (MBASIA) Safety and Fitness grant, and County Service Agreement (CSA) 74 funds acquired through the Monterey County Emergency Medical Services (EMC) Agency.

The *California American Water (CalAm) Lease* was entered into in 2009 as an amended and restated lease agreement whereby CalAm leases and operates the desalination facility plant. CalAm will hold the lease property for a term of thirty (30) years. The minimum future rental under the lease as of June 30, 2024, is $7,000 per year through Fiscal Year 2038-2039.

Other Revenue

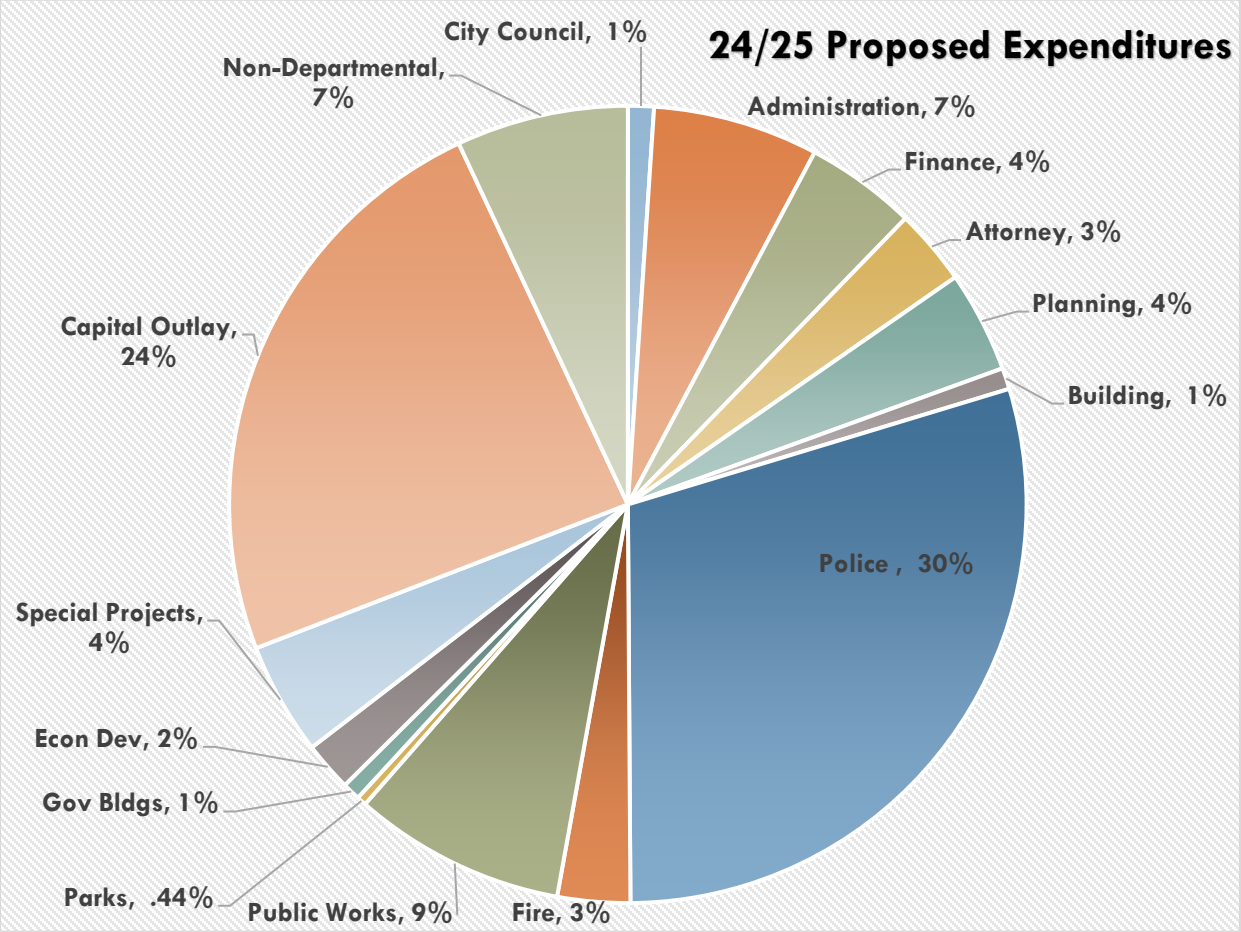
Special Projects Revenue includes developer reimbursement costs that fall under a Reimbursement Agreement with the City of Sand City.

Grants Revenue includes non-recurring grant revenue from the Permanent Local Housing Allocation Program (PLHA), the California Coastal Conservancy, Monterey Bay Air Resources District (MBARD), and Prop 1 SW Grants. See Grants for more information related to these revenue sources.

Account Description	FY 22/23 Actuals	FY 23-24 Amended Budget	FY 24-25 Proposed Budget
OPERATING REVENUES			
Property Taxes	$158,418	$153,176	$137,962
Sales/Use Taxes	$3,622,075	$3,729,000	$3,823,909
Transaction Tax	$3,495,665	$4,446,000	$4,631,000
TOT Tax	$124,723	$126,000	$120,000
Franchise/Users Tax	$288,154	$156,600	$140,500
Business License	$655,275	$711,000	$710,100
Planning Revenues	$8,308	$16,300	$11,925
Building Revenues	$27,018	$31,800	$27,150
Police Revenues	$49,296	$25,243	$17,700
Public Works Revenues	$34,880	$57,040	$44,533
Interest	$267,889	$336,300	$235,600
Rental	$17,293	$19,000	$19,000
ROPS Residual	$145,642	$230,000	$230,000
SA Admin Fees Reimbursement	$127,330	$0	$0
Misc. Revenues	$87,005	$46,986	$57,250
Recurring Grants	$159,176	$198,059	$191,900
Cal-Am	$51,892	$7,000	$7,000
SUBTOTAL OPERATING REVENUE	**$9,320,041**	**$10,289,504**	**$10,405,529**
OTHER REVENUE SOURCES			
Special Project Revenues	$234,380	$115,000	$70,000
Housing Account	$0	$725,000	$0
Grants	$20,751	$1,205,696	$2,961,147
SUBTOTAL OTHER REVENUE	**$255,131**	**$2,045,696**	**$3,031,147**
TOTAL REVENUE	**$9,575,172**	**$12,335,200**	**$13,436,676**

Expenditures

The Fiscal Year Proposed Budget includes $8,700,354 in operating expenditures and total expenditures of $12,161,213.



Operating Expenditures

Operating Expenditures for each department include Salaries and Benefits, Supplies, Small equipment purchases, telephones, contract services, Memberships, and Meeting/Training.

Non-Department Expenditures is comprised of expenses utilized citywide. This covers expenses for memberships, municipal code updates, committees, health benefit surcharges, LAFCO, Unfunded Accrued Liability (CalPERS), donations and contributions, advertising, office supplies, telephones, physical exams and vaccinations, and utilities.

Community Outreach describes expenses for the West End Celebration event, contract services for the community garden, electricity on the recreation trail, miscellaneous City events, maintenance for the recreation trail and the community garden, and City Council outreach.

Other Expenditures

Other Expenditures are funded though Grant Revenues for Fiscal Year 2024-2025.

Capital Outlay expenditures include ongoing Capital Improvement Projects (CIP) and Capital Outlay purchases. Fiscal Year 2024-2025 ongoing CIP includes Stormwater Improvement Projects for Contra Costa and Catalina, improvements at the Art Park, Coastal Trail Development, Bike Trail, and an affordable housing project. Capital Outlay expenditure includes updated body worn cameras for the Police Department.

Special Project expenditures include projects relating to digitizing Planning and Engineering files, Habitat Expense for North of Playa, Housing Element production/implementation, General Plan update, and Cannabis Retail project.

Account Description	FY 22/23 Actuals	FY 23-24 Amended Budget	FY 24-25 Proposed Budget
OPERATING EXPENSES			
City Council	$116,563	$105,188	$127,880
Administration	$679,574	$856,239	$816,410
Finance	$509,175	$596,970	$546,795
Attorney	$172,814	$257,100	$375,000
Planning	$399,475	$454,500	$499,873
Building	$39,951	$54,800	$104,790
Police	$3,490,115	$3,847,330	$3,597,205
Fire	$328,054	$346,268	$358,387
Public Works	$746,643	$1,248,861	$1,047,366
Parks	$7,776	$39,500	$47,230
Government Buildings	$71,905	$70,619	$87,853
Community Outreach/Economic Devel	$215,254	$240,800	$243,369
Non-Departmental	$123,554	$137,865	$848,198
SUBTOTAL FOR OPERATING EXPENSES	$6,900,853	$8,256,040	$ 8,700,354
OTHER EXPENSES			
Capital Outlay	$560,292	$2,259,918	$2,906,147
Housing Account	$0	$725,000	$0
Special Projects	$262,711	$686,941	$554,712
SUBTOTAL OTHER EXPENSES	**$823,003.00**	**$3,671,859.00**	**$ 3,460,859**
TOTAL EXPENSES	$7,723,856	$11,927,899	$ 12,161,213

City Council

Department Pictures

Description

The City Council is responsible to the citizens of Sand City for the proper and orderly government of the City. As the legislative body, the Council enacts the laws that govern the activities of the City.

The Council is composed of five members elected by the registered voters of Sand City. Councilmember terms last four years and the Mayoral term lasts two. The Council appoints the City Manager, City Attorney, and members of advisory committees. The Council chooses one of its members as Vice Mayor, who can preside at a Council meeting in the absence of the Mayor.

The Council receives recommendations on proposed legislation from the City Manager and City Attorney. In each legislative enactment, comments from citizens and organizations are heard and considered.

The Council is also responsible for adopting the City's annual budget and authorizes the expenditure of funds for items in the budget. Plans and specifications for public works are approved by the Council.

Budget Summary

The main notable expenditures include:

- An increase to the Salaries line item of $26,000 due to the approved Mayor and Council stipend increase effective November 2024 with the entry of any new elected officials.
- A reduction to the CalPERS Unfunded Accrued Liability line item due to moving this expenditure to Non-Departmental expenditures in FY 2024-25.

Council Expenditures

Account Number	Account Description	FY 22/23 Actual Expenses	FY 23/24 Amended Budget	FY 24/25 Proposed Budget
5025	Dues/Subscriptions	$300	$0	$0
5030	Auto Allowance	$2,400	$2,400	$2,400
5040	Salaries	$5,700	$24,000	$50,000
5065	Dental	$4,099	$4,300	$4,689
5066	VISION COVERAGE	$764	$900	$775
5067	Life Ins.	$0	$126	$0
5070	Health Benefits	$57,900	$0	$0
5073	Pers Retire EE	$415	$700	$4,316
5075	PERS	$1,237	$2,000	$4,882
5078	PERS SURVIVOR	$0	$200	$86
5079	DEFERRED COMP	$4,400	$16,000	$14,400
5080	FICA/Medicare	$3,903	$1,500	$873
5085	CA SUI/ETT	$767	$1,200	$888
5095	Train/Meetings	$8,292	$15,000	$15,450
5110	Council Meeting	$12,000	$1,000	$1,236
5120	Elections	$1,217	$0	$3,450
5137	CalPERS Unfunded Accrue	$3,158	$16,200	$0
5925	Liability Ins.	$717	$1,183	$3,446
5945	Office Phones	$3,841	$2,400	$2,472
5965	Work. Comp. Ins	$1,263	$4,079	$7,627
5970	Equip. Purchase	$2,902	$3,000	$3,090
5985	Exercise Prgm	$1,290	$9,000	$7,800
	DEPARTMENT TOTAL	**$116,563**	**$105,188**	**$127,880**

City Attorney

Department Picture

Description

The City Attorney of Sand City represents the City in all municipal affairs. The role of the City Attorney is to provide legal services to the City Council, committees, and staff. This includes offering advice that is reliable, timely, and useful. The City Attorney also defends the City in litigation and administrative actions; drafts and/or reviews ordinances, resolutions, contracts, permits and other legal documents and agenda items; prepares formal and informal opinions; and represents the City before various State and Federal agencies when needed. The City Attorney also prosecutes criminal infractions and misdemeanors involving violations of the Sand City Municipal Code and advises on meeting procedures, including the Brown Act.

2023-24 Accomplishments

- Employment legal advice, including contract for Police Chief.
- Implementation of the South of Tioga Development project, including agreements transferring development obligations to new hotel owners, supporting utility services, contracting and negotiations relating to road improvements, and implementation of environmental mitigations.
- Drafted ordinance to expand options for and efficiency of code enforcement.
- Drafting of resolutions and ordinances
- Drafted City Council donations policy to improve opportunities to support local non-profits.
- Litigation and violation notices from state agencies, including Successor Agency litigation and assisting in management of flood claims.
- Negotiations and drafting of agreement for potential Art Park and housing project.
- Assisted in securing grant funding for cannabis regulation.
- Support, analysis and drafting of update of compensation of Mayor and Council members.

2024-2025 Initiatives

- Supporting the construction of the South of Tioga hotel and development.

- Continuing to provide litigation representation of the City to protect City interests and resources.
- Employment law update and compliance issues.
- Assisting staff on bike trail project.
- Supporting collaborative options to expand bluff protections and restoration.
- Revise camping ordinance to comply with legal decisions.
- Assist staff in implementation of new code enforcement ordinance.

City Attorney Expenditures

Account	Account Description	FY 22/23 Actual Expenses	FY 23/24 Amended Budget	FY 24/25 Proposed Budget
5072	Health Retirees	$4,812	$5,100	$0
5545	Contract Services	$168,002	$252,000	$375,000
	DEPARTMENT TOTAL	**$172,814**	**$257,100**	**$375,000**

Administration

Department Picture

Description

The Administration Department consists of the City Manager, City Clerk, and half of the cost of the HR/Risk Manager, and Administrative Assistant positions.

The *City Manager* is responsible for the efficient administration of the City government. The City Manager provides strategic leadership and guidance to City operations and services through several areas:

The City Council sets policy direction for the City and confers that direction through legislative actions. To support the Council's work, the City Manager prepares staff reports in collaboration with City departments, including analysis and recommended City Council action, and implements City Council actions. Working with other City Managers and other agencies, the City Manager also tackles cross-jurisdictional issues that affect the region.

Each year, the City takes on special projects that, due to their scale and scope, require extensive interdepartmental coordination, community outreach, and engagement with neighboring communities and public agencies. The City Manager manages these special projects to ensure efficient and effective coordination, cost-savings, implementation, and achievement of the City's goals. Some projects are planned and identified as City Council priorities in one year or another and others arise as the City responds to unfolding events and community concerns.

The City Manager provides strategic leadership and guidance to the City's Department Heads to ensure the provision of high-quality, cost-effective and focused services to the community. The City Manager ensures City operations demonstrate transparency and fiduciary responsibility to the public. In this capacity, the City Manager also provides timely, accurate, and results-oriented operational reports. Through the development of the budget, the City Manager ensures resources are allocated to the City Council's policies and priorities.

The City Manager also supervises and maintains a highly qualified, engaged, and effective workforce to successfully achieve the City's goals and objectives. Towards that

end, the City Manager cultivates a strong service culture and provides ongoing, informative communications with City employees regarding key objectives, challenges, and accomplishments.

The City Manager maintains collaborative relationships with businesses and residents to facilitate desired economic activity. In addition to addressing issues with individual businesses, local and regional associations serve as leaders and partners in this endeavor.

The City Manager also has the ultimate responsibility for the preparation of the City's budget and supervises the day-to-day operations of all City departments and supervises all department heads. The City Manager also develops fiscal plans, communicates with the press, and maintains a unique understanding of how all City operations, goals and initiatives function together. The City Manager serves as the City Treasurer/ Finance Officer and Executive Director of the former Redevelopment Agency. The Manager represents the City with public agencies, private organizations, boards, commissions, City residents, businesses, and property owners.

2023-24 Accomplishments

Most of the accomplishments listed here are the result of a team effort by the entire Sand City team, or individual departments, under the overall guidance and leadership provided by the City Manager:

- We completed two main CIP projects – the Calabrese Park upgrade and the West Bay Platform reconstruction.
- Reorganized City Hall staffing to maximize efficiency and hired four new department heads.
- Continued to deliver services in an efficient and effective manner.
- We managed to have 16% of the City's streets resurfaced or newly constructed in the last year.
- Pursued and obtained several large grants for capital improvement projects and other City needs.
- Provided guidance, direction, and oversight to the team to initiate the TAMC right of way bike trail project the Coastal trail project and an upgrade to the City's website.
- Initiated a long-term vision plan for the Art Park to increase affordable housing.
- This year the team finalized the City's Parking plan and began planning and implementation.
- We improved safety by installing ALPR readers throughout the City.

- We took a new consolidated Fee Schedule to Council for adoption to improve clarity of cost for services to the Community.
- We completed several technological improvements at City Hall and in the Police Department.
- We increased organizational effectiveness by digitizing paper-based filing systems, purchasing of accounting software and initiating business license online processing.
- We created a donations policy to govern use of public funds for donations to community serving nonprofits.
- Improved the transparency of the City's budget with a new presentation.
- Navigated the start of construction of a major private development project.
- We received a letter of substantial compliance on the 6th Cycle Housing Element.

2024-25 Priorities:

- Improve Code Enforcement City wide.
- Bring a five-year CIP to Council for its consideration and approval.
- Finish plans for the coastal trail; apply for implementation grants.
- Finish planning of the TAMC right of way bike trail.
- Finish redesign of website with economic development pages.
- Explore grant opportunities for Council's CIP projects.
- Begin to implement programs in Housing Element.
- Begin general plan update.
- Develop and implement façade improvement program.
- Restore and manage habitat in Edgewater.
- Begin implementing the City's parking plan.

The *City Clerk's* office organizes and oversees clerk related activities associated with the City Council and Successor Agency of the former Redevelopment Agency and receives and files all petitions, appeals, and lawsuits. The City Clerk's department serves as the City representative point of contact, the custodian of the City Seal, and ensures that internal requests and external public records requests for information of City records are appropriately handled. The City Clerk serves as the Elections Official and oversees the receipt of Fair Political Practices regulations, statements of economic interest, campaign disclosure statements, and other legal documents.

The *HR/Risk Manager* oversees employee relations, secures regulatory compliance in accordance with FLSA and the DOL as well as safety compliance in accordance with

CalOSHA. The HR/Risk Manager also administers employee-related services such as pay, benefits and applicable training to City Employees.

2023-24 Accomplishments of City Clerk & HR/Risk Manager

- Compiled thirty-three (33) agenda packets for a total of sixty-four (64) resolutions and five (5) ordinances.
- Performed annual Fair Political Practices Commission Form 700 filings for eighty-two (82) Form 700 filers (includes City staff, elected officials, etc.).
- Coordinated City Hall cleanup/organization.
- Continued destruction of obsolete City records per the record retention policy.
- Implemented the Workplace Violence Prevention Plan.

2024-25 Initiatives of City Clerk & HR/Risk Manager

- Update the City's policies and procedures including the Personnel Manual, City's Illness & Injury Prevention Plan, Conflict of interest code, and travel policies.
- Implementation of Schedule of Benefits for Non POA staff members
- Transition of Payroll from ADP to a new in-house system, ERP Pro
- Facilitate the 2024 Municipal Election for Mayor and two (2) Councilmembers.
- Facilitate the 2024 Conflict of Interest Code Biennial Update.
- Organize the storage unit and continue with the disposal of non-essential records.
- Participate in the Re-Design of City website.

Budget Summary

Main notable expenditures include:

- A reduction to Contract Services line item due to no longer requiring contracted assistance as new HR/Risk Manager was hired in FY 23/24.
- Increase in Salary line item as well as associated Benefit line items to account for a full year of Salary & Benefits for HR/Risk Manager.

Administration Expenditures

Account	Account Description	FY 22/23 Actual Expenses	FY 23/24 Amended Budget	FY 24/25 Proposed Budget
5019	Temp Staffing	$49,422	$0	$0
5020	Contract Svcs.	$14,725	$93,275	$51,000
5025	Dues/Subscrptn	$5,310	$4,200	$7,004
5030	Auto Allowance	$3,600	$3,600	$3,600
5035	Service Cont.	$9,232	$8,000	$13,390
5040	Salaries	$319,023	$407,000	$446,776
5042	PAID TIME OFF	$32,143	$13,200	$10,300
5060	L.T.D.	$2,666	$2,200	$3,791
5065	Dental	$3,108	$7,000	$6,924
5066	VISION COVERAGE	$474	$1,100	$1,043
5067	Life Ins.	$480	$800	$540
5070	Health Benefits	$33,199	$62,700	$68,522
5072	HEALTH-RETIREES	$25,788	$45,400	$0
5073	PERS Retiree EE	$6,537	$0	$0
5075	PERS	$25,084	$36,000	$43,139
5078	PERS SURVIVOR	$0	$200	$89
5079	DEFERRED COMP	$1,800	$10,800	$10,800
5080	FICA/Medicare	$5,152	$5,300	$6,733
5085	CA SUI/ETT	$271	$600	$468
5095	Train/Meetings	$7,422	$17,000	$17,510
5137	CalPERS Unfunded Accru	$70,752	$600	$0
5140	Records Retention	$250	$0	$0
5210	ADP/SHREDDING	$4,214	$5,600	$2,575
5425	Technical Spprt	$5,538	$6,300	$0
5740	Employment Screening	$199	$0	$0
5770	Computer Equip	$0	$18,000	$20,600
5925	Liability Ins.	$13,630	$23,352	$29,892
5945	Office Phones	$3,383	$1,300	$1,545
5965	Work. Comp. Ins	$32,829	$80,512	$66,169
5970	Equip. Purchase	$2,563	$1,000	$1,000
5985	Exercise Prgm	$780	$1,200	$3,000
	DEPARTMENT TOTAL	**$679,574**	**$856,239**	**$816,410**

Finance

Department picture

Description

The Finance Department consists of the Finance Manager, and one half of the time of the HR/Risk Manager and Administrative Assistant positions.

The goals of the Finance Department are to provide needed financial information to allow the City Council, City Manager and City Staff to make informed decisions for the City, to ensure the safety and security of the City's assets, to develop and follow sound financial strategies for decisions, and to actively support the business community.

The Finance Department is responsible for the overall management and supervision of the accounting department. This department is also responsible for the purchasing functions which include the processing of all City purchase orders and development and maintenance of purchasing policies and procedures. In addition, the Budget function falls under the Finance Department to include coordinating the budget process, budget control and compliance, and developing budget reports and procedures. The Finance Manager is often requested to produce statistical information, analyze past operations, and estimate the cost of future endeavors.

The Finance Department includes all functions related to accounting including expenditures, revenues, and other transactions in accordance with Generally Accepted Accounting Principles in a timely and accurate manner. Staff also coordinate and ensure that all payroll and payroll taxes are paid and accurately follow up with all employee benefit plans.

In addition, the Finance Department also serves as the Revenue Department. The Administrative Assistant is responsible for the receipt and accounting of all monies received by the City. This department oversees bank reconciliation and the investment of excess funds in an equitable and safe way.

The department works with HDL on Business License Administration. HDL maintains individual business information, audits payments, and annually coordinates the license renewal process.

Coordination of all accounting, purchasing, budgeting, payroll, business licensing, and financial reporting, the Finance Manager serves as the audit liaison for all financial, compliance, and grant related audits.

2023-24 Accomplishments

- Implementation of a business license administration portal to provide the business community with convenient business license applications and renewal processes and online payments.
- Initiated a contract for the purchase and implementation of a new Enterprise Resources Planning software system.
- Received an unmodified (clean) independent auditor's report.
- Worked with consultant to prepare an actuarial study and report.
- Assisted in the development of a City Master Fee Schedule.
- Reinstated Monthly Financial Reports.
- Invested City funds to increase interest income.
- Updated and improved procedures for cash handling and cash receipts.
- Production and distribution of FY 24/25 Budget Book.

2024-25 Initiatives

- Implement Purchasing Policy and Procedures Manual.
- Implement ERP Pro Financial Software.
- Move payroll from contracted services to ERP Pro Financial Software which will be managed by staff rather than a consultant.
- Implement paperless payroll check stubs.
- Implement Travel Policy & Procedures.
- Update Investment policy.

Budget Summary

Main notable expenditures include:

- A reduction to Contract Services line item due to no longer requiring contracted assistance as new HR/Risk Manager was hired in FY 23/24.
- Increase in Salary line item as well as associated Benefit line items to account for a full year of Salary & Benefits for HR/Risk Manager.
- Increase to Software App line item due to the costs of the approved ERP Pro implementation.

Finance Expenditures

Account	Account Description	FY 22/23 Actual Expenses	FY 23/24 Amended Budget	FY 24/25 Proposed Budget
5020	Contract Svcs.	$148,726	$148,800	$53,000
5023	Sales/Transaction Tax Fees	$11,078	$0	$0
5025	Dues/Subscrptn	$540	$300	$515
5040	Salaries	$86,680	$197,400	$210,873
5042	Paid Time Off	$41,743	$0	$0
5060	L.T.D.	$837	$900	$2,446
5065	Dental	$419	$2,400	$4,422
5066	VISION COVERAGE	$79	$400	$692
5067	Life Ins.	$167	$500	$432
5070	Health Benefits	$10,023	$40,900	$39,124
5072	HEALTH-RETIREES	$0	$0	$0
5073	PERS Retiree EE	$6,856	$0	$0
5075	PERS	$12,548	$23,200	$24,740
5078	PERS SURVIVOR	$0	$100	$59
5079	DEFERRED COMP	$700	$5,200	$7,200
5080	FICA/Medicare	$1,867	$2,700	$2,841
5085	CA SUI/ETT	$112	$500	$429
5095	Train/Meetings	$0	$6,000	$8,240
5137	CalPERS Unfunded Accrued Liabili	$72,636	$300	$0
5405	Property Tax Fees	$991	$0	$0
5410	Audit	$65,500	$61,000	$53,500
5415	Mngt. Services	$4,056	$0	$0
5425	Technical Spprt	$5,338	$6,500	$0
5440	HDL/BL/PROP/SAL	$24,108	$35,000	$36,050
5770	Computer Equipment	$0	$0	$2,575
5925	Liability Ins.	$3,587	$7,096	$14,109
5965	Work. Comp. Ins	$6,313	$24,464	$31,231
5970	Equip. Purchase	$4,271	$5,000	$2,575
5985	Exercise Prgm	$0	$3,310	$3,600
5986	Software App	$0	$25,000	$48,142
	DEPARTMENT TOTAL	**$509,175**	**$596,970**	**$546,795**

Non-Departmental

Description

Non-Departmental costs are expenses spread across the entire organization for items that benefit all Departments. Non-Departmental items include public agency memberships with the Association of Monterey Bay Governments, the League of California Cities, the Local Agency Formation Commission (LAFCO), the Monterey County Mayors Association, the Monterey Regional Waste Management District, Monterey One Water, the Transportation Agency of Monterey County, the Monterey Peninsula Regional Water Authority, Monterey Salinas Transit, and the Seaside Groundwater Basin Watermaster; voluntary memberships with Community Human Services, the Monterey County Convention and Visitors Bureau, the Monterey County Business Council, and the Monterey Peninsula Chamber of Commerce; record management and agenda management software; asset management software; Municipal Code publishing; Art Committee funding; IT support; donations and contributions advertising in the Monterey County Weekly; equipment maintenance; office supplies; CalPERS Unfunded Accrued Liability and City Hall utilities.

Information Technology (IT) provides innovative and secure technology solutions that support City departments in delivering quality services to the community. The purpose of IT is to provide a broad range of high-quality technology solutions to employees, departments, Councilmembers, and the community and to continuously support and improve essential infrastructure for enabling daily operations of the City. This service is contracted with Monterey Bay Technologies.

Non-Departmental Revenues

Account	Account Description	FY 22/23 Actual Revenue	FY 23/24 Amended Budget	FY 24/25 Proposed Budget
4005	Curr Prop Taxes	$93,187	$81,150	$76,450
4006	RPTTF Residual	$145,642	$230,000	$230,000
4008	SA Admin Fees Reimbursemer	$127,330	$0	$0
4010	Prior Year Prop	$713	$1,200	$1,000
4012	Vehicle License Fee	$41,994	$45,626	$43,512
4013	MBASIA Claims	$0	$1,764	$0
4015	SB 813	$20,770	$20,000	$14,000
4020	Prop Tax Transf	$1,409	$4,700	$2,500
4025	Users Tax	$183,267	$200,000	$180,000
4030	Sales/Use Tax	$3,622,075	$3,529,000	$3,643,909
4032	Transaction tax	$3,495,665	$4,446,000	$4,631,000
4033	State CASP Fee	$1,475	$2,500	$1,600
4034	TOT Tax	$124,723	$126,000	$120,000
4035	Cable Franchise	$6,784	$7,700	$5,000
4040	Refuse Franchise	$57,467	$63,000	$60,000
4041	AB939/SB1383	$12,584	$39,700	$12,500
4042	CalAm Franchise Fee	$0	$0	$10,000
4045	PG & E Gas	$4,238	$3,200	$4,500
4050	PG & E Electric	$36,398	$31,500	$36,500
4055	Bus. License	$655,053	$708,000	$708,000
4060	B. L. Late Fee	$223	$500	$500
4305	Gas Tax Funds	$1,188	$0	$0
4340	HOPTR Tax	$346	$500	$500
4350	Seaside Sanitation	$10,892	$11,500	$12,000
4410	Int. General	$941	$1,000	$1,000
4411	OPEB Interest	$522	$600	$600
4413	Housing Interes	$14,571	$14,500	$14,000
4414	Int GASB 87	$5,676	$0	$0
4420	Int. LAIF	$249,666	$300,000	$200,000
4425	LAIF Gain/Loss GASB 31 FMV	-$23,594	$0	$0
4450	TVI CD Interest	$20,107	$20,200	$20,000
4500	West End Revenue	$37,521	$35,052	$49,500
4502	Mural Festival	$2,222	$2,300	$2,200
4504	Art Park Events	$855	$1,500	$1,000
4506	MST SURF Proj	$0	$0	$5,000
4530	S of Tioga Reim	$53,481	$50,000	$50,000
4531	S of Tioga PC	$4,563	$20,000	$0
4532	S of Tioga BP	$6,405	$30,000	$0
4533	CAL AM Reimb	$2,255	$2,100	$0
4550	Copies Fee	$0	$50	$50
4710	Mitigation	$1,361	$1,400	$1,500
4729	MBASIA/Fitness	$7,500	$7,500	$7,500
4730	Other	$17,659	$1,200	$2,000
4732	Reimbursements	$586	$1,000	$0
4736	US Bank CalCard	$661	$620	$1,000
4740	Rental Income	$17,293	$19,000	$19,000
4833	CAL AM Lease	$51,892	$7,000	$7,000
	DEPARTMENT TOTAL	**$9,115,566**	**$10,068,562**	**$10,174,821**

Budget Summary

Main notable expenditures include:

- Increase to Health Benefits Admin & Retirees due to moving cost from Department Operating budgets.
- Increase to CalPERS Unfunded Accrued Liability due to moving cost from Department Operating budgets.
- An increase to the Advertising line item to account for actual costs associated with noticing requirements.

Non-Departmental Expenditures

Account	Account Description	FY 22/23 Actual Expenses	FY 23/24 Amended Budget	FY 24/25 Proposed Budget
5000	MUNI CODE	$2,557	$3,100	$3,100
5001	MEMBERSHIPS PA	$15,392	$14,000	$10,000
5002	MEMBERSHIPS VOL	$6,229	$12,000	$10,000
5005	ARTS COUNCIL	$2,800	$5,000	$10,000
5009	COVID General	$1,742	$0	$0
5025	Dues/Subscrptn	$182	$700	$750
5035	Service Cont.	$0	$0	$14,420
5070	Health Benefits Admin Fee	$953	$1,300	$824
5072	Health Benefits Admin & Retirees	$0	$0	$182,949
5081	GASB 68	$2,100	$2,200	$2,266
5095	Trainings/Meetings	$0	$0	$1,030
5137	CalPERS Unfunded Accrued Liability	$0	$0	$489,410
5202	EAP PROGRAM	$1,189	$1,615	$1,700
5425	Technical Spprt	$11,042	$14,400	$20,000
5720	Auto Maint.	$6,733	$2,000	$6,180
5770	Computer Equip/Software/Online App	$0	$0	$1,030
5905	City Events	$300	$0	$0
5910	Donations	$4,386	$6,500	$6,695
5920	ADVERTISING		$6,000	$20,600
5930	Misc. Expense	$2,665	$3,000	$2,060
5935	Equip. Maint.	$8,917	$8,400	$1,030
5940	Office Supplies	$23,586	$25,000	$25,750
5945	Office Phones	$1,144	$1,500	$1,545
5950	Physical/Vaccin	$0	$0	$0
5955	Official Bonds	$1,216	$1,300	$1,339
5960	Utilities	$27,391	$25,000	$25,750
5970	Equip. Purchase	$1,174	$2,100	$6,180
5980	Bank Charges	$258	$250	$500
5998	Internet/Web	$1,599	$2,500	$3,090
	DEPARTMENT TOTAL	**$123,554**	**$137,865**	**$848,198**

Community Development

Description

The Sand City Community Development Department consists of the Planning and Building Departments.

The *Planning Department* is primarily responsible for land use and development entitlements, and zoning code interpretation and enforcement; in addition to long-term planning that includes updates to the General Plan, Housing Element, and Zoning Ordinance (Municipal Code Title 18). The Planning Department also administers the City's Design Review Committee (DRC) in terms of agendas, reports, action minutes, and presentations.

The *Building Department* is responsible for conducting construction plan review, building/fire code enforcement, and site inspections of all developments to ensure compliance with Building, Fire, and other relevant building codes (Cal-Green, Plumbing, Electrical, etc.).

2023-24 Accomplishments

The City's planning department provides the following general services to the City and the public:

- General Planning staff support for the City and public.
- Provide office hours at City Hall to support the Sand City Team by providing Planning Staff technical expertise and advice to the public.
- Provided planning input to the City Manager in setting City Council Agendas.
- Prepared notices for publication on various public hearing items.
- Drafted planning resolutions, staff reports, findings and evidence, conditions of approval and associated materials for City Council consideration.
- Processed land use planning applications; received and maintained schedules.
- Assisted the City with mapping and website requests.
- Prepare or update City Planning documents (General Plan, Zoning Code, Parking Plan, Vibrancy Plan, etc.).
- Prepare CEQA (environmental) documentation, as necessary.
- Prepare technical reports (biological, archaeological, air quality, etc), as necessary.
- Prepare and apply for City grant funding.

The City contracts with EMC Planning Group (EMC) for Planning Services. The level of service and planning bandwidth has increased greatly since the City moved from having just one City Planner to utilizing the wide array of services provided by EMC Planning Group's team. In addition to the general planning services set forth above, in fiscal year 23-24 EMC has accomplished a number of special projects including:

- Coordinated the initial conceptual design of the TAMC right of way Bike Trail to connect Playa Avenue to Contra Costa and beyond through Seaside and to Monterey; presented this design to TAMC; applied for and obtained grants to plan and partially implement this project.
- Coordinated the initial conceptual design of the Coastal trail improving access to the City's coastline; applied for and obtained Coastal Conservancy grant for planning the trail.
- Worked with all departments to develop and obtain Council approval of an updated fee schedule to increase City's' ability to recoup its costs associated with City services.
- Developed an initial vision for Council to consider the short term and the long-term use of the City's Art Park.
- Studied and advised City regarding MST's SURF! Busway study impacts to Sand City vehicle, pedestrian, and bicycle circulation and the City's shopping centers and biological resources, processing MST's CDP application.
- Prepared and administered a number of grant applications.
- Worked with City Manager on Cal Am seawall removal and habitat mitigation; created a plan to remove the seawall and debris on the beach north of Tioga Avenue.
- Continued planning support to the West End Stormwater Project.
- West Bay Street observation platform biological impacts, scheduling, and monitoring.
- East Dunes residential project, habitat preservation, and Incidental Take Permit; (working towards securing an Incidental Take Permit to create a developable residential area of the East Dunes in exchange for a habitat conservation area).
- Planning of Edge Water Habitat Restoration.
- Ensuring the South of Tioga Park Completion.
- Reviewing final plans for Calabrese Park Completion.
- Drafting the City's Housing Element and working with Council and HCD towards certification.
- Working with consultant to prepare Objective Design Standards for the City.
- Finalized the City's parking plan.
- Prepared quarterly newsletters for residents and business in Sand City.
- Assisted City with design concepts for Tioga Avenue City Monument Sign Design and police car redesign.
- Organized the City's planning files from the former system to a better system that allows current and future planners to locate files.
- Prepared procedures for the processing of permits to ensure all required steps are taken and the process is streamlined.

2024-25 Initiatives

Several initiatives are in the pipeline for fiscal year 24-25, including completing initiatives that were started in fiscal year 23-24:

- Continue to apply for grant funding for construction of the City's TAMC right of way bike path (this will continue into the next fiscal year).
- Prepare plans for the City's coastal trail and apply for implementation grants (this will continue into the next fiscal year).
- Redesigning the City's website -- creating economic development pages.
- Developing a Cannabis Retail Licensing Program.
- Working with design firm to develop feasibility study and concept rendering for the City's art park.
- Continue working with the City Engineer and design team to complete construction drawings and implement construction of street, storm water management, landscaping, and parking improvements along Catalina and Contra Costa Streets.
- Completed Housing Element, per State law, and will now continue with the implementation of the Housing Element.
- Begin General Plan update to include CEQA review/documentation, including zoning code update. This will be a multi-year project.
- Work with the City Manager and Police Chief in developing an effective code enforcement program staffed with one (1) part-time code enforcement officer.

Building Department

The Building/Code Compliance Department has been active in FY 2023-2024. A few highlights of this Fiscal Year's activity showcase the increased development happening in the City of Sand City. In FY 2023-24, there were approximately twelve new building permits issued including permits for a new Marriott Hotel and adjacent parking lot.

There are twenty (20) active permits under construction. FY 2023-2024 also saw the completion of the phase one improvements for South of Tioga, the Ohlone/Esselen park and the Calabrese Park project. The short-term rental program is entering year two with re-inspections on properties. Lastly, Code Compliance has been actively working to gain voluntary compliance through communications prior to starting the administrative process passed by City Council. The City contracts with 4LEAF for building services.

Budget Summary

Main notable expenditures include:

- An increase in Façade Improvement line item to design and implement the program funded by ARPA funding received in a prior fiscal year.

- A slight increase to Contract Service line item for EMC contract services for all general services provided to the City.

Planning Revenues

Account	Account Description	FY 22/23 Actual Revenue	FY 23/24 Amended Budget	FY 24/25 Proposed Budget
4116	STR Application	$5,370	$5,600	$2,875
4120	Coastal Permit	$500	$1,600	$1,575
4125	CUP	$1,754	$5,100	$2,800
4126	Temporary CUP	$200	$500	$525
4145	Site Permits	$0	$500	$350
4155	Design Review	$150	$500	$700
4156	Sign Permit	$0	$100	$100
4219	Parking Permits	$400	$2,400	$3,000
	DEPARTMENT TOTAL	**$8,374**	**$16,300**	**$11,925**

Planning Expenditures

Account	Account Description	FY 22/23 Actual Expenses	FY 23/24 Amended Budget	FY 24/25 Proposed Budget
5020	Contract Svcs.	$159,742	$427,600	$450,000
5040	Salaries	$77,552	$0	$0
5042	Paid Time Off	$21,010	$0	$0
5055	Overtime	$210	$0	$0
5060	L.T.D.	$651	$0	$0
5065	Dental	$419	$0	$0
5066	Vision Coverage	$79	$0	$0
5067	Life Ins	$167	$0	$0
5070	Health Benefits	$8,441	$0	$0
5072	Health Retirees	$14,748	$21,700	$0
5073	PERs Retire EE	$6,701	$0	$0
5075	PERS	$12,773	$0	$0
5079	Deferred Comp	$700	$0	$0
5080	FICA/Medicare	$1,421	$0	$0
5085	CA SUI/ETT	$112	$0	$0
5095	Train/Meetings	$0	$0	$0
5137	GASB 68 Liability	$75,794	$0	$0
5370	Planning/Other	$95	$300	$0
5423	IWORQ	$0	$3,000	$1,700
5425	Technical Spprt	$567	$1,000	$0
5920	Advertising	$7,444	$0	$0
5925	Liability Ins.	$3,587	$0	$0
5945	Office Phones	$950	$900	$927
5965	Work. Comp. Ins	$6,313	$0	$0
5970	Equip Purchase	$0	$0	$0
	Façade Program	$0	$0	$47,246
	DEPARTMENT TOTAL	**$399,475**	**$454,500**	**$499,873**

Budget Summary (Building)

- An increase overall to account for the amount of the approved Contract of $100,000 with 4Leaf for Building services due to combining all building services for building, previously shown under various accounts including special projects.

Building Revenues

Account	Account Description	FY 22/23 Actual Revenue	FY 23/24 Amended Budget	FY 24/25 Proposed Budget
4115	Bldg. Permit	$16,322	$17,100	$13,500
4164	STR Inspection	$4,200	$4,200	$3,150
4165	Plan Check Fees	$6,495	$10,500	$10,500
	DEPARTMENT TOTAL	**$27,017**	**$31,800**	**$27,150**

Building Expenditures

Account	Account Description	FY 22/23 Actual Expenses	FY 23/24 Amended Budget	FY 24/25 Proposed Budget
5020	Contract Svcs.	$360	$5,300	$100,000
5318	STR INSPECTION	$2,160	$4,500	$0
5319	Building Insp	$32,655	$31,500	$0
5320	Plan Check	$1,977	$10,500	$0
5423	IWORQ	$2,800	$3,000	$4,790
	DEPARTMENT TOTAL	**$39,951**	**$54,800**	**$104,790**

Public Works



Description

The Public Works Department is responsible for the maintenance of City facilities and buildings, public streets and the storm drain system, public spaces, parks, bike trails and walking paths, as well as City-wide planning efforts to realize the City's goals, policies, and initiatives.

Sand City Public Works performs a wide variety of tasks from planting and trimming City trees; maintaining the two City Parks and the Community garden, the recreation trail, City buildings, vehicles, equipment, and grounds to providing a safe, effective, and long-lasting road system; repairing sidewalks, streets, and signs; ensuring clean streets, pothole repair; sign and pavement marking maintenance; street sweeping, including sand removal, repairs on vehicles and equipment; graffiti abatement; litter control; hanging and removing City banners; installing no parking signs as needed; maintaining storm water drainage; and doing so in an efficient, cost-effective manner without detrimental effects on the environment.

Public Works functions include administrative duties (quarterly storm water reports; Council staff reports; Public Works monthly report; safety meetings; well usage reporting; overseeing the Hope Crew); environmental duties; implementation of the State mandated storm water program; tracking of the City's use of pesticides, herbicides, and fertilizers; as well as sweeper spoils and reporting any illicit discharges.

In addition, the Public Works department supports the City's special events such as the City Barbecue, Tree Lighting, West End event, Mural Fest and the monthly 831 Night Market.

2023-24 Accomplishments

Public Works:

- Public Works hired a new employee to join the Sand City team.
- Staff installed a new camera system with computer workstation access at City Hall.
- Public Works staff took over the SB-1383/CalRecycle mandates and related reporting.
- Staff cleaned 15 stormwater drain catch basins of debris.
- Public Works staff filled potholes in the City streets and bike path, throughout Sand City.
- PWs staff repainted all the memorial benches and picnic table at the upper ridge lookout area.
- Public Works staff inspected and improved the storage/Conex containers across from City Hall and the PWs yard, along with the PWs building.
- Staff completed and submitted four (4) storm water quarterly reports to the City engineer.
- Staff replaced 29 HID bulbs within the light fixtures along Sand Dunes Drive.
- Public Works oversaw the installation of Flock Traffic Cameras, installed at various locations throughout Sand City.
- Staff reinforced and added wood pickets to the lower retaining wall in Calabrese Park.
- Installed new gate rollers for the art park gates**.**
- A weed abatement and clean-up of the Community Garden
- Assisted in the reconstruction of the Police Department lobby.

2024-25 Initiatives

- Continue with maintenance and improvements to the Cities infrastructure with minimal budgetary impact.
- Implement the new City park and street landscape into the Public Works maintenance program.
- Install new fencing and gate to the City's community garden and habitat.
- Landscaping and improvements to Calabrese Park.
- Continue with repainting of red/blue curbs to include West Bay and Tioga avenues.

Budget Summary

Main notable expenditures include:

- A decrease in Contract Services as a separate Engineering budget section was created for FY 2024-2025 so that specific Engineering costs and fees could be easily identified.

- A decrease in CalPERS Unfunded Accrual Liability as this cost was moved to Non-Departmental expenditures.
- An increase to Street Maintenance in order to comply with AB413 which requires additional street maintenance such as patching, pothole repairs and striping.

Public Works Revenues

Account	Account Description	FY 22/23 Actual Revenue	FY 23/24 Amended Budget	FY 24/25 Proposed Budget
4150	Bldg Dev. Fees	$0	$500	$500
4160	Engineering Fees	$13,054	$31,500	$18,000
4205	CA Code Fines	$312	$700	$750
4305	Gas Tax Funds	$14,753	$15,338	$15,660
4306	RMRA-Road Maint	$6,760	$9,002	$9,623
	DEPARTMENT TOTAL	**$34,879**	**$57,040**	**$44,533**

Public Works Expenditures

Account	Account Description	Actual Expenses	Amended Budget	Proposed Budget
5019	TEMP STAFFING	$1,517	$1,500	$0
5020	Contract Svcs.	$139,440	$370,000	$5,000
5025	Dues/Subscrptn	$573	$1,100	$1,133
5027	PERMITS/LICENSE	$3,535	$13,644	$10,300
5028	Pest control	$910	$800	$824
5040	Salaries	$175,395	$245,200	$271,870
5042	PAID TIME OFF	$1,105	$1,200	$2,575
5055	Overtime	$4,944	$6,000	$6,180
5060	L.T.D.	$2,271	$2,100	$2,741
5065	Dental	$5,237	$5,300	$5,673
5066	VISION COVERAGE	$834	$900	$795
5067	Life Ins.	$719	$800	$648
5070	Health Benefits	$47,480	$55,800	$52,164
5073	Pers Retire EE	$10,972	$0	$11,772
5075	PERS	$28,728	$46,100	$35,002
5078	PERS SURVIVOR	$0	$200	$89
5079	DEFERRED COMP	$2,500	$12,600	$10,800
5080	FICA/Medicare	$3,411	$5,600	$5,063
5085	CA SUI/ETT	$300	$400	$38,694
5095	Train/Meetings	$0	$1,600	$5,150
5137	CalPERS Unfunded Accru	$95,528	$172,022	$0
5423	IWORQ	$0	$2,100	$0
5425	Technical Spprt	$51	$0	$0
5715	Auto Fuel	$0	$0	$13,390
5720	Auto Maint.	$12,097	$15,000	$15,450
5770	Computer Equipment	$0	$0	$1,030
5795	Uniform Allow.	$3,062	$3,000	$3,090
5820	STORM WATER MAT	$0	$60,000	$20,600
5845	HOPE SERVICES	$48,458	$72,000	$72,000
5855	St. Lighting	$13,326	$11,000	$14,420
5860	St. Maintenance	$4,241	$15,000	$66,950
5861	ADOPT A HWY	$3,850	$4,200	$4,542
5865	Flags/Banners	$4,551	$5,200	$5,624
5884	SECURITY	$1,327	$1,500	$0
5885	SUPPLIES	$3,647	$5,000	$5,150
5888	EQUIPMENT RENTA	$385	$1,500	$1,545
5889	URBAN RUNOFF	$11,910	$12,500	$0
5898	STREET SIGNS	$751	$3,500	$4,635
5925	Liability Ins.	$7,174	$15,917	$18,190
5935	Equip. Maint.	$0	$1,000	$5,150
5936	STORAGE	$4,354	$3,800	$0
5945	Office Phones	$1,935	$1,500	$1,545
5961	REFUSE/TRASH	$5,219	$6,300	$9,270
5965	Work. Comp. Ins	$86,282	$54,878	$40,265
5970	Equip. Purchase	$6,594	$7,000	$7,210
5985	Exercise Prgm	$540	$2,900	$3,000
5998	Internet/Web	$1,490	$1,200	$1,236
	DEPARTMENT TOTAL	**$746,643**	**$1,248,861**	**$780,766**

Engineering

The *City Engineer,* under the direction of the City Manager, and in collaboration with other City departments, coordinates, supervises and reviews the design and construction of City infrastructure and public facilities. The Engineering Department issues Invitations to Bids and Requests for Proposals, develops, and negotiates contracts, makes recommendations for award, provides inspection of construction projects, administers the City's encroachment permit program, and provides engineering support to other City Departments for transportation-related projects and activities. The Engineering Department reviews all proposed development projects to ensure that City standards, local, state, and federal requirements related to public works are met.

The Engineering Department manages the City's National Pollutant Discharge Elimination System (NPDES) municipal storm water program, and the City Engineer represents the City on various stormwater and transportation-related regional Committees.

The City contracts with Harris & Associates for City Engineering services. It also has an engineering contract with GHD Associates.

The City's *Land Surveyor* reviews all land use maps, lot line adjustments, lot mergers, legal descriptions, and related materials. The City contracts with Polaris Land Surveying, LLC for Land Surveying services.

2023-24 Accomplishments

In Fiscal Year 2023-24, the Engineering Department was involved in the following public and private projects:

- Provided the design and preparation of construction documents for the Calabrese Park Improvement Project.
- Provided the design, preparation of construction documents, and materials testing and inspection services for the West Bay Street Coastal Access Repair Project.
- West End South of Tioga Development- provided development review of the project plans for the construction of public improvements and during the construction phase ensured that all right of way improvements were constructed to City standards and requirements.
- Provided development review of the Stormwater Control Plans for the Marriott Dual Brand Hotel and the Esselen-Ohlone Park and coordinated with the City's building department during the construction phase.
- Provided engineering review of the 65% and 95% project plans for the Monterey-Salinas Transit (MST) SURF! Bus Rapid Transit (BRT) as well as coordination with

MST, TAMC, and local stakeholders, and conditions of approval for the Coastal Development Permit.

- Provided project management of the West End Stormwater Improvement Project on Contra Costa Street and Catalina Street and managed the grants awarded for same.
- Worked with Planning to assist with the update of the fee schedule as it pertains to Engineering fees.
- Established an annual encroachment permit with PG&E to cover routine categories of work and ensure 100% cost recovery.
- Updated the City's Pavement Management Program (PMP) including development of a draft 5-year maintenance program based on available funding.
- Provided Engineering and technical support to respond to Public Records Requests.
- Provided conceptual project review and/or development review of a number of smaller projects in the City.

Budget Summary

- Beginning in FY 2024-2025, a separate Engineering budget section was created in order to identify specific costs related to Engineering.

Engineering Expenditures

Account	Account Description	FY 22/23 Actual Expenses	FY 23/24 Amended Budget	FY 24/25 Proposed Budget
5020	Contract Services	$0	$0	$260,000
5936	STORAGE	$0	$0	$6,600
	DEPARTMENT TOTAL	**$0**	**$0**	**$266,600**

Public Safety

Department Picture

Description

The Chief of Police manages the Police Department and acts as the Emergency Operations Center coordinator.

The *Police Department* is responsible for law enforcement and crime prevention within the City. The Mission of the Sand City Police Department is to work in partnership with the community to provide exceptional police services that improve the quality of life for our residents, businesses, and visitors. The Department works in partnerships with Seaside, Marina, and California State University Monterey Bay (CSUMB) to operate and support a Regional Emergency Coordination Center. The Department also maintains regional partnerships to participate in the Peninsula Regional Special Response Unit (SRU) and Peninsula Regional Violence and Narcotics Team (PRVNT).

The *Fire Department* is primarily responsible for saving lives and protecting property through the prevention and control of fires. Fire service has been provided under a contract with the City of Monterey since 1995. The City's ambulance service is through the American Medical Response (AMR) service.

2023-24 Accomplishments

- The SCPD went live with the new Flock LPR system in March of this year. With this technology, we are now able to share vehicle data with all our law enforcement partners in Monterey County and beyond, to assist in crime detection as well as follow-up investigations where a vehicle was used to facilitate criminal activity.
- The SCPD successfully passed several state audits which included the following:
    - California State Commission on Peace Officer Standards and Training (POST) hiring and training audit.
    - California State Department of Justice (DOJ) CLETS database and online security audit.
- Both Sergeants attended and successfully completed the state mandated 80-hour POST Supervisory Course.
- The Commander attended and successfully completed the state mandated three-week 104-hour POST Management Course.

- Records Coordinator attended and successfully completed training specific to City Clerk duties to assist our City Clerk with her duties as needed.
- SCPD in partnership with the American Red Cross and Vitalant Blood Donation services will have completed six community blood drives by the end of the current fiscal year.
- The Police Department lobby remodel, approved by council the year before last, is underway and should be completed before the end of this fiscal year.
- The Police Department is also in the review process of the final draft of an update to the Emergency Operations Plan (EOP) and engaged in the first phase of a series of emergency operations training in conjunction with the Emergency Operations Center (EOC) at CSUMB.

2024-25 Initiatives

- Active Bystandership for Law Enforcement (ABLE) training--practical skills to intervene when officers witness harmful or inappropriate behaviors conducted by their peers.
- De-escalation training: Integrating Communications, Assessment, and Tactics (ICAT)--a training program designed to give officers a strong foundation in critical thinking as it relates to responding to crisis related incidents and potential use of force situations.
- The SCPD will continue to utilize, improve, and leverage technology to assist us in providing excellent service to our community in a more efficient and effective manner.
- Update our body worn camera system to include the latest version of BWC and move to cloud storage.
- Implement a new law enforcement software system called LEFTA Systems to improve the process for monitoring training requirements, community complaints, internal investigations, pursuit and use of force policy compliance, and other state mandated reports.

Budget Summary

Main notable expenditures include:

- A decrease in CalPERS Unfunded Accrual Liability as this cost was moved to Non-Departmental expenditures.
- A decrease in Equip/Computer of $38,325 due to a one time server expense in FY 2023-2024, not required in FY 2024-2025.
- A decrease in Equipment Lease due to the end of the Motorola Radio lease.
- An increase in Salaries and associated benefits to account for step increases.

Public Safety Revenues

Account	Account Description	FY 22/23 Actual Revenue	FY 23/24 Amended Budget	FY 24/25 Proposed Budget
4069	CLEEP Grant	$147,973	$186,159	$180,000
4210	City Fines	$2,754	$5,200	$4,200
4211	Vehicle release	$1,143	$1,000	$1,000
4221	Sand City Parking	$8,644	$10,500	$7,500
4325	Motor Vehicle	$381	$500	$500
4330	Prop 172	$19,675	$4,000	$500
4335	Post Reimburse	-$67	$2,000	$2,000
4515	Dog Licensing	$0	$100	$100
4524	Asset Forfeitur	$1,393	$1,500	$1,500
4560	Special Police	$305	$400	$400
4639	Officer Wellness Grant	$15,000	$0	$0
4647	Bullet Proof Vest Grant	$1,203	$1,900	$1,900
4730	Other	$0	$25	$0
4732	Reimbursements	$0	$18	$0
4836	CSA74-GRANT EMS	$2,500	$2,500	$2,500
	DEPARTMENT TOTAL	**$200,904**	**$215,802**	**$202,100**

Public Safety Police Expenditures

Account	Account Description	FY 22/23 Actual Expenses	FY 23/24 Amended Budget	FY 24/25 Proposed Budget
5025	Dues/Subscrptn	$1,440	$2,000	$2,369
5040	Salaries	$1,406,031	$1,544,500	$1,683,226
5041	W/C WAGES	$123,225	$0	$0
5042	PAID TIME OFF	$268,759	$280,000	$288,400
5043	HOLIDAY	$7,744	$15,000	$15,450
5055	Overtime	$53,107	$60,000	$70,000
5060	L.T.D.	$3,017	$3,200	$5,872
5065	Dental	$20,928	$21,900	$23,597
5066	VISION COVERAGE	$3,203	$3,400	$3,254
5067	Life Ins.	$2,542	$2,700	$2,376
5070	Health Benefits	$223,199	$262,900	$264,419
5072	HEALTH-RETIREES	$83,003	$95,500	$0
5073	Pers Retire EE	$5,949	$6,200	$12,125
5075	PERS	$229,949	$367,500	$356,083
5077	PERS REPLACEMNT	$0	$7,500	$0
5078	PERS SURVIVOR	$0	$700	$326
5079	DEFERRED COMP	$12,900	$39,600	$43,200
5080	FICA/Medicare	$26,725	$23,400	$32,107
5085	CA SUI/ETT	$1,440	$1,700	$1,758
5095	Train/Meetings	$9,696	$10,500	$11,330
5096	POST Training	$0	$1,000	$0
5137	CalPERS Unfunded Accrued Li	$209,447	$195,000	$0
5425	Technical Spprt	$21,237	$18,000	$21,630
5710	Animal Reg/Vet	$3,150	$4,000	$6,000
5715	Auto Fuel	$34,773	$37,000	$24,720
5720	Auto Maint.	$15,903	$22,000	$22,660
5721	AUTO DETAILING	$3,149	$1,100	$3,100
5723	MOBILE LICENSE	$0	$3,300	$0
5725	Comm & CJIS	$29,630	$39,400	$42,266
5727	911 CENTER	$37,448	$41,450	$46,095
5736	DOJ- VESTS POL	$2,406	$1,800	$4,600
5740	Emplmnt Screen	$13,753	$343	$3,500
5745	Equipment	$1,930	$2,500	$10,300
5746	RANGE FEES/SUP	$9,455	$10,000	$10,000
5747	SRU Annual Fee	$5,000	$5,000	$5,000
5765	Reserves	$17,097	$25,000	$25,750
5770	EQUIP/COMPUTER	$7,930	$51,200	$12,875
5785	Police Supplies	$4,671	$6,300	$6,489
5794	SPECIAL SKILLS	$1,759	$1,300	$1,236
5795	Uniform Allow.	$10,085	$10,000	$9,270
5796	PD Education	$64,356	$67,600	$82,393
5797	ARRESTS/INVEST	$5,882	$5,000	$5,150
5798	COMPUTER/MAINT	$15,536	$16,000	$16,480
5884	SECURITY	$498	$10,700	$0
5908	LIABILITY-AON	$0	$979	$0
5925	Liability Ins.	$114,777	$93,953	$111,405
5929	Rental Payments	$5,848	$5,600	$5,768
5934	NGEN MAINTENANC	$17,064	$19,475	$22,623
5935	Equip. Maint.	$9,900	$10,200	$5,150
5945	Office Phones	$8,505	$15,000	$12,360
5965	Work. Comp. Ins	$287,887	$323,930	$246,609
5985	Exercise Prgm	$2,520	$5,900	$6,600
5997	Nighthawk WiFi	$2,897	$3,000	$3,090
5998	Internet/Web	$2,337	$3,100	$3,193
6123	EOC Expenses	$5,000	$5,000	$5,000
6362	CSA74 EMS GRANT EMS	$908	$2,500	$0
6618	EQUIP LEASE-PRN	$31,180	$32,000	$0
6619	EQUIP LEASE-INT	$3,340	$3,500	$0
	DEPARTMENT TOTAL	**$3,490,115**	**$3,847,330**	**$3,597,205**

City Fire Department Expenditures

Account	Account Description	FY 22/23 Actual Expenses	FY 23/24 Amended Budget	FY 24/25 Proposed Budget
5070	Health Benefits	-$826	$0	$0
5750	Fire Contract	$328,840	$346,268	$358,387
5785	Police Supplies	$40	$0	$0
	DEPARTMENT TOTAL	**$328,054**	**$346,268**	**$358,387**

Community Outreach

Department Picture

Description

The City funds several Community Outreach and economic development efforts that provide art, music, and other forms of culture to the community, and the region beyond, at no charge. These endeavors enhance the quality of life for residents and promote the City as an artistic and cultural destination, including:

- the annual West End Celebration
- the annual we. Mural festival

The City also operates a community art park which serves as a performance venue and is rented for a nominal fee by community members and non-profits for events for music, theatrical and other cultural activities.

In addition, the City holds several annual events that are open to the public and provide music, activities, and refreshments to the entire community at no charge such as the City's Birthday Barbeque and the Holiday Season Tree Lighting Ceremony.

Community Outreach Expenditures

Account	Account Description	FY 22/23 Actual Expenses	FY 23/24 Amended Budget	FY 24/25 Proposed Budget
5004	West End	$83,549	$95,000	$95,000
5025	Dues/Subscrptn	$0	$0	$0
5095	Train/Meetings	$1,066	$1,000	$1,030
5873	Bike Trail Elec	$4,167	$4,200	$0
5905	City Events	$32,618	$35,000	$41,200
5920	Advertising	$15,080	$15,100	$15,450
5967	Public Survey	$3,900	$0	$0
6020	Maint/Repairs	$3,756	$6,300	$6,489
6394	Mural Festival	$66,250	$80,000	$80,000
6399	Art Park	$4,868	$4,200	$4,200
	DEPARTMENT TOTAL	**$215,254**	**$240,800**	**$243,369**

Government Buildings

Department Picture

Description

The Government Buildings section of the budget covers the maintenance, supplies for and security of several properties owned by the City: the City Hall building and the Public Works offices.

Budget Summary

- An increase to Security by $13,355 as it was moved from the Police Expenditure budget.

Government Buildings Expenditures

Account	Account Description	FY 22/23 Actual Expenses	FY 23/24 Amended Budget	FY 24/25 Proposed Budget
5884	SECURITY	$3,431	$5,700	$19,055
5915	Fire/Theft	$37,445	$46,670	$50,000
5940	Office Supplies	$56	$249	$258
6020	Maint/Repairs	$30,973	$18,000	$18,540
	DEPARTMENT TOTAL	**$71,905**	**$70,619**	**$87,853**

Parks

Department Picture

Description

The City provides for the beautification and maintenance of several public open spaces including Calabrese Park, the Recreation Trail, the Community Garden and the parklets at the entrances to the City. In addition, in the spring of 2024, one additional park has been accepted by the City – the Esselen-Ohlone Park – as well as parklets and landscaping in a new development in the City. The City's public works staff maintain the parks.

Budget Summary

- The City has budgeted $15,450 for the addition of a fence in the community garden in Park & Rec Facility Improvements.

Parks Expenditures

Account	Account Description	FY 22/23 Actual Expenses	FY 23/24 Amended Budget	FY 24/25 Proposed Budget
5020	Contract Services	$4,800	$5,000	$5,000
5630	Parks Maintenance	$183	$0	$2,575
5881	Parks Supplies	$2,051	$4,000	$5,150
5935	Equipment Maintenance	$0	$1,500	$2,575
5963	Irrigation	$41	$10,000	$10,300
5970	Equipment Purchase	$701	$4,000	$6,180
6030	Park & Rec Facility Improvemer	$0	$15,000	$15,450
	DEPARTMENT TOTAL	**$7,776**	**$39,500**	**$47,230**

Capital Outlay, Capital Improvement & Special Projects

Department Picture

Description

Several Capital improvement and outlay projects are budgeted for including the Catalina – Contra Costa stormwater improvement project. Capital improvements include street repairs, the undergrounding of utilities, and other major projects. Capital outlay describes pieces of equipment, software, and the like that depreciate over time such as vehicles.

Budget Summary

- Two Capital Improvement Projects for Stormwater Improvements are scheduled to be completed in FY 2024-25. These projects have an offsetting revenue source from a State Water Resource Control Board Proposition 1 Grant.
- The Police Department has budgeted $35,000 in Capital Outlay for the purchase of new Body Worn Cameras.
- The Art Park will be receiving improvements to the electrical as well as the ADA access at the park. $25,000 has been budgeted for these improvements.
- A new Capital Improvement project will be underway in FY 2024-2025 to the planning of a new coastal trail. $423,000 has been budgeted for the expenditures of the planning portion, which will be fully funded by a grant from the Coastal Conservancy.
- To continue to acquire, analyze & develop land to be used for affordable housing, the remaining portion of the PLHA grant of $131,647 is budgeted in FY 2024-25.
- The Bike Trail has $0 for FY 2024-2025 as most of the FY 2023-2024 budgeted amount will carry forward to FY 2024-2025. The City expects an amendment to this item once it obtains final award of several grants it has applied for.

CAPITAL OUTLAY & IMPROVEMENT PROJECTS

Account	Account Description	FY 22/23 Actual Expenses	FY 23/24 Amended Budget	FY 24/25 Proposed Budget
5010	CIP- S.W.I.P Catalina	$109,625	$388,336	$652,000
5010	CIP - S.W.I.P Contra Costa	$0	$0	$1,639,500
5010	CIP - All Others	$107,890	$836,253	$0
5732	FEMA Grant-West Bay	$14,533	$325,929	$0
5020	Contract Services - Parking Plan	$0	$16,000	$0
5010	Capital Outlay - Police Department	$243,153	$210,000	$35,000
5010	CIP - City Hall Imp	$756	$18,600	$0
5010	CIP - Art Park Imp	$5,059	$25,000	$25,000
5010	CIP - Public Works	$79,276	$32,800	$0
6364	CIP - Coastal Trail	$0	$50,000	$423,000
6367	CIP - Bike Trail	$0	$205,000	$0
6368	Affordable Housing - PLHA	$0	$152,000	$131,647
	DEPARTMENT TOTAL	**$560,292**	**$2,259,918**	**$2,906,147**

Several special projects are included in the budget, while some will continue to be implemented in FY 24-25 with a carryover from the prior fiscal year**.** The City will continue its efforts to digitize files to move away from paper-based systems; the City hopes to restore the habitat behind the City shopping centers; further, the City is required to update its general plan.

SPECIAL PROJECTS

Account	Account Description	FY 22/23 Actual Expenses	FY 23/24 Amended Budget	FY 24/25 Proposed Budget
5913	Digital Records	$12,411	$10,000	$40,000
6281	Habitat Expense	$0	$30,000	$50,000
6311	Housing Element	$170,705	$211,653	$50,000
6312	General Plan	$0	$250,000	$300,000
6365	Cannabis Grant	$0	$288	$114,712
6370	REAP 2.0 Grant - Website	$0	$85,000	$0
6420	S of Tioga Reimbursements	$59,379	$88,500	$0
6421	S OF TIOGA PC	$3,361	$0	$0
6422	S OF TIOGA BI	$16,855	$11,500	$0
6445	MST SURF Proj	$0	$0	$0
	DEPARTMENT TOTAL	**$262,711**	**$686,941**	**$554,712**

GRANTS

Recurring Grants

COPS Grant

This fund accounts for the expenditures for the Department of Justice Community Oriented Policing Services (COPS) grant for public safety. In FY 23-24, the projected COPS revenue of $150,000 is transferred to the General Fund for Police Department salaries for eligible positions.

There are no line items for expenses shown in “Recurring Grants Expenditures” as the funding is put toward salaries and is reflected in the Police Department budget.

Bulletproof Vest Partnership (BVP) Grant

The Bureau of Justice Assistance (BJA) initially awarded Sand City the Bulletproof Vest Partnership solicitation in Fiscal Year 2008-2009 and has continued the award since. The funding may be used for National Institute of Justice (NIJ) compliant armored vests and only one vest may be purchased per officer in a replacement cycle. Fifty percent (50%) of funding can be used to pay for this tactical-level armor.

MBASIA Safety/ Fitness Grant

Funding has been allocated by the Monterey Bay Area Self Insurance Authority (MBASIA) to be used for Safety Services. This funding can be used for items such as office mats, fire extinguishers, ergonomic keyboards, first aid kits, Public Works boots, Public Works safety vests, immunizations, orange street cones, Public Works hard hats, emergency kits for vehicles, and flashlights.

This grant also allocates funding for a fitness program reimbursement. The funding is used by the City to maintain a Health and Wellness Program, which provides an incentive to motivate employees toward healthy lifestyle choices. The program reimburses regular employees for a one-time initiation fee and a $150 monthly incentive per employee enrolled in a fitness plan.

The City has received this grant since Fiscal Year 2013-2014.

CSA 74 Emergency Medical Services Grant

On July 20, 2010, the Emergency Medical Care Committee (EMCC) approved the establishment of a $1.5 million reserve and the disbursement of available CSA 74 funds (after funding the EMS Agency’s budget) to approved jurisdictions using the same formula as the annual 9-1-1 dispatch billing. This formula uses assessed values, population counts, and workload numbers to compute a weighted average percentage. This

percentage is then used to distribute the available fund balance after the fiscal year has closed. The Monterey County Emergency Medical Services (EMS) Agency acquired these County Service Agreement (CSA) 74 funds that are available to participating agencies supporting Monterey County emergency medical services training and equipment expenditures.

Available County Service Agreement (CSA) 74 funds are to support Monterey County emergency medical services training and equipment expenditures. Distributed CSA74 funds can only be used for direct EMS training and equipment expenses.

There is no line item for expenses shown in “Recurring Grant Expenditures” as the funding is reflected in the budgets of various departments.

Non-Recurring Grants

These grants are those that are not expected on a regular basis and are typically one-time grant revenue. Expenditures for these items are shown in Capital Expenditures or Special Projects, however, revenues for these items are shown below.

American Rescue Plan Act of 2021 (ARPA) Grant

The American Rescue Plan Act of 2021 (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds program under sections 602 and 603 of the Social Security Act which allocated $350 billion in emergency funding to help state and local governments address the economic and health consequences of the COVID-19 pandemic. Of the $350 billion allocated, the City received $95,449.00. It has been allocated to Premium Pay for essential nonexempt employees who worked during the pandemic and to fund a new Façade Program.

CA Natural Resources Agency Per Capita Grant – Calabrese Park

Funds from this grant are available for local park rehabilitation, creation, and improvements to local governments on a per capita basis. Recipients of this grant are encouraged to use the funds to rehabilitate existing infrastructure and to address deficiencies in neighborhoods lacking access to the outdoors. The City received $177,952 which assisted in the rehabilitation and improvement of Calabrese Park.

Local Early Action Planning Grants Program (LEAP)

The LEAP grant reflects the State's commitment to work in partnership with local governments to address California's critical housing needs. The City was awarded $65,000 for use towards the completion of the 6th Cycle Housing Element.

Department of Cannabis Control (DCC) Grant

The Retail Access Grant provides local governments with resources to develop and implement cannabis retailer licensing programs. The City of Sand City has been awarded $115,000 and is the preliminary stages of this project.

Regional Early Access Planning (REAP) Grant 2.0

The REAP 2.0 program was established through AB 140 for transformative and innovative projects that implement a region's Sustainable Communities Strategy (SCS) and help achieve the objectives of more housing and transportation options that reduce reliance on cars. The City of Sand City was awarded $85,000 for the redesign of the City's website to enhance its Economic Development potential.

Permanent Local Housing Allocation Program (PLHA)

The PLHA Grant, awarded through the California Department of Housing and Community Development (HCD), provides funding to local governments in California for housing-related projects and programs that assist in addressing the unmet housing needs of their local communities. The City of Sand City was awarded $283,647 which will be utilized to study, acquire, and develop property to be used for affordable housing in Sand City.

Coastal Conservancy Grant

The State of California Coastal Conservancy provides grant funding for a wide variety of projects along the California coast, San Francisco Bay, and in coastal watersheds to increase availability of beaches, parks, and trails for the public, protect and restore natural lands and wildlife habitat, preserve working lands, and increase community resilience to the impacts of climate change. The City of Sand City was awarded $473,500 to plan and design a new coastal trail, parking improvements and a restoration plan.

Monterey Bay Air Resources District (MBARD)

This grant serves to work in accordance with Assembly Bill 2766 Motor Vehicle Emission Reduction Program. The City of Sand City was awarded $205,000 to plan and design a Multiuse Trail and Bike Lane Improvements to meet AB 2766 emission reduction requirements.

State Water Resource Control Board (SWRCB) Proposition 1 Grant

The SWRCB's Integrated Regional Water Management (IRWB) grant program provides funding for projects that help meet the long-term water needs of the state. The City of Sand City was awarded two separate awards for storm water improvement projects along Catalina St and Contra Costa in the amount of $1,097,400 and $2,375,202 respectively.

Non-Recurring Grant Revenues

Account	Account Description	FY 22/23 Actual Revenue	FY 23/24 Amended Budget	FY 24/25 Proposed Budget
4684	CA Dept of Parks & Rec Grant	$37,673	$171,486	$0
4607	LEAP Grant	$0	$65,000	$0
4608	REAP Grant	$65,000	$85,000	$0
4609	PLHA Grant	$0	$152,000	$131,647
4611	Coastal Conservancy Grant	$0	$50,000	$423,000
4612	MBARD Grant	$0	$205,000	$0
4613	Cannabis Grant	$0	$0	$115,000
4682	Prop 1 SW IRWM - Catalina	$20,751	$111,151	$652,000
4683	PROP 1 SW	$0	$366,059	$1,639,500
	DEPARTMENT TOTAL	**$123,424**	**$1,205,696**	**$2,961,147**

Appropriations Limit

Description

Article XIIIB of the California Constitution provides that the total annual appropriations subject to limitations of each governmental entity, including this City, shall not exceed the appropriations limit of such entity of government for the prior year adjusted for changes in population and inflation mandated by Proposition 4 (1979) and Proposition 111 (1990), except as otherwise provided in said Article XIIIB and implementing state statues.

Pursuant to Article XIIIB of the California Constitution, and Section 7900 et seq. of the California Government Code, the City is required to calculate and set its appropriations limit for each fiscal year. Based on such calculations the City had determined said appropriations limit and pursuant to Section 7910 of the California Government Code has made available to the public the documentation used in the determination of the appropriations limit.

An appropriations limit of $17,663,692 was calculated and established for Fiscal Year 2023-2024, and a new appropriations limit for Fiscal Year 2024-2025 has been calculated as $18,349,043 using the inflation factor and population increase factor allowed by state law.

Appropriations Limit Calculation	
Fiscal Year 2024-2025	
Fiscal Year 2023-2024 Limit	$17,663,692
Adjustment Factors	
Population Growth Ratio = $\frac{.26 + 100}{100}$	1.0026
Inflation Ratio (per capita income) = $\frac{3.62 + 100}{100}$	1.0362
Annual Ratio = 1.0026 x 1.0362	1.0388
Fiscal Year 2024-2025 Limit	
$17,663,692 x 1.0388 = $18,349,043	**$18,349,043**



1 Pendergrass Way, Sand City, CA 93955
(831) 394-3054 • sandcity.org

AGENDA ITEM
10B.

Approve a Resolution Approving Delegation of Authority for Executing Caltrans Documents

City of Sand City

STAFF REPORT

TO: Honorable Mayor and City Council
FROM: Vibeke Norgaard, City Manager
SUBJECT: Authorization to Execute Caltrans Documents Required for the Association of Monterey Bay Area Governments Carbon Reduction Program
DATE: June 4, 2024

BACKGROUND/DISCUSSION:

In April 2024, EMC Planning Group prepared and submitted an application for the Association of Monterey Bay Area Governments (AMBAG) Carbon Reduction Program (CRP) grant to support the construction of an approximately one-mile new multiuse trail system within the Transportation Authority of Monterey County (TAMC) railway corridor.

The project involves the implementation of an approximately one-mile new trail system that would provide an extension from the existing Monterey Bay Coastal Trail at Del Monte Boulevard and Canyon Del Rey Boulevard to the future rapid transit station proposed at Playa Avenue and California Avenue in the City of Sand City (the "City"). The project includes two primary components; 1) implementation of a new multiuse trail system and parking in the TAMC railway corridor, and 2) improved bike lane striping along California Avenue and Holy Street.

On May 8th, 2024, the AMBAG Board of Directors authorized staff to begin the preparation of supporting documentation required to award funding to the City in the amount of $1,960,000 to support the construction of the multiuse trail system. Supporting documents required to obtain the allocated funding include the following:

- Master Agreements;
- Program Supplemental Agreements;
- Cooperative Agreements;
- Right-of-way Certifications;
- Project Certification;
- Fund Exchange Agreements; and
- Fund Transfer Agreements.

The attached resolution approves the delegation of authority to the City Manager to execute the required Caltrans documents listed above.

FISCAL IMPACT: Funding provided through the AMBAG CRP will be applied to costs associated with the construction of the proposed multiuse trial system. At this time the project is still in the preliminary planning phase and total cost of construction is unknown.

EMC has worked closely with City staff and grant writers to submit an application for additional grant funding in an effort to completely fund the implementation of the project. Once the plans have been completed, the City will continue to seek additional construction funding if required to complete the project.

RECOMMENDATION:

Staff recommends:

1) APPROVAL of a resolution authorizing the City Manager to execute necessary agreements; and, thereafter to administer the grant with the Association of Monterey Bay Area Governments.

ATTACHMENTS:

1. Resolution approving delegation of authority for executing Caltrans documents.

CITY OF SAND CITY
RESOLUTION SC ___, 2024

RESOLUTION OF CITY COUNCIL OF THE CITY OF SAND CITY APPROVING DELEGATION OF AUTHORITY FOR EXECUTING CALTRANS DOCUMENTS

WHEREAS, the City of Sand City is eligible to receive Federal and/or State funding for certain transportation projects through the California Department of Transportation (Caltrans); and

WHEREAS, Master Agreements, Program Supplemental Agreements, Cooperative Agreements, Right-of-way Certifications, Fund Exchange Agreements, Project Certification, and/or Fund Transfer Agreements need to be executed with the California Department of Transportation before such funds can be claimed; and

WHEREAS, the City of Sand City wishes to delegate authorization to execute these agreements, certifications and any amendments thereto to the City Manager and/or designee.

NOW, THEREFORE, **BE IT RESOLVED** by the City Council of the City of Sand City that the City Manager or her designee is authorized to execute all Master Agreements, Program Supplemental Agreements, Cooperative Agreements, Right-of-way Certifications, Fund Exchange Agreements, Project Certifications, Fund Transfer Agreements and any amendments thereto with the California Department of Transportation.

PASSED AND ADOPTED ay a regular meeting of the City Council of the City of Sand City, this __ day of ____, 2024 by the following votes:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

_____
Mary Ann Carbone, Mayor

ATTEST:
DATED: _____

_____
Kerry Lindstrom, City Clerk

AGENDA ITEM
10C.

2023-2031 Housing Element of the General Plan: Approve a Resolution Adopting a Categorical Exemption for the 2023-2031 Housing Element Update and; Approve a Resolution Adopting a General Plan Amendment to Repeal the 2015-2023 Housing Element and Adopt the 2023-2031 Housing Element of the General Plan in Compliance with State Housing Element Law

City of Sand City

STAFF REPORT

TO: Honorable Mayor and City Council
FROM: Michael Groves AICP, Contract Senior Principal
Kylie Pope, Associate Contract Planner
Kailon Thompson, Associate Contract Planner
SUBJECT: Adoption of CEQA Exemption and approve a General Plan Amendment to repeal the 2015-2023 Housing Element and adopt the 2023-2031 Housing Element of the General Plan in compliance with State housing element law.
DATE: June 4, 2024

BACKGROUND/DISCUSSION:

The City has prepared a draft update to the Housing Element of the General Plan (Attachment 2, Exhibit A) to affirmatively further fair housing and accommodate the 260-unit Regional Housing Needs Allocation (RHNA) for the 2023-2031 Housing Element 6th cycle. The content of the draft 2023-2031 Housing Element is structured for consistency with the requirements set forth in state law. In addition to responding to requirements of state law, the Housing Element also demonstrates the City's strategy for meeting the City's locally determined housing needs and that these needs are addressed through policies and programs outlined within the Housing Element. Public review and input have been a critical component of this 6th Cycle Housing Element Update.

This staff report provides a summary of the Housing Element requirements, an overview of the status of the City's draft Housing Element, and the findings provided to the City by HCD on the first 90-day review and subsequent 60-day review of the draft. The City has responded to HCD's comments and believes that the draft Housing Element substantially complies with Housing Element Law.

Background

CA Government Code Title 7, Division 1, Chapter 3, Article 10.6 [65580 – 65589.11] regulates the use and requirements of housing elements in California. The state law requires jurisdictions to update their General Plan Housing Element every eight years. State law further requires the current update for jurisdictions in the Association of Monterey Bay Area Governments (AMBAG) region to comply by December 15, 2023.

The City's 2023-2031 Draft Housing Element was prepared with the benefit of input from the community and discussion at numerous public meetings held by the City Council. Guidance was also provided by HCD throughout the process.

On May 5, 2023 the City released the Sand City Public Review Draft Housing Element for a 30-day review and public comment period. The public comment period ended on June 5, 2023. The draft was subsequently revised and on September 26, 2023, the City submitted the Sand City Initial Draft Housing Element to Housing and Community Development (HCD) for a 90-day review.

The City received HCD's 90-day findings letter on December 21, 2023 Based on discussions with HCD, staff revised the draft Housing Element to include additional information and analysis. Prior to resubmittal to HCD the draft Housing Element was posted for public review and comment period of seven (7) days on February 28, 2024, April 16, 2024 and May 10, 2024. All public comments were considered during preparation of the subsequent drafts.

On May 20, 2024 the revised document was submitted to HCD for subsequent 60-day review period.

The following section summarizes the required components of Housing Element Updates per State law, new requirements since the 5th Cycle Housing Element Update (2015-2023), and penalties for noncompliance with Housing Element laws. The section also includes a summary of public meetings related to the 6th Cycle Housing Element Update prior to today's meeting.

Required Components of a Housing Element

Pursuant to Government Code Section 65583, local governments are required to include the items below as components within their Housing Elements and subsequent updates thereto. Newly required components introduced as part of the 6th Cycle are noted below and discussed in further detail within the "New Requirements for the 6th Cycle Housing Element Update" Section below.

1. Housing Needs Assessment.
2. Evaluation of Past Performance.
3. Housing Sites Inventory
4. Community Engagement.
5. Constraints Analysis.
6. Policies and Programs.
7. Affirmatively Furthering Fair Housing.

New Requirements for the 6th Cycle Housing Element Update
Pursuant to recent State legislation, the following items are now required as part of the Housing Element Update process:

Affirmatively Furthering Fair Housing (AFFH). Assembly Bill 686 (AB 686), passed in 2018, created new requirements for jurisdictions to affirmatively further fair housing. According to AB 686, affirmatively furthering fair housing means to take "meaningful actions, in addition to combating discrimination, which overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics (such as race, sexual orientation, or disability)" and is Federally mandated by the 1968 Fair Housing Act.

Public Comment on Draft Revisions. Assembly Bill 215 (AB 215, 2021) requires local governments to make the first draft revision of their housing element update available for public comment for at least 30days. Further, if any comments are received, a local government must take at least ten additional business days to consider and incorporate public comments into the draft revision before submitting to HCD. HCD must review the draft and report its written findings to the planning agency within 90 days of receiving the first draft submittal for each housing element revision or within 60 days of its receipt for a subsequent draft amendment or adoption.

Penalties for Non-Compliance
In the 6th Cycle, jurisdictions face a number of new consequences for not having a certified Housing Element. Under legislation enacted in recent years, if a jurisdiction does not comply with State housing law, HCD may refer the jurisdiction to the Attorney General. Significant fines may be imposed if a jurisdiction does not comply with a court order within one year. A court finding a Housing Element inadequate may limit local land use decision-making authority until the jurisdiction brings its Housing Element into compliance, or local governments may lose the right to deny certain projects, including those submitted under the "Builder's Remedy".

Conversely, an HCD-certified housing element makes jurisdictions eligible for, or with higher priority for, numerous sources of funding, such as Local Housing Allocations, Affordable Housing and Sustainable Communities Grants, SB 1 Planning Grants, CalHOME Program Grants, Infill Infrastructure Grants, Pro-Housing Design funding, Local Housing Trust Funds and Regional Transportation Funds (such as MTC's OneBayArea Grants).

Summary of Prior Meetings and Outreach

The City has conducted a comprehensive community engagement and outreach strategy as required by the Government Code to inform the 6th Cycle Housing Element Update Process. These meetings and outreach events are summarized in Section 1.6 Public Participation of the final draft Housing Element. Feedback received throughout the ongoing community engagement and outreach process has assisted the consulting team in preparing the draft Housing Element Update and related items.

Regional Housing Needs Allocation (RHNA)

In August 2021, the California Department of Housing and Community Development (HCD) issued a Regional Housing Need Determination to the AMBAG region for the 6th Cycle planning period of June 30, 2023 to December 15, 2031 and determined that the region must zone to accommodate a minimum of 33,274 housing units during this period.

California housing law (Government Code § 65580 et seq.) requires AMBAG, acting in the capacity of Council of Governments (COG), to develop a Regional Housing Needs Allocation (RHNA) Plan to allocate existing and projected housing needs to local jurisdictions within Monterey and Santa Cruz Counties.

Based on the final RHNA Plan, each city and county must update its housing element to demonstrate how the jurisdiction will meet the expected growth in housing needs over this period of time. On October 12, 2022, the AMBAG Board of Directors adopted the Final 2023-2031 6th Cycle RHNA Plan. AMBAG's Plan distributes the RHNA across the regions counties and cities based on demographic, and population data received from the California Department of Finance (DOF). Local jurisdictions must then utilize their ascribed RHNA to update the housing elements of their general plans for the 6th Cycle planning period, inclusive of identifying eligible land resources to accommodate this RHNA. The City of Sand City's RHNA is 260 units.

RHNA requirements are organized into four affordability categories, established according to the Area Median Income (AMI) of a geography. These categories include very low-income residential units, which are affordable to households earning less than 50% of AMI; low-income residential units, which are affordable to households earning between 50% and 80% of AMI; moderate income residential units, which are affordable to households earning between 80% and 120%; and above moderate-income residential units which are affordable to households earning upwards of 120% of AMI. The City's RHNA breakdown is as follows:

59 very-low income units,
39 low-income units,
49 moderate-income units, and
113 above moderate-income units.

Housing Needs Assessment

As part of the Housing Element Update process the City is required to analyze the existing and projected housing needs of the City, including its fair share of RHNA requirements. The City's analysis of housing needs is required to include an assessment of detailed demographic data, including population, age, size, and ethnicity; household characteristics; overpayment trends; housing stock conditions; units in need of replacement or rehabilitation; and needs of special needs populations including the elderly, persons with disabilities, unhoused persons, extremely low-income households, and farmworkers. The 6th Cycle Housing Element Update outlines the housing needs of the City in Appendix A.

Constraints Analysis

In addition to analyzing the existing and projected housing needs of the City, the Housing Element Update must also identify and analyze potential and actual governmental and nongovernmental constraints to the maintenance, improvement, or development of housing for all income levels in the community, regardless of protected class. A summary of constraints to the development and improvement of housing in the City can be found in Appendix B of the Housing Element.

Housing Resources & Sites Inventory

As part of the 6th Cycle housing element update, the City is also required to identify resources available to the City for the preservation, rehabilitation, and production of housing throughout the community. This includes programmatic and financial resources, such as those offered locally or through State or Federal partners. These resources also include land resources within the City that were identified as eligible for accommodation of the City's RHNA Requirements. Pursuant to Government Code Section 65583.2(a) the following land resources are eligible for accommodation of the City RHNA: vacant sites zoned for residential use; or vacant sites zoned for nonresidential use that allow residential development; or residentially zoned sites that are capable of being developed at a higher density; or sites zoned for nonresidential use that can be redeveloped for residential use, and for which the Housing Element includes a program to rezone the site. The City's Housing Sites Inventory is summarized in Appendix C of the Housing Element.

Policies and Programs

The Housing Element Update includes a set of goals, policies, and implementing programs intended to promote the preservation, rehabilitation, and production of housing throughout the City. Goals are long range, broad, and comprehensive targets that describe the future outcomes the City desires. A policy is a specific instructional guideline that seeks to promote goals. Together, goals and policies are implemented through a series of programs that identify specific, quantifiable actions the City will undertake during the 6th Cycle

planning period. A summary of Draft Goals, Policies, and Programs can be found in Chapter 2 of the Housing Element.

AFFH

Assembly Bill 686 (AB 686), passed in 2018, created new requirements for jurisdictions to affirmatively further fair housing as part of the Housing Element Update process. These requirements found in Government Code Section 8899.50 are intended to address racial inequalities seen today throughout the region which developed through historical policies and practices enacted at federal, state, regional and local levels and across the public and private sectors. Though many of these explicit forms of historical discrimination have been outlawed, the results of these systems have left a lasting imprint on both the region and the City. Racially explicit practices (e.g., racial covenants) that excluded persons of color from predominately white neighborhoods have been replaced with race-neutral land use policies that continue to exclude these same groups. Furthermore, rapidly increasing housing costs have deepened racial and economic disparity and segregation, displacing many low-income individuals and people of color to the peripheries of the region or out of the region altogether.

Accordingly, the City must incorporate fair housing considerations into its 6th Cycle Housing Element Update to increase housing opportunities in high-resource neighborhoods and bring additional resources to traditionally under-resourced neighborhoods. A summary of the required AFFH component can be found in section 1.4 of the Housing Element.

Targeted Community Outreach

The City must demonstrate “meaningful, frequent, and ongoing community participation, consultation, and coordination” as part of the 6th Cycle Housing Element Update process. This is intended to ensure that input has been received from groups historically and presently most impacted by fair housing issues and that local knowledge is incorporated into Housing Elements. A summary of the City’s targeted community outreach efforts can be found in section 1.6 of the Housing Element. Additional information can be found in Appendices E and F.

Assessment of Fair Housing

The City must also describe and analyze the unique housing circumstances of the City. This analysis is referred to as an Assessment of Fair Housing (AFH) and analyzes circumstances within the City pertaining to Fair Housing which can be found in Appendix A of the Housing Element.

Segregation and Integration Patterns

The City's AFH also analyzes segregation and integration patterns within the jurisdiction as well as regionally. Segregation and integration patterns are analyzed by evaluating the concentration (or lack thereof) of protected groups within the community, relative to their distribution across a larger geography.

Disparities In Access to Opportunity
The City's AFH also evaluates disparities in access to opportunity within the City, which are areas within the City that have substantial differences in access to education, transportation, economic and environmental outcomes than other areas as identified by the California Tax Credit Allocation Committee (TCAC).

Disproportionate Housing Needs (For Low-Income Households and Protected Classes)
The City's AFH also evaluates disproportionate housing needs among low-income households and protected classes within the City. Disproportionate housing needs are evident when members of a protected group disproportionately experience a housing need compared to other groups or the total population. Disproportionate housing needs typically refer to the risk of displacement, overcrowding, or cost-burden, among others.

Sites Inventory
State Law requires the City to evaluate whether Housing Sites identified as suitable for accommodation of the City's RHNA requirements are identified relative to the full scope of the assessment of fair housing (e.g., segregation and integration, racially and ethnically concentrated areas of poverty and affluence, access to opportunity, etc.). A summary of how Housing Sites were identified consistent with AFFH can be found in section 1.4 of the Housing Element.

Goals, Policies, and Actions
The policies and programs responsive to State Law demonstrating the City's commitment to affirmatively further fair housing as part of the Housing Element Update process can be found in Chapter 2 of the Housing Element.

Evaluation of Past Progress
Pursuant to State Law, the implementation status of Goals, Policies, and Programs from the City's 5th Cycle Housing Element Update has been included in Appendix D of the Housing Element.

CEQA:
The City has prepared the necessary environmental review, consistent with CEQA, for the Draft 2023–2031 Housing Element Update. The City Council will be considering the adoption of a Categorical Exemption, consistent with CEQA, for the Draft 2023– 2031 Housing Element Update (Resolution 2024-XXX, Attachment 1)

FISCAL IMPACT:
The Housing Element Chapter includes programs and policies that the City must implement to comply with State Housing Law. Funding to complete the housing implementation requirements (policies and programs) is estimated at approximately $450,000, or about $56,000 per year for the lifetime of the City's Housing Element (eight years). This does not include the full General Plan Update; which is estimated to cost approximately $650,000 - $750,000.

The City has begun work on implementation of the City's Housing Element, based on direction from HCD and the City, and executed a contract on September 5, 2023 for $92,358 to develop Objective Design and Development Standards (adopted by City Council on May 21, 2024) and on April 16, 2024 for $170,000 to begin work on policies and programs related to required Zoning Code amendments.

The Housing Element was funded in part by a LEAP grant of $65,000 and a REAP grant also in the amount of $65,000, for a total of $130,000 in grant funding. The remainder of the funding came from the City's General Fund. The total Housing Element contract cost, including the Objective Design and Development Standards, is $362,358.

RECOMMENDATION:
1. Adopt a Resolution 2024-XX adopting a CEQA Exemption for the 2023-2031 Housing Element of the General Plan; and
2. Adopt Resolution 2024-XX approving a General Plan Amendment to repeal the 2015-2023 Housing Element and adopt the 2023-2031 Housing Element of the General Plan in compliance with State housing element law.

ATTACHMENTS:

1. Resolution – adopting Categorical Exemption
2. Resolution - adopting the 2023-2031 Housing Element
3. HCD 90-day Finding Letter, dated November 1, 2023
4. Response to HCD Findings (Draft 2023-2031 Housing Element submitted May 20, 2024)
5. HCD Letter, dated May 24, 2024

CITY OF SAND CITY
RESOLUTION SC 24-___, 2024

RESOLUTION OF THE CITY COUNCIL OF SAND CITY ADOPTING A CATEGORICAL EXEMPTION FOR THE 2023-2031 HOUSING ELEMENT UPDATE

WHEREAS, State Housing Element Law (Government Code Sections 65580 et seq.) requires that the Sand City City Council adopt a Housing Element for the eight-year period 2023-2031 to accommodate the City of Sand City's regional housing need allocation (RHNA) of 260 housing units, comprised of 59 very-low-income units, 39 low-income units, 49 moderate-income units, and 113 above moderate-income units; and

WHEREAS, to comply with State Housing Element Law, the City of Sand City has prepared the 2023-2031 Housing Element in compliance with State Housing Element Law and has identified sites that can accommodate housing units meeting the City's RHNA; and

WHEREAS, as provided in Government Code Section 65350 et. seq., adoption of the Housing Element constitutes a General Plan Amendment; and

WHEREAS, the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., "CEQA"), together with State Guidelines (14 California Code Regulations §§ 15000, et seq., the "CEQA Guidelines") require that certain projects be reviewed for environmental effects and that environmental documentation be prepared; and

WHEREAS, the City completed a Categorical Exemption; and

WHEREAS, on May 24, 2024, a notice of the public hearing scheduled for June 4, 2024, was published in the Monterey Weekly in compliance with State law (California Government Code 65091) indicating the date and time of the public hearing; and

WHEREAS, on or before May 31, 2024, the meeting agenda was posted in compliance with State law indicating the date and time of the public hearing; and

WHEREAS, on June 4, 2024, the City Council held a duly noticed public hearing to receive public testimony regarding the 6th Cycle 2023-2031 Housing Element update and Categorical Exemption; and

WHEREAS, this Resolution and its findings are made based upon the evidence presented to the Council at the hearing, including, without limitation, the staff report and attachments which are incorporated herein by reference; and

WHEREAS, the City Council did hear and consider all said reports, attachments, recommendations, and testimony as set forth above and incorporated herein by reference, and used their independent judgment to evaluate the project; and

WHEREAS, the facts set forth in the recitals are true and correct and are incorporated herein by reference**.**

NOW, THEREFORE, BE IT RESOLVED that the City Council of Sand City does hereby adopt the Categorical Exemption, included as Exhibit A.

PASSED AND ADOPTED by the City Council of the City of Sand City this _4th__, day of June, 2024 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

_____
Mary Ann Carbone, Mayor

ATTEST:
DATED: _____

_____
Kerry Lindstrom, City Clerk

Exhibit A: Categorical Exemption

Sand City 6th Cycle Housing Element Project Description and Evidence for Categorical Exemption

PROJECT DESCRIPTION

The proposed *Sand City 6th Cycle Housing Element Update* accommodates 138 new housing units on eight opportunity sites throughout Sand City that have not already been through the development review and approval process. Additionally, three accessory dwelling units (ADUs) are included, but ADUs are exempt from CEQA review. The housing sites and associated data are included as Exhibit A to this document. Additional housing units, for a total of 505, are included in the housing element update, but 364 units (South of Tioga and Catalina Lofts projects) have been through the environmental review process and have been approved by the City of Sand City. Therefore, these are considered pipeline projects, and do not need to undergo environmental review again, but are however, subject to mitigation measures and/or conditions of approval required in their respective project approvals.

CATEGORICAL EXEMPTION AND EVIDENCE

The proposed project qualifies for a categorical exemption under Article 19, Section 15332 of the California Environmental Quality Act (CEQA).

> **Class 32** consists of projects characterized as in-fill development meeting the conditions described in this section.
>
> (a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.
>
> (b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.
>
> (c) The project site has no value as habitat for endangered, rare or threatened species.
>
> (d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.
>
> (e) The site can be adequately served by all required utilities and public services.

Evidence and Findings

(a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.

Evidence. The number of proposed housing units at each of the housing opportunity site are allowed, and are consistent with each site's general plan and zoning designations development densities. Future development at each of these housing opportunity sites will undergo design review to ensure they are consistent with applicable general plan policies and applicable zoning designations and regulations.

(b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.

Evidence. The eight opportunity sites are all located within the developed city limits and are surrounded by urban uses. The size of the eight sites ranges from 0.045 acres to 3.204 acres. Cumulatively, they total 4.292 acres.

(c) The project site has no value as habitat for endangered, rare or threatened species.

Evidence. All of the housing opportunity sites are developed or previously disturbed. Three of the sites are identified as vacant. Vacant sites 6 and 7 (0.172 acres) are used for storing vehicles and various materials associated with an adjacent Sylvania – Consolidated Electrical Distributors warehouse. Vacant Site 8 is 0.045 acres and was developed as recently as 2015, and used for storage, according to historical Google Earth photos and street view. None of the site have value as habitat for endangered, rare or threatened species.

(d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.

Evidence - Traffic. A vehicle miles traveled (VMT) study was conducted by Hexagon Transportation Consultants in March 2024 to determine if the cumulative units (147 at the time) would result in significant traffic effects. The full report is included as Exhibit B. The report concluded that cumulatively, development of the housing sites would not result in a significant VMT impact.

Evidence – Noise. The units would all be developed with existing residential or mixed-use neighborhoods and therefore, any temporary (construction) or permanent noise increase would be minimal. Additionally, projects would be required to comply with applicant city noise regulations.

Evidence – Air Quality. Construction of the 138 housing units is assumed to occur occasionally over an eight-year period, and therefore, construction air quality impacts

are considered to be less than significant. Regarding long-term air quality impacts associated with vehicle use, the Monterey Bay Air Resources District estimates that 810 single-family dwelling units or 1,195 townhouse dwelling units could have significant air quality impacts. Therefore, because the housing element update accommodates 138 housing units, the long-term air quality impacts are considered less than significant.

Evidence – Water Quality. Development of each of the housing opportunity sites will be required to comply with the application city and Regional Water Quality Control Board standards for water quality associated with construction.

Therefore, approval and implementation of the housing element update, would not result in any significant effects relating to traffic, noise, air quality, or water quality.

(e) The site can be adequately served by all required utilities and public services.

Evidence. All of the housing opportunity sites can be adequately served by required utilities and public services, including but not limited to water, wastewater, gas and electricity, and fire and police protection.

For these reasons, the proposed project is categorically exempt as the project is characterized.

Exceptions to Categorical Exemptions

Section 15300.2 of the CEQA Guidelines lists exceptions that would prohibit a project from qualifying for a Categorical Exemption, even if the project satisfies the requirements for one or more of the exemption classes. The City of Sand City's CEQA consultant, EMC Planning Group, conducted an independent review and evaluation of the proposed housing element update and conducted independent research. Based on its review, EMC Planning Group concluded that none of the exceptions listed in CEQA Guidelines section 15300.2 (a-f) apply to the proposed project (discussed below). Therefore, a Categorical Exemption is appropriate pursuant to CEQA Guidelines Section 15302.

a) ***Location.*** *Classes 3, 4, 5, 6, and 11 are qualified by consideration of where the project is to be located – a project that is ordinarily insignificant in its impact on the environment may in a particularly sensitive environment be significant. Therefore, these classes are considered to apply all instances, except where the project may impact on an environmental resource of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies.*

   Discussion. The project qualifies for a Class 32 exemption and therefore, the location exception does not apply to the project.

b) ***Cumulative Impact.*** *All exemptions for these classes are inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant.*

Discussion. The housing element is considered cumulative housing development in the City of Sand City. Therefore, there is no cumulative impact that would be significant.

c) ***Significant Effect.*** *A categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances.*

Discussion. Neither City staff nor their consultants are aware of any unusual circumstances associated with the project such that the project would result in a reasonable possibility of resulting in a significant effect on the environment.

d) ***Scenic Highways.*** *A categorical exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway. This does not apply to improvements which are required as mitigation by an adopted negative declaration or certified EIR.*

Discussion. According to the Caltrans Scenic Highway System Map website, the nearest housing opportunity sites (numbers 4 and 5) are located approximately 260 and 407 feet, respectively from State Route 1. In this area State Route 1 is eligible for scenic highway designation, but is not officially designated as a scenic highway. Therefore, no officially designated scenic highways, or scenic resources, would be affected as a result of the project. Additionally, these housing sites are currently developed, although underutilized, and therefore, redeveloping these sites would not affect State Route 1 eligibility to be officially designated.

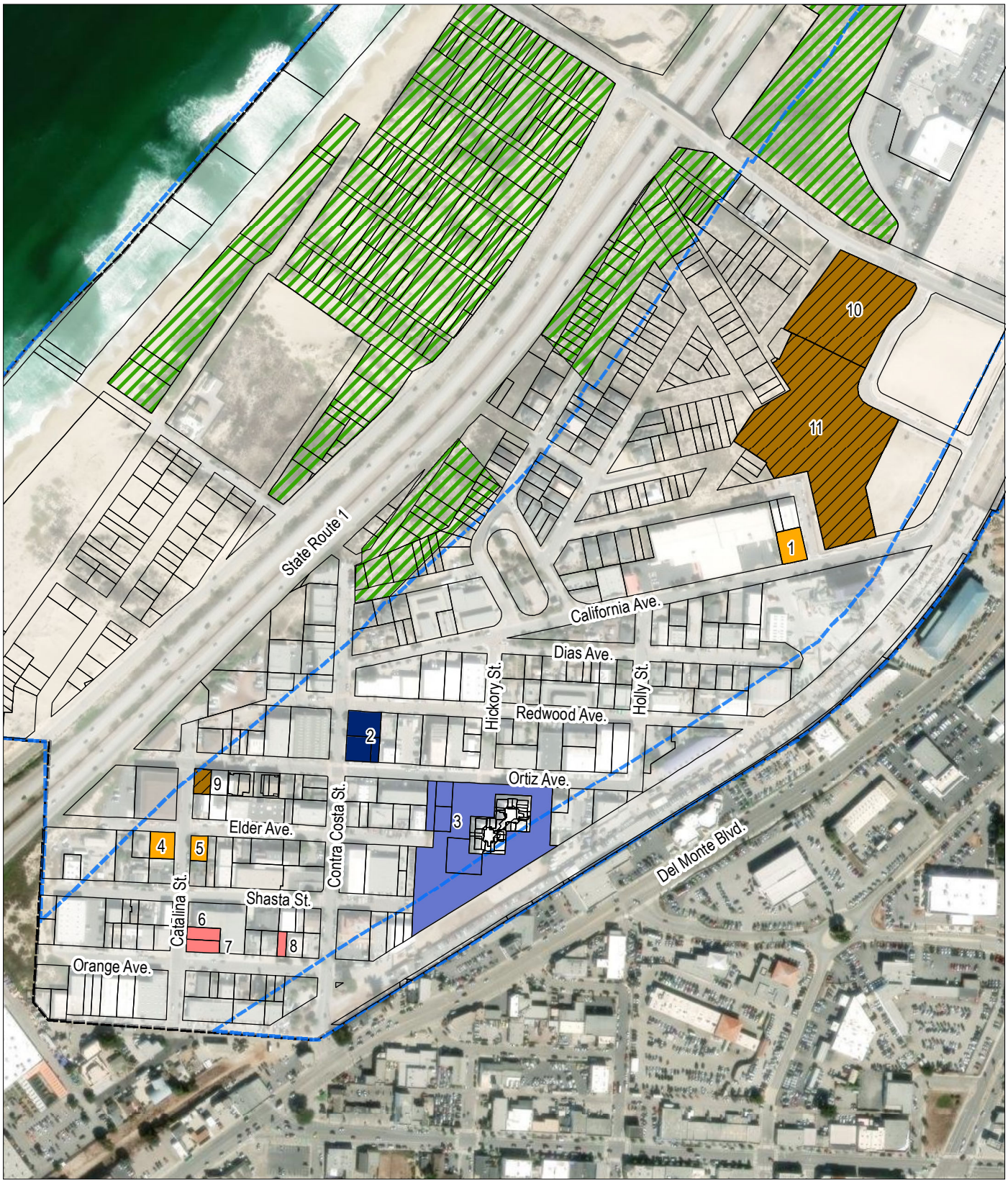
e) ***Hazardous Waste Sites.*** *A categorical exemption shall not be used for a project located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code.*

Discussion. One of the housing sites, Site #3 APN: 011-236-027-000 & 011-236-029-000, is located on the State Water Resources Control Board Geotracker website and identified as a leaking underground storage tanks (LUST) site; however, Geotracker reports that the site was cleanup and the case was closed in 2009. None of the other housing opportunity sites are located on a site that is included on any list compiled pursuant to Section 65962.5 of the Government Code. They are not listed on the California Environmental Protection Agency's Cortese List (Health and Safety Code Section 25187.5). The State Water Resources Control Board's Geotracker (Health and Safety Code Section 25295 and Water Code Sections 13273 and 13301) does not indicate any hazardous sites within the housing opportunity site. Additionally, they are not listed on the California Environmental Protection Agency's list of solid waste

sites identified by the Water Board with waste constituents above hazardous waste levels outside the waste management unit (Health and Safety Code Section 116395).

f) **Historical Resources.** A categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource.

Discussion. *Three of the housing sites are vacant. Those that contain structures are mostly industrial warehouse buildings. One contains a house in significant disrepair. None would be considered historically significant. Therefore, the proposed project would not cause a change in the significance of a historical resource.*



Source: Monterey County GIS 2023, Google Earth 2023

Figure C-1

Sites Inventory

Sand City 6th Cycle Housing Element

Map #	APN	Address	GENERAL PLAN	ZONING	ACRES	MAX DENSITY per acre	REALISTIC CAPACITY (% of Max Density)	VL	L	M	AM	Total
Salvation Army												
1	011-186-020-000	801-803 California Avenue	EDSP	M	0.3	20		5				**5**
	Subtotal				**0.3**		**83%**	**5**				**5**
City of Sand City Art Park and adjacent privately owned properties												
2	011-196-014-000	502 Ortiz Avenue	MU-D	MU-P	0.040	81		3	3			**6**
	011-196-020-000	No address	MU-D	MU-P	0.175	81		3	3			**6**
	011-196-015-000	No address	MU-D	MU-P	0.130	81		3	1			**4**
	Subtotal				**0.345**		**57%**	**9**	**7**			**16**
The Independent, Phase 2												
3	011-232-027-000	524 Elder Avenue	MU-D	MU-P	0.087	81		2	2			**4**
	011-232-022-000	525 Elder Avenue	MU-D	MU-P	0.087	81		2	2			**4**
	011-232-021-000	526 Elder Avenue	MU-D	MU-P	0.087	81		2	2			**4**
	011-236-027-000	No address	MU-D	CZ-MU-P	2.727	81		38	23	30		**91**
	011-236-029-000	No address	MU-D	CZ-MU-P	0.216	81		2	2			**4**
	Subtotal				**3.204**		**41%**	**46**	**31**	**30**	**0**	**107**
Underutilized Sites												
4	011-243-004-000	1793 Catalina Street	MU-D	MU-P	0.138	81	**18%**				**2**	**2**
5	011-237-001-000	1712 Catalina Street	MU-D	MU-P	0.088	81	**14%***				**1**	**1**
Vacant Sites												
6	011-238-012-000	No address	MU-D	MU-P	0.086	81	**50%**				**3**	**3**
7	011-238-011-000	No Address	MU-D	MU-P	0.086	81	**50%**				**3**	**3**
8	011-238-021-000	445 Orange Avenue	**MU-D**	**MU-P**	**0.045**	**81**	**67%***				**1**	**1**
							Subtotal	**60**	**38**	**30**	**10**	**138**
ADUS								**2***	**1**	**0**	**0**	**3**
Pipeline Projects								**9**	**7**	**26**	**322**	**364**
Total								**71**	**46**	**56**	**332**	**505**
RHNA								**59**	**39**	**49**	**113**	**260**
Net Surplus								**12**	**7**	**7**	**219**	**245**
Percent Surplus								**120%**	**118%**	**114%**	**294%**	**194%**

Hexagon Transportation Consultants, Inc.

Memorandum

Date: March 1, 2024

To: Mr. Stuart Poulter, EMC Planning Group

From: Ollie Zhou, T.E. and Huy Tran, T.E.

Subject: VMT Analysis for the Sand City Housing Element Update

Hexagon Transportation Consultants, Inc. has completed a Vehicle Miles Travelled (VMT) analysis for the proposed 2023-2031 Housing Element Update (HEU) for Sand City. The purpose of this study is to comply with CEQA requirements and to determine whether the proposed HEU project would generate a VMT impact. The 2023-2031 HEU for Sand City proposes to increase residential capacity by adding 147 units across three different sites and underutilized or vacant parcels, as shown in Table 1 and Figure 1.

Vehicle Miles Traveled

State Bill (SB) 743, which was signed into law in 2013, initiated a change in how public agencies evaluate transportation impacts under the California Environmental Quality Act (CEQA). Traditionally, transportation impacts have been evaluated by examining whether the project is likely to cause automobile delay at intersections and congestion on nearby individual highway segments and whether this delay will exceed local or regionally-defined thresholds of significance (this is known as Level of Service or LOS analysis).

Starting on July 1, 2020, agencies must analyze transportation impacts using a new metric known as vehicle miles traveled (VMT) instead of LOS. VMT is a metric that captures how much auto travel (additional miles driven) a proposed project would create on California roads. If the project adds excessive car travel onto our roads, it may cause a significant transportation impact.

VMT is generally defined as the total miles of travel by personal motorized vehicles a project is expected to generate in a day. VMT is calculated for residential and employment-generating projects using the Origin-Destination VMT method, which measures the full distance of personal motorized vehicle trips with one end within the project. When assessing a residential project, the project's home-based VMT is divided by the number of residents expected to occupy the project to determine the VMT per capita.

VMT Thresholds

Given that neither Sand City nor the County of Monterey has formally adopted a VMT policy, the general practice is to follow the Governor's Office of Planning and Research's (OPR) *Technical Advisory on Evaluating Transportation Impacts in CEQA*. Per OPR's VMT guidelines, there are several categories of projects that could be presumed to have a less-than-significant VMT impact or be screened out of a VMT analysis. The relevant guidelines are described below:

- **Screening Threshold for Small Projects:** Projects that generate or attract fewer than 110 trips per day generally may be assumed to cause a less-than-significant transportation impact.

Figure 1
HEU Site Locations

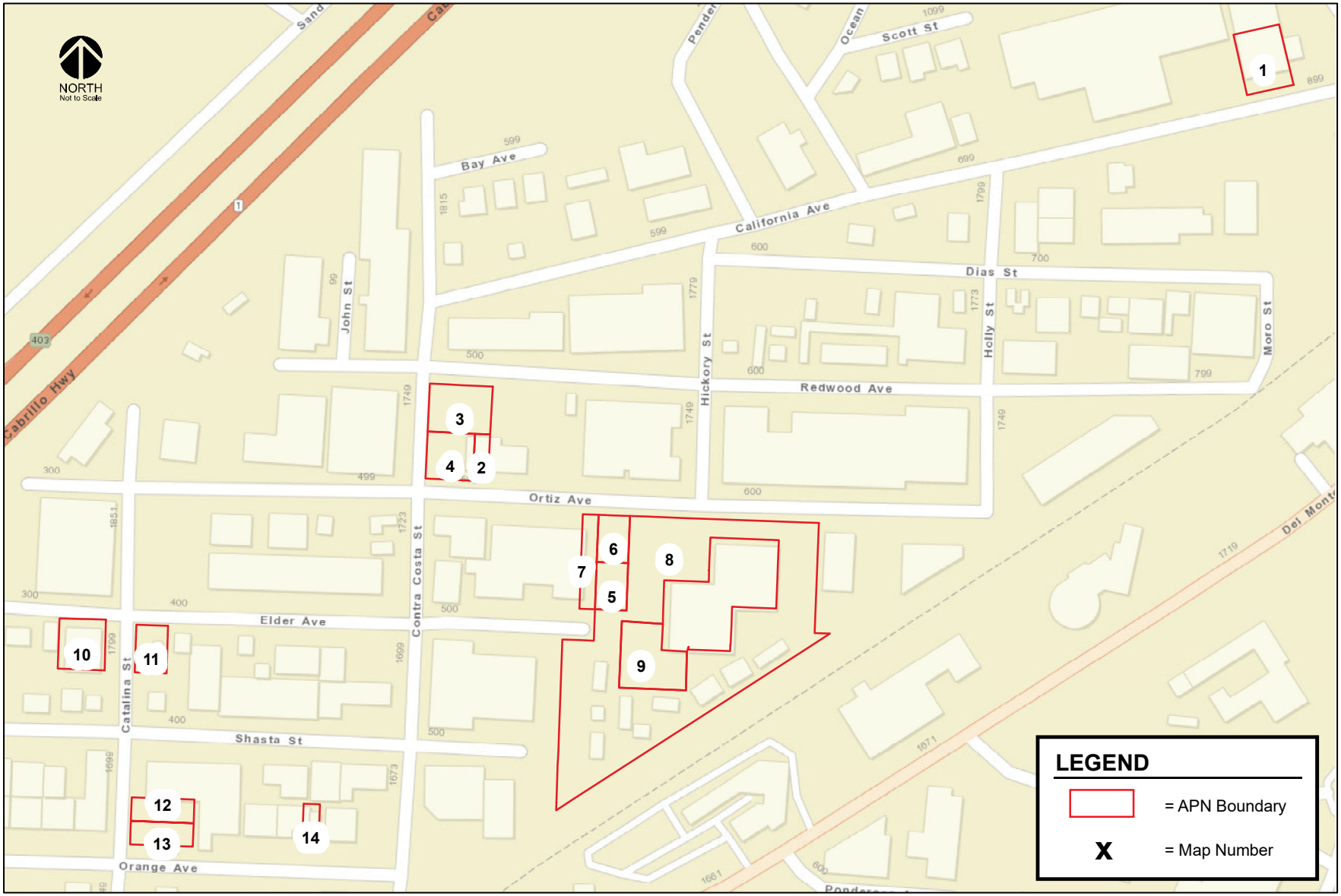


Table 1
HEU Site Summary

Map #	APN	Address	General Plan	Zoning	Acres	# of Units
Salvation Army						
1	011-186-020-000	801-803 California Avenue	MU-D	MU-P	0.300	12
City of Sand City Art Park						
2	011-196-014-000	502 Ortiz Avenue	MU-D	MU-P	0.040	6
3	011-196-020-000	No address	MU-D	MU-P	0.175	6
4	011-196-015-000	No address	MU-D	MU-P	0.130	4
	Subtotal				**0.345**	**16**
The Independent, Phase 2						
5	011-232-027-000	524 Elder Avenue	MU-D	MU-P	0.087	4
6	011-232-022-000	525 Elder Avenue	MU-D	MU-P	0.087	4
7	011-232-021-000	526 Elder Avenue	MU-D	MU-P	0.087	4
8	011-236-027-000	No address	MU-D	MU-P	2.727	91
9	011-236-029-000	No address	MU-D	MU-P	0.216	4
	Subtotal				**3.204**	**107**
Underutilized						
10	011-243-004-000	1793 Catalina Street	MU-D	MU-P	0.138	2
11	011-237-001-000	1712 Catalina Street	MU-D	MU-P	0.088	1
Vacant						
12	011-238-012-000	No address	MU-D	MU-P	0.086	3
13	011-238-011-000	No address	MU-D	MU-P	0.086	3
14 *	011-238-021-000	445 Orange Avenue	MU-D	MU-P	0.045	3
	Subtotal				**0.305**	**12**
	Total					**147**

Notes: * Including 2 Accessory Dwelling Units (ADU)

- **Map-Based Screening for Residential Projects:** Residential projects that are located in areas with low VMT and that incorporate similar features (i.e., density, mix of uses, transit accessibility) will tend to exhibit similar low VMT and may be screened out of needing to prepare a detailed VMT analysis.

VMT Analysis

Small Projects

Without knowledge of the specific residential development type, Hexagon tested the daily project trip generation based on the land use with the highest trip generation rate to be conservative, which is single-family detached housing according to the Institute of Transportation Engineers' (ITE) Trip Generation Manual, 11th Edition. As indicated in Table 2, each site is projected to generate more than 110 trips per day, exceeding the OPR's threshold for exemption from conducting a VMT analysis.

Map-Based Screening for Residential Projects

As discussed below and illustrated in Figure 2, given that all areas of the City are located in low VMT areas because the VMT per capita for each TAZ is below the VMT impact threshold of 9.6 VMT per capita, according to OPR guidelines, all HEU sites can be presumed to generate less-than-significant VMT impacts.

Figure 2
Home-Based VMT per Capita by TAZ within Sand City under Year 2015 Existing Conditions

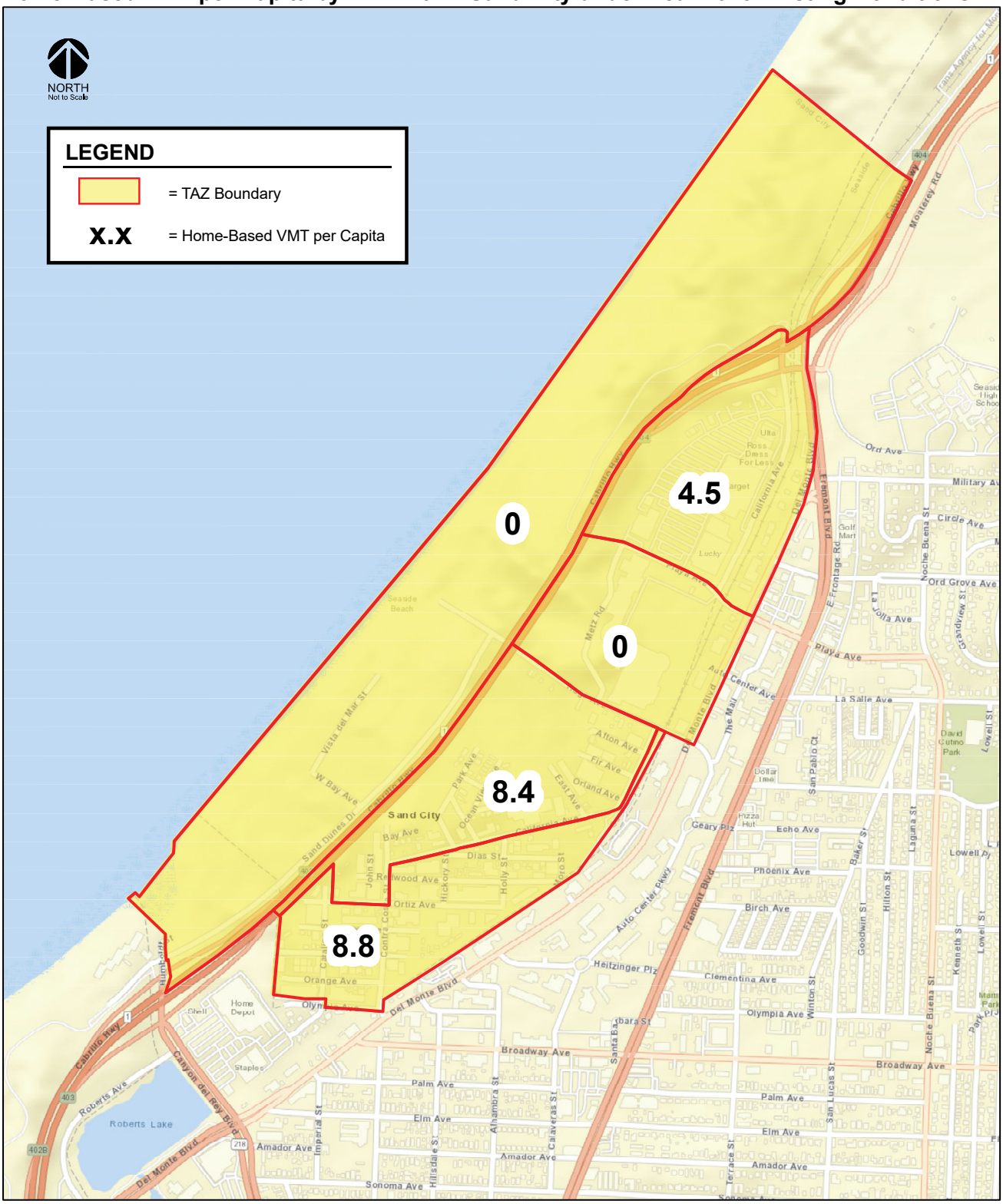


Table 2
Trip Generation Evaluation

Site Name	Land Use[1]	Size	Daily Rate[1]	Daily Trip	Daily >110
Salvation Army	#210 - Single-Family Detached Housing	12 Dwelling Units	9.430	113	Yes
City of Sand City Art Park	#210 - Single-Family Detached Housing	16 Dwelling Units	9.430	151	Yes
The Independent, Phase 2	#210 - Single-Family Detached Housing	107 Dwelling Units	9.430	1,009	Yes
Underutilized and Vacant	#210 - Single-Family Detached Housing	12 Dwelling Units	9.430	113	Yes
Total	**#210 - Single-Family Detached Housing**	**147 Dwelling Units**			

Notes:
[1] ITE Trip Generation Manual, 11th Edition 2021.

VMT Analysis for Entire HEU Plan

Although all sites are presumed to have a less-than-significant VMT impact, a separate quantitative VMT analysis is conducted to assess the VMT effects of the proposed HEU plan as a whole, assuming the buildout of all sites.

The latest travel demand forecast model that represents travel within the Sand City is the Association of Monterey Bay Area Governments (AMBAG) Tri-County transportation model. This model serves as the primary forecasting tool for the City and is currently the best available analytical tool for VMT evaluations. The model is a mathematical representation of travel within the three counties in the Monterey Bay Region and is mainly composed of four main components: 1) trip generation, 2) trip distribution, 3) mode choice, and 4) trip assignment. The model uses socioeconomic inputs (i.e., households, number of jobs, hotel rooms) to estimate travel within Monterey County, Santa Cruz County, and San Benito County. Socioeconomic inputs are aggregated into geographic areas (transportation analysis zones). The model comprises 1,839 traffic analysis zones (TAZs) representing the three counties, with Sand City being represented by five TAZs.

Metrics and Impact Criteria

Residential (home-based) VMT per capita is the recommended metric to evaluate CEQA-related transportation impacts for residential land uses. As stated in the technical advisory, OPR recommends an impact threshold of 15% below the existing VMT levels for residential developments. OPR allows the existing VMT to be defined as the regional average VMT per capita or the county average VMT per capita. For the purpose of this study, the VMT threshold is defined as 15% below the existing county average.

Based on the AMBAG model, the year 2015 existing county average daily residential VMT per capita is 11.3. Therefore, the VMT impact threshold for the proposed residential developments will be set at 15% below the average, which is 9.6 daily miles traveled (11.3 x 85%), as shown in Table 3. Sand City's existing residential VMT per capita is 8.6, which is well below the impact threshold. It is thus expected that the HEU units would also generate VMT well below the VMT impact threshold. The 147 HEU units were analyzed under the year 2015 existing + HEU conditions by adding them to the year 2015 existing scenario of the AMBAG model. The results of the VMT analysis, as shown in Table 3, indicate that the VMT for Sand City as a whole would be 7.3 VMT per capita under the year 2015 + HEU conditions. Therefore, the proposed HEU Plan, at the plan level, would result in a VMT impact that is less than significant.

Table 3
VMT Analysis

	Residential VMT per Capita [1]
Monterey County Average (Year 2015 Existing)	11.3
Impact Threshold [2]	**9.6**
Sand City	
Year 2015 Existing	8.6
Year 2015 Existing + HEU	**7.3**
VMT Impact?	**No**

Notes:
Data referenced AMABG travel demand model.
1. Residential VMT per capita accounts only for home-based VMT.
2. Neither the Sand City or County of Monterey has adopted VMT thresholds.
This impact threshold is calculated using OPR's technical advisory, which suggested 15% below the regional average.

CITY OF SAND CITY
RESOLUTION SC 24-___, 2024

RESOLUTION OF THE CITY COUNCIL OF SAND CITY ADOPTING A GENERAL PLAN AMENDMENT TO REPEAL THE 2015-2023 HOUSING ELEMENT AND ADOPT THE 2023-2031 HOUSING ELEMENT OF THE GENERAL PLAN IN COMPLIANCE WITH STATE HOUSING ELEMENT LAW

WHEREAS, the California Legislature has found that "California has a housing supply and affordability crisis of historic proportions. The consequences of failing to effectively and aggressively confront this crisis are hurting millions of Californians, robbing future generations of the chance to call California home, stifling economic opportunities for workers and businesses, worsening poverty and homelessness, and undermining the state's environmental and climate objectives" (Government Code Section 65589.5.); and

WHEREAS, the Legislature has further found that "Among the consequences of those actions are discrimination against low-income and minority households, lack of housing to support employment growth, imbalance in jobs and housing, reduced mobility, urban sprawl, excessive commuting, and air quality deterioration" (Government Code Section 65589.5.); and

WHEREAS, the Legislature recently adopted the Housing Crisis Act of 2019 (SB 330) which states that "In 2018, California ranked 49th out of the 50 states in housing units per capita…California needs an estimated 180,000 additional homes annually to keep up with population growth, and the Governor has called for 3.5 million new homes to be built over 7 years;" and

WHEREAS, State Housing Element Law (Government Code Sections 65580 et seq.) requires that the City Council adopt a Housing Element for the eight-year period 2023-2031 to accommodate the City of Sand City's regional housing need allocation (RHNA) of 260 housing units, comprised of 59 very-low income units, 39 low-income units, 49 moderate-income units, and 113 above moderate-income units; and

WHEREAS, to comply with State Housing Element Law, the City of Sand City has prepared the 6th Cycle 2023-2031 Housing Element in compliance with State Housing Element Law and has identified sites that can accommodate housing units meeting the City's RHNA; and

WHEREAS, as provided in Government Code Section 65350 et. seq., adoption of the Housing Element constitutes a General Plan Amendment; and

WHEREAS, as provided in Government Code sections 65352 – 65352.5 the City of Sand City mailed a public notice to California Native American tribes provided by the Native American Heritage Commission and to other entities listed; and

WHEREAS, none of the California Native American Tribes requested consultation after being provided with information, including documents, website resources, and notification of public meetings; and

WHEREAS, the preparation, adoption, and implementation of the Housing Element requires a diligent effort to include all economic segments of the community; and

WHEREAS, the City of Sand City conducted community outreach over the last 20 months including, five City Council meetings; one outreach table at the West End Celebration in August 2023; the May 2023 Sand City Night Market; an online stakeholder survey; distribution of property owner forms with housing element information; and targeted meetings with stakeholders, including the Salvation Army; and one City Council adoption hearing; and

WHEREAS, in accordance with Government Code Section 65585 (b), on May 5, 2023, the City of Sand City posted the draft Housing Element and requested public comment for a 30-day review period from May 5 to June 5, 2023; and

WHEREAS, on September 26, 2023, after responding to public comments, the City of Sand City submitted the draft Housing Element to the State Department of Housing and Community Development (HCD) for its review; and

WHEREAS, on December 21, 2023, the City of Sand City received a letter from HCD providing its findings regarding the draft Housing Element; and

WHEREAS, on February 9, 2024, the City of Sand City posted a revised draft Housing Element responding to HCD's comments and findings for a 7-day public review and comment period from February 9 to February 16, 2024; and

WHEREAS, on February 28, 2024, after responding to public comments, the City of Sand City re-submitted the draft Housing Element to the HCD for its review; and

WHEREAS, on April 12, 2024, HCD contacted the City of Sand City to discuss the adequacy of the draft Housing Element, and based upon this, City of Sand City revised the draft Housing Element to include additional information and data; and

WHEREAS, on April 16, 2024, the City of Sand City posted a revised draft Housing Element responding to HCD's findings for a 7-day public review and comment period from April 16, 2024 to April 23, 2024; and

WHEREAS, on April 24, 2024, HCD contacted the City of Sand City to discuss the adequacy of the draft Housing Element, and based upon this, City of Sand City rescinded the February 28, 2024 draft submittal and revised the draft Housing Element to include additional information and data; and

WHEREAS, on May 10, 2024, the City of Sand City posted a revised draft Housing Element responding to HCD's comments and findings for a 7-day public review and comment period from May 10, 2024 to May 17, 2024; and

WHEREAS, on May 20, 2024, after responding to public comments, the City of Sand City re-submitted the draft Housing Element to the HCD for its review; and

WHEREAS, on May 24, 2024, the City of Sand City received a letter from HCD stating that the draft Housing Element is in substantial compliance with State Housing Element Law, and will comply with State Housing Element Law when it is adopted; and

WHEREAS, on June 4, 2024, the City Council conducted a duly and properly noticed public hearing to take public testimony and consider this Resolution regarding the proposed Housing Element, reviewed the Housing Element and all pertinent maps, documents and exhibits, including HCD's findings, the City's response to HCD's findings, the staff report, and all attachments, and oral and written public comments.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Sand City does hereby find that, based on substantial evidence in the record:

1. The foregoing recitals are true and correct and are incorporated by reference into this action.

2. The Housing Element substantially complies with Housing Element Law, as provided in Government Code 65580 et seq., and contains all provisions required by State Housing Element Law.

3. As required by Government Code Section 65585(e), the City Council has considered the findings made by the Department of Housing and Community Development included in the Department's letter to the City dated December 21, 2023, consistent with Government Code Section 65585(f), the City Council has changed the Housing Element in response to the findings of the Department to substantially comply with the requirements of State Housing Element Law as interpreted by HCD.

4. The 2015-2023 Sand City Housing Element (5th Cycle) is hereby repealed in its entirety, and the 2023-2031 Sand City Housing Element (6th Cycle), as shown in Exhibit A to this Resolution and incorporated herein by reference, is adopted as an amendment to the City of Sand City's General Plan.

5. This Resolution shall become effective upon adoption by the City Council.

6. The City Manager or designee is hereby directed to file all necessary material with the Department of Housing and Community Development for the Department to find that the Housing Element is in conformance with State Housing Element Law and is further directed and authorized to make all non-substantive changes to the Housing Element to make it internally consistent or to address any non-substantive changes or amendments requested by the Department to achieve certification.

7. The City Manager or designee is hereby directed to distribute copies of the Housing Element in the manner provided in Government Code Sections 65357 and 65589.7.

PASSED AND ADOPTED by the City Council of the City of Sand City this _4th__, day of June, 2024 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

_____
Mary Ann Carbone, Mayor

ATTEST:
DATED: _____

_____
Kerry Lindstrom, City Clerk

Exhibit A: 2023-2023 Sand City Housing Element

HCD Revised Draft

6th Cycle Housing Element Update (2023-2031)

City of Sand City

May 20, 2024







Prepared by

EMC Planning Group

CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
REVISED DRAFT

6TH CYCLE HOUSING ELEMENT UPDATE (2023-2031)

CITY OF SAND CITY

PREPARED FOR

City of Sand City
Vibeke Norgaard, City Manager
1 Pendergrass Way
Sand City, CA 93955
Tel 831.394.3054
vibeke@sandcityca.org

PREPARED BY

EMC Planning Group Inc.
601 Abrego Street
Monterey, CA 93940
Tel 831.649.1799
Fax 831.649.8399
Anastazia Aziz, AICP, Principal
aziz@emcplanning.com
www.emcplanning.com

May 20, 2024

This document was produced on recycled paper.



Table of Contents

1.0 INTRODUCTION 1-1

1.1 Introduction 1-1

1.2 California's Housing Crisis 1-2

1.3 Regional Housing Needs Allocation 1-3

1.4 Affirmatively Furthering Fair Housing 1-4

1.5 Overview of Planning Efforts 1-7

1.6 Public Participation 1-10

2.0 GOALS, POLICIES, AND PROGRAMS 2-1

2.1 Introduction 2-1

2.2 What's New 2-2

2.3 Program Overview and Quantified Objectives 2-3

2.4 Goals, Policies, and Programs 2-4

3.0 OVERVIEW OF HOUSING NEEDS AND CONSTRAINTS 3-1

3.1 Introduction 3-1

3.2 Overview of Housing Needs 3-1

3.3 Governmental and Non-Governmental Constraints 3-14

4.0 VACANT AND AVAILABLE SITES 4-1

4.1 Introduction 4-1

4.2 Regional Housing Needs Allocation 4-1

4.3 Site Inventory 4-3

4.4 Summary and Conclusions 4-3

5.0 ENERGY CONSERVATION 5-1

5.1 Introduction 5-1

5.2 Opportunities for Energy Conservation 5-1

5.3 Transit Service 5-3

5.4 Pedestrian and Bike Trails 5-4
5.5 Housing Element Programs Related to Energy Efficiency and Transit Use 5-5

Appendices

Appendix A Sand City Housing Needs & Fair Housing Report
Appendix B Housing Constraints
Appendix C Vacant and Available Sites
Appendix D Review of Previous Housing Element
Appendix E Outreach and Public Participation
Appendix F Stakeholder Survey

Tables

Table 1-1 Regional Housing Needs Allocation 1-4
Table 2-1 Quantified Objectives 2-3
Table 3-1 Sand City and Regional Population Growth Trends, 2010-2019 3-2
Table 3-2 Population Age Distribution by Jurisdiction, 2019 3-3
Table 3-3 Population by Race by Jurisdiction, 2019 3-4
Table 3-4 Employment Growth by Jurisdiction, 2015-2040 3-4
Table 3-5 Unemployment Rate, Sand City, 2019 3-5
Table 3-6 Housing Forecast by Jurisdiction, 2015-2045 3-5
Table 3-7 Households by Income Category, Sand City, 2019 3-6
Table 3-8 Population with Developmental Disabilities by Age, Sand City & Seaside, 2021 3-10
Table 3-9 Vacant Housing Units by Type, Sand City, 2019 3-13
Table 3-10 Housing Permits by Income Group, Sand City, 2015-2021 3-13
Table 3-11 Housing Affordability, Sand City, 2022 3-15
Table 3-12 Summary of Governmental Constraints and Programmatic Actions 3-16
Table 3-13 Summary of Non-Governmental Constraints and Programmatic Actions 3-17
Table 4-1 Sand City's Regional Housing Needs Allocation 2023–2031 4-2
Table 4-2 Sand City's Adjusted RHNA 4-2
Table 4-3 Vacant/Partially Vacant and Available Sites 4-3
Table 5-1 PG&E Programs and Incentives for Residential Properties 5-4
Table 5-2 Summary of Energy and Resource Conservation Needs and Programmatic Actions 5-5

1.0 Introduction

1.1 Introduction

Located in Monterey County, situated along the Monterey Bay coastline, the City of Sand City is a uniquely small coastal community. Sand City is located approximately two miles northeast of the City of Monterey and neighbors the City of Seaside. The City has a total area of 2.9 square miles, of which 2.4 square miles are water and only 0.5 square miles (320 acres) is land.

Sand City faces unique challenges when it comes to planning for the future of the community, while also respecting its existing fabric. The City is predominantly a business and retail community characterized by many small lots. Historically, the City has served the Monterey Peninsula as the industrial center, and now also includes a regional retail hub. The availability of large parcels of land has since diminished, adding to the challenge of developing new housing to support the workers of Sand City.

The City also contains both environmentally sensitive habitats and is located partially within the Coastal Zone. As a result, the City is subject to extensive Coastal Commission oversight, via Local Coastal Plan regulations. Development approvals for a significant proportion of the City's land is subject to appeal by the Coastal Commission. Due to several areas designated as habitat preservation, there are lengthy and expensive processes for development in order to address environmental concerns, as well. Nevertheless, the City has laid the planning entitlement groundwork, in the South of Tioga planning area, to oversee the construction of over 350 new predominantly multi-family units in the 6th Housing Element cycle, a portion of which will be designated as affordable.

The City has not historically been associated with the perception of residential neighborhoods and residential uses. Additionally, the City's small lot pattern combined with environmentally sensitive habitat has made attracting residential development challenging. This 2023-2031 Housing Element represents the City of Sand City's intent to plan for the housing needs of the Sand City community while meeting the State's housing goals as set forth in Article 10.6 of the California Government Code. The California State Legislature has identified the attainment of a decent home and a suitable living environment for every Californian as the State's major housing goal. The Sand City Housing Element represents a sincere and creative effort to meet local and regional housing needs within the constraints of a predominantly light industrial and commercial land use base, an environmentally

sensitive and coastal zoned area, limited land availability characterized by small lots that would benefit from assembly, and the high costs of land and housing that tend to be a common factor in coastal areas of California.

Pursuant to State law, the Housing Element must be updated periodically according to statutory deadlines. This 6th Cycle Housing Element covers the planning period 2023 through 2031 and replaces the City's 5th Cycle Housing Element that covered the period 2015 through 2023.

Per State Housing Element law, the document must be periodically updated to:

- Outline the community's housing production objectives consistent with State and regional growth projections;
- Describe goals, policies and implementation strategies to achieve local housing objectives;
- Examine the local need for housing with a focus on special needs populations;
- Identify adequate sites for the production of housing serving various income levels;
- Analyze potential constraints to new housing production;
- Evaluate the Housing Element for consistency with other General Plan elements; and
- Evaluate Affirmatively Furthering Fair Housing.

1.2 California's Housing Crisis

The 6th Cycle Housing Element update comes at a critical time because California is experiencing a housing crisis, and as is the case for all jurisdictions in California, Sand City is committed to playing its part in meeting the growing demand for housing. In the period 2020 through 2045, the Association of Monterey Bay Governments (AMBAG) region is projected to add 36,544 jobs,[1] which represents a nine (9) percent increase. These changes will increase demand for housing across all income levels, and if the region can't identify ways to significantly increase housing production, it risks worsening the burden for existing lower-income households, many of whom don't have the luxury or skill set to move to a new job center, but that are nonetheless faced with unsustainable increases in housing cost.

If the region becomes less competitive in attracting high-skilled workers and increasingly unaffordable to lower-income workers and seniors, then social and economic segregation will worsen, only exacerbating historic patterns of housing discrimination, racial bias, and segregation. This potentiality has become so acute in recent years that the California Legislature addressed the issue with new legislation in 2018. SB 686 requires all state and local agencies to explicitly address,

[1] Source: AMBAG, November 18, 2022. "Final 2022 Regional Growth Forecast"

combat, and relieve disparities resulting from past patterns of housing segregation to foster more inclusive communities. This is commonly referred to as Affirmatively Furthering Fair Housing, or AFFH (more on this below).

In the last Housing Element cycle (2015 to 2023), the City issued six housing permits.[2] This was a fraction of Sand City's Regional Housing Needs Allocation (RHNA), which called for the construction of 55 new housing units. All of the housing built were affordable to households with above moderate income. The City has spent time and effort working through the complex planning entitlement process in the South of Tioga planning area over the last eight years. Given the City's limited staffing and complicated regulatory environment, limited City resources were directed to successfully entitling the South of Tioga area with planning permits. In an effort to achieve the RHNA goals set for the 6th Cycle, the City has committed to further improvements to the planning entitlement process to streamline and increase the issuance of building permits.

1.3 Regional Housing Needs Allocation

The Final Draft 2022 Regional Growth Forecast Summary forecasts that the Monterey Bay Area will add 32,867 new households between 2020 and 2045. For the eight-year time frame covered by this Housing Element Update, the Department of Housing and Community Development (HCD) has identified the region's housing need as 33,274 units. The total number of housing units assigned by HCD is separated into four income categories that cover housing types for all income levels, from very low-income households to market rate housing.[3] This calculation is based on population projections produced by the California Department of Finance as well as adjustments that incorporate the region's existing housing need.

All jurisdictions in the Monterey Bay Area received a larger RHNA this cycle compared to the last cycle, primarily due to changes in state law that led to a considerably higher Regional Housing Needs Determination compared to previous cycles. In April 2022, AMBAG issued its Draft 6th Cycle Regional Housing Needs Allocation Plan. For Sand City, the RHNA to be planned for this cycle is 260 units, a substantial increase from the last cycle and an approximate 141 percent increase over the City's existing dwelling units. The 6th Cycle RHNA allocation places considerable pressure on jurisdictions across the state, especially cities subject to coastal zoning regulations and environmentally sensitive habitats like Sand City. Additionally, small cities are challenged in identifying adequate sites with limited available land and precarious land use constraints on which to develop.

---

[2] Source: HCD's APR Dashboard, October 2022.
[3] HCD divides the RHNA into the following four income categories:
Very Low income: 0-50% of Area Median Income
Low income: 50-80% of Area Median Income
Moderate income: 80-120% of Area Median Income
Above Moderate income: 120% or more of Area Median Income

Table 1-1 shows the Sand City RHNA for the period 2023 through 2031.

Table 1-1 Regional Housing Needs Allocation

Income Group	Percentage of AMI	Share
Extremely Low-Income[4]	<30	29
Very Low-Income	<50	30
Low-Income	51-80	39
Moderate-Income	81-120	49
Above Moderate-Income	121 +	113
	Total	260

Source: AMBAG, 2022

Per Government Code Section 65583(a), the Housing Element must also provide quantification and analysis of projected housing needs for extremely low-income households. The number of units for the extremely low-income level is not assigned by HCD, but is left for quantification by the local jurisdiction. This calculation is based on the HCD approved methodology,[5] assuming that 50 percent of very low-income households qualify as extremely low-income households.

1.4 Affirmatively Furthering Fair Housing

Assembly Bill 686 (AB 686), signed in 2018, established an independent state mandate to affirmatively furthering fair housing (AFFH). AB 686 extends requirements for federal grantees and contractors to "affirmatively further fair housing," including requirements in the federal Fair Housing Act. This bill extends these requirements to public agencies in California. Affirmatively furthering fair housing is defined specifically as taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity by replacing segregated living patterns with truly integrated and balanced living patterns; transforming racially and ethnically concentrated areas of poverty into areas of opportunity; and fostering and maintaining compliance with civil rights and fair housing laws.

AB 686 requires public agencies to:

- Administer their programs and activities relating to housing and community development in a manner to affirmatively further fair housing;
- Not take any action that is materially inconsistent with the obligation to affirmatively further fair housing;

[5] https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/extremely-low-income-housing-needs

- Ensure that the program and actions to achieve the goals and objectives of the Housing Element affirmatively further fair housing; and
- Include an assessment of fair housing in the Housing Element.

The requirement to Affirmatively Further Fair Housing (AFFH) is derived from The Fair Housing Act of 1968, which prohibited discrimination concerning the sale, rental, and financing of housing based on race, color, religion, national origin, or sex—and was later amended to include familial status and disability. The 2015 U.S. Department of Housing and Urban Development (HUD) Rule to Affirmatively Further Fair Housing and California Assembly Bill 686 (AB 686) (2018) mandate that each jurisdiction takes meaningful action to address significant disparities in housing needs and access to opportunity. AB 686 requires that jurisdictions incorporate AFFH into their Housing Elements, which includes inclusive community participation, an assessment of fair housing, a site inventory reflective of AFFH, and the development of goals, policies, and programs to meaningfully address local fair housing issues.

An AFFH analysis was prepared by EMC Planning Group and is included as an appendix to this Housing Element (see Appendix A).

Defining Segregation

Segregation is the separation of different demographic groups into different geographic locations or communities, meaning that groups are unevenly distributed across geographic space. Appendix A of this report examines two spatial forms of segregation: neighborhood level segregation *within* a local jurisdiction and city level segregation *between* jurisdictions in the Monterey Bay Area.

Neighborhood level segregation (*within* a jurisdiction, or *intra-city*): Segregation of race and income groups can occur from neighborhood to neighborhood *within* a city. For example, if a local jurisdiction has a population that is 20 percent Latinx, but some neighborhoods are 80 percent Latinx while others have nearly no Latinx residents, that jurisdiction would have segregated neighborhoods.

City level segregation (*between* jurisdictions in a region, or *inter-city*): Race and income divides also occur *between* jurisdictions in a region. A region could be very diverse with equal numbers of White, Asian, Black, and Latinx residents, but the region could also be highly segregated with each city comprised solely of one racial group.

There are many factors that have contributed to the generation and maintenance of segregation. Historically, racial segregation stemmed from explicit discrimination against people of color, such as restrictive covenants, redlining, and discrimination in mortgage lending. This history includes many overtly discriminatory policies made by federal, state, and local governments (Rothstein 2017). Segregation patterns are also affected by policies that appear race-neutral, such as land use decisions and the regulation of housing development.

Segregation has resulted in vastly unequal access to public goods such as quality schools, neighborhood services and amenities, parks and playgrounds, clean air and water, and public safety (Trounstine 2015). This generational lack of access for many communities, particularly people of color and lower income residents, has often resulted in poor life outcomes, including lower educational attainment, higher morbidity rates, and higher mortality rates (Chetty and Hendren 2018, Ananat 2011, Burch 2014, Cutler and Glaeser 1997, Sampson 2012, Sharkey 2013).

Segregation Patterns in the Monterey Bay Area

Across the Monterey Bay Area, Hispanic and Black residents are significantly more segregated from other racial groups. The highest levels of racial segregation occur between the Hispanic and White populations. The analysis completed for this report indicates that the amount of racial segregation both *within* Monterey Bay Area cities and *across* jurisdictions in the region has slightly increased since the year 2010.

Segregation and Land Use

It is difficult to address segregation patterns without an analysis of both historical and existing land use policies that impact segregation patterns. Land use regulations influence what kind of housing is built in a city or neighborhood (Lens and Monkkonen 2016, Pendall 2000). These land use regulations in turn impact demographics: they can be used to affect the number of houses in a community, the number of people who live in the community, the wealth of the people who live in the community, and where within the community they reside (Trounstine 2018). Given disparities in wealth by race and ethnicity, the ability to afford housing in different neighborhoods, as influenced by land use regulations, is highly differentiated across racial and ethnic groups (Bayer, McMillan, and Reuben 2004).[6]

Regional Segregation

The following are highlights of regional segregation metrics as they apply to Sand City.

- Sand City has a higher share of White residents than other jurisdictions in Monterey County as a whole, a lower share of Latinx residents, a lower share of Black residents, and a lower share of Asian/Pacific Islander residents; and
- Regarding income groups, Sand City has the lowest area median income than other jurisdictions when compared to neighboring jurisdictions, such as: Del Rey Oaks, Pacific Grove, and Seaside.

Local Sand City demographics are reflective of the City's industrial base. Industrial development began in the 1940's and '50's in Sand City and business owners, who bought large pieces of property to develop industrial type businesses and some residential uses, were predominantly White. Businesses established during this time included refuse disposal, sand mining, aggregates distribution, and auto body and repair shops. Sand City incorporated in 1960 in order to maintain

[6] For the source data, see U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B19013B, Table B19013D, B19013H, and B19013I.

local control of its industrial base and to avoid annexation from other jurisdictions, including Seaside. The City is now transitioning from its industrial past to an inclusive and vibrant arts community.

1.5 Overview of Planning Efforts

This section provides an overview of planning and legislative efforts that provide the context for development of the 6th Cycle Housing Element.

Effectiveness of Previous Housing Element

The City of Sand City experienced significantly less development than projected in its Quantified Objectives (seven (7) permits issued v. 55 projected); however, major advancements in the planning entitlement process were achieved. Although the City failed to meet its RHNA allocation in every income category during the 5th Cycle, the City anticipates issuing 350+ building permits in the South of Tioga planning area over the course of the 6th Cycle because of the planning entitlement permit groundwork that was achieved over the past eight years. The entitlement of this project to provide housing in Sand City required years of small lot assembly (some with existing businesses that had to be relocated), mitigation for sensitive and endangered species, a lengthy environmental review (CEQA) process, and numerous other mitigations and conditions of approval that needed to be implemented. The site has now been graded and baseline infrastructure, including a public park, sewer, water, roadways, and other utilities been installed creating residential building pads that are ready for construction. This included providing habitat and other required mitigation. The City is continuing the forward development momentum of this area by including programs to revisit the development agreement, reaching out to residential developers, both market rate and non-profit, learning more about financing of affordable projects and obtaining a grant to develop an economic development website including highlighting the South of Tioga development opportunity. Additionally, the City initiated the development of Objective Design Guidelines to simplify the permitting process.

The goals, objectives, policies, and actions in the 2015 Housing Element complied with State Housing Law and provided proper guidance for housing development in the City and the City directed limited resources to the complex regulatory environment in the South of Tioga planning area. With this 2023 Housing Element update, objectives for each of the goals are modified as appropriate to more specifically respond to the housing environment in Sand City from 2023 to 2031. Policies are also modified as needed to respond to current Housing Element Law and existing and anticipated residential development conditions. See Appendix D for a complete review and analysis of Sand City's 5th Cycle Housing Element (2015-2023) including an additional focus on the programs related to the South of Tioga and East Dunes areas due to the City's conditional status.

New State Laws Affecting Housing

While the City has taken steps throughout the 5th Cycle to increase housing production locally, the State passed numerous laws to address California's housing crisis during the same period. As the State passes new legislation in the remainder of the 5th Cycle and during the 6th Cycle, the City will continue to amend the Municipal Code; to monitor and evaluate policies and programs designed to meet State requirements; and to proactively implement new policies and programs to help increase housing production citywide.

In 2019, several bills were signed into law that include requirements for local density bonus programs, the Housing Element, surplus lands, accessory dwelling unit (ADU) streamlining, and removing local barriers to housing production. The City will implement changes required by State law, likely through amendments to the Sand City Municipal Code. The following is a summary of recent legislation and proposed City activities that will further the City's efforts to increase housing production during the 6th Cycle. Please see the section above for a discussion of AB 686 (Affirmatively Furthering Fair Housing).

Incentives for Accessory Dwelling Units

AB 68, AB 587, AB 671, AB 881, and SB 13 further incentivize the development of accessory dwelling units (ADUs), through streamlined permits, reduced setback requirements, increased allowable square footage, reduced parking requirements, and reduced fees. The City amended its regulations and procedures to make it easier and less expensive to build ADUs during the 5th Cycle Housing Element by, for example, exempting ADUs from parking requirements and certain fees. Further changes to Sand City's ADU regulations are incorporated into the City's Municipal Code to reflect new legislation. In addition to these actions, the City identified options for incentivizing the construction of more Junior Accessory Dwelling Units (JADU) and ADUs that are available specifically for, and affordable to, lower-income households.

Density Bonus

AB 1763 requires jurisdictions to provide a density bonus to development projects that restrict 100 percent of their units as affordable to lower and moderate-income households. In addition, the City identified further amendments to increase densities and encourage redevelopment of smaller parcels and underutilized sites.

Low-Barrier Navigation Centers

AB 101 requires jurisdictions to allow "low-barrier navigation centers" by-right in areas zoned for mixed uses and in nonresidential zones permitting multifamily uses, if the center meets specified requirements. The City will amend the Zoning Code to comply with state law.

Surplus Public Land

AB 1255 and AB 1486 seek to identify and prioritize state and local surplus lands available for housing development affordable to lower-income households. The City has identified surplus lands through the adequate sites inventory of the 6th Cycle Housing Element and will report on these lands annually through the Housing Element Annual Progress Reports.

Accelerated Housing Production

AB 2162 and SB 2 address various methods and funding sources that jurisdictions may use to accelerate housing production. The City amended their Municipal Code in 2016 to allow permanent supportive housing and transitional housing By Right as a limited use in all zones that allow multifamily housing.

Priority Processing

SB 330 enacts changes to local development policies, permitting, and processes that will be in effect through January 1, 2025. SB 330 places new criteria on the application requirements and processing times for housing developments; prevents localities from decreasing the housing capacity of any site, such as through downzoning or increasing open space requirements, if such a decrease would preclude the jurisdiction from meeting its RHNA housing targets; prevents localities from establishing non-objective standards; and requires that any proposed demolition of housing units be accompanied by a project that would replace or exceed the total number of units demolished. Additionally, any demolished units that were occupied by lower-income households must be replaced with new units affordable to households with those same income levels.

Housing and Public Safety

Finally, in response to SB 379 and other recent state legislation, local jurisdictions must update their safety element to comprehensively address climate adaptation and resilience (SB 379 and SB 1035 - 2018) and identify evacuation routes (SB 99 and AB 747). These updates are triggered by the 6th Cycle Housing Element update. This Housing Element contains an evaluation of the existing safety element and contains programming actions to update the safety element to satisfy the new state requirements. Also, as sites are identified and analyzed for inclusion in the City's housing site inventory, the need for evacuation routes is also a consideration in the selection of sufficient sites. In this way, the City will coordinate updates to all three elements (land-use, housing, and safety), so that it can direct future development into areas that avoid or reduce unreasonable risks while also providing needed housing and maintaining other community planning goals.

Consistency with General Plan

The City of Sand City General Plan was adopted in February 2002 and is comprised of the following elements: 1) Land Use; 2) Circulation and Public Facilities; 3) Housing Element; 4) Conservation and Open Space; and 5) Public Safety and Noise.

Sand City's Housing Element is being updated at this time in conformance with the 2023-2031 update cycle for jurisdictions in the Association of Monterey Bay Area Governments (AMBAG) region. The Housing Element builds upon the other General Plan elements and contains policies to ensure that it is consistent with other elements of the General Plan. The 6th Cycle Housing Element includes a program to update the City's General Plan. The City will ensure that any updates to the Housing Element are checked for consistency against the overall goals and policies of the General Plan, and that other elements within the General Plan are reviewed for internal consistency against the Housing Element. The Annual Report will be used as a gauge to ensure internal consistency between all elements of the General Plan.

1.6 Public Participation

The primary purpose of this chapter is to describe the effort made by the City of Sand City to engage all economic segments of the community (including residents and/or their representatives) in the development and update of the Housing Element. This public participation effort also includes formal consultation, pursuant to Government Code §65352.3, with representatives from nine Native American tribes that are present and active in Monterey County. It is also responsive to AB 686 (Affirmatively Furthering Fair Housing), which requires local jurisdictions, as they update their Housing Elements, to conduct public outreach to equitably include all stakeholders in the Housing Element public participation program.

The 6th Cycle RHNA numbers are a substantial change for all California communities, and the success of the update process hinges in part on a community outreach and engagement program that is robust, inclusive, and meaningful. The City has a dedicated page on the City's website where all updates will be provided as well as community engagement opportunities.

The draft Housing Element update has been presented to the community, and throughout the update process, members of the community were urged to review the draft Housing Element and recall the impacts of the last Housing Element cycle to determine the steps needs to develop solutions moving forward. This intention was rooted in allowing the community and decision makers alike to have an equal start at developing the 2023-2031 Housing Element.

The City acknowledges the timeliness required to complete the Housing Element update by the deadline, as well as the limitations of being a very small community that requires local knowledge to provide a comprehensive story of Sand City. As such, the City presents the community with this draft 6th Cycle Housing Element Update as an opportunity to:

- Inform the data with lived experiences;
- Provide local knowledge of factors contributing to housing inequities;
- Advise what types of housing are desired; and

- Call to action the programs and policies that should be considered to achieve what the community has envisioned.

For a comprehensive review of outreach, refer to Appendix E – Outreach and Public Participation, which details all public engagement and outreach conducted throughout the 6th Cycle Housing Element Update planning process.

Tribal Consultation

The City has reached out to affected tribes and is ready and prepared to meet to discuss the 6th Cycle Housing Element. Tribal consultation will remain in process throughout the entirety of the Housing Element update.

Public Participation to Affirmatively Further Fair Housing

Sand City's public participation and outreach efforts, throughout the draft Housing Element update, are responsive to Affirmatively Furthering Fair Housing (AFFH), which requires local jurisdictions to conduct public outreach to equitably include all stakeholders in the Housing Element public participation program (see the discussion above for more complete information on AFFH).

In an effort to encourage public participation and foster community engagement, the City of Sand City has taken the following steps:

- Conducted an online Stakeholder survey to gather community feedback about the Housing Element Update process, and the types of housing development that the community would like to see occur over the next eight (8) years;
- Created a Public Comment Report to capture the community's (from all backgrounds and demographics) verbal and written comments in response to the draft Housing Element, and to ensure that community members are aware that their responses would be taken seriously and reflected in further iterations of the draft Housing Element;
- Attended the Sand City Night Market (May 5, 2023) in an effort to: answer community questions regarding the Housing Element, review and receive community feedback on the Sites Inventory, gather contact information from community members to keep them informed throughout the Housing Element update;
- Conduct outreach to various community service providers and organizations (see Appendix E for further details); and
- Correspond with representatives from the Salvation Army Good Samaritan Center (in response to stakeholder interest in including affordable units on the site). Currently, the Salvation Army Good Samaritan Center, operates as a day center serving approximately 70-100 homeless and/or ELI families per day, providing services both on and off-site to those in need, including: daily hot meals, food boxes, showers, laundry, and mail services. For further details on this site, refer to Appendix C.

Public Review of Draft and Final Housing Element

The Public Review Draft was posted on May 5, 2023 and was available for a 30-day review and public comment period. Comments were received on the Public Review Draft in a number of different ways. In an effort to encourage public participation from Sand City residents of all backgrounds, the City used various methods to solicit community feedback, including:

- Gathering written responses during the 30-day public review period;
- Gathering verbal feedback from the community at the Sand City Night Market (May 5, 2023) and Sand City West End Celebration (August 26 and 27, 2023);
- Conducted an Online Stakeholder Survey; and
- Distributed Property Owner Interest Forms to gauge the level of interest in affordable housing development.

Written Comments

During the 30-day public review period, two written comments were received. Responses to these comments can be found in the Public Comment Report. The Draft Housing Element was amended, as needed, based on the comments received, and the Public Comment Report highlights where changes were been made in the Draft Housing Element to respond to these comments.

Verbal Comments

As required by HCD, the Public Draft Housing Element was available for 30-days of public review from May 5, 2023 to June 5, 2023. The Public Draft Housing Element was posted on the City of Sand City website and the dedicated Housing Element website and two public comments were received. A number of verbal comments were received at the Sand City Night Market on May 5, 2023, and at the Sand City Council meeting on May 16, 2023. Summaries of these comments have been provided in the Public Comment Report (see the Public Comment Report).

The City received comments from the public on a variety of subjects, including: updating the General Plan, establishing expedited permit processing procedures, timeframes for CEQA implementation, among other topics. The Public Comment Report shows the City's responses to each of the public comments, and the location of revisions within the Housing Element.

Online Stakeholder Survey

An online Stakeholder Survey was posted on May 5, 2023 and remained open through September 30, 2023, or for the entire the HCD Initial draft comment period, whichever is longer. The EMC Planning Group team, on behalf of the City, set up a table at the City's West End Celebration (August 26 and 27, 2023) and team members encouraged community members and event attendees to fill out the stakeholder survey, and discussed the 6th Cycle Housing Element with many members

of the public. The goal of the survey is to better understand community members housing needs and desires, and to solicit community members input on how to achieve the RHNA. The survey responses represent a mix of age groups, income levels, homeowners and renters.

The Stakeholder Survey also helped inform local knowledge of factors contributing to housing inequities in Sand City. In general, contributing factors to housing inequities in Sand City include:

- Limited supply of housing;
- Lack of affordability;
- Lack of mental health facilities;
- Lack of rehabilitation;
- Increased rents and housing shortages; and
- Limited variety of housing options.

To see the survey results and an in-depth discussion of the results, see Appendix F.

Property Owner Interest Forms

Three property owner interest forms were collected. These included a property owner who is interested in developing multi-family housing on their 2.5-acre lot, interest from the Salvation Army who is considering building Transitional Housing Units, and interest from Monterey Peninsula Unified School district in building employee housing.

This side intentionally left blank.

2.0 Goals, Policies, and Programs

2.1 Introduction

The City is responsible for enabling the production of housing by reducing regulatory barriers, providing incentives, and supporting programs that create or preserve housing, especially for vulnerable populations. Sand City has endeavored for the past 30+ years to transform itself from being the industrial hub of the Monterey Peninsula into a vibrant pedestrian mixed-use community and the policies and programs listed below continue and build on that effort. To enable the construction of quality housing, the City has identified five goals:

Goal H-1 Build Housing

Goal H-2 Protect Affordable Housing and Improve the Housing Stock

Goal H-3 Provide New Affordable and Other Special Needs Housing

Goal H-4 Exemplify Sustainable Development and Energy Conservation

Goal H-5 Publicize Housing Needs and Resources

The Policies and Programs below are intended to reduce the regulatory barriers to redevelop of these sites and to demonstrate the City is taking measures to ensure a better outcome, namely construction of more units, in the 6th Cycle. The programs listed below are intended to overcome the issues that the small jurisdiction of Sand City faces when trying to attract and facilitate residential development, including, the City's perception as a predominantly industrial and regional retail hub, the predominance of small lots, and the presence of environmentally sensitive sand dune habitat.

The City's demographic and housing needs assessment, including contributing factors to housing disparities, also formed an integral part of program development. The majority of Sand City households are renter-occupied households, of which 68 percent are experiencing housing problems. In Sand City, extremely low-income and minority groups experience disproportionate impacts of poverty, increasing the challenge of obtaining adequate housing in the City. Sand City also has significantly lower proportions of racial and ethnic minorities compared to Monterey County and the AMBAG region. The City also has more jobs than housing, and the largest household type is single-person households (48 percent) which reflects a demand for affordable housing units appealing to single-person households.

Contributing Factors

The following contributing factors that impact fair housing and affirmatively furthering fair housing (AFFH) within the City were identified and prioritized as follows:

High Priority

- Lack of adequate housing stock that meets the needs of residents;
- Lack of affordable housing;
- Jobs to housing imbalance;
- Since 2015, there have been seven (7) housing permits in the City of which all are for above moderate-income households;
- There is a lack of developable land, an abundance of small parcels less than half an acre, and a portion of the City is subject to additional Coastal Zone regulations; and
- Lack of racial and ethnic diversity within the City.

Medium Priority

- Lack of access to information about fair housing rights; and
- Limited knowledge of fair housing by residents.

More detailed AFFH information is located in Appendix A.

2.2 What's New

This section provides an overview of significant new policy and program directions being taken by Sand City to address housing issues in the community and the larger Monterey Bay Area.

PRO: Prohousing Community

The first new policy direction being taken by Sand City is the decision to pursue becoming a "Prohousing" community. Last year as part of the 2019-20 Budget Act, AB 101 enacted the Prohousing Designation Program. This program enables the California Department of Housing and Community Development (HCD) to designate jurisdictions throughout the state as Prohousing when they demonstrate policies and planning that accelerate the production of housing. The benefit to jurisdictions receiving the Prohousing designation includes being given preference and, in some cases, additional points, when participating in various state funded programs including the Affordable Housing and Sustainable Communities (AHSC) for disadvantaged communities, and Infill Infrastructure Grant (IIG) programs.

The City's submittal of an application to HCD to gain Prohousing designation is planned to be concurrent with the preparation and certification of its 6th Cycle Housing Element. Part of that

effort includes the housing sites inventory. Policies and programs that support Sand City's designation by HCD as a Prohousing Community are identified with the letters "PRO".

MM: "Missing Middle" Housing

The second new policy direction that Sand City leads with this policy chapter is a focused effort to enable "Missing Middle" housing. Missing Middle housing is "a range of house-scale buildings with multiple units—compatible in scale and form with detached single-family homes—located in a walkable neighborhood." This type of housing is called "Missing" because they have typically not been built since the mid-1940s due to zoning restrictions and financing limitations and "Middle" because they sit in the middle of a spectrum between detached single-family homes and mid-rise to high-rise apartment buildings, in terms of form and scale as well as the number of units and often times affordability (for middle-class residents).

For parcels in Sand City that are non-contiguous and 0.5 acres or smaller, "Missing Middle" could be a viable option to help Sand City achieve its RHNA goals. "Missing Middle" Housing presents a unique opportunity for construction of a wider variety of housing types, which may attract more diversity to the jurisdiction. Policies and programs that support Sand City's implementation of "Missing Middle" Housing are identified with the letters "MM".

2.3 Program Overview and Quantified Objectives

Quantified Objectives estimate the number of units likely to be constructed, rehabilitated, or conserved/preserved by income level during the planning period. The Quantified Objectives do not represent a ceiling on development, but rather set a target goal for the jurisdiction to achieve, based on needs, resources, and constraints. These objectives will focus communication between the City and HCD with future Annual Progress Reports (APRs). HCD does not demand that all objectives must be met, rather, it is a goal that enables objective assessments about program effectiveness so that the City may make informed determinations to continue, modify, or delete programs with the next Housing Element update Cycle. Table 2-1, Quantified Objectives, provides an estimate of the number of units likely to be constructed, rehabilitated or conserved/preserved in Sand City.

Table 2-1 Quantified Objectives

Income Category	New Construction	Rehabilitation*	Conservation/Preservation*
Very Low	71	1	0
Low	46	2	10
Moderate	56	3	1
Above Moderate	332	5	0

SOURCE: City of Sand City 2023
*NOTE: There are currently no at-risk affordable housing units in Sand City. All Below Market Rate units are deed restricted until 2065.

2.4 Goals, Policies, and Programs

The purpose of this section is to set forth goals, policies, and programs to further the development of housing for all income levels in the community and to address the contributing factors listed above that affect segregation, racially or ethnically concentrated areas of poverty, disparities in access to opportunity, and disproportionate housing needs.

GOAL H1 BUILD HOUSING

Policy 1.1: Ensure that land is designated for residential densities appropriate to meet the regional housing need.

Policy 1.2: Maintain and/or adopt appropriate land use regulations and other development tools to encourage the development of housing.

Policy 1.3: Identify smaller parcels throughout the City for use in constructing affordable housing for very low and low-income residents.

Policy 1.4: Improve Development Review and Approvals Process.

GOAL H2 PROTECT AFFORDABLE HOUSING AND IMPROVE THE HOUSING STOCK

Policy 2.1: Ensure that new residential developments are adequately served by infrastructure, including water and sewer, park and recreation areas, transportation, public safety and other community services.

Policy 2.2: Ensure that water and sewer providers allocate services on a priority basis to units that meet the City's Regional Housing Needs Allocation.

Policy 2.3: Support the preservation and conservation of existing housing units that provide affordable housing opportunities for City residents and workers.

Policy 2.4: Direct public funding resources to the conservation of existing housing units in neighborhoods where continued residential use is appropriate.

GOAL H3 PROVIDE NEW AFFORDABLE AND OTHER SPECIAL NEEDS HOUSING

Policy 3.1: Encourage the provision of services and housing for those households with special needs. In Sand City, these households would include the homeless, people or families in transition, seniors and persons with disabilities.

Policy 3.2 Incentivize affordable housing development with an emphasis on affordable housing built to accommodate Very Low and Low-Income residents.

GOAL H4 EXEMPLIFY SUSTAINABLE DEVELOPMENT AND ENERGY CONSERVATION

Policy 4.1: Encourage residential construction that promotes energy conservation.

Policy 4.2: Support diverse transportation modes to reduce automobile use.

GOAL H5 PUBLICIZE HOUSING NEEDS AND RESOURCES

Policy 5.1: Support and market fair housing opportunities and services available to Sand City residents.

Policy 5.2: Develop and utilize all available funding resources in order to provide the maximum amount of affordable housing possible.

GOAL H1 BUILD HOUSING

Programs

Program 1.A Develop the "South of Tioga" area with Multi-Family Residential- PRO

The City spent considerable time during the 5th Cycle planning period working on, and ultimately approving, the "South of Tioga" (SOT) development agreement and planning entitlements which involved working with many outside agencies. The City is committed to redeveloping the area known as SOT, as a mixed-use project with a large housing component of 356 units, 12 percent of which are affordable units. The City will expedite design review and building permits for residential uses by continuing to contract with outside firms that specialize in providing municipal planning permit services and processing multi-family residential building permits. Additionally, the City is actively conducting outreach to housing developers, both market rate and affordable, in an effort to secure the development of housing in this area.

If by December 2028 the City has not received building permits for SOT, the City will consider alternative land use strategies and make necessary amendments to zoning or other land use documents to facilitate the development of residential units, if necessary, including identifying additional sites within a year.

Implementation Policies:	*Policy 1.1; 1.2; 3.1; 4.1*
Responsible Department:	*Planning Department*
Timeframe:	*Complete by June 2031*
Funding Source:	*General Fund, developer*
Quantified Objective:	*Construct 9 very-low; 7 low; 26 moderate; and 314 above moderate for a total of 356 dwelling units*
Performance Metric(s):	*Number of units constructed*

(Formerly Program 4.1.1.A)

Program 1.B Amend the City's Zoning Ordinance to comply with new State Density Bonus laws and include 10 percent density bonus - PRO

State law requires jurisdictions to provide density bonuses and development incentives to all developers who propose to construct affordable housing on a sliding scale, where the amount of density bonus and number of incentives vary according to the amount of affordable housing units provided. Specifically, state law requires the provision of total units to be affordable to lower- and moderate-income households. The City will update the Density Bonus Ordinance to reflect recent changes in State law. These include:

- AB 2556: Clarifies the replacement requirements as established by AB 2222. (2022);
- AB 2345: Revised the requirements for receiving concessions and incentives, and the maximum density bonus provided from 35 percent to 50 percent. (2020);
- AB 1763: Density bonus and increased incentives for 100 percent affordable housing projects for lower income households. (2019);
- AB 1227: Density bonus for student housing development for students enrolled at a full-time college, and to establish prioritization for students experiencing homelessness. (2018);
- AB 2501: Makes changes to: the timeline for processing application for a density bonus; electing to accept no density increase; and determining the value of concessions and incentives. (9/2016);
- AB 2442: Requires a density bonus be granted for a housing development if applicant agrees to construct housing for transitional foster youth, disabled veterans, or homeless person. (9/2016); and
- AB 1934: Provides a density bonus to a commercial development if the developer enters into an agreement for partnered housing, either as a joint project or two separate projects encompassing affordable housing. (9/2016).

The City recognizes that increasing the density above the current State law thresholds will encourage maximizing the use of property for residential units and increase overall unit count. In order to further encourage residential construction, the City will also amend the zoning ordinance to increase the allowed density by 10 percent as a Prohousing measure.

Implementation Policies:	*Policy 1.1; 1.2; 3.1; 3.2*
Responsible Department:	*Planning Department*
Timeframe:	*June 2025*
Funding Source:	*General Fund*
Quantified Objective:	*Amendment of the Zoning Ordinance*
Performance Metric(s):	*Number of additional units constructed with density bonus*

(NEW)

Program 1.C West End Housing Diversity Overlay - PRO

The City will continue to encourage diverse and innovative housing design and "smart growth" strategies through its Mixed-Use and Planned Unit MU-P zoning district. Currently, development standards are unclear or overly regulatory, including but not limited to: discretionary setbacks, a Conditional Use permit requirement for all multi-family developments and to increase height from 60 ft to 85 ft; and a complex local density bonus. In order to further catalyze new development, the City will create an Overlay that will supersede requirements for the underlying zoning district within the West End (see section 18.13.060).

Following are the General Overlay incentives:

1. Apply the MU-P incremental density bonus dependent on lot size, as a single standard that grants to MU-P lots of any size a 250 percent density bonus (81 dwelling units/acre). By doing so, the potential number of units will be significantly increased and will function to incentivize redevelopment of underutilized properties into multi-family and mixed-use housing;
2. Assistance with lot consolidation;
3. Discretionary setbacks shall be eliminated and replaced with specific setback dimensions, including reducing front and side setbacks to zero to encourage a variety of multi-family housing types including townhomes and apartments per Government Code Section 65583 and 65583.2 (see Program 1.G for ODS);
4. By-right non-discretionary approval process for multi-family, mixed use and planned unit development projects (housing projects) in the following circumstances: A) Housing projects with four (4) or fewer units, or B) Housing projects with five (5) or more where at least 15% of the units are affordable to lower income households. This will simplify the permitting process, reduce fees and potential permit appeals. By Right means a jurisdiction shall not require:
    a. Conditional Use Permit;
    b. Planned Unit Development Permit;
    c. Design review, other than Objective Development Design Standards; or
    d. Other discretionary, local government review or approval that would constitute a "project" as defined in Section 2100 of the Public Resources Code (California Environmental Quality Act "CEQA").
5. Reduced or eliminate parking standards for developments that include affordable senior, disabled housing units or for units within half a mile of a major transit stop according to Government Code Sections 65585 and 65863.2.

Implementation Policies: Policy 1.1; 1.2; 3.1; 4.1
Responsible Department: Planning Department

Timeframe: *Amendment December 2024;*
Funding Source: *General Fund*
Quantified Objective: *Construct 100 units in mixed-use and PUD areas*
Performance Metric(s): *# of units constructed in mixed-use and PUD areas*

(Formerly Program 4.1.1.B)

Program 1.D Minimum Density 20 Dwelling Units per Acre for Selected Sites – PRO, MM

This program is intended to encourage the redevelopment of selected sites within the sites inventory with a minimum density of 20 dwelling units per acre (du/ac) to increase residential units. The City will set minimum densities of 20 du/ac to encourage a higher multi-family unit yield and allow housing development projects up to 85 feet by-right by eliminating Conditional Use permit requirements for proposed projects that are consistent with the General Plan and zoning district.

Implementation Policies: *Policy 1.1; 1.2; 3.1; 4.1*
Responsible Department: *City Staff and Council*
Timeframe: *June 2025*
Funding Source: *General Fund*
Quantified Objective: *Amended zoning ordinance*
Performance Metric(s): *# of units built in MU-P zoning district*

(NEW)

Program 1.E Update the General Plan – PRO, MM

Local ordinances and policies are enacted to protect the health and safety of citizens and further the general welfare. The City's adopted 2002 General Plan has a 2017 planning horizon and the document represents the policy direction of the 2002 City Council on community values, ideals and aspirations to govern a shared environment through 2017. The housing environment has changed dramatically since 2002 with land prices, development costs, and housing costs significantly more costly and constrained.

Given the age of the General Plan and the changes in the community and region since the Plan's adoption, the City will update the General Plan which currently has lower densities than the Zoning Ordinance. Densities, as well as height limits, parking and allowed uses will all be updated to stimulate housing production including and not limited to increasing allowable residential densities.

The City of Sand City will conduct an internal consistency review of the General Plan as part of the annual General Plan implementation report required by Government Code section 65400. The City will ensure that any updates to the Housing Element are checked for consistency against the overall

goals and policies of the General Plan, and that other elements within the General Plan are reviewed for internal consistency against the Housing Element. The Annual Report will be used as a gauge to ensure internal consistency between all elements of the General Plan.

Implementation Policies: *Policy 1.1; 1.2; 3.1; 4.1*
Responsible Department: *City Staff and Council*
Timeframe: *Initiate update July 2024*
Funding Source: *General Fund*
Quantified Objective: *N/A*
Performance Metric(s): *N/A*

(NEW)

Program 1.F Adequate Land Inventory – PRO, MM

The purpose of the land inventory is to identify specific sites that are suitable for residential development in order to compare the local government's regional housing needs allocation (RHNA) with its residential development capacity. The City will continue to provide an inventory of land at appropriate zoning designations that will accommodate the Regional Housing Need as identified in this document. The current inventory accommodates a potential 511 units with vacant, underutilized and pipeline sites, which represents 197 percent of the RHNA and positions the City as Prohousing eligible.

The Planning Department shall annually evaluate and report to the City Council on the City's progress in meeting its Housing Element objectives and submit the Annual Progress Report (APR) to HCD, as well as remain in compliance with the no-net loss requirements of Government Code Section 65863.

Implementation Policies: *Policy 1.1; 1.2; 3.1*
Responsible Department: *Planning Department*
Timeframe: *Review annually in March*
Funding Source: *General Fund*
Quantified Objective: *N/A*
Performance Metric(s): *N/A*

(Formerly Program 4.1.3.A)

Program 1.G Objective Design Standards- PRO

Sand City's design guidelines date from 2001 and the City's Vibrancy Plan references another specific set of design guidelines for the West End neighborhood. The current West End Design Guidelines include many objective standards but are older, and like the 2001 design guidelines,

should be reviewed and updated given the age of the document and recent state legislation surrounding design guidelines. The lack of recent Objective Design Standards (ODS) poses a constraint to residential development. Guidelines that are overly subjective and/or out of date increase uncertainty and risk for housing developers. Objective Design Standards provide a measure of clarity that proposed developments will be measured against, and provide the community with assurance that developments will conform with measurable objective standards.

To ensure objectivity in reviewing multi-family residential developments, the City will develop and adopt ODS for multi-family developments in the West End District, including the South of Tioga area. The City has recently begun the process of developing ODS for multi-family developments, which will be reviewed by the Design Review Committee and receive public input through a community workshop prior to City Council review and adoption. Objective design standards are currently underway and scheduled for City Council adoption in Summer 2024.

Implementation Policies: *Policy 1.2; 1.4; 3.1; 3.2*
Responsible Department: *City Staff and Council*
Timeframe: *December 2024*
Funding Source: *General Fund*
Quantified Objective: *N/A*
Performance Metric(s): *Adopted document*
(NEW)

Program 1.H Habitat Management Plan - PRO

The presence of environmentally sensitive habitat area presents a significant government constraint on the production of housing in Sand City. A Habitat Management Plan is a guide that facilitates appropriate development in sensitive areas by protecting and enhancing existing habitat in addition to creating new habitats in appropriate areas, and directing development to places that do not impact sensitive areas. An adopted Habitat Management Plan provides more certainty to residential developers by completing the necessary biological studies and surveys and identifying areas for development.

The City will initiate a Habitat Management Plan to provide programmatic incidental take permits for applicable properties identified in the Sites Inventory and the East Dunes area. Additionally, the City will work with the Seaside County Sanitation District and Monterey One Water to facilitate sewer service to the East Dunes area so it is developable in the next housing cycle.

The City will also pursue funding and other opportunities to secure and expand additional sewer capacity in the East Dunes area. The City will dedicate time and resources to this at least every three years during the planning period.

Implementation Policies: *Policy 1.2; 1.3; 1.4; 3.1*
Responsible Department: *City Staff and Council*
Timeframe: *Pursue funding and other opportunities to secure and expand additional sewer capacity at least every three years during planning period; Initiate Habitat Management Plan by June 2028*
Facilitation of sewer service to East Dunes area by December 2031
Funding Source: *General Fund*
Quantified Objective: *Facilitate new unit construction through removal of regulatory requirements for individual projects*
Performance Metric(s): *Number of new units constructed; # of new lots and subdivisions (NEW)*

Program 1.I California Housing Opportunity and More Efficiency (HOME) Act – SB 9

SB 9, also known as the California Housing Opportunity and More Efficiency (HOME) Act, is a state bill that requires cities to allow one additional residential unit on parcels zoned for single-dwelling units. The City will codify SB 9 regulations to facilitate new construction. Codifying the regulations to allow new residential construction on all lots created under SB 9 with the same or similar development standards as the existing City Zoning districts provides a clear process and parity with existing lots.

Implementation Policies: *Policy 1.2; 1.4; 3.1*
Responsible Department: *City Staff and Council*
Timeframe: *June 2026*
Funding Source: *General Fund*
Quantified Objective: *10 units*
Performance Metric(s): *Number of new units constructed; # of new lots and subdivisions (NEW)*

Program 1.J Reduce Minimum Parking Standards - PRO

Excessive parking standards that are not reflective of actual parking demand can pose a significant constraint to housing development by increasing development costs and reducing the potential land available for project amenities or additional units. The City's West End Parking Plan is nearing completion and is anticipated to come before City Council in late 2023 for adoption. The draft Plan recommends shared, maximum and reduced parking for residential uses to further encourage the development of residential units. Upon adoption, the City will update parking regulations to reflect the West End Parking Plan recommendations.

Additionally, the Monterey Salinas Transit (MST) Sand City station meets the definition of a "major transit stop." The Municipal Code parking regulations shall be amended to comply with Government Code Section 65863.2 that governs minimum parking standards within half a mile of a major transit stop and eliminates parking minimum parking requirements with certain exceptions.

Implementation Policies: *Policy 1.2; 1.4; 3.1; 3.2*
Responsible Department: *Planning Department*
Timeframe: *December 2025*
Funding Source: *General Fund; Private Developer; Property Owners*
Quantified Objective: *Adopted West End Parking Plan*
Performance Metric(s): *Amended parking regulations*

(NEW)

Program 1.K Accessory Dwelling Unit (ADU) and Junior Accessory Dwelling Unit (JADU) Program – PRO, MM

Accessory Dwelling Units (ADUs) and Junior ADUs (JADUs) provide affordable housing options for family members, seniors, students, and other small household types. In 2023, the State implemented several new provisions under the ADU law. The City will update its ADU ordinance to comply with State law and continue to implement the development of ADUs through a ministerial process in conformance with State law. Additionally, the City will promote the development of JADUs through additional outreach at City events and a dedicated webpage to both JADUs and ADUs. JADUs are generally affordable to construct, lend themselves well to lower income property owners as a means of supplemental income, and are an affordable form of rental housing.

Sand City will also promote Habitat for Humanity Monterey Bay's ADU financing program for low-income property owners. The City will develop guidance materials and create a Frequently Asked Questions webpage. The City will also amend the zoning ordinance to allow new ADU square footage construction in commercial zoning districts to further encourage ADU development.

Implementation Policies: *Policy 1.1; 1.2; 1.4; 3.1; 3.2*
Responsible Department: *Planning Department & City Council*
Timeframe: *December 2024*
Funding Source: *General Fund*
Quantified Objective: *15 units*
Performance Metric(s): *Number of second dwelling units constructed*

(Formerly Program 4.1.3.B)

Program 1.L Universal Design - Encourage Accessible Housing for Persons with Disabilities - PRO

Universal Design allows for new construction and home modifications that enhance the full life cycle use of housing in order to accommodate a wide range of physical abilities or disabilities of a home's occupants. This is particularly relevant to seniors and allows residents to age in place and remain in a particular unit for a longer period of time. Sand City's demographics show the City's aging trend and suggests a demand for housing geared toward middle aged to senior groups.

The City will adopt an ordinance to allow for Universal Design elements that address limited lifting (e.g. roll-in showers and grab bars), limited mobility (e.g. push/pull lever faucets, wide swing hinges) and limited vision (e.g. additional stairwell and task lighting) pursuant to Health and Safety Code section 17959, at the next International Building Code Update Adoption.

Implementation Policies: *Policy 1.2; 1.4; 3.1*
Responsible Department: *Planning Department*
Timeframe: *December 2025*
Funding Source: *General Fund; Private Developer; Property Owners*
Quantified Objective: *30 units by 2031*
Performance Metric(s): *Adopted universal design ordinance*

(Formerly Program 4.4.1.D)

Program 1.M "Missing Middle" Housing – MM & PRO

Missing middle types of housing sit in the middle of the housing spectrum between single-family detached homes and mid-rise to high-rise apartment buildings. For parcels in Sand City that are non-contiguous and 0.5 acres or smaller, missing middle housing presents a viable opportunity.

The City will review legislation to develop affordable housing on parcels that are non-contiguous and smaller than 0.50 acre. In order to lower development costs and encourage the development of smaller missing middle units, the City will reduce the parking requirements for studio and one-bedroom apartments to 1.0 space per unit and the City will also promote SB 9.

Implementation Policies: *Policy 1.2; 1.3; 1.4; 3.1*
Responsible Department: *Planning Department*
Timeframe: *December 2025*
Funding Source: *General Fund*
Quantified Objective: *Identify parcels for missing middle housing; construct new units*
Performance Metric(s): *# of parcels selected for development; # of new units constructed*

(NEW)

Program 1.N Small Sites Lot Consolidation - PRO

To achieve financial feasibility, many housing developments using state or federal resources have between 50 to 150 units and are between 0.5 -10 acres. Parcels that are too small, less than 0.5 acres, may not support the number of units necessary to be competitive and to access scarce funding resources.

To ensure that there is a sufficient supply of appropriately sized multi-family zoned land to meet the City's regional housing needs allocation (RHNA), the City will continue to facilitate and encourage lot consolidations to combine small residential lots into larger developable lots to accommodate affordable housing units. As developers/owners approach the City interested in lot consolidation for the development of affordable housing, the City will offer the following incentives:

- Eliminate the Conditional Use permit requirement; and
- Reduce setbacks and, in zoning districts that contain discretionary standards, implement clear objective design standards.

Additionally, to improve permit processing for small lots the City will offer:

- Reduced fees; and
- Concurrent/fast tracking of project application reviews for developers who provide affordable housing that include lot consolidation.

The City will also evaluate the most cost-effective way to market their incentives programs to developers.

Implementation Policies: *Policy 1.3; 1.4; 3.1*
Responsible Department: *Planning Department*
Timeframe: *Annually; ongoing*
Funding Source: *General Fund*
Quantified Objective: *50 units*
Performance Metric(s): *Number of affordable new units constructed*

(Formerly Program 4.1.3.C)

Program 1.O Update Permit Database - PRO

Processing permits efficiently and increasing public access to permitting information increases certainty in the development of a project. Databases can form a critical component to accurately track and record permit approval on a property. The City currently uses the iWorq database to track building permits; however, the information is not easily accessible to the public. Valuable limited staff time is used responding to calls about individual project activity. A database that clearly shows pertinent information to the public increases staff capacity for other critical tasks related to housing development and increases City accountability.

The City will update the iWorq database to include permit information on the City's website. Additionally, the database will be augmented to track affordable units.

Implementation Policies: *Policy 1.4; 3.1*
Responsible Department: *Planning Department*
Timeframe: *June 2025*
Funding Source: *General Fund*
Quantified Objective: *N/A*
Performance Metric(s): *New database fields and website visibility*
(NEW)

Program 1.P Clarify permit processing - PRO

Processing and permit procedures can pose a considerable constraint to the production and improvement of housing. Unclear permitting procedures add uncertainty in the development of the project, and increase overall financial risk assumed by the developer.

The Zoning Ordinance Chapter 18.76 references a variety of permit types and advisory and decision-making bodies. The regulations will be updated to simplify and clarify both the required permit type(s) for multi-family residential uses and the recommending and decision-making authorities, with the goal to minimize the levels of review and establish a permit process that takes four months or less for those projects consistent with the General Plan and zoning regulations.

Additionally, the City will develop an associated easy to read handout that clearly illustrates the process and develop a universal application for planning permits. The City will also add language to the zoning ordinance to clarify that sites which are substandard in size are buildable.

Implementation Policies: *Policy 1.4; 2.1; 2.2; 3.1; 3.2*
Responsible Department: *Planning Department*
Timeframe: *June 2026*
Funding Source: *General Fund*
Quantified Objective: *N/A*
Performance Metric(s): *Updated Planning entitlement and Application Procedures*
(NEW)

Program 1.Q Contract out permit review and establish one single point of contact - PRO

In an effort to further improve service and responsiveness, the City recently contracted with consulting firms to provide planning and building permitting services. There is one point of contact at the City for planning permits and one for building permits. Given the City's small size and limited in-house contract staffing, permit review for large housing planning entitlement and building permit

applications are referred out to the contracted firms additional staff in order to expedite multi-family housing applications. This methodology of staffing the City has significantly increased the level of service and permit processing, and the City will continue to implement this program as a means to facilitate residential development at all income levels in order to meet the RHNA.

Implementation Policies: *Policy 1.4; 3.1; 4.1*
Responsible Department: *Planning Department*
Timeframe: *Mid-cycle review (June 2027); June 2031*
Funding Source: *General Fund*
Quantified Objective: *200 permits processed*
Performance Metric(s): *Reduced approval Timeframes*

(NEW)

Program 1.R Prepare Checklist and Procedures for SB 35 and SB 330

Government Code section 65913.4 allows qualifying development projects with a specified proportion of affordable housing units to move more quickly through the local government review process and restricts the ability of local governments to reject these proposals.

The City will create a SB 35 checklist and written procedures for processing SB 35 applications to ensure efficient and complete application processing and will update the documents in conformance with any changes to state law within twelve months of adoption of new laws. Additionally, the City will develop an application for SB 330 in conformance with State law.

Implementation Policy: *Policy 1.4; 3.1; 4.1*
Responsible Party: *Community Planning and Building Department*
Timeframe: *June 2025 and within 12 months of any change to the law that would impact the City*
Funding Source: *General Fund*
Quantified Objective: *N/A*
Performance Metric(s): *Reduced approval Timeframes*

(NEW)

Program 1.S Changes to the Zoning Code

In addition to the programs listed above, and in an effort to increase housing development for all income categories towards meeting RHNA goals, the City of Sand City will amend the Zoning Code to do the following:

- Permit mobile and manufactured housing in all zones, including the R-2 and R-3 zones, where single-family residential is allowed, in compliance with Government Code Section 65852.3(a);

- Integrate findings of approval for Conditional Use Permits (see Appendix B), and remove the CUP requirements from multifamily zoning districts;
- In compliance with State requirements and the Employee Housing Act, the City of Sand City will amend the Zoning Code to include a definition for employee housing that permits employee housing for six or fewer employees to be treated as a single- family structure and permitted in the same manner as other dwellings within the R-1, R-2, and R-3 zoning districts;
- Permit Low Barrier Navigation Centers as a use by-right in zones where mixed uses are permitted, including nonresidential zones permitting multifamily uses pursuant to Government Code section 65660 (zones R-3, MU-P, CZ-R-3, CZ MU-P, CZ-EDA). See Program 3.E for further details;
- Permit transitional and supportive housing in all zones allowing residential uses and only subject to the requirements of other residential uses of the same type in the same zone (R-1, R-2, R-3, M, PUD, MU-P, PF, CZ R-2, CZ R-3, CZ VS R-2, CZ MU-P, CZ-EDA) pursuant to Government Code section 65583(a)(5);
- Permit supportive housing as a use by-right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses pursuant to Government Code section 65651;
- Increase height standards for residential development in the R-3 zone to permit a maximum of 40 feet (four stories); and
- Provide secure bicycle and electric Bicycle storage (see program 4.C for further details).

Implementation Policy:	*Policy 1.1; 1.2; 1.3*
Responsible Party:	*Community Planning and Building Department*
Timeframe:	*June 2025*
Funding Source:	*General Fund*
Quantified Objective:	*N/A*
Performance Metric(s):	*Reduced approval Timeframes*

(NEW)

GOAL H2 PROTECT AFFORDABLE HOUSING AND IMPROVE HOUISNG STOCK

Programs

Program 2.A Capital Improvement Program - PRO

Onsite/offsite improvement standards establish infrastructure or site requirements to support new residential development such as streets, sidewalks, water and sewer, drainage, curbs and gutters,

street signs, park dedications, utility easements, and landscaping. While these improvements are necessary to ensure that new housing meets the local jurisdiction's development goals, the cost of these requirements can represent a significant share of the cost of producing new housing.

Such requirements can reasonably be considered regulatory barriers to affordable housing if the jurisdiction-determined requirements are greater (and hence, more costly) than those necessary to achieve health and safety requirements in the community.

The City will continue to implement its Five-Year Capital Improvement Program (CIP) and continue budgeting revenues into the capital improvement budget to improve streets, sidewalks, storm drainage, wastewater and water lines within the West End area. Additionally, the City will apply for funding and prioritize the CIP to pursue a variety of place-based strategies, including but not limited to, parks, streetscapes, public improvements, and other community amenities. The City will also continue current improvements, including Calabrese Park, South of Tioga Park, and the City's Annual Mural Festival, which anticipates adding two new murals in 2024.

Implementation Policies:	*Policy 2.1; 2.2; 3.1*
Responsible Department:	*City Engineer; Planning Department*
Timeframe:	*Ongoing; review and prioritize CIP annually; apply three to four times for grant funding annually*
Funding Source:	*CDBG; other funds as available and received*
Geographic Target:	*West End District and throughout the city*
Quantified Objective:	*One to two improvements per year*
Performance Metric(s):	*N/A*

(Formerly Program 4.1.2.A)

Program 2.B Water and Sewer Providers and City Water Distribution Policy - PRO

Per Chapter 727, Statues of 2004 (SB 1087), upon completion of an amended or adopted Housing Element, a local government is responsible for immediately distributing a copy of the Housing Element to area water and sewer providers. In addition, water and sewer providers must grant priority for service allocations to proposed developments that include housing units affordable to lower-income households. Chapter 727 was enacted to improve the effectiveness of the law in facilitating housing development for lower-income families and workers.

The City will provide water and sewer providers with the City's adopted Housing Element. As provided in California Government Code Section 65589.7, water and sewer providers shall grant a priority to proposed developments which meet the City's Regional Housing Need goals. The City's own water desalination facility was designed to provide sufficient water for all segments of the housing market.

The City will develop a water distribution policy to ensure water allocations are directed to units that will meet the City's Regional Housing Needs along with continued operation of the City's desalination facility.

Implementation Policies:	*Policy 2.2; 3.1*
Responsible Department:	*Planning Department; Water Providers*
Timeframe:	*Upon certification – provide adopted Housing Element to water and sewer providers* *December 2025 – Develop Water Distribution Policy*
Funding Source:	*General fund*
Quantified Objective:	*N/A*
Performance Metric(s):	*N/A*

(Formerly Program 4.2.2.A)

Program 2.C Conservation and Preservation of existing units

Through enforcement of local codes, the City will ensure that all existing units meet basic health and safety requirements. In residential neighborhoods the City will proactively provide information and assistance to owners of units that are in need of repair or rehabilitation. Examples of program assistance include weatherization grants (PG&E, State LIHEAP, local community action agency, etc.), home paint fix-up programs, and housing rehabilitation assistance including Permanent Local Housing Allocation grant funds.

The City will dedicate resources to ensure this information regarding the availability of these resources is affirmatively marketed by doing the following:

- Post information on the City's website;
- Provide written marketing information describing the resources available to community groups and organizations that represent lower-income households at City Hall and through a variety of other methods throughout the City (E.g.: monthly Art Park Night Market and Annual West End Celebration);
- Distribute maintenance program information directly to property owners via direct mail; and
- Distribute maintenance program materials directly to community groups and organizations, including the Salvation Army Day Center that serves extremely-low- and low-income families.

Additionally, the City will monitor the 11 existing affordable units that have protective covenants in place. These units are located at 600 Ortiz Avenue, The Independent, Phase 1. Ten (10) of the units have protective covenants in place until 2063 and one (1) unit has a 12-year protective covenant in place that expires in 2032.

Implementation Policies: *Policy 2.3; 5.1*
Responsible Department: *Planning and Building Departments*
Timeframe: *Ongoing; review annually*
Geographic Target: *West End District and throughout the city*
Funding Source: *State HOME Funds*
Quantified Objective: *11 deed-restricted units (10 low-income and 1 moderate income units)*
Performance Metric(s): *N/A*

(Formerly Program 4.3.2.A)

Program 2.D Replacement Unit Program

Sand City will adopt a policy and will require replacement housing units subject to the requirements of Government Code section 65915, subdivision (c)(3) on sites identified in the site inventory when any new development (residential, mixed-use, or nonresidential) occurs on a site that is identified in the inventory meeting the following conditions:

- Currently has residential uses or within the past 5 years has had residential uses that have been vacated or demolished;
- Was subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of low or very low-income;
- Subject to any other form of rent or price control through a public entity's valid exercise of its police power; and/or
- Occupied by low or very low-income households.

Implementation Policies: *Policy 2.3; 2.4*
Responsible Department: *Planning and Building Departments*
Timeframe: *June 2025*
Funding Source: *General Fund*
Quantified Objective: *No loss of housing units*
Performance Metric(s): *N/A*

(NEW)

GOAL H3 PROVIDE NEW AFFORDABLE AND SPECIAL NEEDS HOUSING

Programs

Program 3.A Support the County of Monterey's Homeless Continuum of Care Plan

The City will continue to support housing opportunities for homeless individuals and families as provided in the County of Monterey's Homeless Continuum of Care plan, including emergency shelters, transitional housing and permanent affordable housing.

The City will improve outreach by:

- Augmenting the Housing page on website with links to County programs and contacts;
- Distribute flyers at local events including the West End celebration; and
- Support and partner with the Salvation Army Day Center facility.

Implementation Policies:	*Policy 3.1; 5.1*
Responsible Department:	*Planning Department; City Manager*
Timeframe:	*Ongoing*
Funding Source:	*General Fund (Regional Homeless Coalition Support Funds); CDBG*
Quantified Objective:	*25*
Performance Metric(s):	*Number of Housing webpage views, number of brochures distributed.*

(Formerly Program 4.4.1.A)

Program 3.B Homeless and Extremely Low Income: Support for Day Center Facility and transitional housing

The 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) data indicates there were approximately 20 extremely low-income (ELI) households (14 percent of total households) in Sand City. The existing Salvation Army operated day center facility serves 70-100 homeless and/or ELI families per day. The Center provides showers, laundry, caseworker services, food distribution, a small library, meeting space for service providers, and large indoor space to sit and eat and access services. At least once per month Valley Health Associates visits the center with a mobile truck to offer medical and mental health services. The facility caseworkers work with families and place families in transitional housing as it becomes available. The facility not only serves a local Sand City need, but also a wider regional need.

The City will continue to support the provision of services at the day center facility for homeless and extremely low-income individuals as currently provided by the Salvation Army. Additionally, the City will work with non-profit affordable housing developers to encourage the development of transitional and supportive housing on the site (#1).

If the City has not received a building permit to develop transitional housing by mid-cycle, the City will rezone the site to MU-P to facilitate development of transitional and ELI housing on the site.

Implementation Policies:	*Policy 3.1; 5.1*
Responsible Department:	*Planning Department; City Manager*
Timeframe:	*Pursue rezone Site #1 from M to MU-P by June 2027*
Funding Source:	*General Fund*
Quantified Objective:	*N/A*
Performance Metric(s):	*N/A*

(*Formerly Program 4.4.1.B*)

Program 3.C Senior and disabled: Support and market opportunities to house seniors and disabled residents including reasonable accommodation procedures

Seniors are identified as individuals 65 years and older and often experience a combination of factors that can make accessing or keeping affordable housing a challenge. Approximately 11 percent of Sand City's population are seniors, 25 percent of whom earn less that the City's median household income that would benefit from Countywide programs.

The City will continue to support and market the efforts of local nonprofit agencies that provide direct housing assistance to senior and disabled individuals. The City will prioritize Pro-housing developments that include units for seniors and disabled people.

In an effort to increase outreach on both housing opportunities and reasonable accommodation procedures, the City will affirmatively market these items by:

- Posting information on the City website;
- Providing materials at City Hall;
- Directing mail information to residents;
- Distributing information at City events like the West End celebration; and
- Working with local nonprofits include the Salvation Army Day Center.

Implementation Policies:	*Policy 3.1; 5.1*
Responsible Department:	*Planning Department; City Manager*
Timeframe:	*Host an annual workshop and disseminate information on an ongoing basis*
Funding Source:	*General Fund; CDBG*
Quantified Objective:	*25 individuals*
Performance Metric(s):	*Count number of referrals*

(Formerly Program 4.4.1.C & L)

Program 3.D Emergency Shelters

In 2023, AB 2339 was amended to expand the definition of emergency shelters to include other interim interventions, including but not limited to, navigation centers, bridge housing, and respite or recuperative care. In compliance with AB 2339, the City will amend the Municipal Code definition of emergency shelters.

According to Government Code Section 65583(a)(7), regardless of the need, at a minimum, all jurisdictions must have a zone in place to permit at least one year-round emergency shelter without a conditional use permit or any discretionary permit requirements. According to the *2022 Monterey Homeless Count and Survey Comprehensive Report* prepared by Applied Survey Research, there are three (3) unsheltered homeless people living in Sand City. In 2010 the City identified the Public Facilities (PF) Zone to permit emergency shelters. However, both a design and site permit are required for construction in the Public Facilities (PF) Zoning districts where emergency shelters are a permitted use.

To comply with State law and to enable the development of emergency shelters in the PF Zone, the City will amend the Municipal Code to do the following:

- Remove design permit requirements for emergency shelters. However, the site permit requirement will remain in place because of the objective nature of site permit requirements such as height regulations and the City's undertaking of Objective Design Standards; and
- Establish parking requirements for emergency shelters in the PF Zone consistent with AB 139, requiring only sufficient parking to accommodate all staff working in the emergency shelter.

Implementation Policies: *Policy 3.1; 3.2*
Responsible Department: *Planning Department; City Manager*
Timeframe: *June 2025*
Funding Source: *General Fund*
Quantified Objective: *Removal of design permit requirement*
Performance Metric(s): *Reduced permit processing time*
(NEW)

Program 3.E Low Barrier Navigation Center

Homelessness in California is a continuing and growing crisis. Individuals and families experiencing homelessness are without permanent housing largely due to a lack of affordable housing. Homelessness is often compounded by a lack of job training and supportive services to treat mental illness, substance abuse, or domestic violence. AB101 (2019) provides a pathway to permanent housing for people experiencing homelessness.

In order to comply with State law, the City will amend the Zoning Code definitions to include the definition for "Low Barrier Navigation Center" and allow it as a permitted use in the PF zoning district.

Implementation Policies: *Policy 3.1; 3.2*
Responsible Department: *City staff and Council*
Timeframe: *June 2025*
Funding Source: *General Fund*
Quantified Objective: *Amended Zoning Code*
Performance Metric(s): *N/A*

(NEW)

Program 3.F Affordable Housing Services for Extremely Low and Other Income Restricted Residents – PRO

The category "extremely low-income households" is a subset of "very low-income households," and is defined as 30 percent (or less) of the area median income. Extremely low-income households are typically minimum-wage workers, disabled persons, farmworkers, artists, and seniors on fixed incomes and there were approximately 20 ELI households (14 percent of total households) in Sand City. Of the extremely low-income households in Sand City, 100 percent are renter-occupied households, or 14 percent of all households.

In order to support ELI residents, the City will support the construction of affordable housing and the development of support services that are suitable for extremely low-income residents through the following measures:

- Consider creating an "Affordable Housing Matching" program in which ELI residents are able to sign up for a list of the City's available affordable housing inventory, and work with the regional Housing Authority to provide Housing Choice Vouchers (HCV) and allocate section 8 vouchers to eligible residents;
- Match residents with ADU or JADU owners that accept HCV or Section 8;
- Work with local non-profit Salvation Army to support the day center including caseworker services; and
- Continue Community Human Services (CHS) service agreement to provide mental health, substance abuse and homeless services.

Implementation Policies: *Policy 3.1; 3.2; 5.1*
Responsible Department: *City staff and Council*
Timeframe: *June 2025*
Funding Source: *General Fund*

Quantified Objective: *10 property owners*
Performance Metric(s): *10 housing matches*

(Formerly Program 4.4.1.E)

Program 3.G Artist Live/Work Housing - PRO

Many artists fall into in the low and extremely low-income categories. Sand City has built up an energetic artist community, in part due to more affordable facilities than other parts of the Peninsula, that has vastly contributed towards the City's positive transformation. To support the artist community, the City sponsors the annual West End Celebration art festival and the relatively new annual mural program. To ensure that artists, many of which are low and/or extremely-low income, continue to thrive and work in Sand City, the City will:

- Engage with artist/craft-persons residing in the City and organizations that support the Arts to assess the housing needs of the artistic community and how the City can address these needs programmatically;
- Conduct targeted marketing for artist/craft-persons when affordable units and Live/Work units become available; and
- Explore development of the City-owned Art Park in conformance with the Surplus Lands Act.

Implementation Policies: *Policy 3.1; 3.2; 5.1; 5.2*
Responsible Department: *Planning Department; City Manager*
Timeframe: *Ongoing*
Funding Source: *General Fund*
Quantified Objective: *N/A*
Performance Metric(s): *Number of artists contacted*

(NEW)

Program 3.H Reduced Fees for Affordable Projects - PRO

Development of new housing units imposes certain costs upon local government, such as the cost of providing planning services and inspections. In addition, there are long-term costs such as the continued maintenance of a community's infrastructure and public facilities. In order to pay for such services, local governments charge fees for proposed development applications. High planning and site development fees can impact property owners' ability to make improvements or repairs, especially for lower-income households.

Sand City fees are extremely low and have been for many years and do not currently pose a constraint to affordable projects; however, given the fee schedule was last updated in 2015 for planning permit fees and in the late 1990's for building permit fees, the City is considering a nexus

study and possibly increasing fees in the next budget cycle. Discounted or waived fees for affordable projects will form part of the fee schedule update. In addition, the City will work with outside agencies to develop a process to defer fees until the Certificate of Occupancy is ready to be issued as part of the fee schedule update.

Implementation Policies: *Policy 1.4; 3.1; 3.2*
Responsible Department: *City Manager*
Timeframe: *June 2025*
Funding Source: *General Fund*
Quantified Objective: *N/A*
Performance Metric(s): *Reduction of fees for affordable housing development (NEW)*

Program 3.I Surplus Local Land for Affordable Housing

Assembly Bill 1486 (Ting, 2019) aims to connect developers who are interested in building more affordable homes on surplus local public land that is both available and suitable for housing development. Land leases that are greater than five years are also subject to the Surplus Lands Act (SLA).

At the Art Park (site #2), the City has identified two (2) city-owned underutilized parcels and one privately owned parcel. The City is in negotiations to acquire the privately owned parcel, with intentions to develop the parcels through the Surplus Land Act process over the next five years for the potential development of 16 units (eight (8) units affordable to very low- and eight (8) units affordable to low-income households). The site is planned to remain in City ownership and is anticipated to be made available for development through a long-term land lease for 55 years. The site will be made available for affordable housing consistent with the requirements of the Surplus Land Act.

Since parcel 011-196-020-000 (City-owned) was previously identified in the 5th cycle, the site is subject to by-right development requirements pursuant to Government Code section 65583.2(c). If a developer proposes a project with a minimum of 20 percent affordable, the City shall permit development without discretionary action.

Specific planned actions by the City include the development of a project description, publication of an RFP within 12-18 months, selection of a development partner, two years to enter into an Exclusive Negotiation Agreement, two years for land use entitlements and development agreements, 6-12 months for building permit issuance, and 1-2 years for construction. Council approval is required for each step in this process.

Specific actions and associated timelines the City is committed to:

- Maintain compliance with the Surplus Land Act throughout the 2023-2031 Housing Element period;
- Establish and implement development standards for the Art Park (Site #2);
- Make properties available through the Surplus Land Act process;
- Develop project description and establish an RFP process and solicit developers by Spring 2025;
- Target Exclusive Negotiating Agreement by Fall 2025; and
- Target land use entitlements issuance by Winter 2026.

If by December 2025, the City has not established the necessary developer agreements, the City will pursue the following alternative actions to enable the development of the sites for affordable housing:

- Increase outreach efforts with non-profit affordable housing developers beginning January 2026;
- Re-issue RFP and solicit developers by December 2026;
- Identify additional/alternative sites;
- Pursue funding opportunities such as Permanent Local Housing Allocation (PLHA), Multi-family Super NOFA, IIG Small Jurisdictions, CDBG Funds, and HOME Investment Partnerships to assist with entitlement and building permit fees (ongoing); and
- Develop incentives for developers, including 60-day approval timeline; clear development standards; full cooperation with City staff and elected and appointed officials; accelerated approval process; waiving parking standards for multi-family development.

The length of time it takes to gain entitlement approvals can drastically impact the financial feasibility of development projects. The developer incentives outlined above are intended to shorten the period of time between submittal of entitlement applications and issuance of occupancy, in order to enable the development of multi-family residential units.

Implementation Policies:	*Policy 3.1; 3.2*
Responsible Department:	*City Manager*
Timeframe:	*Complete investigations and potential partnership by December 2026; Pursue alternative actions by January 2026*
Funding Source:	*General Fund*
Quantified Objective:	*8 Very Low- and 8 Low-Income units*
Performance Metric(s):	*Acres of surplus land*

(NEW)

Program 3.J Employee and Farmworker Housing

In compliance with State requirements and the Employee Housing Act, the City of Sand City will amend the Zoning Code to include a definition for employee housing that permits employee housing for six or fewer employees to be treated as a single- family structure and permitted in the same manner as other dwellings within the R-1, R-2 and R-3 zoning districts.

Although the City does not have agricultural uses, and therefore, no housing designated specifically for farmworkers —the City supports the County of Monterey's efforts to educate the public on resources that are available for agricultural workers. The City has identified the following resources that are available throughout the region for agricultural employees:

- **Spanish Farmworkers Resource Line** – provides information on a variety of issues such as legal help and medication services, stress, resources for farmworkers with disabilities, etc.
- **The Center for Community Advocacy** – an organization whose mission is to support and build leadership within the community and in particular for farmworkers and their families. The Center has worked side by side with farmworkers to help improve their living conditions, advocate to have more affordable housing and access to health services and resources.
- **Farm and Food Worker Relief Program** – Catholic Charities Diocese Monterey is providing direct financial relief to eligible farmworkers in the counties of Monterey, Santa Cruz, San Benito, and San Luis Obispo. The purpose of this program is to provide direct financial relief to eligible field workers, meatpacking workers, livestock workers, and grocery store workers.

Implementation Policies: *Policy 3.1; 3.2*
Responsible Department: *Planning Department*
Timeframe: *December 2024*
Funding Source: *General Fund*
Quantified Objective: *N/A*
Performance Metric(s): *N/A*

(NEW)

Program 3.K Residential Care Facilities for Residents with Disabilities

Residential care facilities, or group homes, are a type of supportive housing essential to residents that are living with disabilities. These facilities provide flexible and affordable housing options, and allow persons with disabilities to live in deinstitutionalized settings in a manner that helps them integrate into local communities.

In accordance with Sections 65650 – 65656 of the Government Code, the City will make the following amendments to the zoning code:

- Clarify and expand the definition of residential care facilities to include "group homes" and "sober living homes;"
- Amend the definition of "family" so that it does not distinguish between related and unrelated persons and does not impose limitations on the number of people that may constitute a family;
- Amend the zoning and permitting procedures to allow seven or more persons (regardless of licensing) in all zones allowing residential uses;
- Replace CUP requirements with a site development permit and permit similar to other uses of the same type in the same zone; and
- Permit residential care facilities within the MU-P zoning district by-right, in accordance with Government Code Section 65651.

Implementation Policies: *Policy 3.1; 3.2*
Responsible Department: *City staff and Council*
Timeframe: *December 2024*
Funding Source: *General Fund*
Quantified Objective: *N/A*
Performance Metric(s): *Amended Zoning Code*
(NEW)

Program 3.L Update Reasonable Accommodation Procedures in the Municipal Code

The City will update the reasonable accommodation procedures in the Zoning Code to remove subjective language that provides a constraint to individuals with disabilities, and seniors. The City will amend the Municipal Code to remove the findings requirement for requested accommodations stating the requested accommodation will not result in a "significant impact on surrounding uses."

In an effort to keep the public informed on reasonable accommodation procedures, the City will:

- Conduct educational workshops for landlords and tenants;
- Connect to organizations and fair housing resources;
- Encourage tenants with disabilities to file discrimination complaints if necessary;
- Establish a single point of contact to handle reasonable accommodation issues and provide necessary info; and
- Create an informational worksheet/flyer to distribute at Sand City's front desk.

Implementation Policies: *Policy 3.1; 3.2*
Responsible Department: *City staff and Council*
Timeframe: *June 2025*
Funding Source: *General Fund*
Quantified Objective: *N/A*
Performance Metric(s): *Amended Zoning Code (NEW)*

Program 3.M Brownfield Remediation Loans and Grant Assistance

Site characterization, health risk assessment, and site remediation in accordance with state mandates can present major development expenses.

In order to maximize the potential of underutilized sites in the future, the City will facilitate the use of state loans and grants through the assessment loan and clean-up loan programs to provide financial, technical, and regulatory assistance to property owners and developers seeking to assess and remediate housing development sites on brownfields. The City will work with property owners and developers to seek outside funding opportunities for site remediation and offer technical assistance with funding applications. The City will provide information regarding loan and grant assistance on the City's website.

Implementation Policies: *Policy 3.1; 3.2*
Responsible Department: *City staff and Council*
Timeframe: *City will meet with interested property owners and developers twice in the planning period; Update website annually*
Funding Source: *General Fund, California Dept. Toxic Substances Control (DTSC), US Environmental Protection Agency (EPA)*
Quantified Objective: *N/A*
Performance Metric(s): *N/A (NEW)*

Program 3.N Strategies to Improve Educational Outcomes

To support the improvement of educational opportunities and outcomes in Sand City, the City will meet with the Monterey Peninsula Unified School District (MPUSD) bi-annually to determine what, if any outside factors impede school performance that can be alleviated, such as stable housing opportunities, affordable childcare opportunities for working parent(s), and more. The City will also invite interested religious institutions to collaborate. If such needs are identified, the City will pursue solutions, which may include:

1. Reviewing planning regulations to ease the process for entitling a Childcare/Day Care Center and ensuring that childcare facilities are permitted near employment centers. Recommended modifications include allowing day cares and pre-schools as a conditional use in areas that allow commercial and mixed uses;
2. Coordination with MPUSD and those that participate in programs through The Salvation Army Day Center in both Sand City and Seaside on identifying affordable childcare and after-school opportunities for low income, working parents; and
3. The City will partner with the MPUSD and homeless service providers to support at-risk families with information regarding local resources, fair housing education, access to legal aid, and potential housing opportunities.

Implementation Policies: *Policy 3.1; 3.2*
Responsible Department: *City staff and Council*
Timeframe: *June 2025; Meet with MPUSD bi-annually*
Funding Source: *General Fund; Other*
Quantified Objective: *Contact a minimum of 25 households annually*
Performance Metric(s): *Bi-annual meeting with MPUSD, service providers, and local non-profits (NEW)*

Program 3.O Family Friendly Housing – AFFH

Promote multi-family housing designs and unit mix to attract multigenerational households by encouraging developers to include housing features and more bedrooms (including four-bedroom units), as well as other on-site amenities, such as usable outdoor open space for multigenerational use, and multipurpose rooms that can be used for after-school homework clubs, computer, art, or other resident activities. To address potential displacement of households with four or more persons, the City will research options to expand regulatory incentives to encourage the development of larger units.

Implementation Policies: *Policy 3.1; 3.2*
Responsible Department: *City staff and Council*
Timeframe: *June 2025; Meet with MPUSD bi-annually*
Geographic Target: *South of Tioga, West End District, and throughout the city*
Funding Source: *General Fund; Other*
Quantified Objective: *15 two-, three-, and four-bedroom units entitled; 15 family friendly designated units*
Performance Metric(s): *Develop Regulatory Incentive (Mid-Term); Implement Family Friendly Design Guidelines (Ongoing)*
(NEW)

GOAL H4 EXEMPLIFY SUSTAINABLE DEVELOPMENT AND ENERGY CONSERVATION

Programs

Program 4.A Energy Conservation and Solar Energy Opportunities

Planning to maximize energy efficiency and the incorporation of energy conservation and green building features can contribute to reduced housing costs for homeowners and renters, in addition to promoting sustainable community design and reduced dependence on vehicles. Such planning and development standards can also significantly contribute to reducing greenhouse gases.

The City will continue to enforce Title 24 and California Green Building Standards Code requirements for energy conservation and evaluate utilizing some of the other suggestions as identified in this document. Additionally, the City will use the design review process to promote optimum lot and building configuration for the use of solar energy systems.

Implementation Policies:	*Policy 4.1*
Responsible Department:	*Planning and Building Departments*
Timeframe:	*Ongoing*
Funding Source:	*General Fund*
Quantified Objective:	*N/A*
Performance Metric(s):	*N/A*

(Formerly Program 4.6.1.A and 4.6.1.B)

Program 4.B Energy Rebate Programs

Pacific Gas and Electric Company (PG&E), which provides energy efficiency services in Sand City, offers public information and technical assistance to homeowners regarding energy conservation. PG&E also provides numerous incentives for energy efficiency in new construction and home remodeling.

The City will implement Energy Rebate Programs by coordinating with PG&E to make available rebates to eligible owner and renter-occupied housing for improvements to housing units for energy conservation measures.

Implementation Policies:	*Policy 4.1*
Responsible Department:	*Planning and Building Departments*
Timeframe:	*Ongoing*
Funding Source:	*General Fund*
Quantified Objective:	*30 units targeted for rebates*
Performance Metric(s):	*# of energy conservation rebates provided*

(NEW)

Program 4.C Encourage Transportation Demand Management Strategies

The City is served by the Monterey Salinas Transit (MST) which operates bus routes on Del Monte Boulevard to the Sand City Station, located on Playa Ave, which serves six bus routes with a combined frequency of 15-minute service.

In order to facilitate transit use for residents of new multi-family residential developments in South of Tioga and The Independent (Phase II), the City will encourage the development of transportation demand management strategies that include but are not limited to the following:

- Provide transit passes to residents as part of MST's Group Discount Program for a minimum of 10 years;
- Facilitate use of MST by providing information on bus frequency and transit stop locations in common areas for the life of the project;
- Reduction of minimum parking standards by December 2025; and
- Provide secure bicycle and electric Bicycle storage by December 2025.

Implementation Policies:	*Policy 4.1; 4.2*
Responsible Department:	*Planning and Building Departments*
Timeframe:	*Refer to individual timeframes above*
Funding Source:	*General Fund*
Quantified Objective:	*Provide 50 transit passes per year with new development*
Performance Metric(s):	*Residential building permit issued*

(NEW)

Program 4.D Seek Funding for a Pedestrian and Bike Trail along the Railroad Right-of-Way

The TAMC Railroad Right-of-Way runs through Sand City adjacent to Del Monte Boulevard. In order to increase bicycle and pedestrian commuting, the City will seek grant funding to build a pedestrian and bike trail along the TAMC railroad right-of-way. The new trail would pass by the proposed SURF! Busway and Bus Rapid Transit, which, once completed, will serve as a major transit stop providing public transit service along Del Monte Boulevard every 15 minutes throughout the day. On April 16, 2024 the City Council approved funding for this project to initiate the entitlement and planning phases.

Implementation Policies:	*Policy 4.1; 4.2*
Responsible Department:	*Planning and Building Departments*
Timeframe:	*Apply for funding every two years as necessary; Complete by June 2031*
Funding Source:	*General Fund*

Quantified Objective: *3 miles of trails*
Performance Metric(s): *Grant awards*

(NEW)

Program 4.E Expand Sand City's Coastal Trail

The Monterey Bay Coastal Recreation Trail is a dedicated pedestrian and bike trail which stretches 18 miles along the Southern Monterey Bay from Castroville in the north to Pacific Grove in the south. The Monterey Bay Recreation Trail runs through Sand City on the west side of State Route 1. There is currently a critical gap in the Monterey Bay Recreation Trail in Sand City between Tioga Avenue and Playa Avenue. In order to increase walkability and bicycle use within the City, Sand City will continue to work with the property owner and Coastal Commission to allow for development of this gap in the Monterey Bay Recreation Trail and will apply for grants to plan and build this missing segment.

Sand City recently applied to the California Coastal Conservancy for a grant to plan for a coastal trail that will connect the City's center to the coast. The project will provide access from Sand City's Calabrese Park, northeast to Tioga Avenue, over the State Route 1 Tioga Avenue overpass, and southwest through the dunes west of State Route 1, ultimately ending at the West Bay Street coastal access point and viewing platform known as Vista Point. It will include a coastal trail, boardwalk system, educational signs, enhanced parking, and benches. The project will connect current and future residents within the City's core to the coast, and will plan for much needed coastal access improvements along the City's shoreline.

Implementation Policies: *Policy 4.1; 4.2*
Responsible Department: *Planning and Building Departments*
Timeframe: *Apply for funding for implementation every two years as necessary; Ongoing*
Funding Source: *General Fund*
Quantified Objective: *3 miles of trails*
Performance Metric(s): *Grant awards*

(NEW)

GOAL H5 PUBLICIZE HOUSING NEEDS AND RESOURCES

Programs

Program 5.A Fair Housing Services and Information – PRO

A local equal housing opportunity program must provide a means for the resolution of local housing discrimination complaints and should include a program to disseminate fair housing information (including fair housing laws) and resource information throughout the community.

The City has not had any fair housing complaints and will continue to support and promote the services of organizations that provide fair housing programs to Sand City residents, including:

- The Salvation Army Day Center facility;
- Home Match Monterey;
- Conflict Resolution and Mediation Center;
- Legal Services for Seniors;
- Central Coast Center for Independent Living;
- Housing Resources Center Salinas; and
- Center for Community Advocacy.

The City will market the availability of the services provided by these organizations through written material available at City Hall and on the City's website. Additionally, in April each year during Fair Housing Month the City will:

- Staff a public outreach booth at events such as the Sand City Night Market and/or the West End Celebration; and
- Issue an annual Council proclamation.

The City will also develop an engagement strategy to promote education and awareness of fair housing law and tenant protections, including source of income, State rent stabilization, just cause eviction regulations, and other related State laws. Additionally, the City will market listings for affordable housing as available.

Implementation Policies:	*Policy 5.1*
Responsible Department:	*City Manager/Planning Department*
Timeframe:	*2024-2031*
Funding Source:	*General Fund; CDBG*
Quantified Objective:	*100 people per day via Salvation Army; Develop engagement strategy by December 2025*
Performance Metric(s):	*Reduce the # of fair housing cases during the housing cycle*

(Formerly Program 4.5.1.A)

Program 5.B Housing Choice Voucher Program

The City shall continue to cooperate with the Monterey County Housing Authority in its administration of the Housing Choice (Section 8) rental assistance program. Specifically, the City shall encourage the Housing Authority to seek out and provide assistance to extremely low and very low-income households. The City shall publicize the Housing Choice Voucher Program rental assistance program through marketing efforts including brochures made available at City Hall.

Implementation Policies:	*Policy 5.1*
Responsible Department:	*Planning Department*
Time Frame:	*June 2025*
Geographic Target:	*West End District, South of Tioga, and throughout the city*
Funding Source:	*General Fund*
Quantified Objective:	*10 vouchers*
Performance Metric(s):	*N/A*

(NEW)

Program 5.C State and Federal Housing Programs and Funding - PRO

The cost of financing has a substantial effect on the affordability and availability of housing. EMC Planning Group, as planning consultants for the City, set-up a two part "Affordable Housing Financing" workshop with a California Bank that provides affordable housing financing to developers. The City Manager of Sand City attended. That workshop was followed by an in-person meeting with the City Manager and an affordable housing developer who is interested in the City. Housing financing, including private financing and government assistance programs, is generally available to the community. In order to continue to incentivize the development of affordable units the City will:

- Continue to apply for appropriate state and federal housing funds, including CDBG and HOME funds. Use funds to assist with providing affordable housing opportunities in new and existing housing units;
- Contract with a planning consulting firm to supplement its planning and economic development capabilities. Availability of grant or other special funding for affordable housing will be posted on the City's website and a new Economic Development website with information related to housing site opportunities and potential State and Federal Housing funding will be developed; and
- Notify affordable residential developers, community groups and organizations that serve and represent lower-income households of the availability of affordable housing resources, when available.

Where possible, the City will give priority to projects that are affordable to extremely low- and very low-income households. Some of the more likely sources of funds include:

- CDBG Funds: The City will continue to apply to the California HCD for special planning grants to pursue specific projects. The City will submit applications for those funds based on the state's application time frame and process;
- HOME Funds: The State of California also awards HOME funds to localities on a competitive basis for developments that include rental housing, homeownership opportunities, special needs housing and tenant-based rental assistance. The City will submit applications for those funds based on the state's application time frame and process;
- Low Income Tax Credits: Federal and state tax credits are available to investors on a competitive basis for the development of lower-income housing units;
- Other State-funded programs: The City will make use of available State-funding allocated for affordable housing; and
- Permanent Local Housing Allocation (PLHA) grant: The City applied for and was awarded a Permanent Local Housing Allocation grant. PLHA provides funding to local governments in California for housing-related projects and programs that assist in addressing the unmet housing needs of their local communities. The City will identify local public agencies, public or private nonprofit corporations, and for-profit organizations with the legal and managerial capacity to acquire and manage at-risk projects (Government Code Section 65583(a)(9)(C)). New purchasers must agree to long-term affordability controls. The funds will be used for the following activities:
  - Private-public partnerships to build live/work units/studios within the West End Planning District on City owned properties; and
  - Purchase of additional existing market rate units to increase the number of inclusionary affordable units into the current housing stock.

Implementation Policies:	*Policy 5.2*
Responsible Department:	*Planning Department*
Timeframe:	*Annual Assessment; Ongoing*
Funding Source:	*CDBG, HOME, PLHA grant, tax credits and other grants and programs, as applicable*
Quantified Objective:	*Acquire revenue from various Federal and State funds for use in affordable housing*
Performance Metric(s):	*Amount of funding gathered; Amount of funding allocated towards low-income households*

(Formerly Program 4.2.2.A)

This side intentionally left blank.

3.0 Overview of Housing Needs and Constraints

3.1 Introduction

This chapter summarizes housing needs and constraints in the City of Sand City. The analysis of housing needs primarily utilizes U.S. Census, ACS 5-Year 2019 Estimate data. For a detailed analysis of housing needs, please see Appendix A— Housing Needs & Fair Housing Report. Also, for a detailed analysis of governmental and non-governmental constraints, please see Appendix B— Housing Constraints.

3.2 Overview of Housing Needs

The following section provides an overview of demographic information, household and housing stock characteristics, and special housing needs in Sand City. In summary:

- The City's population is slowly increasing and the aging trend suggests a demand for housing geared toward middle-aged to senior groups;
- Sand City has more jobs than housing, and will require intentional development of housing at all income levels to effect balance;
- The largest household type is single-person households (48 percent) which reflects a demand for affordable housing units appealing to single-person households;
- Lower-income households make up the majority of households (48 percent and nearly 15 percent of the households in Sand City identify as extremely low-income. The household income characteristics in Sand City reveal a demand for the development of more affordable housing options that appeal to lower-income, single-person households;
- Sand City has a total of 143 households, of which more households rent than own their homes: 83 percent versus 17 percent and renter-occupied households earning between 0 to 80 percent AMI are at risk of potential displacement or gentrification. Senior households makeup 10 percent of all households, of which 70 percent rent their homes;
- Sand City households have higher rates of cost burden. In Sand City, 34 percent of households are cost burdened (both renters and owners) and 21 percent are severely cost burdened. This reflects a demand for programs that prevent displacement and preservation of affordable units; and

- 12 percent of the population experiences some form of disability. Additionally, the most common living arrangement for individuals with disabilities is the home of parent/family/guardian followed by independent/supported living arrangements. This reflects a need for more units that are accessible and/or universal design.

Population Growth

Sand City faces unique housing challenges as its population size is extremely small with approximately 310 residents as of 2019. Table 3-1 shows population growth in Sand City, the County, and neighboring cities between 2010-2019. Between 2010 and 2019, Sand City's population increased by 32 percent from 2010 to 2019. Although the City has experienced growth since 2010, it has been accompanied by a trend of flux rather than a steady increase.

Table 3-1 Sand City and Regional Population Growth Trends, 2010-2019

Jurisdictions	Population									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Monterey County	407,435	411,385	416,199	420,569	424,927	428,441	430,201	433,168	433,212	433,410
Sand City	234	292	264	307	355	312	301	355	318	310
Del Rey Oaks	1,774	1,734	1,781	1,779	1,727	1,673	1,683	1,555	1,596	1,525
Seaside	32,431	32,735	3,3050	33,402	33,729	33,999	34,120	34,259	34,077	33,956
Pacific Grove	14,902	14,995	15,102	15,241	15,365	15,505	15,546	15,617	15,567	15,522

SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2010-2019

Age Characteristics

In 2010, Sand City's predominant age group was individuals between 35 and 44 years of age (22.6 percent). Between 2015 and 2019, the City experienced a shift upward in age toward the 45 to 54 age group (18.9 percent in 2015) and then back down to the 25 to 34 age group (18.7 percent in 2019). The general age of the population has been slowly increasing; however, the most populous age groups in the City appear to be individuals between 25 and 54 years of age. Accordingly, the most stable population between 2010 and 2019 has been individuals zero to four years of age. As of 2019, the City's median age was 36. Overall, the City's aging trend suggests a demand for housing geared toward middle-aged to senior groups.

Table 3-2 shows that Sand City's most populous age group in 2019 was individuals 25 to 34 years of age (18.7 percent). Compared to the County and neighboring cities, Sand City has the largest 25 to 34 age group followed by Seaside (17.6 percent). In contrast, Del Rey Oaks (7 percent percent) and Pacific Grove (11 percent) have larger 75+ populations.

Table 3-2 Population Age Distribution by Jurisdiction, 2019

Jurisdiction	Population Age									
	0-4	5-14	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
Monterey County	7.3%	14.8%	14.3%	14.4%	13.0%	11.8%	11.1%	7.7%	3.6%	1.9%
Sand City	6.8%	9.1%	12.9%	18.7%	13.2%	13.2%	15.5%	8.7%	1.9%	0.0%
Del Rey Oaks	5.7%	8.3%	5.7%	12.6%	12.5%	13%	18.9%	15.9%	4.4%	2.9%
Seaside	8.5%	12.7%	14.8%	17.6%	12.7%	11.4%	11.4%	6.1%	3.0%	2.0%
Pacific Grove	3.5%	12.2%	8.5%	10.0%	10.4%	13.3%	14.7%	16.5%	6.6%	4.3%

SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2019

Race and Ethnicity Characteristics

When comparing the City and the County, non-Hispanic White and Hispanic or Latino populations are the most represented; these populations show a nearly even contrast in percentages for the County and City. Non-Hispanic White individuals comprise the majority of Sand City's population (59 percent) followed by Hispanic or Latino (30.5 percent). In contrast, the County's largest population is Hispanic or Latino individuals (60 percent) followed by non-Hispanic White (31 percent). Despite having relatively limited diversity, Sand City has a slightly larger Black or African American population (5 percent) compared to the County (2.5 percent). Those identifying as Native Hawaiian or Other Pacific Islander represent the smallest population group within the County (0.5 percent) and City (zero percent), followed by American Indian or Alaska Native which in the County is (0.2 percent) and City (1.6 percent).

Table 3-3 provides a comparison of racial and ethnic composition by jurisdiction. In 2019, Sand City (59 percent) and the neighboring City of Pacific Grove (83 percent) had the largest non-Hispanic White populations compared to Del Rey Oaks (75.5 percent), City of Seaside (33.9 percent), and the County (30.8 percent). Sand City had the lowest Asian population (3.0 percent) than surrounding cities and the County. The Black or African American, non-Hispanic population in Sand City (5.0 percent) is the second largest when compared to surrounding cities and the County.

Between 2010-2019, Sand City's population composition has experienced fluctuations in nearly all populations. In 2015, all populations experienced a decrease in size with the exception of American Indian or Alaska Native populations (0.7 percent increase) and Hispanic or Latino populations (12.2 percent increase). In 2019, Sand City saw growth in all populations except Hispanic or Latino populations (10.0 percent decrease) and Native Hawaiian and Other Pacific Islander populations (zero percent; consistent over the nine-year period). American Indian or Alaska Native populations have steadily increased from 2010 (zero percent) to 2019 (1.6 percent).

Table 3-3 Population by Race by Jurisdiction, 2019

Jurisdiction	American Indian or Alaska Native	Asian, alone	Black or African American, Non-Hispanic	White, Non-Hispanic	Some Other Race	Hispanic or Latino	Native Hawaiian and Other Pacific Islander
Monterey County	0.2%	5.5%	2.5%	30.8%	0.1%	60.3%	0.5%
Sand City	1.6%	3.3%	4.9%	59.0%	0.7%	30.5%	0.0%
Del Rey Oaks	0.0%	7.1%	2.5%	75.5%	0.0%	13%	0.3%
Seaside	0.2%	10.4%	7.3%	33.9%	0.3%	45.4%	2.7%
Pacific Grove	0.2%	5.8%	1.0%	82.8%	0.0%	10.3%	0.1%

SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2019

Employment

The largest industries in which Sand City residents work are Arts, Recreation & Other Services, Health & Educational Services, and Professional & Managerial Services, respectively. These industries have remained the most populous in employment since 2010.

Sand City has more jobs than housing, and this difference has remained steady over time. Sand City has more jobs than residents at all income levels. Historically, Sand City has served the Monterey Peninsula as the industrial hub. Therefore, the jobs–housing imbalance is not unusual, but will require intentional development of housing at all income levels to effect balance.

Table 3-4 illustrates employment growth for Sand City, the County, and neighboring cities from 2010-2019. Between 2010-2019, Sand City experienced an employment growth of 53 percent compared to the County which experienced 7 percent growth. Neighboring cities, Del Rey Oaks and Pacific Grove experienced declines in employment. Sand City's increase in employment presents an opportunity to construct additional housing options for the existing and future workforce.

Table 3-4 Employment Growth by Jurisdiction, 2015-2040

Jurisdictions	Employed Population									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Monterey County	176,225	175,425	176,109	174,453	175,455	177,333	180,631	182,439	185,025	187,708
Sand City	108	139	111	121	153	138	131	167	165	166
Del Rey Oaks	868	903	905	858	897	848	849	795	807	788
Seaside	15,318	15,109	15,074	14,529	14,561	14,636	15,225	15,321	15,557	15,478
Pacific Grove	7,428	7,282	7,168	7,374	7,214	7,252	7,363	7,304	7,019	7,142

SOURCE: AMBAG Regional Growth Forecast, 2018
NOTE: *Projected growth values

Table 3-5 provides a breakdown of unemployment rates for Sand City, the County, and neighboring cities. Sand City has the lowest unemployment rate compared to surrounding cities and the County. This indicates an approximate 2.0 percent less than Pacific Grove, 3.0 percent less than the County and Del Rey Oaks, and 4 percent less than Seaside.

Table 3-5 Unemployment Rate, Sand City, 2019

Jurisdictions	Unemployment Rate
Monterey County	4.9%
Sand City	1.8%
Del Rey Oaks	5.1%
Seaside	6.1%
Pacific Grove	3.9%

SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2019

Household Characteristics

Table 3-6 provides an overview of the projected housing units needed in the AMBAG region, Monterey County, Sand City, and neighboring cities, Seaside and Pacific Grove.[1] Sand City is forecast to have a household growth of approximately 199 percent by 2045 – an increase of 350 housing units. Compared to the neighboring city of Del Rey Oaks, this reflects 138 percent more growth.

Table 3-6 Housing Forecast by Jurisdiction, 2015-2045

Jurisdictions	2015	2020*	2025*	2030	2035*	2040*	2045*	Percent Change from 2015-2045
AMBAG Region	262,660	267,812	277,645	288,386	296,352	301,307	304,900	16%
Monterey County	139,177	141,764	146,716	153,852	159,100	162,612	165,328	19%
Sand City	176	189	198	228	333	446	526	199%
Del Rey Oaks	741	741	762	809	848	1,052	1,195	61%
Seaside	10,913	10,920	11,437	11,925	12,248	12,604	13,192	21%
Pacific Grove	8,184	8,201	8,214	8,267	8,336	8,400	8,463	3%

SOURCE: AMBAG Regional Growth Forecast, 2022
NOTE: *Projected growth values

[1] Source: AMBAG Regional Growth Forecast, 2022

Household Type and Size

In Sand City, the largest household type is single-person households (48 percent) followed by married-couple family households (32 percent). In contrast, the largest household type in the County and neighboring cities was married-couple family households followed by single-person households. Sand City has the lowest percentage of female-headed households (3 percent) compared to the County (13 percent), Del Rey Oaks (7 percent), Seaside (12 percent), and Pacific Grove (9 percent).

Sand City's largest household type according to size is 1-person households (48 percent) followed by 2-person households. This is consistent with single-person households remaining the largest household type since 2010. This reflects a demand for affordable housing units appealing to single-person households.

Household Income

In Sand City, lower-income households make up the majority of households (48 percent) followed by above moderate-income households (41 percent). Nearly 15 percent of the households in Sand City identify as extremely low-income (Table 3-7).

Table 3-7 Households by Income Category, Sand City, 2019

Income Category (% of County MFI)	Households	Percent
Extremely Low-Income (30% MFI or less)	20	14%
Very Low-Income (30-50% MFI)	10	7%
Low-Income (50-80% MFI)	39	27%
Moderate-Income (80-100% MFI)	14	10%
Above Moderate-Income (>100% MFI)	60	41%
Total	143	100%

SOURCE: Department of Housing and Urban Development (HUD) Comprehensive Housing Affordability Strategy (CHAS), 2015-2019

Sand City's median household income was $63,333 – approximately $7,682 lower than the County. The City of Del Rey Oaks had the highest median household income at $95,000 followed by Pacific Grove ($88,250). Understanding Sand City's median household income clarifies what income category households identify with and what is deemed affordable.

The household income characteristics in Sand City reveal a demand for the development of more affordable housing options that appeal to lower-income, single-person households.

Tenure

The number of residents who own their homes compared to those who rent their homes can help identify the level of housing insecurity (i.e., ability for individuals to stay in their homes) in a City and region. Generally, renters may be displaced more quickly if prices increase.

As of 2019, Sand City has a total of 143 households, of which more households rent than own their homes: 83 percent versus 17 percent. By comparison, 49 percent of households in Monterey County are renters, while 51 percent rent their homes.

Homeownership rates often vary considerably across race/ethnicity in the Monterey Bay Area and throughout the country. These disparities not only reflect differences in income and wealth but also stem from federal, state, and local policies that limited access to homeownership for communities of color while facilitating homebuying for White residents. While many of these policies, such as redlining, have been formally disbanded, the impacts of race-based policy are still evident across Monterey Bay Area communities. All Black households rented their homes, while homeownership rates were 100 percent for American Indian or Alaska Native households, 7 percent for Hispanic or Latinx households, 38 percent for White households, and 22 percent for Multiple Races. Notably, recent changes to state law require local jurisdictions to examine these dynamics and other fair housing issues when updating their Housing Elements.

In many cities, homeownership rates for households in single-family homes are substantially higher than the rates for households in multi-family housing. In Sand City, 60 percent of households in detached single-family homes are homeowners, while 28 percent of households in multi-family housing are homeowners.

Disproportionate Housing Needs

Overcrowding

Understanding the prevalence of overcrowded households within a community helps determine the need for affordable and adequately sized housing units for the community. Overcrowding is defined by the United State Census as a household with more than one occupant per room excluding bathrooms and kitchens. Units with more than 1.5 persons per room are considered severely overcrowded. Overcrowding may occur due to a lack of available affordable and/or adequately sized housing units. Cultural norms and customs combined with low-income or lack of adequately size housing units can result in overcrowding too.

In Sand City, the majority of households (90 percent) do not experience overcrowding. Six (6) percent of households in Sand City are overcrowded and four (4) percent are severely overcrowded. When analyzing overcrowding by tenure, 12 percent of renter-occupied households experience some form of overcrowding, while no owner-occupied households experience overcrowding. Monterey County has a four (4) percent higher rate of overcrowding than Sand City.

Cost Burden

According to HCD, overpayment or cost burden is measured as households spending more than 30 percent of their gross income including utilities for housing; severe overpayment or severe cost burden is measured as households spending 50 percent or more of their gross income for housing.

The cost burden rates of owners and renters in a community provide insight to housing needs such as, the affordability of the local housing market and the availability of housing units that accommodate household needs like size and housing type. Additionally, federal and state agencies examine cost burden to determine a community's need for housing assistance.

Compared to the County and neighboring cities, Sand City households have higher rates of cost burden. In Sand City, 34 percent of households are cost burdened (both renters and owners) and 21 percent are severely cost burdened. The City of Seaside has a slightly higher rate of severely cost burdened households (23 percent) compared to Sand City (21 percent). Overall, the City of Del Rey Oaks has the lowest percent of households experiencing any type of cost burden.

When analyzing cost burden by tenure, renter-occupied households experience substantially higher rates of cost burden (38 percent) and severe cost burden (25 percent) than owner-occupied households. Owner households experience 15 percent cost burden and no severe cost burden. Eighty-three (83) percent of households in Sand City are renters – this in tandem with 63 percent of renter-occupied households experiencing some type of cost burden reflects a demand for more affordable housing units. Moreover, this indicates that Sand City has high barriers to access the housing market for the majority of its households (48 percent single-person households).

Neighborhoods

All Sand City residents live in neighborhoods identified as "Moderate Resource" areas by State-commissioned research, while none live in areas identified by this research as "Low Resource" or "High Segregation and Poverty" areas. These neighborhood designations are based on a range of indicators covering areas such as education, poverty, proximity to jobs and economic opportunities, low pollution levels, and other factors.[2] The two areas the City falls into lower composite scores are economic outcomes and environmental outcomes.

Special Needs Groups

Extremely Low-Income Households and Poverty Status

Extremely low-income households are those that earn less than 30 percent of the median family income (MFI). Very low-income households are those that earn 50 percent or less of the MFI.

The 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) data indicates there were approximately 38 extremely low- and very low-income households living in Sand City. There are approximately 24 extremely low-income households in Sand City, all of which are renters; there are no extremely low-income owner households.

[2] For more information on the "opportunity area" categories developed by HCD and the California Tax Credit Allocation Committee, see this website: https://www.treasurer.ca.gov/ctcac/opportunity.asp. The degree to which different jurisdictions and neighborhoods have access to opportunity will likely need to be analyzed as part of new Housing Element requirements related to affirmatively furthering fair housing.

In Sand City, 41 percent of households make more than 100 percent of the Area Median Income (AMI),[3] compared to 14 percent making less than 30 percent of AMI, which is considered extremely low income. In Monterey County, 30 percent AMI is the equivalent to the annual income of $21,305. Many households with multiple wage earners, including food service workers, full-time students, teachers, farmworkers and healthcare professionals, can fall into lower AMI categories due to relatively stagnant wages in many industries.

Throughout the region, there are disparities between the incomes of homeowners and renters. Typically, the number of low-income renters greatly outpaces the amount of housing available that is affordable for these households. In Sand City, the largest proportion of both renters and homeowners fall in the Greater than 100 percent of AMI group. However, lower-income renters as a whole (0-80 percent of AMI), makeup 54 percent of households.

Currently, people of color are more likely to experience poverty and financial instability as a result of federal and local housing policies that have historically excluded them from the same opportunities extended to White residents.[4] These economic disparities also leave communities of color at higher risk for housing insecurity, displacement or homelessness. In Sand City, Other Race or Multiple Races (Hispanic and Non-Hispanic) residents experience the highest rates of poverty (67 percent), followed by Hispanic or Latinx residents (24 percent).

Seniors

Seniors are identified as individuals 65 years and older. Senior households often experience a combination of factors that can make accessing or keeping affordable housing a challenge. They often live on fixed incomes and are more likely to have disabilities, chronic health conditions and/or reduced mobility. Seniors who rent may be at even greater risk for housing challenges than those who own, due to income differences between these groups.

In Sand City, senior households makeup 10 percent of all households, of which 70 percent rent their homes. Conversely, the County and neighboring cities' senior households primarily own their homes.

People with Disabilities

Developmental disabilities are defined as severe, chronic, and attributed to a mental or physical impairment that begins before a person turns 18 years old. This can include Down's Syndrome, autism, epilepsy, cerebral palsy, and mild to severe mental retardation. Some people with developmental disabilities are unable to work, rely on Supplemental Security Income, and live with family members. In addition to their specific housing needs, they are at increased risk of housing insecurity after an aging parent or family member is no longer able to care for them.

---

[3] Source: https://www.hudexchange.info/faqs/programs/neighborhood-stabilization-program-nsp/program-requirements/eligible-activitiesuses/how-is-area-median-income-calculated/

[4] Moore, E., Montojo, N. and Mauri, N., 2019. Roots, Race & Place: A History of Racially Exclusionary Housing the San Francisco Bay Area. *Hass Institute.*

Overall, 12 percent of people in Sand City have a disability of some kind.[5] The California Department of Developmental Services provides ZIP code level counts on populations with developmental disabilities based on age and residence type. Due to Sand City sharing a ZIP code with the neighboring City of Seaside, reported figures for developmental disabilities are inclusive of both Sand City and Seaside. Between Sand City and Seaside, it is estimated 171 persons have a developmental disability. Of these, 92 are children (i.e., under the age of 18) and 79 are adults (Table 3-8). In both Sand City and Seaside, 12 percent of the population experiences some form of disability. Additionally, the most common living arrangement for individuals with disabilities in Sand City and Seaside is the home of parent/family/guardian followed by independent/supported living arrangements.

Table 3-8 Population with Developmental Disabilities by Age, Sand City & Seaside, 2021

Age Group	Number
Age Under 18	92
Age 18+	79

SOURCE: California Department of Developmental Services, Consumer Count by California ZIP Code and Age Group (2021).
NOTE: Universe: Population with developmental disabilities. Notes: The California Department of Developmental Services is responsible for overseeing the coordination and delivery of services to more than 330,000 Californians with developmental disabilities including cerebral palsy, intellectual disability, Down syndrome, autism, epilepsy, and related conditions. The California Department of Developmental Services provides ZIP code level counts. To get jurisdiction-level estimates, ZIP code counts were crosswalked to jurisdictions using census block population counts from Census 2010 SF1 to determine the share of a ZIP code to assign to a given jurisdiction.

Large Households

Large households are defined as households of five (5) or more individuals. Large households often have different housing needs than smaller households. Household income and local housing markets can greatly impact a household's ability to afford adequately sized housing. If a city's rental housing stock does not include larger apartments, large households who rent could end up living in overcrowded conditions. Similarly, large households may experience overpayment as a result of a high housing market and limited availability. Sand City has eight (8) large households all of which are renter households. Renter households make up the majority of all households by approximately 83 percent. This combined with a total cost burden rate of 63 percent for renter households (Figure A-27), suggests it is likely that large households in Sand City may experience overcrowding and/or overpayment.

Single-Parent Households

Households headed by one person are often at greater risk of housing insecurity, particularly female-headed households, who may be supporting children or a family with only one income. Female-

[5] These disabilities are counted separately and are not mutually exclusive, as an individual may report more than one disability. These counts should not be summed.

headed households with children may face particular housing challenges, with pervasive gender inequality resulting in lower wages for women. Moreover, the added need for childcare can make finding a home that is affordable more challenging.

In Sand City, female-headed family households make up 25 percent of single-parent households and male-headed households makeup 75 percent. Conversely, the County and neighboring cities' single-parent households are primarily comprised of female-headed households. In 2019, there were two female-headed households with children that fell in the Below Poverty Level category compared to zero male-headed households with children that fell in the Below Poverty Level category in Sand City.

Farmworkers

Across the state, housing for farmworkers has been recognized as an important and unique concern. Farmworkers generally receive wages that are considerably lower than other jobs and may have temporary housing needs. Finding decent and affordable housing can be challenging, particularly in the current housing market.

According to the California Employment Development Department, the average farm worker (Farming, Fishing, and Forestry Occupation) in Monterey County earned a median annual income of $29,901. This annual income places each individual or household in the very low-income bracket for Sand City. Additionally, this limited income may be significantly impacted by employment status (permanent or seasonal).

There are no agriculture uses within the City of Sand City. Nonetheless, Sand City shares the responsibility for farmworker housing as farmworkers may live within 75 miles of agricultural land uses (including dairy, vineyards and produce) and the City is within 75 miles of these uses.

Persons Experiencing Homelessness

Homelessness remains an urgent challenge in many communities across the state, reflecting a range of social, economic, and psychological factors. Rising housing costs result in increased risks of community members experiencing homelessness. Far too many residents who have found themselves cost burdened have ended up homeless in recent years, either temporarily or longer term. Addressing the specific housing needs for the unhoused population remains a priority throughout the region, particularly since homelessness is disproportionately experienced by people of color, people with disabilities, those struggling with addiction and those dealing with traumatic life circumstances.

In Monterey County, the most common type of household experiencing homelessness are those without children in their care. Among households experiencing homelessness that do not have children, 83 percent are unsheltered. Similarly, 45 percent of homeless households with children are unsheltered. In Sand City, the number of households experiencing homelessness has decreased between 2017 to 2022 from 31 persons to three (3), respectively.

Housing Stock Characteristics

Housing Growth

The number of new homes built in the Monterey Bay Area has not kept pace with the demand, resulting in longer commutes, increasing prices, and exacerbating issues of displacement and homelessness. In 2019, Sand City had 176 housing units, up by approximately 60 percent from the 106 units that existed in 2010. This is substantially higher than the growth for Monterey County during the same period, which was two (2) percent.

Between 2015 and 2021, seven (7) housing units, all above moderate-income, were issued permits in Sand City which represents 13 percent of the RHNA number of 55 units assigned in the 5th Cycle Housing Element.

Housing Type

In recent years, most housing produced in the region and across the state consisted of single-family homes and larger multi-unit buildings. However, some households are increasingly interested in "missing middle housing," including duplexes, triplexes, townhomes, cottage clusters and accessory dwelling units. These housing types may open up more options across incomes and tenure, from young households seeking homeownership options to seniors looking to downsize and age-in-place.

It is important to have a variety of housing types to meet the needs of a community today and in the future. In 2019 Sand City's mix of housing types was as follows:

- 63 percent of homes were multifamily;
- 35 percent were single-family detached;
- 2 percent were single-family attached; and
- 0 percent were mobile homes.

Between 2010 and 2020, the number of large multifamily units (5+ units) increased more than single-family units. Generally, in Sand City, the share of the housing stock that is large multi-family is higher than that of other jurisdictions in the region and detached single family homes is lower.

Housing Availability

Sand City has the second highest vacancy rates of the neighboring cities at 17 percent. At 18 percent, the City of Pacific Grove has the highest vacancy rate, just one point above Sand City. The City of Seaside has the lowest vacancy rate at eight (8) percent (9 percent below Sand City). Table 3-9 shows vacant housing units by type, revealing that of the units that are vacant, 63 percent of the units are for rent, suggesting a mismatch of housing need in some proportion (i.e., affordability, size, etc.).

Table 3-9 Vacant Housing Units by Type, Sand City, 2019

Housing Unit Type	Estimate	Percentage
For rent	19	63%
Rented, not occupied	0	0%
For sale only	0	0%
Sold, not occupied	6	20%
For season, recreations, or occasional use	0	0%
For migrant workers	0	0%
Other vacant	5	17%
Total	30	100%

SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019

Table 3-10 shows housing permits issued by the City of Sand City by income group. Between 2015 and 2021, permits were issued for seven (7) housing units in Sand City. Of those, all were for above moderate-income units.

Table 3-10 Housing Permits by Income Group, Sand City, 2015-2021

Income Group	Number	Percent
Very Low-Income Permits	0	0%
Low-Income Permits	0	0%
Moderate-Income Permits	0	0%
Above Moderate-Income Permits	7	100%
Total	7	100%

SOURCE: California Department of Housing and Community Development (HCD), 5th Cycle Annual Progress Report Permit Summary (2022).
NOTE: Universe: Housing permits issued between 2015 and 2021. Notes: HCD uses the following definitions for the four income categories: Very Low Income: units affordable to households making less than 50 percent of the Area Median Income for the county in which the jurisdiction is located. Low Income: units affordable to households making between 50 percent and 80 percent of the Area Median Income for the county in which the jurisdiction is located. Moderate Income: units affordable to households making between 80 percent and 120 percent of the Area Median Income for the county in which the jurisdiction is located. Above Moderate Income: units affordable to households making above 120 percent of the Area Median Income for the county in which the jurisdiction is located.

Displacement

Because of increasing housing prices, displacement is a major concern in the Monterey Bay Area. Displacement has the most severe impacts on low- and moderate-income residents. When individuals or families are forced to leave their homes and communities, they also lose their support network.

According to the California Department of Housing and Community Development (HCD) AFFH Data Viewer and the Urban Displacement Project 2022 estimates, Sand City renter-occupied households earning between 0 to 80 percent AMI are at risk of potential displacement or gentrification.

Housing Costs and Affordability

Housing costs reflect a complex mix of supply and demand factors, including an area's demographic profile, labor market, prevailing wages and job outlook, coupled with land and construction costs. In the Monterey Bay Area, the costs of housing have been steadily increasing since 2000, besides a decrease during the Great Recession. Due to a lack of data on home and rental prices in Sand City, values for Seaside according to Zillow Home Value Index reports are provided.

A diversity of homes at all income levels creates opportunities for all Sand City residents to live and thrive in the community.

- Ownership: The median home value in 2022 was estimated to be $729,055. Home prices increased by 84 percent from 2014 to 2022 (33 percent from 2019-2022). This increase is less than that of Monterey County (95 percent from 2014-2022), but on par with neighboring cities.
- Rental Prices: As of 2023, the average rent for an apartment in Sand City ranged from $1,450 (studio) to $4,048 (four-bedroom).

Table 3-11 reports the maximum monthly housing costs affordable to households according to income group in Monterey County. Income groups are based on the HCD 2022 State Income Limits Report, which considers housing affordable assuming a household can pay up to 30 percent of its monthly income toward housing.

As discussed earlier, the median home price in Sand City[6] in December 2022 was $729,055, which is only affordable to above moderate-income households earning approximately $183,000 annually or more (42 percent of Sand City households are categorized as above moderate-income).

3.3 Governmental and Non-Governmental Constraints

Housing development is affected by government regulations and other non-governmental forces, such as the cost of land and building materials and the availability and cost of housing loans. Housing Elements are required to investigate the impact of these constraints as they present themselves in the city for which the Housing Element is being prepared. This subsection provides a brief overview of governmental and non-governmental constraints in the City of Sand City. Please see Appendix B for a full discussion of housing constraints.

[6] Reported median home values for Sand City are reflective of Seaside median home values due to lack of available data for Sand City.

Table 3-11 Housing Affordability, Sand City, 2022

Income Group	HCD Income Limits	Maximum Affordable Price	
		Monthly Rental	Ownership
Extremely Low (0-30% AMI)			
One Person	$23,900	$598	$100,340
Two Person	$27,300	$683	$114,614
Three Person	$30,700	$768	$128,889
Four Person	$34,100	$853	$143,163
Very Low (30-50% AMI)			
One Person	$39,800	$995	$167,093
Two Person	$45,500	$1,138	$191,024
Three Person	$51,200	$1,280	$214,954
Four Person	$56,850	$1,421	$238,675
Low (50-80% AMI)			
One Person	$63,700	$1,593	$267,433
Two Person	$72,800	$1,820	$305,638
Three Person	$81,900	$2,048	$343,843
Four Person	$91,000	$2,275	$382,048
Moderate (80-100% AMI)			
One Person	$75,650	$1,891	$317,603
Two Person	$86,500	$2,163	$363,155
Three Person	$97,300	$2,433	$408,497
Four Person	$108,100	$2,700	$453,839

SOURCE: California Department of Housing and Community Development, State Income Limits, 2022, Monterey County
NOTE: Maximum affordable sales prices are based on the following assumptions: 6.42 percent interest rate,[7] 30-year fixed loan, and 5 percent down payment.

Summary of Governmental Constraints

Government constraints include an outdated General Plan, Sand City's location within the Coastal Zone, unclear permit processes and the development review process, city fees, parking requirements, and permitting timelines, to name a few.

Land use regulation by the California Coastal Commission, in general, and the presence of environmentally sensitive habitat area, specifically, presents a significant government constraint on the production of housing in Sand City. Sand City's location in the Coastal Zone is, no doubt, a significant part of the reason why the City has struggled to meets its regional housing needs allocation in past Cycles (e.g., seven units or 13 percent of RHNA in the 5th Cycle planning period).

[7] Interest rate based on December 29, 2022 interest rate according to Freddie Mac Primary Mortgage Market Survey

For this 6th Cycle update, sites in the Coastal Zone were not identified for low- and moderate-income housing due to being adversely affected by Coastal Commission regulations. Additionally, sites with potential environmentally sensitive habitat were largely excluded.

In addition to the obvious constraints associated with the City's location in the Coastal Zone, the City has identified a number of ways in which it can otherwise reduce the burden of governmental constraints on the production of housing. This 6th Cycle Housing Element update includes new programs to address constraints related to the following areas of government regulation in Table 3-12:

Table 3-12 Summary of Governmental Constraints and Programmatic Actions

Governmental Constraint	Programmatic Action
Location in the Coastal Zone Certain areas of Sand City are located in the California Coastal Zone and are therefore subject to a host of regulations that are not present in communities outside the Coastal Zone.	Program 1.H: Habitat Management Plan Program 1.C: West End Housing Diversity Overlay
Zoning Ordinance and Development Review Process Multiple zoning districts and overlay districts currently complicate permitting and can be an impediment to developers. Updating the Zoning Ordinance and consolidating districts can ease the regulatory process.	Program 1.P: Clarify permit processing Program 1.G: Objective Design Standards Program 1.I: California Housing Opportunity and More Efficiency (HOME) Act Program 1.B: Amend the City's Zoning Ordinance to align with new State Density Bonus laws and include 10 percent density bonus
Out-of-date General Plan The City's General Plan was adopted in 2002 and had a 15-year planning horizon. The residential densities allowed by the General Plan do not match the residential densities allowed by the Zoning Ordinance.	Program 1.E: Update the General Plan
City Fees While Sand City's building fees are lower than surrounding communities, fees can still pose as an impediment to development.	Program 3.H: Reduced Fees for Affordable Projects
Development Standards Parking requirements Minimum lot coverage	Program 1.J: Reduce Minimum Parking Standards Program 1.C: West End Housing Diversity Overlay Program 1.S: Changes to Zoning Code
Zoning to Permit a Variety of Housing Types Emergency Shelters Low-barrier Navigation Centers Employee and Farmworker Housing Transitional and Supportive Housing Mobile and Manufactured Housing Residential Care Facilities	Program 3.D: Emergency Shelters Program 3.E: Low Barrier Navigation Center Program 3.J: Employee and Farmworker Housing Program 1.S: Changes to Zoning Code Program 3.K: Residential Care Facilities for Residents with Disabilities
Reasonable Accommodation	Program 3.L: Update Reasonable Accommodation Procedures in the Municipal Code
SB 9	Program 1.I: California Housing Opportunity and More Efficiency (HOME) Act

SOURCE: City of Sand City

Summary of Non-Governmental Constraints

In terms of non-governmental constraints, the availability of land and land costs will remain a constraint to affordable housing, and programs to use publicly-owned lands—such as City-owned land—can make a difference. The cost of construction and construction materials has escalated dramatically in recent years due to both labor and construction supply shortages and prices continuing to remain very high as a result of ongoing inflation from the COVID-19 pandemic. High costs comprise a significant constraint, and to the degree that the City can subsidize affordable housing projects with available funds dedicated to housing, this too can make a difference. The 6th Cycle Housing Element includes programs to refer developers to Federal and State loan programs as well as referring individual property owners to Habitat for Humanity Monterey Bay's ADU loan program, which also supplies labor to help defray construction costs.

This 6th Cycle Housing Element update includes new programs to address constraints related to the following areas of non-government regulation in Table 3-13:

Table 3-13 Summary of Non-Governmental Constraints and Programmatic Actions

Non-Governmental Constraint	Programmatic Action
Land and Construction Costs As is the case in most Coastal cities, the land and construction costs can be expensive and result in constraints to housing production.	Program 1.N Small Sites Lot Consolidation Program 1.B: Amend the City's Zoning Ordinance to comply with new Density bonus State laws and include 10 percent density bonus Program 1.C: West End Housing Diversity Overlay – MU-P Zoning District Amendments
Limited Land Sand City's size limits areas where new housing can be constructed.	Program 1.C: West End Housing Diversity Overlay – MU-P Zoning District Amendments
Environmental Constraints The presence of special status species and environmentally sensitive habitat areas limit areas available for development within the City.	Program 1.H: Habitat Management Plan
Availability of Financing Developers typically pass the cost of financing development projects on to buyers or tenants, thus affecting the affordability and availability of housing types for residents.	Program 5.C: State and Federal Housing Programs and Funding

SOURCE: City of Sand City

This side intentionally left blank.

4.0
Vacant and Available Sites

4.1 Introduction

The 6th Cycle Regional Housing Needs Allocation Plan 2023-2031[1] has identified the region's housing need as 33,274 units. The total number of housing units assigned is separated into four income categories that cover housing types for all income levels, from very low-income households to market rate housing. This calculation, known as the Regional Housing Needs Allocation (RHNA), is based on population projections produced by the California Department of Finance as well as adjustments that incorporate the region's existing housing need. The adjustments result from recent legislation requiring HCD to apply additional adjustment factors to the baseline growth projection from California Department of Finance, in order for the regions to get closer to healthy housing markets. To this end, adjustments focus on the region's vacancy rate, level of overcrowding and the share of cost burdened households, and seek to bring the region more in line with comparable ones. These new laws governing the methodology for how HCD calculates the RHNA resulted in a significantly higher number of housing units for which the Monterey Bay Area must plan compared to previous cycles.

4.2 Regional Housing Needs Allocation

In April 2022, AMBAG adopted its Draft Regional Housing Needs Allocation Plan. For Sand City, the RHNA required to be planned for this cycle is 260 units, which when achieved will represent a 70 percent increase in the city's 2022 population.

RHNA Summary

Sand City's share of the regional housing need for the eight-year period from 2023 to 2031 is 260 units, which is a 472 percent increase over the 55 units required by the 2014 to 2022 RHNA and a 141 percent increase over the City's existing total housing units. This will result in more than doubling Sand City's available housing units. The housing need is divided into the five income categories of housing affordability. Table 4-1, Sand City's Regional Housing Needs Allocation – 2023–2031 shows Sand City's RHNA for the planning period 2023 through 2031 in comparison to the RHNA distributions for Monterey County and the Monterey Bay Area region.

[1] Source: Association of Monterey Bay Area Governments, April 2022

Table 4-1 Sand City's Regional Housing Needs Allocation 2023–2031

Income Group	Sand City Units	Percent	Monterey County Units	Percent	Monterey Bay Area Units	Percent
Very Low Income (<50% of AMI)	59	22.7%	4,412	21.7%	7,868	23.6%
Low Income (50%-80% of AMI)	39	15.0%	2,883	14.2%	5,146	15.5%
Moderate Income (80%-120% of AMI)	49	18.8%	4,028	19.8%	6,167	18.5%
Above Mod. Income (>120% of AMI)	113	43.5%	8,972	44.2%	14,093	42.4%
Total	260	100.0%	20,295	100.0%	33,274	100.0%

SOURCE: AMBAG 2022

Progress to Date

The RHNA planning period for the 2023-2031 Housing Element (6th Cycle) is June 30, 2023 through December 15, 2031. The statutory adoption date for the 6th Cycle Housing Element is January 1, 2024—a full six months after the beginning of the planning period. To account for this discrepancy, the City of Sand City must account for the number of housing units permitted prior to adoption of the 6th Cycle Housing Element and apply these to the 2023-2031 RHNA. Accordingly, the units permitted in this period count towards the 2023-2031 planning period RHNA and are subtracted from the 6th Cycle RHNA. Table 4-2, Sand City's Adjusted RHNA, shows the City of Sand City's adjusted RHNA, which accounts for progress made prior to the adoption of the updated Housing Element document.

Table 4-2 Sand City's Adjusted RHNA

	Very Low-Income Units	Low-Income Units	Moderate-Income Units	Above Moderate-Income Units	Total Units
2023–2031 RHNA	59	39	49	113	260
Units permitted between June 30, 2023 and January 1, 2024	9	7	26	332	364
Remaining RHNA	50	32	23	-209	-

SOURCE: City of Sand City 2022

4.3 Site Inventory

The purpose of the sites inventory is to identify and analyze specific sites that are available and suitable for residential development from 2023-2031 in order to accommodate Sand City's assigned 260 housing units. The City doesn't build the housing but creates the programs and policies to plan for where it should go and how many units could be on potential sites. See Appendix C for a complete and detail description of all sites included in Sand City's inventory of vacant and available housing sites.

Table 4-3, Vacant/Partially Vacant and Available Sites, summarizes Sand City's sites inventory for the 2023-2031 planning period.

Table 4-3 Vacant/Partially Vacant and Available Sites

Housing Resource	Very Low-Income Capacity	Lower Income Capacity	Moderate Income Capacity	Above Moderate-Income Capacity (Net)	Total Capacity
ADUs	2	1	0	--	3
Total	71	46	56	332	505
RHNA	59	39	49	113	260
Diff	12	7	7	219	245

SOURCE: City of Sand City; EMC Planning Group Inc.

4.4 Summary and Conclusions

The vacant, partially vacant, and underutilized sites identified in this report are sufficient to accommodate approximately 194 percent of the Sand City's Regional Housing Needs Allocation for the 6th Cycle planning period.

This side intentionally left blank.

5.0
Energy Conservation

5.1 Introduction

This chapter summarizes opportunities for energy conservation in the construction of housing in the City of Sand City. Planning to maximize energy efficiency and the incorporation of energy conservation and green building features can contribute to reduced housing costs for homeowners and renters, in addition to promoting sustainable community design and reduced dependence on vehicles. Such planning and development standards can also significantly contribute to reducing greenhouse gases.

Sand City is conveniently located within the Monterey Peninsula and is well positioned to provide additional housing close to jobs, services, and amenities which will reduce congestion and long commutes. The City is well served by Monterey Salinas Transit and is investing in pedestrian and trail improvements as means to reduce reliance on vehicles and reduce vehicle miles travelled (VMT) as discussed below.

5.2 Opportunities for Energy Conservation

The City of Sand City has been working with the Local Government Commission (LGC) to develop a set of sustainability best practices and in 2019 was awarded the Beacon Spotlight Award. The Beacon Program is sponsored by the Institute for Local Government and the Statewide Energy Efficiency Collaborative (SEEC). SEEC is an alliance between three statewide non-profit organizations and California's four Investor-Owned Utilities.

Sand City's sustainability best practices include:

- AMBAG Energy Watch has conducted energy assessments of all City facilities (Silver);
- Through a partnership with AMBAG Energy Watch, all City facilities have been benchmarked using the Portfolio Manager tool (Gold);
- The City of Sand City has been working with AMBAG Energy Watch, in order to access technical assistance and financial incentives, including facility audits, rebates and on-bill financing (Gold);
- The City of Sand City owns a reverse osmosis desalinization water plant, which provides a renewable source of water for the City. The plant has been in operation since 2010 (Silver);

- The City of Sand City is part of the Hero Program, a Property Assessed Clean Energy (PACE) Program, which allows community members to access loan funding to implement green building retrofits (Silver);
- The City of Sand City provides detailed recycling information to the community, which is available on the website (Silver);
- The City of Sand City considers life cycle pricing, to ensure that the maintenance, operating, insurance, disposal and replacement cost of products or services are taken into account when evaluating purchase options. For example, the City has worked to replace fluorescent and incandescent lights with LED lighting to reduce life cycle costs and reduce GHG emissions (Silver);
- In 2017, City of Sand City joined the Monterey Bay Community Power (since re-named Central Coast Community Energy, or 3CE), a CCA which will enable community members to purchase carbon-free electricity (Silver);
- The City of Sand City is part of AMBAG, the federally designated MPO for the Monterey, San Benito and Santa Cruz counties. The City of Sand City uses the transportation model provided by AMBAG, which includes different modes of transportation (Silver);
- The City of Sand City is partnering with AMBAG to work on a Sustainable Communities Strategy, as part of SB 375 (Silver);
- The City has adopted a forward-looking policy as part of its Municipal Code (16.04) to protect trees within City boundaries (Silver);
- The City of Sand City has partnered with AMBAG Energy Watch to provide the community with webinars, seminars and trainings on a wide variety of sustainability topics, the most recent a webinar covering passive house design and certification (Silver); and
- The City of Sand City has partnered with AMBAG Energy Watch to provide the community with information and project assistance to pursue energy efficiency opportunities (Gold).

The City requires compliance with Title 24 of the California Code of Regulations on the use of energy efficient appliances and insulation. Through compliance with Title 24, new residential development has reduced energy demand. The City also provides streamlining of permit applications for solar panel installations on residential units (see Chapter 15.14 – Streamlined Permitting for Small Residential Rooftop Solar Systems – of the Sand City Municipal Code).

Providing energy conservation opportunities to residents can ultimately lead to a reduction in utility-related housing costs for many households.

Central Coast Community Energy

Central Coast Community Energy (3CE) is the community electricity provider for 33 Central Coast communities in Monterey, San Benito, Santa Cruz, San Luis Obispo, and Santa Barbara counties and is governed by local elected officials serving on the Board of Directors. 3CE was formed with the mission to reduce dependence on fossil fuels by providing carbon-free, affordable and reliable electricity and innovative programs within the community. 3CE is on a path to sourcing 100 percent clean and renewable energy by 2030. In collaboration with regional and statewide partners, 3CE provides customers with access to energy program rebates and incentives to electrify the region's transportation, buildings, and agricultural sector. Sand City joined 3CE in 2017.

Pacific Gas & Electric Energy Efficiency Programming

Pacific Gas and Electric Company (PG&E), which provides energy efficiency services in Sand City, offers public information and technical assistance to homeowners regarding energy conservation. PG&E also provides numerous incentives for energy efficiency in new construction and home remodeling. For example, remodeling rebates exist for projects installing three or more upgrades from a flexible menu of options that earn points towards incentives and rebates. This program's incentives range between $1,000 and $4,500. One of the more recent strategies in building energy-efficient homes is following the U.S. Green Building Council's guidelines for LEED Certification. The LEED for Homes program includes standards for new single-family and multi-family home construction.

Additionally, PG&E provides residents with information regarding energy saving measures, including various incentives and programs available to developers and residential property owners. Table 5-1 includes a description of the various financial and energy-related assistance that PG&E offers low-income customers:

5.3 Transit Service

Sand City is conveniently located within the Monterey Peninsula and is well positioned to provide additional housing close to jobs, services, and amenities which will reduce congestion and long commutes. Occupants of residential housing units that are proximate to convenient transit options are more likely to use public transit.

The City is serviced by Monterey Salinas Transit (MST) and the Sand City Station located on Playa Avenue serves six bus routes – lines 17, 18, 20, 94, Jazz A, and Jazz B. Jazz A and B lines have a combined frequency of 15-minute service from 7:26am to 6:48pm and the station meets the definition of a "major transit stop" under AB 2097. Additionally, the SURF! Busway and Bus Rapid Transit are underway and once completed, there will also be public transit along Del Monte Boulevard every 15 minutes throughout the day.

Table 5-1 PG&E Programs and Incentives for Residential Properties

Program	Description
Energy Savings Assistance Program	PG&E's Energy Savings Assistance program offers free weatherization measures and energy-efficient appliances to qualified low-income households. PG&E determines qualified households through the same sliding income scale used for CARE. The program includes measures such as attic insulation, weather stripping, caulking, and minor home repairs. Some customers qualify for replacement of appliances including refrigerators, air conditioners, and evaporative coolers.
Energy Efficiency for Multifamily Properties	The Energy Efficiency for Multi-Family Properties program is available to owners and managers of existing multi-family residential dwellings containing five or more units.
Multifamily Properties	The Energy Efficiency for Multifamily Properties program is available to owners and managers of existing multifamily residential dwellings containing five or more units. The program encourages energy efficiency by providing rebates for the installation of certain energy-saving products.
California Alternate Rates for Energy (Care)	PG&E offers this rate reduction program for low-income households. PG&E determines qualified households by a sliding income scale based on the number of household members. The CARE program provides a discount of 20 percent or more on monthly energy bills.
Reach (Relief for Energy Assistance Through Community Help)	The REACH program is sponsored by PG&E and administered through a non-profit organization. PG&E customers can enroll to give monthly donations to the REACH program. Qualified low-income customers who have experienced uncontrollable or unforeseen hardships, which prohibit them from paying their utility bills may receive an energy credit. Eligibility is determined by a sliding income scale based on the number of household members. To qualify for the program, the applicant's income cannot exceed 200 percent of the Federal poverty guidelines.
Medical Baseline Allowance	The Medical Baseline Allowance program is available to households with certain disabilities or medical needs. The program allows customers to get additional quantities of energy at the lowest or baseline price for residential customers.

SOURCE: PG&E, 2022.

The City is also investing in public pedestrian infrastructure as a strategy to offset the demand for vehicle parking and to encourage walking in a pleasant and safe environment. New developments will be encouraged to participate in MST's Group Discount Program and incorporate transportation demand management strategies to help encourage and increase use of transit reduce to greenhouse gas emissions.

5.4 Pedestrian and Bike Trails

The Monterey Bay Coastal Recreation Trail is a dedicated pedestrian and bike trail which stretches 18 miles along the Southern Monterey Bay from Castroville in the north to Pacific Grove in the south. The Monterey Bay Recreation Trail runs through Sand City on the west side of State Route 1 and connects Sand City to nearby cities including Monterey and Pacific Grove, which are top job centers in the region.

Sand City is currently applying for a grant to the State Coastal Conservancy for funding to formalize and improve pedestrian trail network which will connect Sand City's City-center east of State Route 1 to the Monterey Bay Coastal Recreation Trail and beaches on the west side of State Route 1.

Additionally, Sand City would like to pursue additional grants in the future to create a new segment of bike and pedestrian trail which would run through Sand City along the railroad right-of-way and would increase walkability and bicycle commuting in the area. The trail would pass by the proposed SURF! Busway and Bus Rapid Transit, which, once completed, will provide public transit service along Del Monte Boulevard every 15 minutes throughout the day.

5.5 Housing Element Programs Related to Energy Efficiency and Transit Use

As part of this Housing Element Update, the City of Sand City will implement the following programs as shown in Table 5-2:

Table 5-2 Summary of Energy and Resource Conservation Needs and Programmatic Actions

Energy and Resource Conservation Need	Programmatic Action
Energy Efficiency	Program A: Energy Conservation and Solar Energy Opportunities Program B: Energy Rebate Programs
Reduced Vehicle Miles Travelled	Program 4.C: Encourage transportation demand management strategies Program 4.D: Seek Funding for a Pedestrian and Bike Trail along the Railroad Right-of-Way Program 4E: Expand Sand City's Coastal Trail

This side intentionally left blank.

Sand City Housing Needs & Fair Housing Report

A

APPENDIX

Table of Contents

APPENDIX A SAND CITY HOUSING NEEDS & FAIR HOUSING REPORT A-1

A.1 Introduction A-1

A.2 Population, Employment, and Household Characteristics A-6

A.3 Disproportionate Housing Needs A-32

A.4 Special Needs Groups A-44

A.5 Access to Opportunity A-69

A.6 Housing Stock Characteristics A-82

A.7 Fair Housing Enforcement and Outreach Capacity A-98

A.8 Fair Housing Recommendations A-105

A.9 Conclusion A-110

Tables

Table A-1 Population Growth by Jurisdiction, 2010-2019 ..... A-7

Table A-2 Population Age Distribution by Jurisdiction, 2019 ..... A-9

Table A-3 Population by Race by Jurisdiction, 2019 ..... A-10

Table A-4 Employment Growth by Jurisdiction, 2010-2019 ..... A-18

Table A-5 Employment by Sector, Sand City, 2010 and 2019 ..... A-19

Table A-6 Unemployment Rate, Sand City, 2019 ..... A-21

Table A-7 Regional Housing Needs Allocation A-21

Table A-8 Occupations by Mean Salary, Monterey County, 2019 ..... A-22

Table A-9 Housing Forecast by Jurisdiction, 2015-2045 ..... A-23

Table A-10 Households by Income Category, Sand City, 2019 ..... A-27

Table A-11 Maximum Household Income by Household Size, Sand City, 2019 ..... A-31

Table A-12 Overview of Special Needs Groups A-44

Table A-13 Extremely Low-Income Households, Sand City, 2015-2019 ..... A-48

Table A-14 Disability Status by Age, Sand City, 2021 ..... A-55

Table A-15 Population with Developmental Disabilities by Age, Sand City & Seaside, 2021 ..... A-56
Table A-16 Population with Developmental Disabilities by Residence, Sand City & Seaside, 2021 ..... A-56
Table A-17 Homeless Population by Jurisdiction, 2017-2022 ..... A-66
Table A-18 Homelessness by Household Type and Shelter Status, Monterey County, 2019 ..... A-66
Table A-19 Housing Unit Growth Trends by Jurisdiction, 2010-2019 ..... A-82
Table A-20 Housing Units by Type by Jurisdiction, 2019 ..... A-83
Table A-21 Housing Units by Type and Tenure, Sand City, 2019 ..... A-84
Table A-22 Household Size by Tenure by Jurisdiction, 2019 ..... A-85
Table A-23 Vacant Housing Units by Type, Sand City, 2019 ..... A-87
Table A-24 Housing Permits by Income Group, Sand City, 2015-2021 ..... A-88
Table A-25 Median Home Value by Jurisdiction, 2019-2022 ..... A-94
Table A-26 Average Rent by Number of Bedrooms, Sand City, 2023 ..... A-95
Table A-27 Housing Affordability, Sand City, 2022 ..... A-96
Table A-28 Fair Housing Issues & Contributing Factors A-108

Figures

Figure A-1 Major Public and Legal Actions that Influence Fair Access to Housing A-5
Figure A-2 Population Growth, Sand City, 2010-2019 ..... A-7
Figure A-3 Population Distribution by Age, Sand City, 2010-2019 ..... A-8
Figure A-4 Population by Race Compared to the County, 2019 ..... A-9
Figure A-5 Population by Race, Sand City, 2010-2019 ..... A-11
Figure A-6 Predominant Population, Sand City, 2017-2021 ..... A-12
Figure A-7 Diversity Index, Sand City, 2018 ..... A-13
Figure A-8 R/ECAPS, Monterey County, 2009-2013 ..... A-15
Figure A-9 Poverty Status, Sand City A-16
Figure A-10 RCAAs, Monterey County, 2015-2019 ..... A-17

Figure A-11 Worker Earnings by Place of Residence & Place of Work, Sand City, 2019 ..... A-20
Figure A-12 Household by Type by Jurisdiction, 2019 ..... A-24
Figure A-13 Changes in Household Types, Sand City, 2010-2019 ..... A-25
Figure A-14 Households by Household Size by Jurisdiction, 2019 ..... A-25
Figure A-15 Median Household Income by Jurisdiction, 2019 ..... A-28
Figure A-16 Median Household Income, Sand City, 2015-2019 ..... A-29
Figure A-17 Income by Category, Sand City, 2019 ..... A-30
Figure A-18 Housing Tenure by Jurisdiction, 2019 ..... A-30
Figure A-19 Percent of Households with any of the Four Severe Housing Problems, Monterey County A-34
Figure A-20 Housing Problems by Tenure, Sand City, 2015-2019 ..... A-35
Figure A-21 Severe Housing Problems by Tenure, Sand City, 2015-2019 ..... A-35
Figure A-22 Overcrowding by Severity, Sand City, 2019 ..... A-36
Figure A-23 Overcrowding by Tenure and Severity, Sand City, 2019 ..... A-36
Figure A-24 Overcrowding by Severity by Jurisdiction, 2019 ..... A-37
Figure A-25 Overcrowded Households, Sand City, 2019 ..... A-38
Figure A-26 Overcrowded Households, Sand City, 2021 ..... A-39
Figure A-27 Cost Burden Severity by Jurisdiction, 2015-2019 ..... A-40
Figure A-28 Cost Burden by Tenure, Sand City, 2015-2019 ..... A-41
Figure A-29 Cost Burden by Home Owners, Sand City, 2015-2019 ..... A-42
Figure A-30 Cost Burden by Renter Households, Sand City, 2015-2019 ..... A-43
Figure A-31 Percent Living Below the Poverty Line by Race and Ethnicity, Sand City, 2019 ..... A-49
Figure A-32 Senior Population by Jurisdiction, 2019 ..... A-51
Figure A-33 Senior Households by Tenure by Jurisdiction, 2019 ..... A-51
Figure A-34 Senior Household Income, Sand City, 2019 ..... A-52
Figure A-35 Population by Disability Status by Jurisdiction, 2021 ..... A-54
Figure A-36 Trends in Persons with Disabilities, Sand City, 2012-2021 ..... A-54

Figure A-37 Households by Size and Tenure, Sand City, 2019 ..... A-58
Figure A-38 Single-Parent Households by Jurisdiction, 2019 ..... A-59
Figure A-39 Trends in Single-Parent Households, Sand City, 2010-2019 ..... A-60
Figure A-40 Hired Farm Labor, Monterey County, 2002-2017 ..... A-62
Figure A-41 TCAC Opportunity Composite Score, Sand City, 2022 ..... A-70
Figure A-42 TCAC Opportunity Areas – Economic Domain, Monterey County A-71
Figure A-43 TCAC Opportunity Economic Score, Sand City, 2023 ..... A-73
Figure A-44 TCAC Opportunity Areas – Education Domain, Monterey County A-74
Figure A-45 TCAC Opportunity Education Score, Sand City, 2022 ..... A-75
Figure A-46 CalEnviroScreen 4.0, Monterey County A-77
Figure A-47 CalEnviroScreen 4.0, Sand City, 2021 ..... A-78
Figure A-48 Social Vulnerability Index by Census Tract, Sand City, 2018 ..... A-79
Figure A-49 Walkability Index, Sand City A-81
Figure A-50 Housing by Type, Sand City, 2010-2019 ..... A-84
Figure A-51 Household Tenure by Income Level, Sand City, 2019 ..... A-85
Figure A-52 Household Tenure by Race, Sand City, 2019 ..... A-86
Figure A-53 Vacancy Rates by Jurisdiction, 2019 ..... A-87
Figure A-54 Sensitive Communities, Monterey County A-91
Figure A-55 Displacement Risk, Sand City, 2022 ..... A-92
Figure A-56 Housing Stock Age, Sand City, 2019 ..... A-93
Figure A-57 Housing Choice Vouchers by Census Tract, Sand City A-97
Figure A-58 FHEO Cases Total, Monterey County, 2020 ..... A-100
Figure A-59 FHEO Cases, Disability Bias, Monterey County, 2020 ..... A-101

Appendix A
Sand City Housing Needs & Fair Housing Report

A.1 Introduction

The following report provides both the City of Sand City Housing Needs Assessment and Fair Housing Assessment. This analysis primarily utilizes U.S. Census Bureau American Community Survey (ACS) 5-Year Estimate data and California Department of Housing and Community Development (HCD) data. It is important to note that due to the exceptionally small population size of Sand City, there are discrepancies between U.S. Census Bureau ACS data and HCD data, specifically when analyzing Sand City at a regional scale.

Housing Needs Assessment

The Housing Needs Assessment for the City of Sand City provides and in-depth analysis of the City's housing and population conditions including population, employment, economics, household and housing stock characteristics. This assessment develops context for the City's goals, programs, and policies for the 6th Cycle Housing Element.

Fair Housing Assessment

In 2018, Governor Brown signed Assembly Bill (AB 686) requiring all public agencies to administer programs related to housing in a way that affirmatively furthers fair housing (AFFH) effective January 1, 2019.[1] This affirmative duty is not limited to those agencies with relationships with the federal government and is broadly applied throughout agencies at the state and local level. Now, all public agencies must both (1) administer programs and activities relating to housing and community development in a manner that affirmatively furthers fair housing, and (2) take no action inconsistent with this obligation"[2] AB 686 also made changes to Housing Element Law to incorporate requirements to AFFH as part of the Housing Element and General Plan to include an analysis of fair housing outreach and capacity, integration and segregation, access to opportunity, disparate housing needs, and current fair housing practices.

[1] Public agencies receiving funding from the U.S. Department of Housing and Urban Development (HUD) are also required to demonstrate their commitment to AFFH. The federal obligation stems from the fair housing component of the federal Civil Rights Act mandating federal fund recipients to take "meaningful actions" to address segregation and related barriers to fair housing choice.
[2] California Department of Housing and Community Development Guidance, 2021, page 9.

Affirmatively Furthering Fair Housing

"Affirmatively furthering fair housing" means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws. The duty to affirmatively further fair housing extends to all of a public agency's activities and programs relating to housing and community development. (Gov. Code, § 8899.50, subd. (a)(1).)"

SOURCE: California Department of Housing and Community Development Guidance, 2021, page 14.

History of segregation in the region

The United States' oldest cities have a history of mandating segregated living patterns—and cities located in south Monterey Bay are no exception. Monterey County and the Monterey Bay region have an interesting past, as far as the fight to end racial segregation is concerned. Some of the segregation in the Monterey Bay area can be attributed to historically discriminatory practices, such as: redlining and discriminatory mortgage approvals—as well as "structural inequities" in society, and "self-segregation" (i.e., preferences to live near similar people).

This history of segregation in the region is important not only to understand how residential settlement patterns came about—but, more importantly, to explain differences in housing opportunity among residents today. In sum, not all residents had the ability to build housing wealth or achieve economic opportunity. This historically unequal playing field in part determines why residents have different housing needs today.

Carol McKibben's 2012 book *Racial Beachhead: Diversity and Democracy in a Military Town* details the history of Seaside and adjacent cities, and how the military presence in the region led to a shift in demographics and migration within the region. With the construction of the Fort Ord military base, the area transitioned in the early and mid-20th century, and became more diverse.

McKibben, in a contribution to the Blackpast.org news article, further states: "The locating of the sprawling base there discouraged both housing and infrastructure development and led to Seaside's reputation as a less desirable community than neighboring Monterey. The Depression in the 1930s reinforced that perception as migrants from the American Dust Bowl flocked into

Monterey for work in the canneries. They quickly settled in Seaside, where property values were lowest in the area. In fact, squatters often simply claimed a piece of land and built a home on it. World War II brought expansion of Fort Ord and another new population infusion of soldiers, many of whom were black and Filipino, along with military families who were mixed race."[3]

In addition to historical discriminatory practices that embedded segregation into living patterns throughout the Monterey Bay area, it's also necessary to recognize the historical impacts of colonization and genocide on Indigenous populations and how the effects of those atrocities are still being felt today. Historically, the Monterey Peninsula had been home to indigenous populations for more than 10,000 years. The original inhabitants of present-day Monterey County were the Ohlone (Costanoan), Salinan, and Esselen tribes who have "…lived in communities related by language, family, and custom."[4] However, "[d]ue to the devastating policies and practices of a succession of explorers, missionaries, settlers, and various levels of government over the centuries since European expansion, these tribes have lost the vast majority of their population as well as their land."[5] The lasting influence of these policies and practices have contributed directly to the disparate housing and economic outcomes collectively experienced by Native populations today.[6]

The *Monterey County Weekly* news outlet highlights the past and present effects of restrictive covenants, along with other housing issues such as "the lack of affordable housing, generational wealth inequities and zoning issues," as contributing factors to the higher levels of segregation within the county.[7] Many local cities included restrictive covenants prohibiting the sale of property to non-Whites which greatly contributed to the racial patterns seen on the Peninsula today. This was a common practice used by jurisdictions where large military bases were present to control who was able to purchase property and affect the racial makeup of the city.

Though Sand City's population demographics are not as diverse as Seaside's, enacting policies and programs that promote AFFH and highlight the community's assets could attract individuals to the area, and encourage those that work in Sand City to live there as well.

The timeline of major Federal Acts and court decisions related to fair housing choice and zoning and land use appears in Figure A-1.

---

[3] https://www.blackpast.org/african-american-history/race-and-color-california-coastal-community-seaside-story/.
[4] From *Racial Beachhead: Diversity and Democracy in a Military Town*, by Carol Lynn McKibben, 2012, Stanford University Press.
[5] https://www.smcoe.org/for-communities/indigenous-people-of-san-mateo-county.html
[6] https://www.americanprogress.org/article/systemic-inequality-displacement-exclusion-segregation/
[7] A new group sets out to explore the history of racist housing covenants in Monterey County. | News | montereycountyweekly.com

As shown in the timeline, exclusive zoning practices were common in the early 1900s. Courts struck down only the most discriminatory and allowed those that would be considered today to have a "disparate impact" on classes protected by the Fair Housing Act. For example, the 1926 case *Village of Euclid v. Amber Realty Co. (272 U.S. 365)* supported the segregation of residential, business, and industrial uses, justifying separation by characterizing apartment buildings as "mere parasite(s)" with the potential to "utterly destroy" the character and desirability of neighborhoods. At that time, multifamily apartments were the only housing options for people of color, including immigrants.

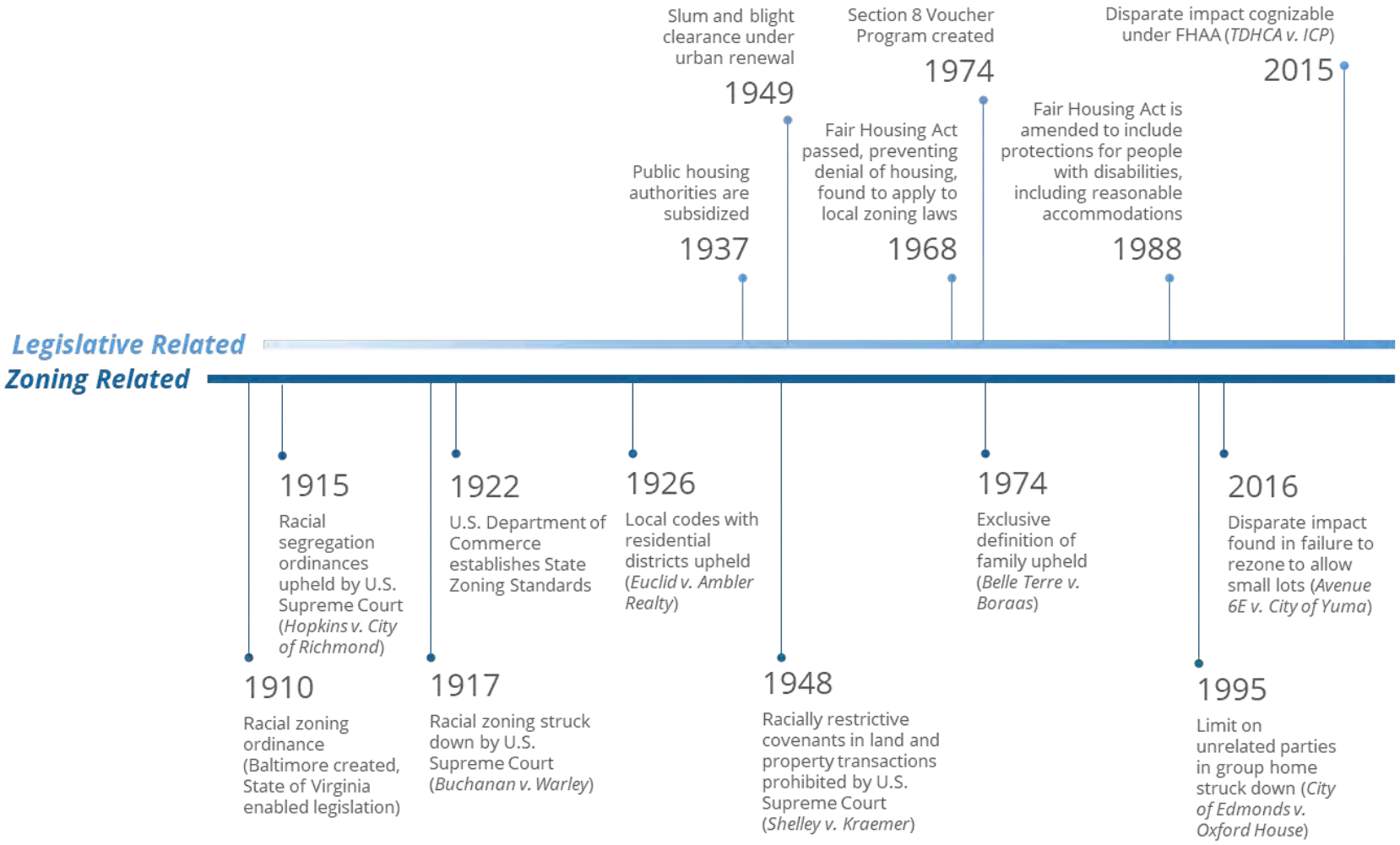
The Federal Fair Housing Act was not enacted until nearly 60 years after the first racial zoning ordinances appeared in U.S. cities. This coincided with a shift away from federal control over low-income housing toward locally-tailored approaches (block grants) and market-oriented choice (Section 8 subsidies)—the latter of which is only effective when adequate affordable rental units are available.

Figure A-1 provides a timeline of major legal and public actions that have influenced fair access to housing beginning in 1910.

The City of Sand City has come a long way from its roots as a center for heavy industry, including coastal sand mining and is now focusing on addressing the significant need for housing. Local business owners paved the way for the City's incorporation on May 31, 1960, which created the public arena for local control and to avoid annexation into other jurisdictions, including Seaside. Local Sand City demographics are reflective of the City's industrial base. Industrial development began in the 1940's and '50's in Sand City and the business owners, who bought large pieces of property to develop businesses and some residential uses, were predominantly White. Businesses established during this time included auto body and repair, refuse disposal, sand mining, and aggregates distribution.

Recent history shows a steady progress toward redevelopment of the town, starting with the development of two shopping centers where there was once significant urban blight. Also, in 1996, the City reached an agreement to retain between 70 to 80 percent of its coastline for parks and open space, while maintaining two development areas primarily dedicated to coastal resort development which is allowed in the City's certified local coastal program. This blending of fiscal responsibility and coastal stewardship is also reinforced by the City's ability to garner a larger percentage of property tax revenues within the redevelopment project plan area adopted in 1987.

Figure A-1 Major Public and Legal Actions that Influence Fair Access to Housing



SOURCE: Root Policy Research

Sand City has served the Monterey Peninsula as a commercial base, currently providing jobs for approximately 3,000 and attracting 40,000 to 50,000 shoppers daily to the city's businesses. Redevelopment has given this small city the opportunity to redefine itself in a progressive, sustainable way. In 2005, the City received unanimous coastal commission approval for a small desalination facility that was completed in early 2009. This small facility allows the city to continue its redevelopment efforts without depending upon a sustainable regional water supply being developed by other agencies that has proven difficult to achieve over more than thirty years in the planning stages. The City's plant uses brackish water from on-shore wells situated near the coast for purifying into potable drinking water. Following this reverse osmosis process, the byproduct water, or waste discharged that is not potable, is injected into beach wells for recycling. This byproduct water is the approximate salinity as ocean water and causes no disruption or negative impact on marine life.

The City is now transitioning from its industrial past to an inclusive and vibrant arts community, similar to the transition of Emeryville.

Overview of Sand City

Over the past 20 years, Sand City has experienced growth in both population and jobs, which means more housing of various types and sizes is needed to ensure that residents across all income levels, ages, and abilities have a place to call home. While the number of people drawn to the City has steadily increased, housing production has stalled, contributing to the housing shortage that communities are experiencing today. In many cities, this has resulted in residents being priced out, increased traffic congestion caused by longer commutes, and fewer people across incomes being able to purchase homes or meet surging rents. Additionally, with increasing population and economic pressures comes the space for inequitable housing practices. The following Housing Needs and Fair Housing Assessment develops context for the goals, programs, and policies that Sand City will implement to address inequities in the 6th Cycle Housing Element.

A.2 Population, Employment, and Household Characteristics

Population characteristics impact current and future housing needs in a community. A city's population growth, age composition and race and ethnicity composition determine the type and extent of housing needed. The following section provides analysis of population characteristics and local trends that affect housing demand in Sand City.

Population Growth

For the purposes of this Housing Needs report, the cities of Del Rey Oaks, Seaside, and Pacific Grove were chosen for comparative analysis upon the basis of population size. The cities of Monterey, Marina, and Salinas population sizes do not provide effective comparative analyses due to extreme size differences to Sand City. Table A-1 shows population growth in Sand City, the County,

and nearby cities between 2010-2019. In Sand City, the population increased approximately 32 percent (76 residents) from 2010 to 2019. While the County's population steadily increased, Sand City's population experienced fluctuations in growth. Similarly, the City of Del Rey Oaks' population also experienced ebbs and flows in growth.

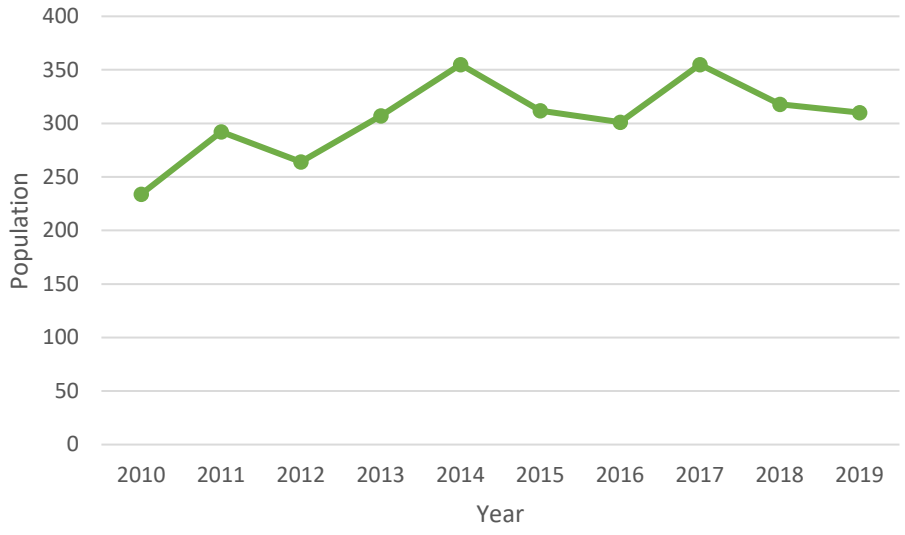
Table A-1 Population Growth by Jurisdiction, 2010-2019

Jurisdictions	Population									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Monterey County	407,435	411,385	416,199	420,569	424,927	428,441	430,201	433,168	433,212	433,410
Sand City	234	292	264	307	355	312	301	355	318	310
Del Rey Oaks	1,774	1,734	1,781	1,779	1,727	1,673	1,683	1,555	1,596	1,525
Seaside	32,431	32,735	3,3050	33,402	33,729	33,999	34,120	34,259	34,077	33,956
Pacific Grove	14,902	14,995	15,102	15,241	15,365	15,505	15,546	15,617	15,567	15,522

SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2010-2019

Figure A-2 illustrates population growth in Sand City between 2010-2019. Sand City's population increased by 32 percent from 2010 to 2019. Although the City has experienced growth since 2010, it has been accompanied by a trend of flux rather than a steady increase.

Figure A-2 Population Growth, Sand City, 2010-2019



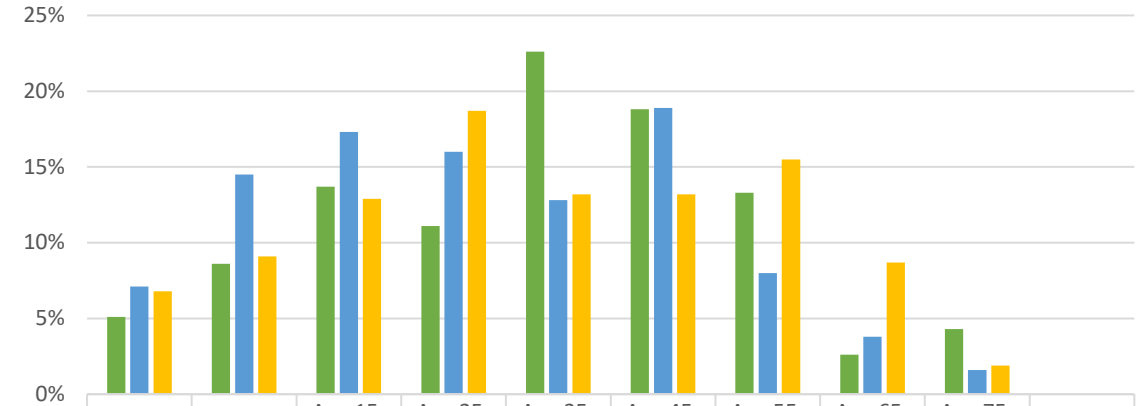
SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2010-2019

Age Characteristics

A community's housing needs are partly determined by preferences of age groups and household types (age, family/non-family, presence of children, female-headed, etc.). When seeking housing, households may prioritize factors such as size, accessibility, and price. For instance, younger and middle-aged households may seek homes that can accommodate a growing household size, whereas older adults may seek to downsize to an apartment with assistive care services or a smaller more affordable single-family home. Disabled persons may seek homes that are accessible and include universal design or visitability features. Overall, the life stages of a population determine the housing stock that is needed in a community.

In 2010, Sand City's predominant age group was individuals between 35 and 44 years of age (22.6 percent). Between 2015 and 2019, the City experienced a shift upward in age toward the 45 to 54 age group (18.9 percent in 2015) and then back down to the 25 to 34 age group (18.7 percent in 2019). Figure A-3 shows that between 2010 and 2019, the general age of the population has been slowly increasing; however, the most populous age groups in the City appear to be individuals between 25 and 54 years of age. Accordingly, the most stable population between 2010 and 2019 has been individuals zero to four years of age. As of 2019, the City's median age was 36. Overall, the City's aging trend suggests a demand for housing geared toward middle-aged to senior groups.

Figure A-3 Population Distribution by Age, Sand City, 2010-2019



	Age 0-4	Age 5-14	Age 15-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65-74	Age 75-84	Age 85+
2010	5.1	8.6	13.7	11.1	22.6	18.8	13.3	2.6	4.3	0.0
2015	7.1	14.5	17.3	16.0	12.8	18.9	8.0	3.8	1.6	0.0
2019	6.8	9.1	12.9	18.7	13.2	13.2	15.5	8.7	1.9	0.0

SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2010, 2015, 2019

Table A-2 shows that Sand City's most populous age group in 2019 was individuals 25 to 34 years of age (18.7 percent). Compared to the County and nearby cities, Sand City has the largest 25 to 34 age group followed by Seaside (17.6 percent). In contrast, Del Rey Oaks (7 percent percent) and Pacific Grove (11 percent) have larger 75+ populations.

Table A-2 Population Age Distribution by Jurisdiction, 2019

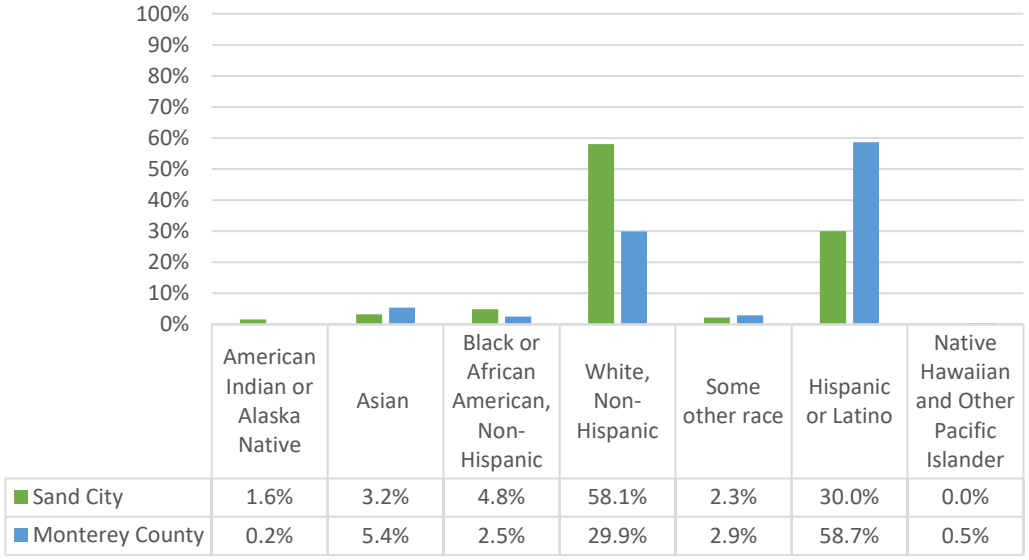
Jurisdiction	Population Age									
	0-4	5-14	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
Monterey County	7.3%	14.8%	14.3%	14.4%	13.0%	11.8%	11.1%	7.7%	3.6%	1.9%
Sand City	6.8%	9.1%	12.9%	18.7%	13.2%	13.2%	15.5%	8.7%	1.9%	0.0%
Del Rey Oaks	5.7%	8.3%	5.7%	12.6%	12.5%	13%	18.9%	15.9%	4.4%	2.9%
Seaside	8.5%	12.7%	14.8%	17.6%	12.7%	11.4%	11.4%	6.1%	3.0%	2.0%
Pacific Grove	3.5%	12.2%	8.5%	10.0%	10.4%	13.3%	14.7%	16.5%	6.6%	4.3%

SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2019

Race and Ethnicity Characteristics

Understanding the racial and ethnic composition of a city is vital to ensuring equal opportunity to housing for all groups. Figure A-4 illustrates the racial and ethnic composition of Sand City compared to the County; however, it is important to note that the statistics are unreliable due to the small size of Sand City.

Figure A-4 Population by Race Compared to the County, 2019



	American Indian or Alaska Native	Asian	Black or African American, Non-Hispanic	White, Non-Hispanic	Some other race	Hispanic or Latino	Native Hawaiian and Other Pacific Islander
Sand City	1.6%	3.2%	4.8%	58.1%	2.3%	30.0%	0.0%
Monterey County	0.2%	5.4%	2.5%	29.9%	2.9%	58.7%	0.5%

SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2019

When comparing the City and the County, non-Hispanic White and Hispanic or Latino populations are the most represented; these populations show a nearly even contrast in percentages for the County and City. Non-Hispanic White individuals comprise the majority of Sand City's population (58 percent) followed by Hispanic or Latino (30 percent). In contrast, the County's largest population is Hispanic or Latino individuals (59 percent) followed by non-Hispanic White (30 percent). Despite having relatively limited diversity, Sand City has a slightly larger Black or African

American population (5 percent) compared to the County (3 percent). Those identifying as American Indian or Alaska and Native Hawaiian or Other Pacific Islander represent the smallest population groups within the County and Sand City.

Table A-3 provides a comparison of racial and ethnic composition by jurisdiction. In 2019, Sand City (58 percent) and the neighboring City of Pacific Grove (79 percent) had the largest non-Hispanic White populations compared to Del Rey Oaks (72 percent), City of Seaside (32 percent), and the County (30 percent). Sand City had the lowest Asian population (3 percent) than surrounding cities and the County. The Black or African American, non-Hispanic population in Sand City (5 percent) is the second largest when compared to surrounding cities and the County.

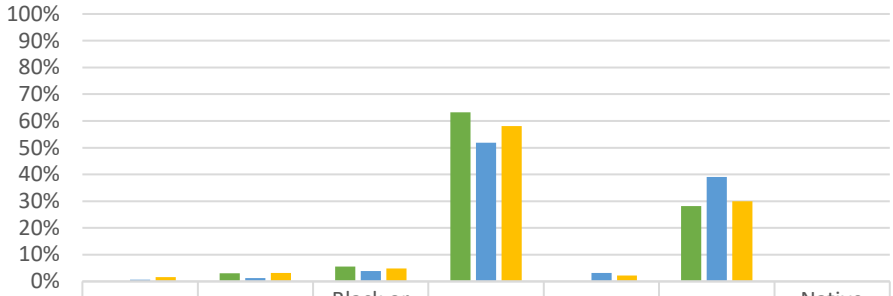
Table A-3 Population by Race by Jurisdiction, 2019

Jurisdiction	American Indian or Alaska Native	Asian, alone	Black or African American, Non-Hispanic	White, Non-Hispanic	Some Other Race	Hispanic or Latino	Native Hawaiian and Other Pacific Islander
Monterey County	0.2%	5.4%	2.5%	29.9%	2.9%	58.7%	0.5%
Sand City	1.6%	3.2%	4.8%	58.1%	2.3%	30%	0%
Del Rey Oaks	0.0%	6.8%	3.8%	72.1%	4.5%	12.5%	0.3%
Seaside	0.2%	9.8%	6.9%	32.1%	5.5%	43%	2.6%
Pacific Grove	0.2%	5.5%	0.9%	79.1%	4.5%	9.8%	0.0%

SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2019

When analyzing race and ethnicity in a city, it's important to understand how demographics have changed over time. Figure A-5 illustrates changes in population by race between 2010-2019 in Sand City. During this time frame, Sand City's population composition has experienced fluctuations in nearly all populations. In 2015, all populations experienced a decrease in size with the exception of American Indian or Alaska Native populations (0.7 percent increase), Hispanic or Latino populations (12.2 percent increase), and Some Other Race/Multiple Races (3.2 percent). In 2019, Sand City saw growth in all populations except Hispanic or Latino populations (9 percent decrease), Some Other Race/Multiple Races (0.9 percent decrease), and Native Hawaiian and Other Pacific Islander populations (zero percent; consistent over the nine-year period). American Indian or Alaska Native populations have steadily increased from 2010 (zero percent) to 2019 (1.6 percent).

Figure A-5 Population by Race, Sand City, 2010-2019



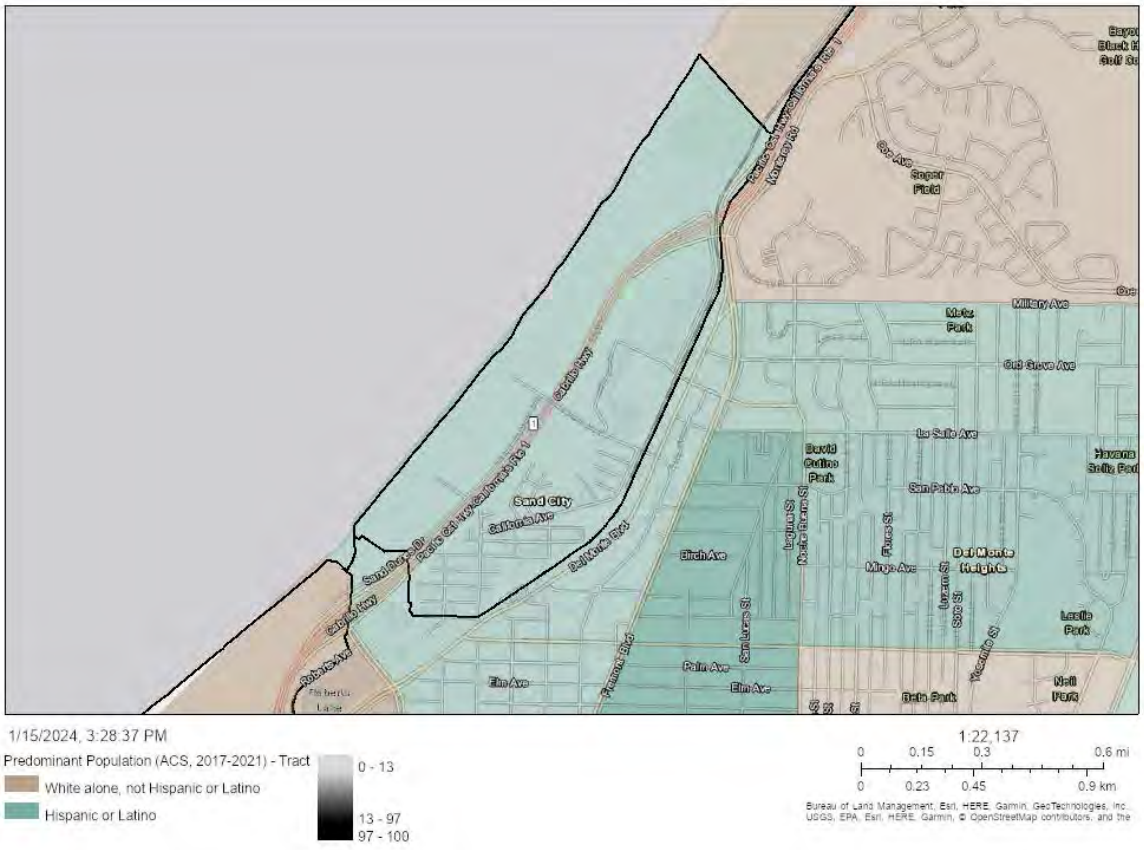
	American Indian or Alaska Native	Asian	Black or African American, Non-Hispanic	White, Non-Hispanic	Some other race	Hispanic or Latino	Native Hawaiian and Other Pacific Islander
2010	0.0%	3.0%	5.6%	63.2%	0.0%	28.2%	0.0%
2015	0.6%	1.3%	3.8%	51.9%	3.2%	39.1%	0.0%
2019	1.6%	3.2%	4.8%	58.1%	2.3%	30.0%	0.0%

SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2010, 2015, 2019

Demographic characteristics such as the racial and ethnic composition of a city are necessary to inform the housing needs of a community inclusive of cultural norms and preferences.

Figure A-6 illustrates the predominant population in Sand City. According to the HCD Data Viewer, Sand City's predominant population is Hispanic/Latino. In contrast, U.S. Census ACS 5-Year 2019 Estimates report Sand City has little diversity with approximately 58 percent White and 30 percent Hispanic households. This discrepancy is likely due to Sand City's extremely small size and analyzing data at different scales.

Figure A-6 Predominant Population, Sand City, 2017-2021



SOURCE: California Department of Housing and Community Development AFFH Data Viewer

Diversity Index

The Diversity Index measures the degree to which the five major ethnic populations (non-Hispanic White, non-Hispanic Black, Asian and Pacific Islander, Hispanic, and Two or more races) are evenly distributed across a geographic area. The index ranges from 0 to 1 – where 0 is low diversity, meaning only one group is present and 1 is high diversity, meaning an equal proportion of all five groups is present).

Integration and Segregation

"Integration generally means a condition in which there is not a high concentration of persons of a particular race, color, religion, sex, familial status, national origin, or having a disability or a particular type of disability when compared to a broader geographic area. **Segregation** generally means a condition in which there is a high concentration of persons of a particular race, color, religion, sex, familial status, national origin, or having a disability or a type of disability in a particular geographic area when compared to a broader geographic area."

SOURCE: California Department of Housing and Community Development Guidance, 2021, page 31.

Figure A-7 illustrates the level of diversity in Sand City. According to the HCD AFFH Data Viewer map of diversity, Sand City's diversity level is greater than 85, reflecting a high diversity level across the City. In contrast, U.S. Census ACS 5-Year 2019 Estimates report Sand City has little diversity with approximately 58 percent White and 30 percent Hispanic populations. This discrepancy is likely due to Sand City's extremely small size and analyzing data at different scales. For example, Sand City shares a census tract (140) with the City of Seaside, within which a block group is also spread across both cities. Based on the mapping provided by the HCD AFFH Data Viewer, it appears this data is inclusive of both Seaside and Sand City racial/ethnic populations. According to ESRI mapping[8], diversity levels in 2023 have remained relatively the same (88.3 percent).

Figure A-7 Diversity Index, Sand City, 2018



SOURCE: California Department of Housing and Community Development AFFH Data Viewer

[8] https://affh-data-and-mapping-resources-v-2-0-cahcd.hub.arcgis.com/datasets/CAHCD::diversity-index-2018-block-group-/explore?location=36.614050%2C-121.850580%2C15.15

Local Knowledge

Based on local knowledge, there isn't a specific area within Sand City that exhibits a concentration of any particular racial or ethnic group. The city's small size makes it challenging for segregative patterns to emerge. Additionally, Sand City is predominantly made up of low and moderate-income households, without significant income disparity gaps, which often contribute to segregative patterns in a city.

Racially or Ethnically Concentrated Areas of Poverty and Affluence

Racially Concentrated Area of Poverty or an Ethnically Concentrated Area of Poverty (R/ECAP) and Racially Concentrated Areas of Affluence (RCAAs) represent opposing ends of the segregation spectrum from racially or ethnically segregated areas with high poverty rates to affluent predominantly White neighborhoods. Historically, HUD has paid particular attention to R/ECAPs as a focus of policy and obligations to AFFH. Recent research out of the University of Minnesota Humphrey School of Public Affairs argues for the inclusion of RCAAs to acknowledge current and past policies that created and perpetuate these areas of high opportunity and exclusion.[9]

R/ECAPs

HCD and HUD's definition of a Racially/Ethnically Concentrated Area of Poverty is: A census tract that has a non-White population of 50 percent or more (majority-minority) or, for non-urban areas, 20 percent, AND a poverty rate of 40 percent or more; OR A census tract that has a non-White population of 50 percent or more (majority-minority) AND the poverty rate is three times the average tract poverty rate for the County, whichever is lower.

SOURCE: California Department of Housing and Community Development Guidance, 2021.

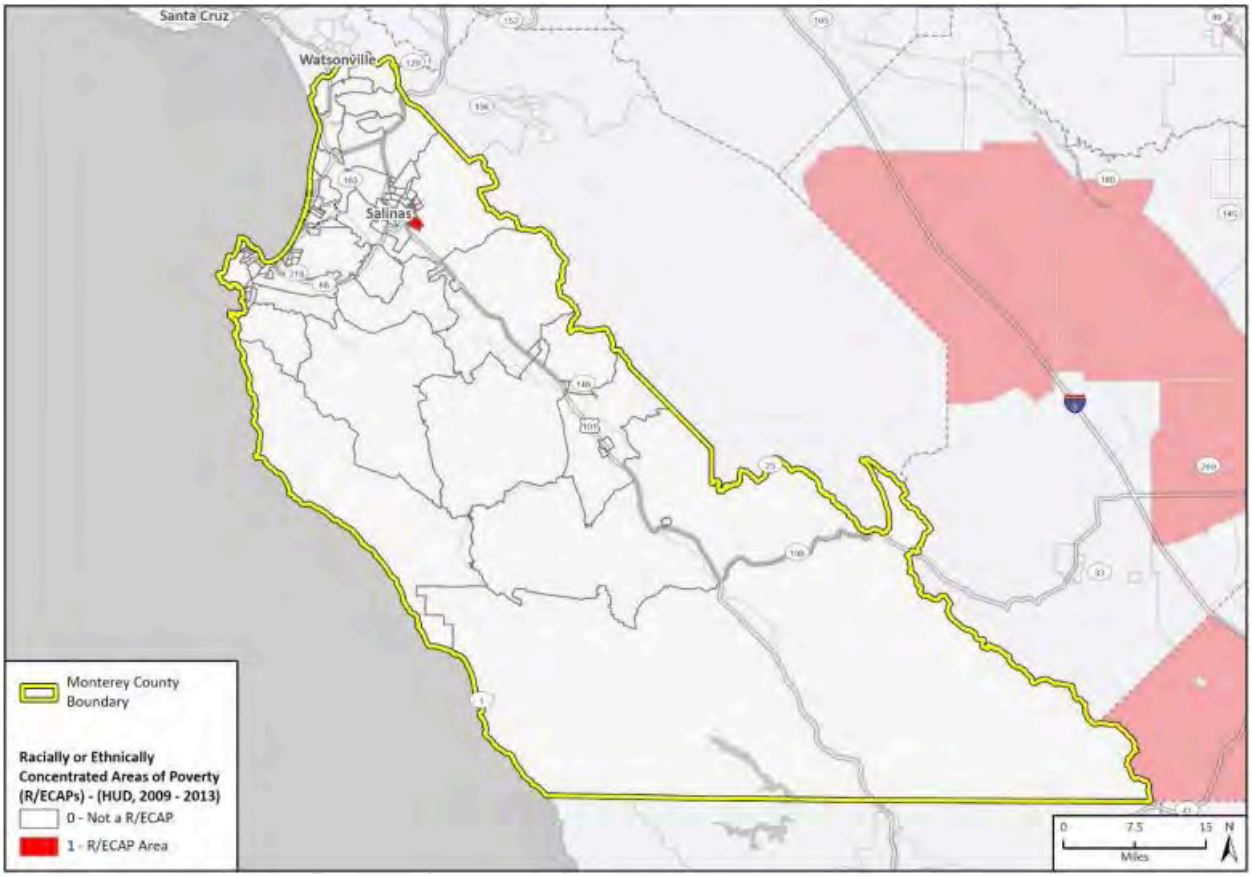
Poverty and Segregation

Regional Trends

As shown in Figure A-8, R/ECAP areas in Monterey County solely occur in Salinas. In total, there are five R/ECAP tracts identified in Salinas. According to 2019 UDP estimates, populated R/ECAP areas in Salinas all had a Hispanic/Latino concentration. The central R/ECAP is adjacent to other tracts that are mostly Hispanic/Latino. Comparatively, other R/ECAP areas adjoin tracts that have a concentration of both Hispanic/Latino and white populations. The western area of Salinas had a R/ECAP area that adjoins a tract that contains Asian American-Hispanic/Latino-white concentration. No other R/ECAP areas are identified throughout Monterey County.

[9] Goetz, E. G., Damiano, A., & Williams, R. A. (2019). Racially Concentrated Areas of Affluence: A Preliminary Investigation. Cityscape: A Journal of Policy Development and Research, 21(1), 99–124

Figure A-8 R/ECAPS, Monterey County, 2009-2013

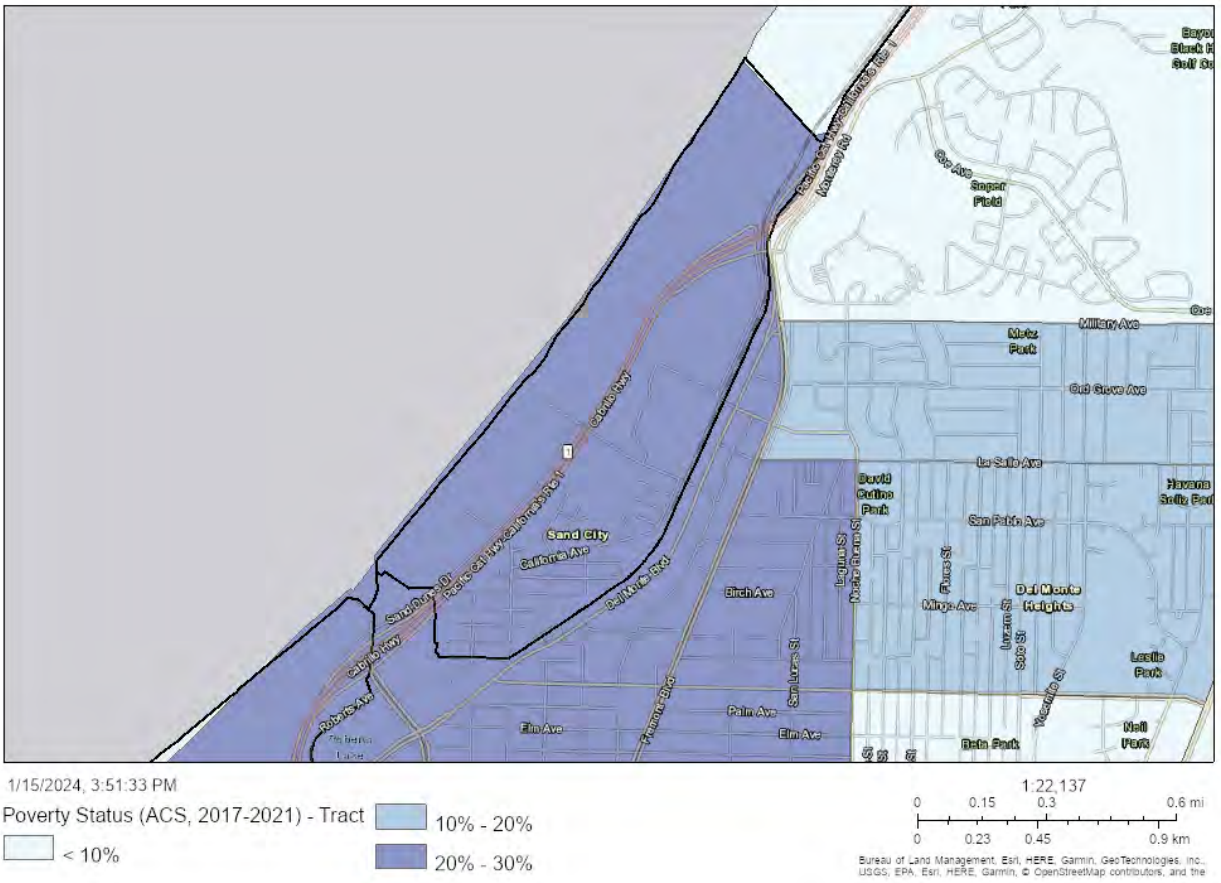


SOURCE: HCD AFFH Data Viewer

Local Trends

While there are no R/ECAPs as defined by HUD in Sand City, the city does have higher levels of poverty than surrounding areas. According to 2021 ACS estimates, approximately 10.8 percent of Sand City's population is living below the poverty line, a decrease of 24.8 percent from the 2012 poverty rate (35.6 percent). Figure A-9 shows the percentage of the population with an earned income below the poverty level. The AFFH Data Viewer reports between 20-30 percent of households in Sand City live below the poverty line, compared to the ACS estimates, which reported 10.8 percent. This is likely due to the small nature of Sand City and reporting data at different scales.

Figure A-9 Poverty Status, Sand City



SOURCE: HCD AFFH Data Viewer

Concentrated Areas of Affluence

It is important to note that R/ECAPs and RCAAs are not areas of focus because of racial and ethnic concentrations alone. This study recognizes that racial and ethnic clusters can be a part of fair housing choice if they occur in a non-discriminatory market. Rather, R/ECAPs are meant to identify areas where residents may have historically faced discrimination and continue to be challenged by limited economic opportunity, and conversely, RCAAs are meant to identify areas of particular advantage and exclusion.

RCAAs

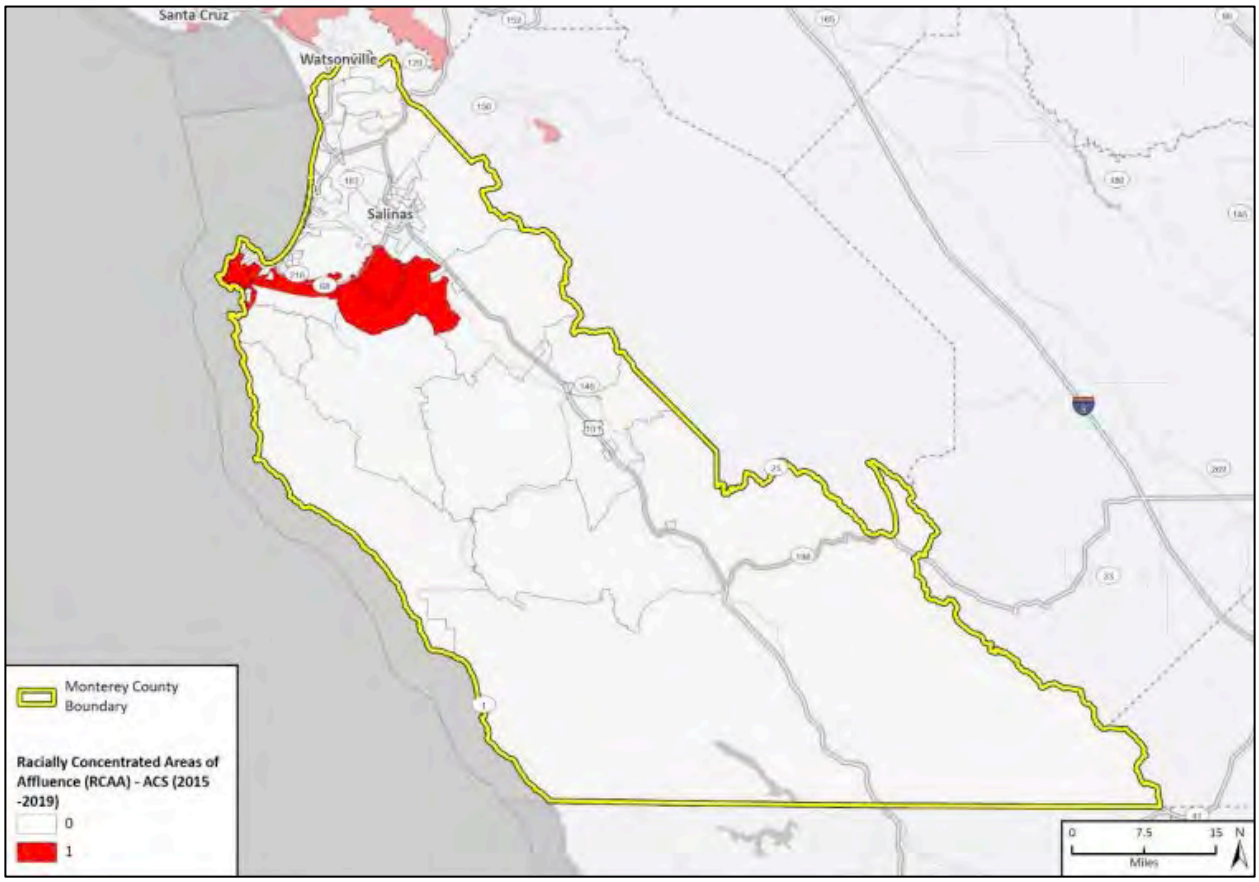
HCD and HUD's definition of an RCAA is a census tract 1) with a percentage of its total White population that is 1.25 times higher than the average percentage of the COG region's White population; and 2) has a median income that is 2 times higher than the COG Area Median Income (AMI). Generally, these are understood to be neighborhoods in which there are both high concentrations of non-Hispanic White households and high household income rates.

SOURCE: California Department of Housing and Community Development Guidance, 2023

Regional Trends

Figure A-10 illustrates RCAA tracts in Monterey County that are concentrated in communities strewn along the Monterey Salinas Highway, primarily south and east of the corridor. Unincorporated areas of the county have the highest concentration of RCAAs compared to incorporated cities. Specifically, they are located in the southern region of the peninsula, south of the city of Monterey, and east of the Monterey Salinas Highway near the Toro Regional Park. The city of Monterey is the only incorporated city in Monterey County that has RCAAs. By tract, RCAAs generally have higher percentages of white populations and lower percentages of non-white populations. One census tract (116.02) that is identified as a RCAA contains a large percentage (28 percent) of children living in single-parent, female-headed households compared to the rest of the county.

Figure A-10 RCAAs, Monterey County, 2015-2019



SOURCE: HCD AFFH Data Viewer

Local Trends

There are no RCAAs in Sand City. Due to the extremely small size of the city, there is little to no differentiation in levels of poverty, median household income, or racial concentrations. Sand City is located in Census Tract 140, Block Group 1. At the census tract level, data may present skewed

percentages because the neighboring City of Seaside is also located in Census Tract 140. This is the case when interpreting the HCD AFFH Data Viewer, which explains the differences in ACS reported data. According to 2021 ACS estimates, the median household income in Sand City was $60,682 and the predominant population is Hispanic/Latino.

Employment

Employment characteristics can significantly impact the housing needs and trends of a community from income and wage scale to job location and industry. Employment and income are determinates of a population's ability to purchase housing including the type of housing and size, both of which can induce negative effects such as overpayment and overcrowding. Table A-4 illustrates employment growth for Sand City, the County, and nearby cities from 2010-2019.

Table A-4 Employment Growth by Jurisdiction, 2010-2019

Jurisdictions	Employed Population									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Monterey County	176,225	175,425	176,109	174,453	175,455	177,333	180,631	182,439	185,025	187,708
Sand City	108	139	111	121	153	138	131	167	165	166
Del Rey Oaks	868	903	905	858	897	848	849	795	807	788
Seaside	15,318	15,109	15,074	14,529	14,561	14,636	15,225	15,321	15,557	15,478
Pacific Grove	7,428	7,282	7,168	7,374	7,214	7,252	7,363	7,304	7,019	7,142

SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2010-2019

Between 2010-2019, Sand City experienced an employment growth of 54 percent compared to the County which experienced 7 percent growth. Nearby cities, Del Rey Oaks and Pacific Grove experienced declines in employment. Sand City's increase in employment presents an opportunity to construct additional housing options for the existing and future workforce.

Table A-5 shows 2010 and 2019 employment data for Sand City by sector. Key findings in employment data include the following:

- In 2010, the largest employer in Sand City was professional, scientific, management, and administrative services industries (29 percent), whereas in 2019 the largest employer in the City was arts, entertainment, recreation, accommodation, and food services (25 percent);
- Public administration industries experienced the greatest increase between 2010 and 2019 (400 percent), followed by arts, entertainment, recreation, accommodation, and food services (250 percent) and finance and insurance, real estate, and rental leasing (125 percent);

- Three sectors experienced declines in employment between 2010 and 2019 including manufacturing (100 percent), wholesale trade (75 percent), and professional, scientific, management, and administrative services (10 percent);
- Both agriculture, forestry, fishing and hunting, and mining industries (0 percent) and transportation and warehousing, and utilities (0 percent) industries experienced zero growth; and
- Overall, there was a 54 percent increase in employment for Sand City residents between 2010 and 2019.

Table A-5 Employment by Sector, Sand City, 2010 and 2019

Industry Sector	2010		2019		Percent Change 2010-2019
	People Employed	Percent of City Employment	People Employed	Percent of City Employed	
Agriculture, forestry, fishing and hunting, and mining	0	0%	10	6%	0%
Construction	10	9%	15	9%	50%
Manufacturing	3	3%	0	0%	-100%
Wholesale Trade	12	11%	3	2%	-75%
Retail Trade	14	13%	15	9%	7%
Transportation and warehousing, and utilities	7	7%	7	4%	0%
Information	0	0%	2	1%	-
Finance and insurance, real estate, and rental leasing	4	4%	9	5%	125%
Professional, scientific, management, and administrative services	31	29%	28	17%	-10%
Education services, healthcare, and social assistance	13	12%	25	15%	92%
Arts, entertainment, recreation, accommodation, and food services	12	11%	42	25%	250%
Public Administration	2	2%	10	6%	400%
Total Employment	108	100%	166	100%	54%

SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2010, 2019

Balance of Jobs to Workers

A city houses employed residents who either work in the community where they live or work elsewhere in the region. Conversely, a city may have job sites that employ residents from the same city but more often employ workers commuting from outside of it. Smaller cities will typically have more employed residents than jobs and export workers, while larger cities tend to have a surplus of

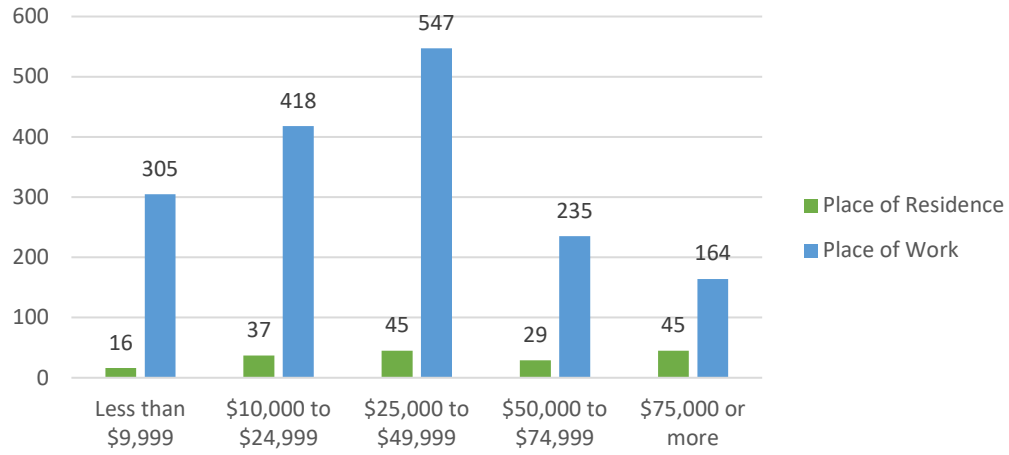
jobs and import workers. To some extent, the regional transportation system is set up for this flow of workers to the region's core job centers. At the same time, as the housing affordability crisis has illustrated, local imbalances may be severe, where local jobs and worker populations are out of sync at a sub-regional scale.

One measure of local imbalance is the relationship between workers and jobs. A city with a surplus of workers, "exports" workers to other parts of the region, while a city with a surplus of jobs must conversely "import" them.

A community may offer employment for relatively low-income workers but have relatively few housing options for those workers. Conversely, it may house residents who are low-wage workers but offer few employment opportunities for them. Such relationships may cast extra light on potentially pent-up demand for housing in particular price categories. A relative surplus of jobs relative to residents in a given wage category suggests the need to import those workers, while conversely, surpluses of workers mean the community will export those workers to other jurisdictions. Such flows are not inherently bad, though over time, sub-regional imbalances may appear.

Figure A-11 illustrates earnings of workers in comparison to worker place of residence and place of work in Sand City. The City has more jobs than residents at all income levels. Specifically, the City experiences the largest imbalances for low- and moderate-wage jobs to residents, respectively (where low-wage refers to jobs paying less than $25,000 and moderate-wage refers to jobs paying less than $49,999).

Figure A-11 Worker Earnings by Place of Residence & Place of Work, Sand City, 2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2019

Historically, Sand City has served the Monterey Peninsula as the industrial hub. Therefore, the jobs–housing imbalance is not unusual, but will require intentional development of housing at all income levels to effect balance.

Unemployment rates are essential to understanding the affordability needs of a community when determining housing options. Table A-6 provides a breakdown of unemployment rates for Sand City, the County, and nearby cities. Sand City has the lowest unemployment rate compared to surrounding cities and the County. This indicates an approximate 2 percent less than Pacific Grove, 3 percent less than the County and Del Rey Oaks, and 4 percent less than Seaside.

Table A-6 Unemployment Rate, Sand City, 2019

Jurisdictions	Unemployment Rate
Monterey County	4.9%
Sand City	1.8%
Del Rey Oaks	5.1%
Seaside	6.1%
Pacific Grove	3.9%

SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2019

The Monterey Bay Area approved Regional Housing Needs Assessment (RHNA) Methodology is broken down into four income levels:

- Very Low Income (50 percent or less of the County's median income);
- Low Income (50-80 percent of the County's median income);
- Moderate Income (80-120 percent of the County's median income); and
- Above moderate Income (120 and above the County's median income).

Sand City's RHNA allocation is presented in Table A-7.

Table A-7 Regional Housing Needs Allocation

Income Group	Percentage of AMI	Share
Extremely Low-Income[10]	<30	29
Very Low-Income	<50	30
Low-Income	50-80	39
Moderate-Income	80-120	49
Above Moderate-Income	120+	113
	Total	260

SOURCE: City of Sand City

[10] Extremely low-income RHNA is found as a subset within the very low-income category for all other tables in this document.

In Monterey County, the median household income in 2019 was an estimated $71,015 compared to Sand City at $63,333. Table A-8 lists occupations by mean salary in Monterey County. According to Table A-8, the occupations that fall below 50 percent of the median income are Food Preparation and Serving-Related Occupations; Personal Care and Services Occupations; and Farming, Fishing, and Forestry Occupations. The majority of occupations in Monterey County have an average income that is low (50-80 percent AMI) or very low (<50 percent AMI). If applied to Sand City, it should be anticipated that affordable housing is needed to accommodate a majority of low- and very low-income households.

Table A-8 Occupations by Mean Salary, Monterey County, 2019

Occupation	Salary
Management Occupations	$117,738
Business and Financial Operations Occupations	$78,900
Computer and Mathematical Occupations	$96,980
Architecture and Engineering Occupations	$92,554
Life, Physical, and Social Science Occupations	$84,516
Community and Social Services Occupations	$59,549
Legal Occupations	$103,094
Education, Training, and Library Occupations	$69,296
Arts, Design, Entertainment, Sports, and Media Occupations	$56,599
Healthcare Practitioners and Technical Occupations	$115,486
Healthcare Support Occupations	$42,625
Protective Service Occupations	$70,161
Food Preparation and Serving-Related Occupations	$30,127
Building and Grounds Cleaning and Maintenance Occupations	$36,330
Personal Care and Service Occupations	$31,984
Sales and Related Occupations	$42,099
Office and Administrative Support Occupations	$44,239
Farming, Fishing, and Forestry Occupations	$29,901
Construction and Extraction Occupations	$60,870
Installation, Maintenance, and Repair Occupations	$54,180
Production Occupations	$41,905
Transportation and Material Moving Occupations	$37,144

SOURCE: California Employment Development Division, Occupational Wage data, 2019

Household Characteristics

Characteristics of a household include household type and size, income, affordability, and special needs groups. According to HCD, a household is defined as "All persons who occupy a housing unit. The occupants may be a single family, on person living alone, two or more families living together, or any groups of related or unrelated persons who share living arrangements." Large families, single parent households, female-headed households, or extremely low- and low-income households may be classified as Special Needs groups. Special Needs groups are identified due to the unique nature of household characteristics and potential housing challenges faced. The following section examines household characteristics trends in Sand City and the region.

Table A-9 provides an overview of the projected housing units needed in the AMBAG region, Monterey County, Sand City, and nearby cities, Seaside and Pacific Grove.[11] Sand City is forecast to have a household growth of approximately 199 percent by 2045 – an increase of 350 housing units. Compared to the neighboring city of Del Rey Oaks, this reflects 138 percent more growth.

Table A-9 Housing Forecast by Jurisdiction, 2015-2045

Jurisdictions	2015	2020*	2025*	2030	2035*	2040*	2045*	Percent Change from 2015-2045
AMBAG Region	262,660	267,812	277,645	288,386	296,352	301,307	304,900	16%
Monterey County	139,177	141,764	146,716	153,852	159,100	162,612	165,328	19%
Sand City	176	189	198	228	333	446	526	199%
Del Rey Oaks	741	741	762	809	848	1,052	1,195	61%
Seaside	10,913	10,920	11,437	11,925	12,248	12,604	13,192	21%
Pacific Grove	8,184	8,201	8,214	8,267	8,336	8,400	8,463	3%

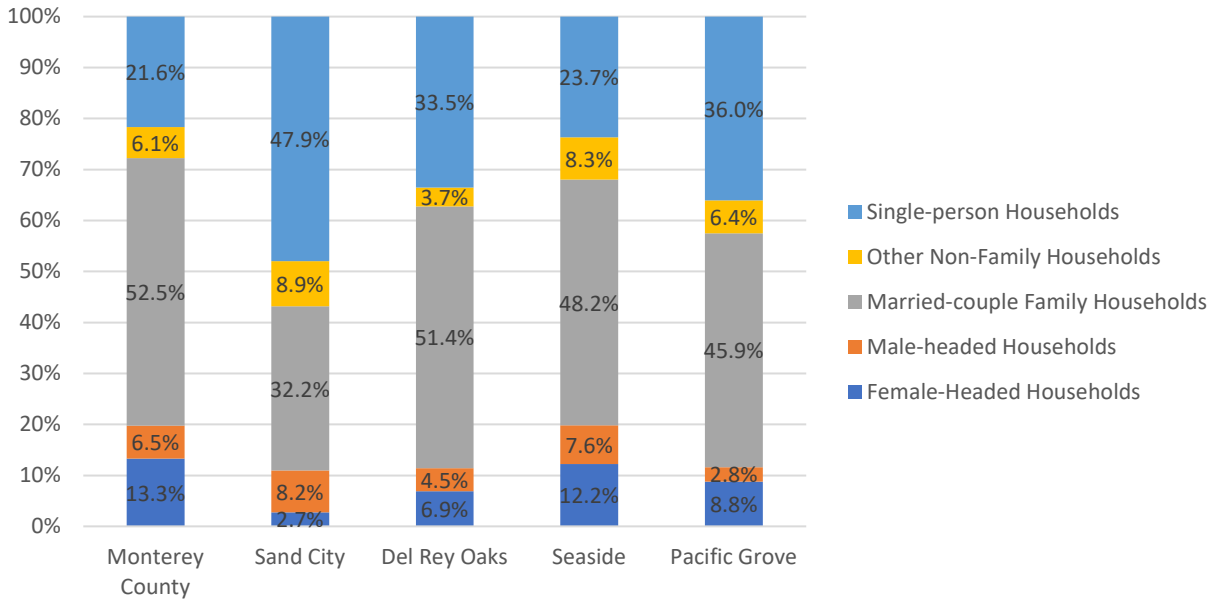
SOURCE: AMBAG Regional Growth Forecast, 2022
NOTE: *Projected growth values

Household Type and Size

Figure A-12 illustrates household characteristics by type in 2019 for Sand City, the County, and nearby cities, Del Rey Oaks, Seaside, and Pacific Grove. In Sand City, the largest household type was single-person households (48 percent) followed by married-couple family households (32 percent). In contrast, the largest household type in the County and nearby cities was married-couple family households followed by single-person households. Sand City has the lowest percentage of female-headed households (3 percent) compared to the County (13 percent), Del Rey Oaks (7 percent), Seaside (12 percent), and Pacific Grove (9 percent).

[11] Source: AMBAG Regional Growth Forecast, 2022

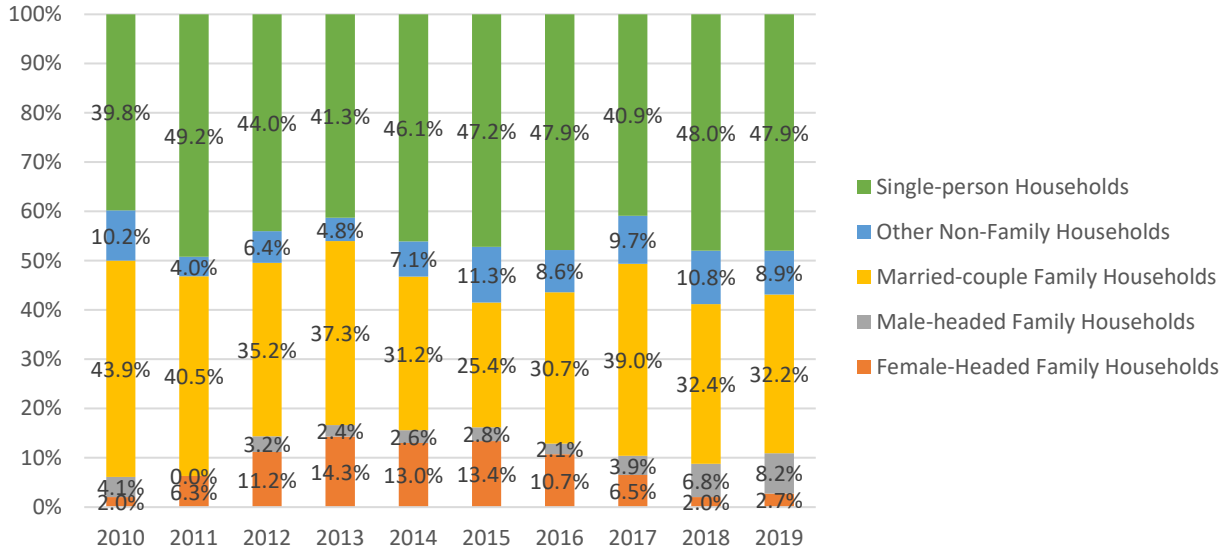
Figure A-12 Household by Type by Jurisdiction, 2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2019

Figure A-13 illustrates household changes between 2010-2019 in Sand City. Over the last decade, single-person households have remained the largest household type in the City followed by married-couple family households. Despite making up the second largest household type in the City, married-couple family households experienced the greatest decline (11.7 percent) between 2010-2019, and single-person households experienced the greatest increase (8 percent). These changes in household type over time indicate a need for housing options that appeal to smaller sized households (keeping affordability in mind).

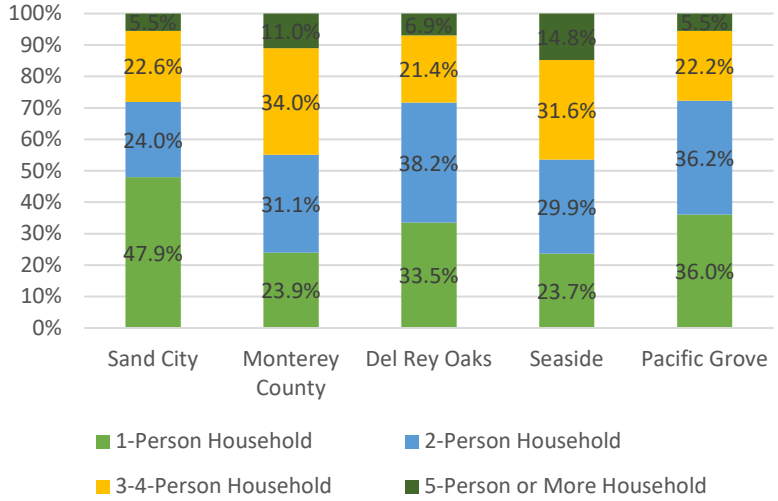
Figure A-13 Changes in Household Types, Sand City, 2010-2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2010-2019
NOTE: Non-family households include unrelated persons living in one housing unit.

Figure A-14 illustrates households by household size for Sand City, the County, and nearby cities. Sand City's largest household type according to size is 1-person households (48 percent) followed by 2-person households. This is consistent with findings in Figure A-14, with single-person households remaining the largest household type since 2010. This reflects a demand for affordable housing units appealing to single-person households.

Figure A-14 Households by Household Size by Jurisdiction, 2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2019

Local Knowledge

Based on local knowledge, a proportion of families in Sand City reside in the city's R-1, R-2, and R-3, MU-P Zones, located south of Tioga Avenue. Given that the city's residential land uses have predominantly developed over the past 30 years, much of its residential areas are compact and closely clustered. This pattern reflects the city's ongoing transition from being primarily industry-based to a blend of commercial and residential uses.

As previously discussed, the predominant household type in Sand City is single-person households, accounting for 48 percent. This can be traced back to the city's history as an industrial and manufacturing center, attracting many residents seeking employment. However, over the past three decades, the city has gained recognition for its vibrant artist community, reshaping its image to emphasize creativity and innovation. Loft spaces and work/live units have become prevalent housing options in the city, catering to artists and others who wish to integrate their work and living spaces.

Married-couple families represent the second largest household type, comprising 32 percent of the city's households. This shift can also be linked to Sand City's transformation from an industrial hub to a mixed-use area blending commercial and residential spaces.

Multi-family housing is the most common housing type in Sand City. This trend is influenced by the limited availability of land, which encourages higher-density living. Additionally, the city's residents value affordability, convenience, and a pedestrian-friendly environment, further driving the demand for multi-family housing options.

There are no state licensed childcare facilities in Sand City. Residents rely on Monterey County childcare services and those of the Monterey Peninsula Unified School District, which has childcare services located in neighboring Seaside.

Household Income

Affordability is a key component in determining the housing needs of a community. Household income determines the ability of a household to purchase or rent a housing unit. However, fluctuating household incomes may result in the need to spend disproportionate amounts of income on housing costs, referred to as overpayment or cost burden. As a result, this may also lead to overcrowding and/or substandard living conditions.

The following are income categories based on area median income (AMI) according to HCD:

- Extremely low-income: households earning 0-30 percent of AMI;
- Very low-income: households earning 30-50 percent of AMI;
- Low-income: households earning 50-80 percent of AMI;

- Moderate-income: households earning 80-100 percent of AMI; and
- Above-moderate income: households earning 100-120 percent of AMI.

Government Code Section 65583(a) defines extremely low-income households as earning 30 percent or below area median income, and considers them as a subset of the very low-income category. The extremely low-, very low-, and low-income groups are referred to as lower-income.

Table A-10 summarizes households by income category in Sand City in 2019. Lower-income households makeup the majority of households in the City (48 percent) followed by above moderate-income households (41 percent). Nearly 15 percent of the households in Sand City identify as extremely low-income. This reflects a need for more affordable housing in the City, and in tandem with Figure A-11 and Figure A-12 findings, it is likely that the demand for single-person households is accompanied by a need for affordable options.

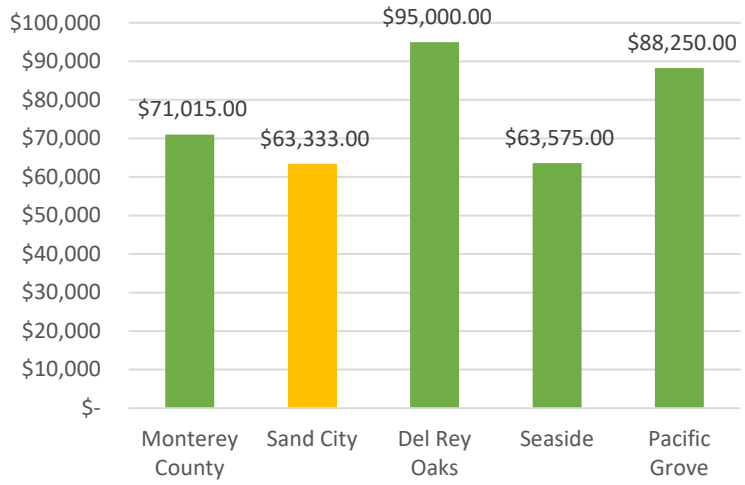
Table A-10 Households by Income Category, Sand City, 2019

Income Category (% of County MFI)	Households	Percent
Extremely Low-Income (30% MFI or less)	20	14%
Very Low-Income (30-50% MFI)	10	7%
Low-Income (50-80% MFI)	39	27%
Moderate-Income (80-100% MFI)	14	10%
Above Moderate-Income (>100% MFI)	60	41%
Total	143	100%

SOURCE: Department of Housing and Urban Development (HUD) Comprehensive Housing Affordability Strategy (CHAS), 2015-2019

Figure A-15 illustrates the median household income in Sand City, the County, and nearby cities in 2019. Sand City's median household income was $63,333 – approximately $7,682 lower than the County. The City of Del Rey Oaks had the highest median household income at $95,000 followed by Pacific Grove ($88,250). Understanding Sand City's median household income clarifies what income category households identify with and what is deemed affordable.

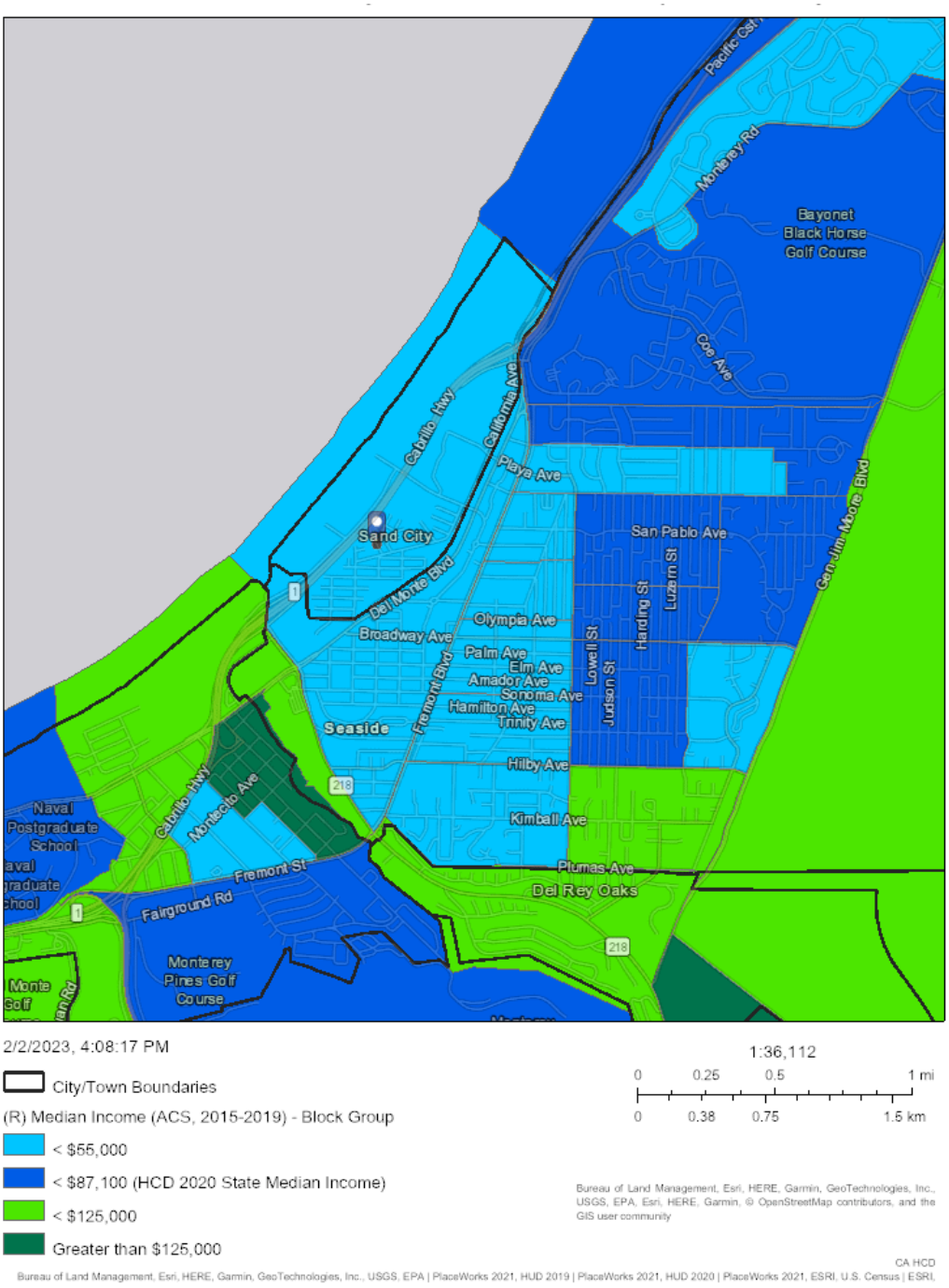
Figure A-15 Median Household Income by Jurisdiction, 2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2019

Figure A-16 illustrates median household income across Sand City. According to the HCD AFFH Data Viewer, Sand City's households experience no variation in median household income based on location, with households earning below $55,000 annually. In contrast, U.S. Census ACS 5-Year 2019 Estimates report Sand City has a median household income of $63,333. This discrepancy is likely due to Sand City's extremely small size and analyzing data at different scales and time periods.

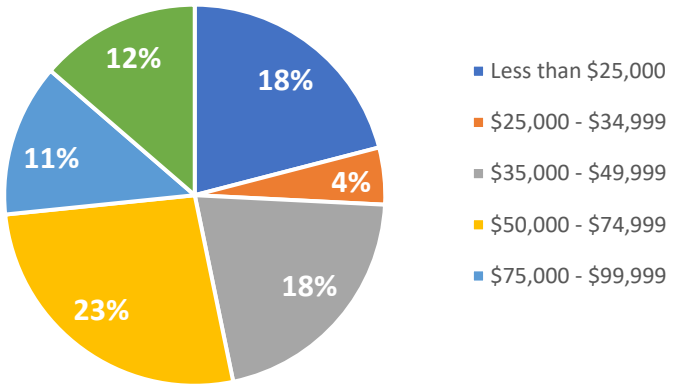
Figure A-16 Median Household Income, Sand City, 2015-2019



SOURCE: California Department of Housing and Community Development AFFH Data Viewer

Figure A-17 provides a breakdown of 2019 incomes by category in Sand City. Twenty-three (23) percent of Sand City residents earn an annual income between $50,000-$74,999. Conversely, an approximate 40 percent are earning less than $50,000 and less than the City's median household income. Of the 40 percent earning below the median household income, 18 percent are earning below $25,000.

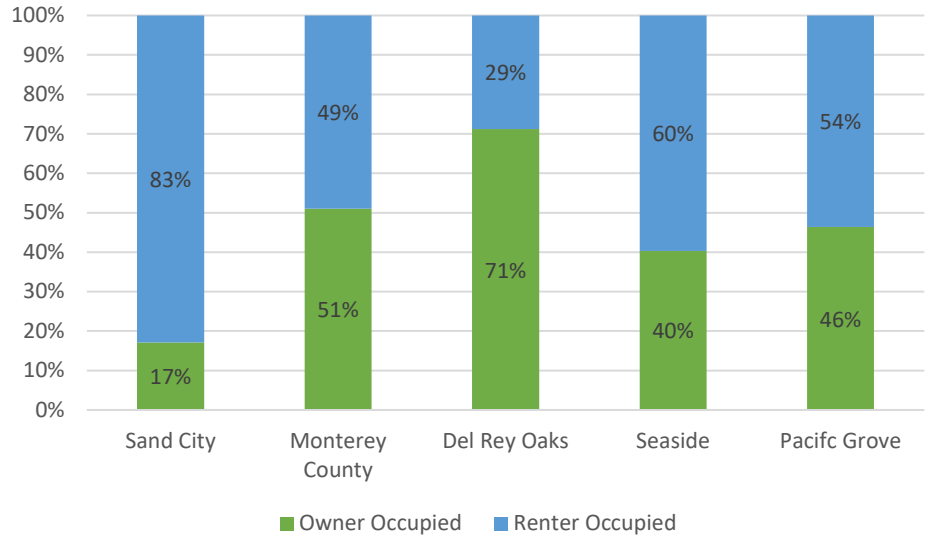
Figure A-17 Income by Category, Sand City, 2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2019

Figure A-18 illustrates housing by tenure in Sand City, the County, and nearby cities. Eight-three (83) percent of the households in Sand City are renters. This reflects an approximate 34 percent higher renter population than the County (49 percent) and 54 percent higher than Del Rey Oaks (29 percent). This may be an indicator that the housing market is too high for the majority of local households to purchase units.

Figure A-18 Housing Tenure by Jurisdiction, 2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019

The California Housing and Community Development releases State Income Limits annually to inform housing affordability for households according to size. Table A-11 shows the maximum annual income level for each income group according to household size in Monterey County. The maximum annual income is then used to calculate the maximum affordable housing payments for households according to income level and eligibility for federal housing assistance.

Table A-11 Maximum Household Income by Household Size, Sand City, 2019

Income Category	Household Size							
	1	2	3	4	5	6	7	8
Extremely Low-Income	$23,900	$27,300	$30,700	$34,100	$36,850	$39,600	$42,300	$46,630
Very Low-Income	$39,800	$45,500	$51,200	$56,800	$61,400	$65,950	$70,500	$75,050
Low-Income	$63,700	$72,800	$81,900	$91,000	$98,300	$105,600	$112,850	$120,150
Median Income	$63,050	$72,100	$81,100	$90,100	$97,300	$104,500	$111,700	$118,950
Moderate-Income	$75,650	$86,500	$97,300	$108,100	$116,750	$125,400	$134,050	$142,700

SOURCE: California Department of Housing and Community Development, State Income Limits, 2022

The household income characteristics in Sand City reveal a demand for the development of more affordable housing options that appeal to lower-income households. Sand City is comprised of primarily lower-income households (48 percent), most of which identify as single-person households (48 percent).

Local Knowledge

As previously mentioned, Sand City's compact size sets it apart. The southern portion of the city, located south of Tioga Avenue, predominantly houses residential uses. This results in a mixed-income residential landscape, with a significant 83 percent of households being renter-occupied.

The city features approximately six areas designated for R-1 single-family dwelling units and R-2 one/two family dwelling units. These zones are very small and situated adjacent to mixed-use (MU-P) and commercial zones, meaning even single-family neighborhoods are closely situated to multi-family developments. This proximity is largely due to the city's limited residential space.

Sand City has a poverty rate of approximately 11 percent, and according to local knowledge, there is not a specific area within the city that exhibits concentrated poverty. The city doesn't have any federally or state-assisted residential units. However, at the local level, The Independent at 600 Ortiz Avenue offers 11 deed-restricted affordable rental units. This mixed-use multi-family development is zoned MU-P and is situated adjacent to an R-2 zoning district.

Given this context, any concentrations of higher-income households likely reside in the few single-family zones scattered throughout the city. Sand City's future residential development vision

emphasizes expanding mixed-use developments to maintain an affordable, pedestrian-friendly, and sustainable community. This vision aligns with the city's goals of preserving environmentally sensitive habitats north of Tioga Avenue and along its coastal area west of Highway 1. Notably, a significant portion of the city's land falls within the coastal zone, rendering it largely undevelopable, a condition that aligns with environmental preservation objectives.

A.3 Disproportionate Housing Needs

Housing Problems and Severe Housing Problems

The following section details housing problems and severe housing problems in Sand City according to the Census Bureau Comprehensive Housing Affordability Strategy (CHAS).

Disproportionate Housing Needs

"Disproportionate housing needs generally refers to a condition in which there are significant disparities in the proportion of members of a protected class experiencing a category of housing need when compared to the proportion of members of any other relevant groups, or the total population experiencing that category of housing need in the applicable geographic area. For purposes of this definition, categories of housing need are based on such factors as cost burden and severe cost burden, overcrowding, homelessness, and substandard housing conditions."

SOURCE: California Department of Housing and Community Development Guidance, 2021, page 39.

The CHAS data set provides in-depth analysis on housing needs by income level according to types of households. According to CHAS, housing problems are defined as having one or more of the following variables:

- Incomplete kitchen facilities;
- Incomplete plumbing facilities;
- More than one person per room; and
- Cost burden greater than 30 percent.

Severe housing problems are defined as having one or more of the following variables:

- Incomplete kitchen facilities;
- Incomplete plumbing facilities;
- More than 1.5 persons per room; and
- Cost burden greater than 50 percent.

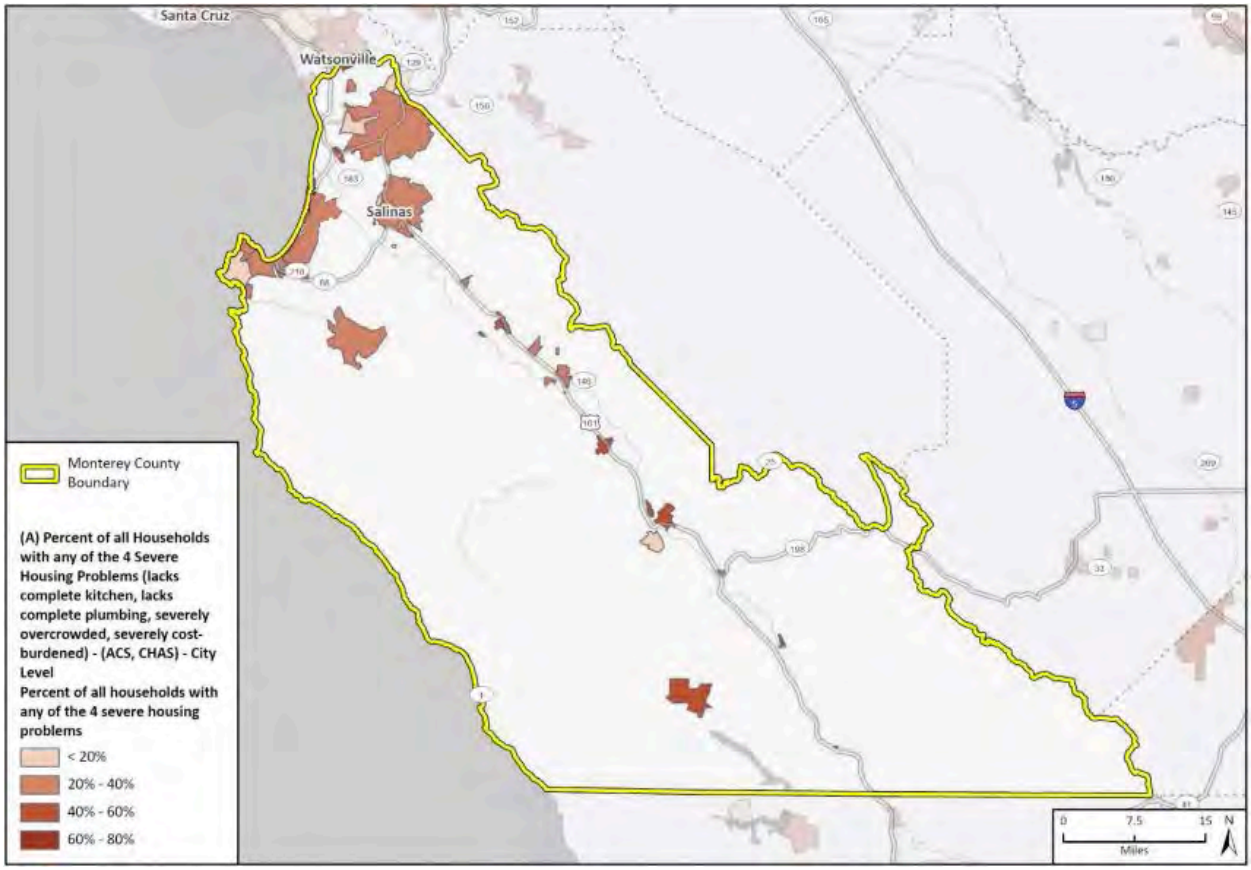
Additionally, CHAS defines cost burden as the ratio of housing costs to household income. The following defines cost burden by renter and owner:

- Renter Cost Burden: gross rent (contract rent plus utilities); and
- Owner Cost Burden: select monthly owner costs including mortgage payment, utilities, association fees, insurance, and real estate taxes.

Regional Trends

According to 2016-2020 ACS estimates, Monterey County has approximately 1,002 substandard housing units which comprise less than 1 percent of the total occupied units in the county. A housing unit is considered substandard if it lacks complete plumbing or kitchen facilities. Of the 1,002 substandard units, approximately 41 percent lack complete plumbing facilities and 59 percent lack complete kitchen facilities. As displayed in Figure A-19, areas that experienced the greatest concentration of housing problems are typically in the urban areas. Specifically, the greatest proportions (greater than 40 percent of total households) were in the southeastern portion of the county including the cities of Gonzales (43 percent), Greenfield (43 percent), and King City (47 percent). In contrast, cities in the northwestern areas of the county had less than 40 percent of households with one of the four housing problems.

Figure A-19 Percent of Households with any of the Four Severe Housing Problems, Monterey County

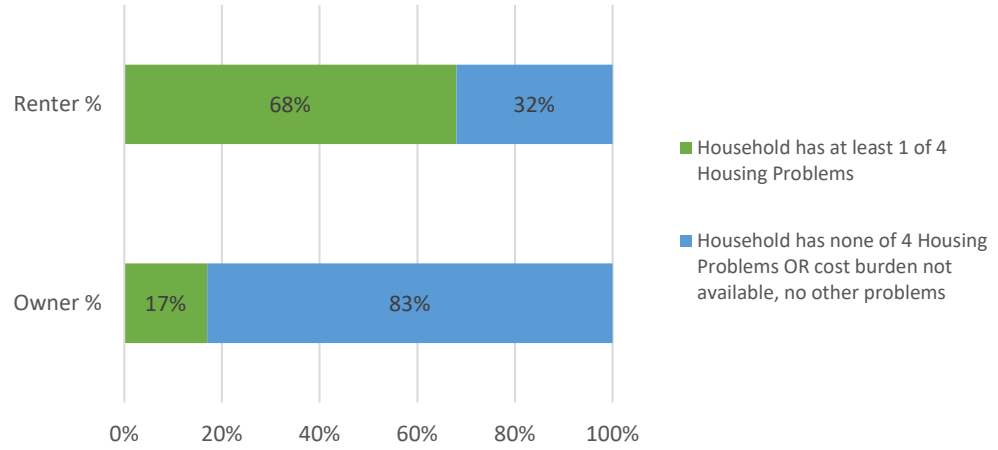


SOURCE: California Department of Housing and Community Development AFFH Data Viewer

Local Trends

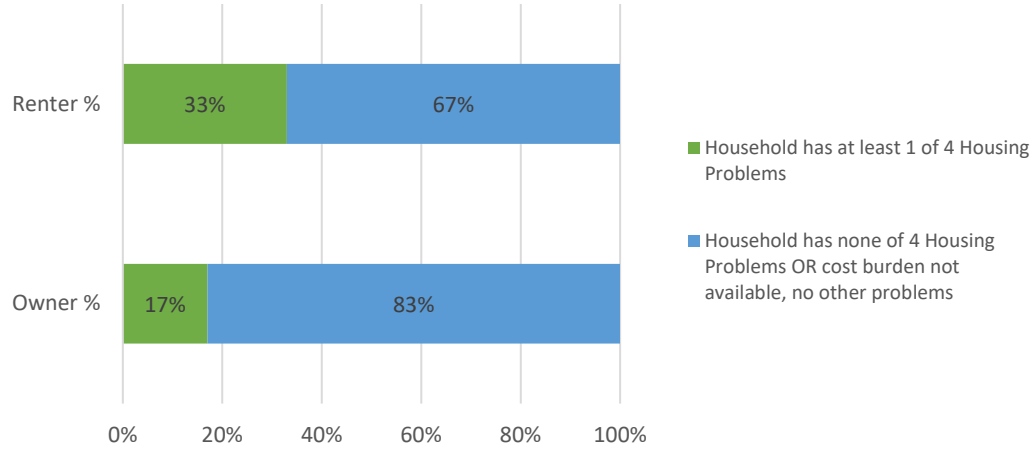
Figure A-20 and Figure A-21 illustrate housing problems by tenure and severe housing problems by tenure in Sand City during 2019. Approximately 68 percent of renter households have at least one of four housing problems and 33 percent have at least one of four severe housing problems. In contrast, 17 percent of owner households experience at least one housing problem and severe housing problem.

Figure A-20 Housing Problems by Tenure, Sand City, 2015-2019



SOURCE: U.S. Census Bureau, CHAS Data, 2015-2019
NOTE: The four housing problems are: incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room, and cost burden greater than 30%.

Figure A-21 Severe Housing Problems by Tenure, Sand City, 2015-2019



SOURCE: U.S. Census Bureau, CHAS Data, 2015-2019
NOTE: The four housing problems are: incomplete kitchen facilities, incomplete plumbing facilities, more than 1.5 person per room, and cost burden greater than 50%.

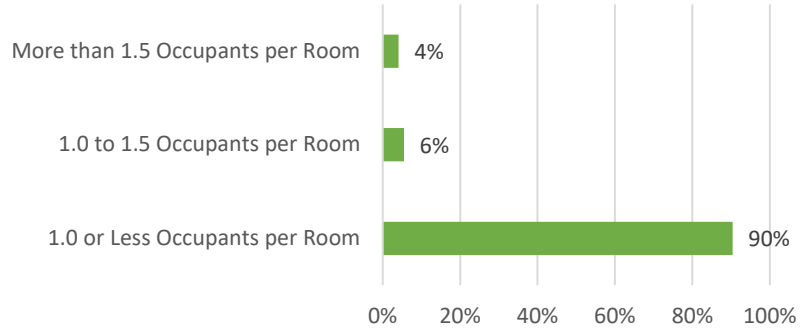
Overcrowding

Understanding the prevalence of overcrowded households within a community helps determine the need for affordable and adequately sized housing units for the community. Overcrowding is defined as a household with more than one occupant per room excluding bathrooms and kitchens. Units with more than 1.5 persons per room are considered severely overcrowded. Overcrowding may occur due to a lack of available affordable and/or adequately sized housing units. Cultural norms and customs combined with low-income or lack of adequately size housing units can result in

overcrowding too. For example, in Asian culture, households are often comprised of multi-generations. If this custom is also compounded by low-income or lack of adequately sized housing units overcrowding may occur.

Figure A-22 illustrates overcrowding by severity in Sand City during 2019. Ninety percent of households (132 households) in Sand City do not experience overcrowding. Six percent of households (eight households) in Sand City are overcrowded and 4 percent (six households) are severely overcrowded.

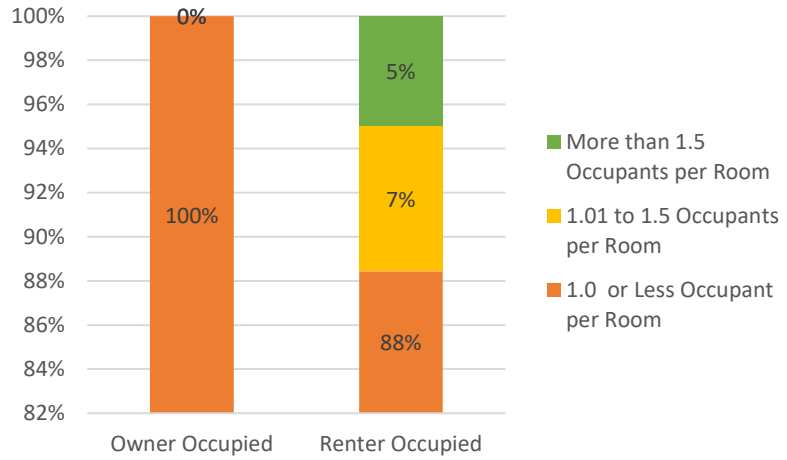
Figure A-22 Overcrowding by Severity, Sand City, 2019



SOURCE: U.S. Census Bureau, 2019

In Sand City, zero owner-occupied households experience overcrowding, whereas 12 percent (14 households) of renter-occupied households experience some form of overcrowding (Figure A-23). Of the 12 percent of overcrowded renter households, 5 percent (six households) is considered severe (more than 1.5 occupants per room) and 7 percent (eight households) is considered moderate (1.01 to 1.5 occupants per room). This is indicative of a lack of affordable housing options that accommodate the needs of Sand City renter households.

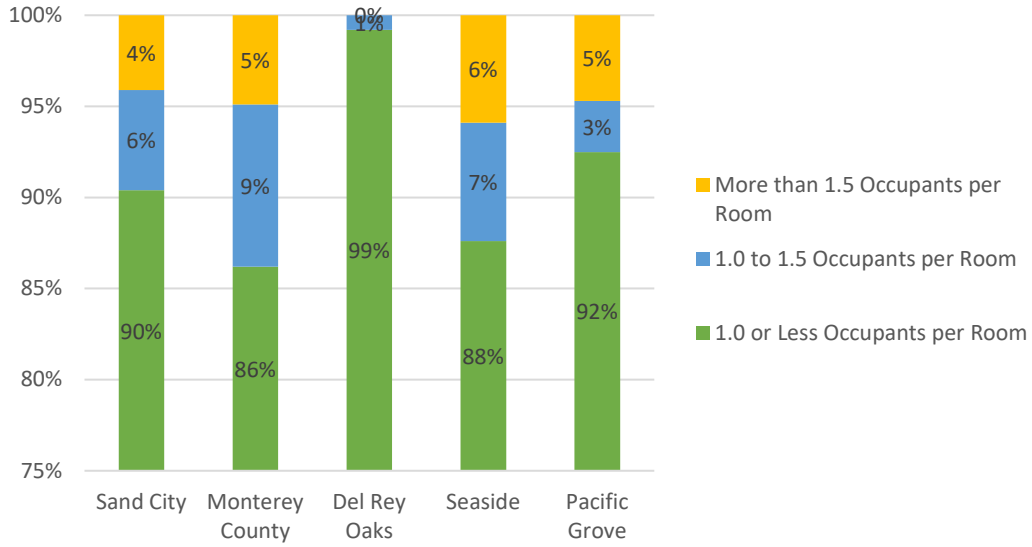
Figure A-23 Overcrowding by Tenure and Severity, Sand City, 2019



SOURCE: U.S. Census Bureau, 2019

Figure A-24 illustrates overcrowding by severity in Sand City, the County, and nearby cities in 2019. The City of Del Rey Oaks households experience the least amount of overcrowding (0.8 percent) and no severe overcrowding, compared to Sand City households that experience 6 percent overcrowding and 4 percent severe overcrowding. Monterey County has a higher overall percentage of households that experience overcrowding (9 percent) and severe overcrowding (5 percent) compared to Sand City.

Figure A-24 Overcrowding by Severity by Jurisdiction, 2019

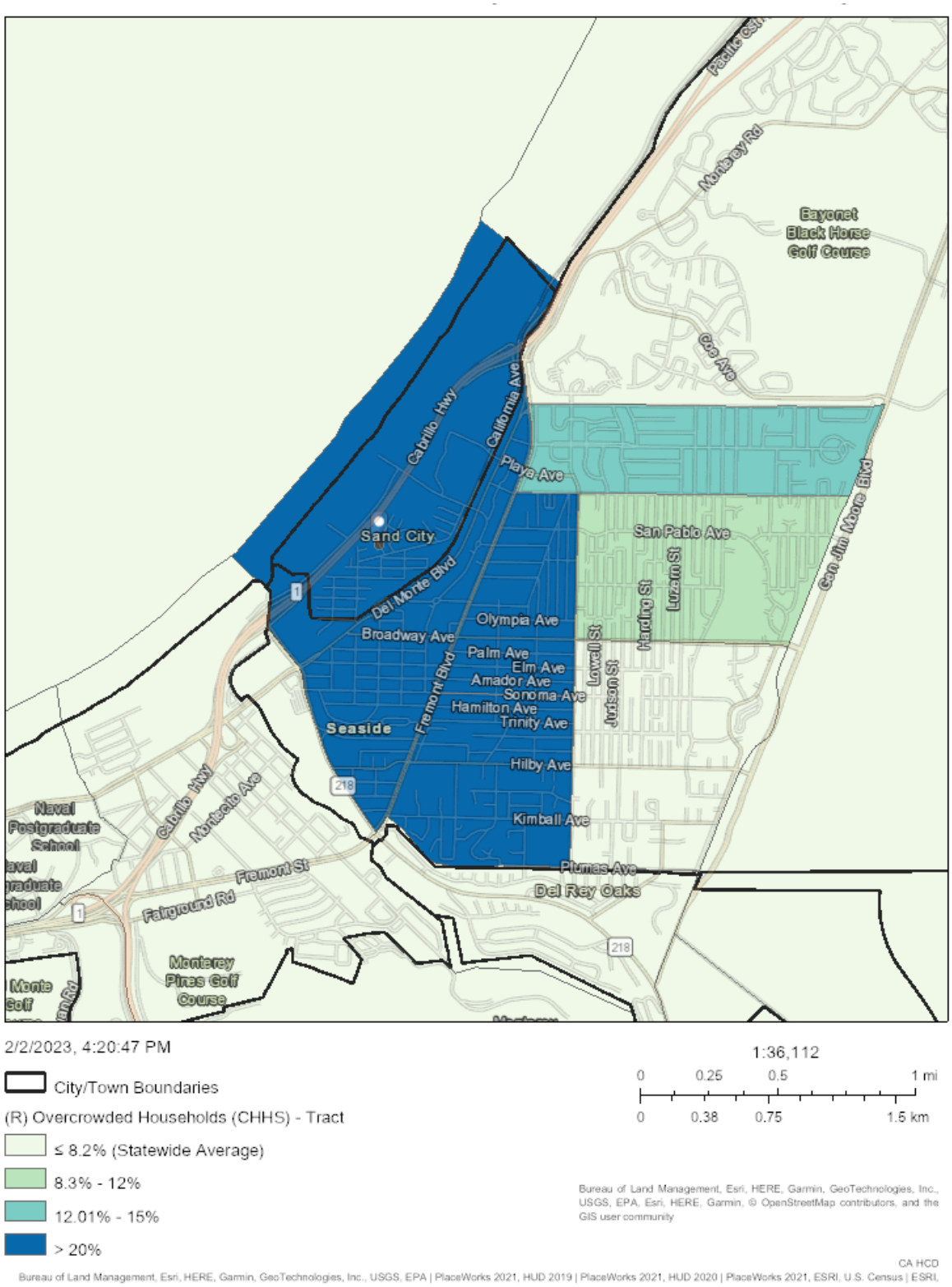


SOURCE: U.S. Census Bureau, 2019

According to the HCD AFFH Data Viewer, Sand City's households experience no variation in overcrowding based on location, with more than 20 percent of households experiencing overcrowding (Figure A-25). In contrast, U.S. Census ACS 5-Year 2019 Estimates report 10 percent of households in Sand City experience some type of overcrowding. This discrepancy is likely due to Sand City's extremely small size and analyzing data at different scales and time periods.

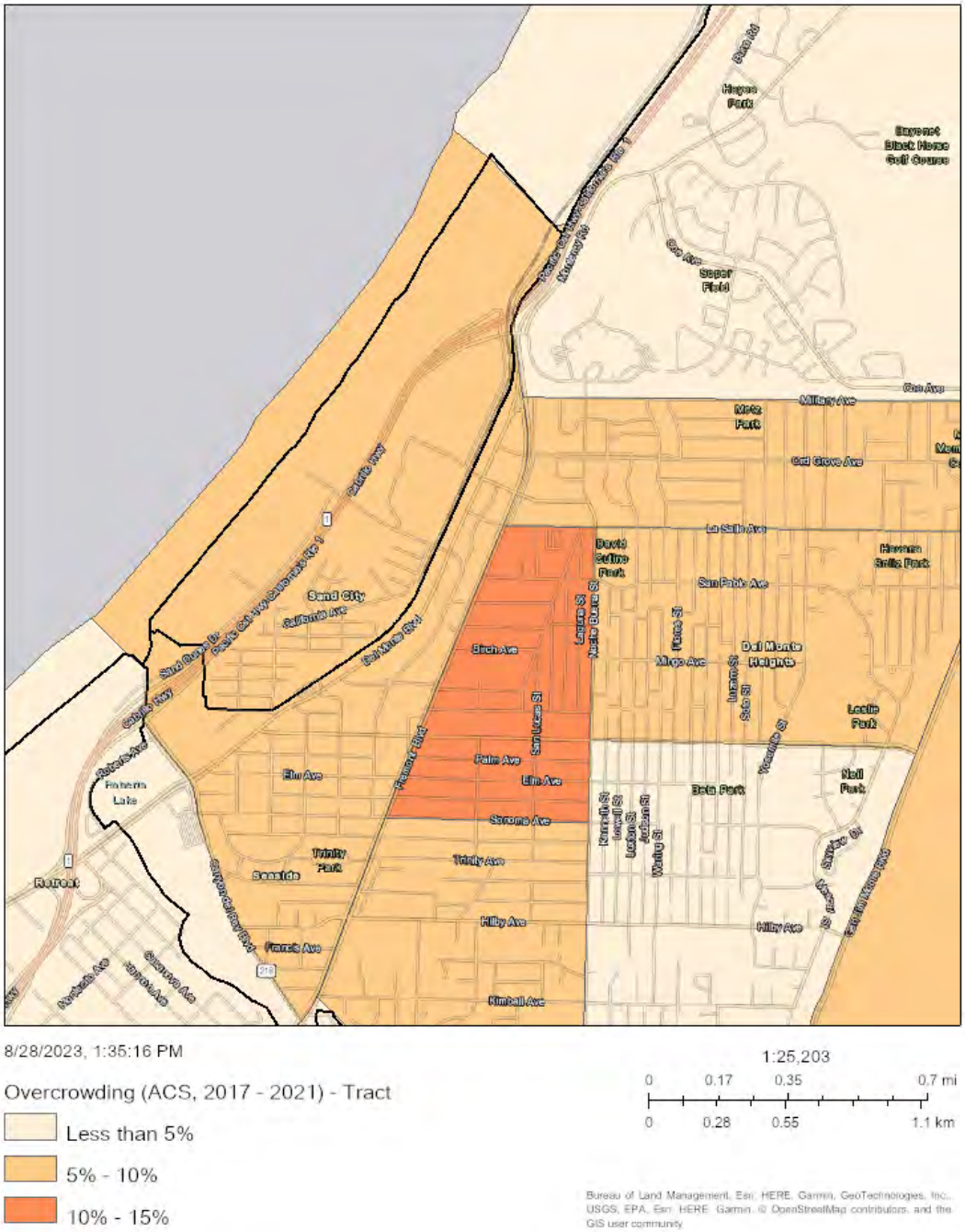
As of 2021, the HCD AFFH Data Viewer reported that rates of overcrowding in Sand City decreased ranging between 5 to 10 percent (Figure A-26). This is reflective of U.S. Census ACS 5-Year 2021 Estimates. Regionally, the majority of jurisdictions have less than 5 percent of overcrowded households. Regions located to the north and east of Sand city have higher rates of overcrowding than those located south and along the coastline. Similar to Sand City, the cities of Seaside and Marina have overcrowding rates ranging between 5 to 15 percent.

Figure A-25 Overcrowded Households, Sand City, 2019



SOURCE: California Department of Housing and Community Development AFFH Data Viewer

Figure A-26 Overcrowded Households, Sand City, 2021



SOURCE: California Department of Housing and Community Development AFFH Data View

Local Knowledge

According to local knowledge, there are no areas of concentrated overcrowding in Sand City. As previously mentioned, the city's housing landscape is primarily characterized by multi-family housing, making up 83 percent of housing units. Interestingly, five or more-bedroom units are the most prevalent housing type, with approximately 39 percent of all households in the city residing in such accommodations.

Code enforcement reports have not identified any complaints or instances of suspected overcrowding in Sand City.

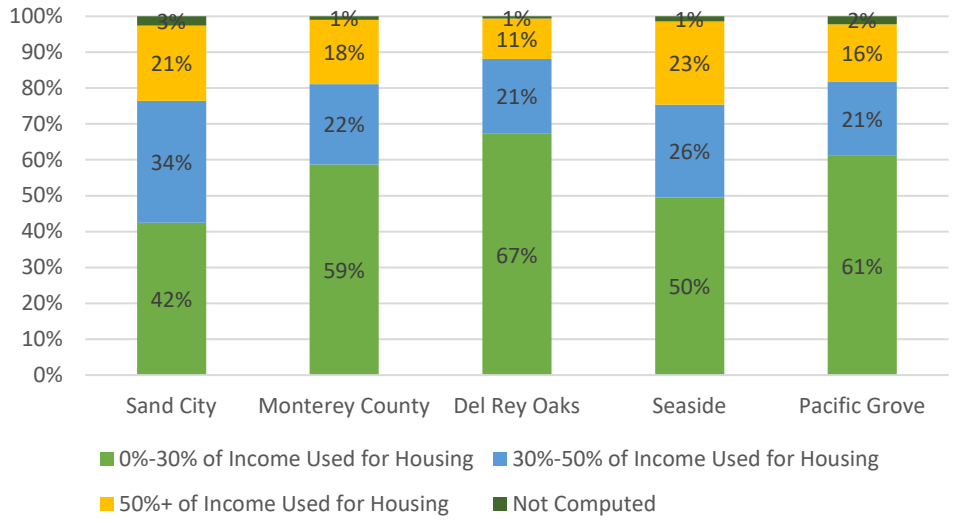
Cost Burden

According to HCD, overpayment or cost burden is measured as households spending more than 30 percent of their gross income including utilities for housing; severe overpayment or severe cost burden is measured as households spending 50 percent or more of their gross income for housing. For the duration of this report, overpayment will be referred to as cost burden.

The cost burden rates of owners and renters in a community provide insight to housing needs such as, the affordability of the local housing market and the availability of housing units that accommodate household needs like size and housing type. Additionally, federal and state agencies examine cost burden to determine a community's need for housing assistance.

Figure A-27 illustrates cost burden severity in Sand City, the County, and nearby cities. Compared to the County and nearby cities, Sand City households have higher rates of cost burden. In Sand City, 34 percent of households (52 households) are cost burdened and 21 percent (32 households) are severely cost burdened. The City of Seaside has a slightly higher rate of severely cost burdened households (23 percent) compared to Sand City (21 percent). Overall, the City of Del Rey Oaks has the lowest percent of households experiencing any type of cost burden.

Figure A-27 Cost Burden Severity by Jurisdiction, 2015-2019

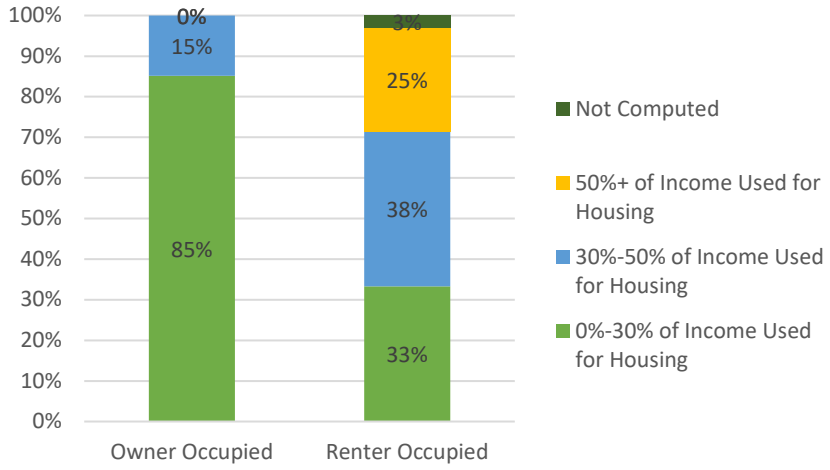


SOURCE: U.S. Census Bureau, CHAS Data, 2015-2019

According to 2019 ACS 5-year estimates, approximately 50 percent (20 households) of extremely low-income households experience cost burden; 33 percent (four households) of very low-income households experience cost burden; 12 percent (four households) of low-income households experience cost burden; and 17 percent (four households) of above moderate-income households experience cost burden. No moderate-income households experience cost burden.

Figure A-28 illustrates cost burden by tenure in Sand City. Renter households experience substantially higher rates of cost burden (38 percent or 48 households) and severe cost burden (25 percent or 32 households) than owner households. Fifteen percent of owner households experience cost burden (four households) and none experience severe cost burden. Figure A-18 reports that 83 percent of households in Sand City are renters – this in tandem with 63 percent of renter households experiencing some type of cost burden reflects a demand for more affordable housing units. Moreover, this indicates that Sand City has high barriers to access the housing market for the majority of its households (48 percent single-person households).

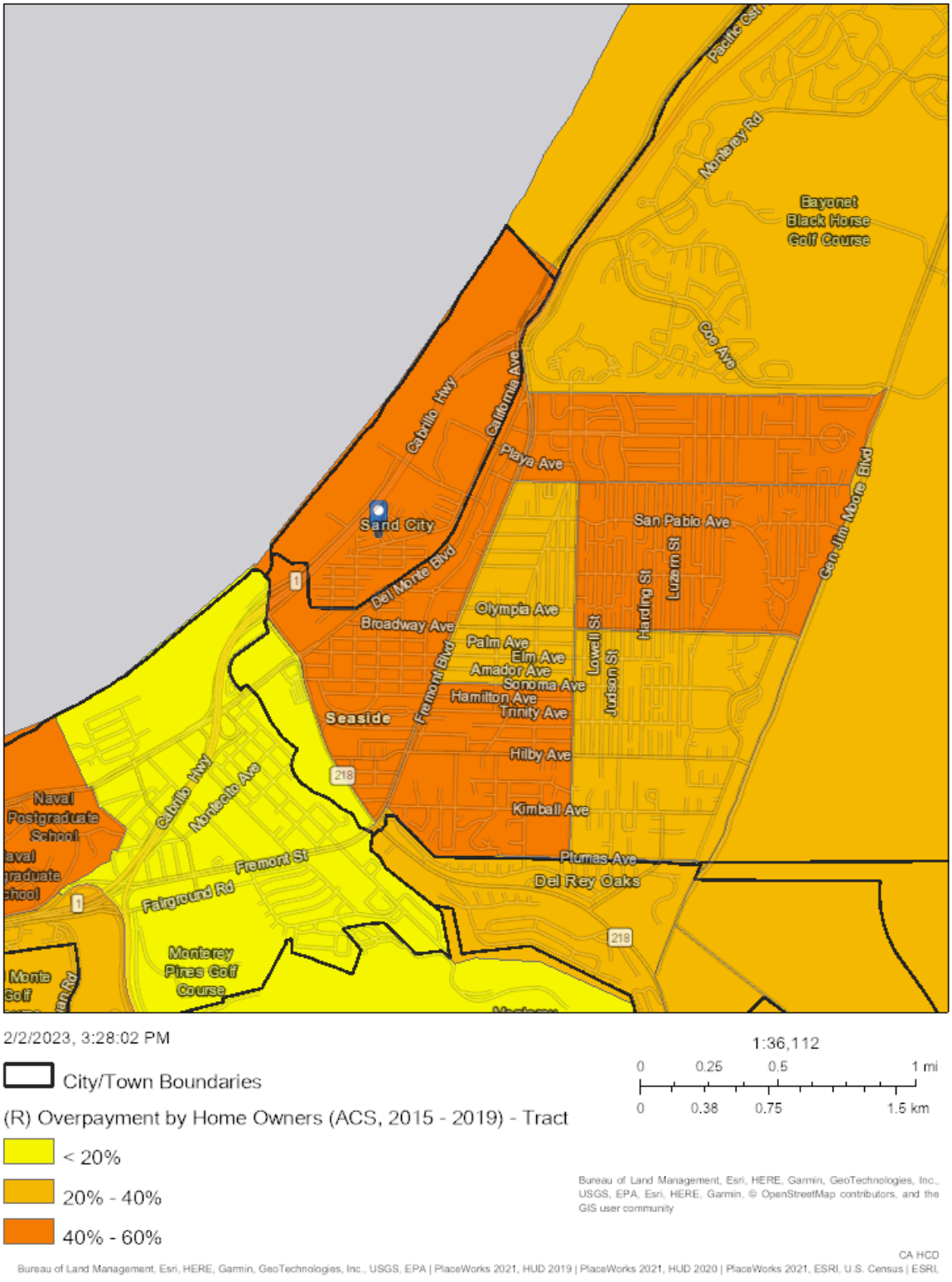
Figure A-28 Cost Burden by Tenure, Sand City, 2015-2019



SOURCE: U.S. Census Bureau, CHAS Data, 2015-2019

According to the HCD AFFH Data Viewer, Sand City's households experience no variation in cost burden based on location, with 40-60 percent of owner-occupied households experiencing cost burden (Figure A-29). Neighboring Seaside also has concentrations of 40-60 percent homeowners experiencing cost burden. Across Monterey County, there are areas with concentrations between 20-60 percent of owner households experiencing cost burden.

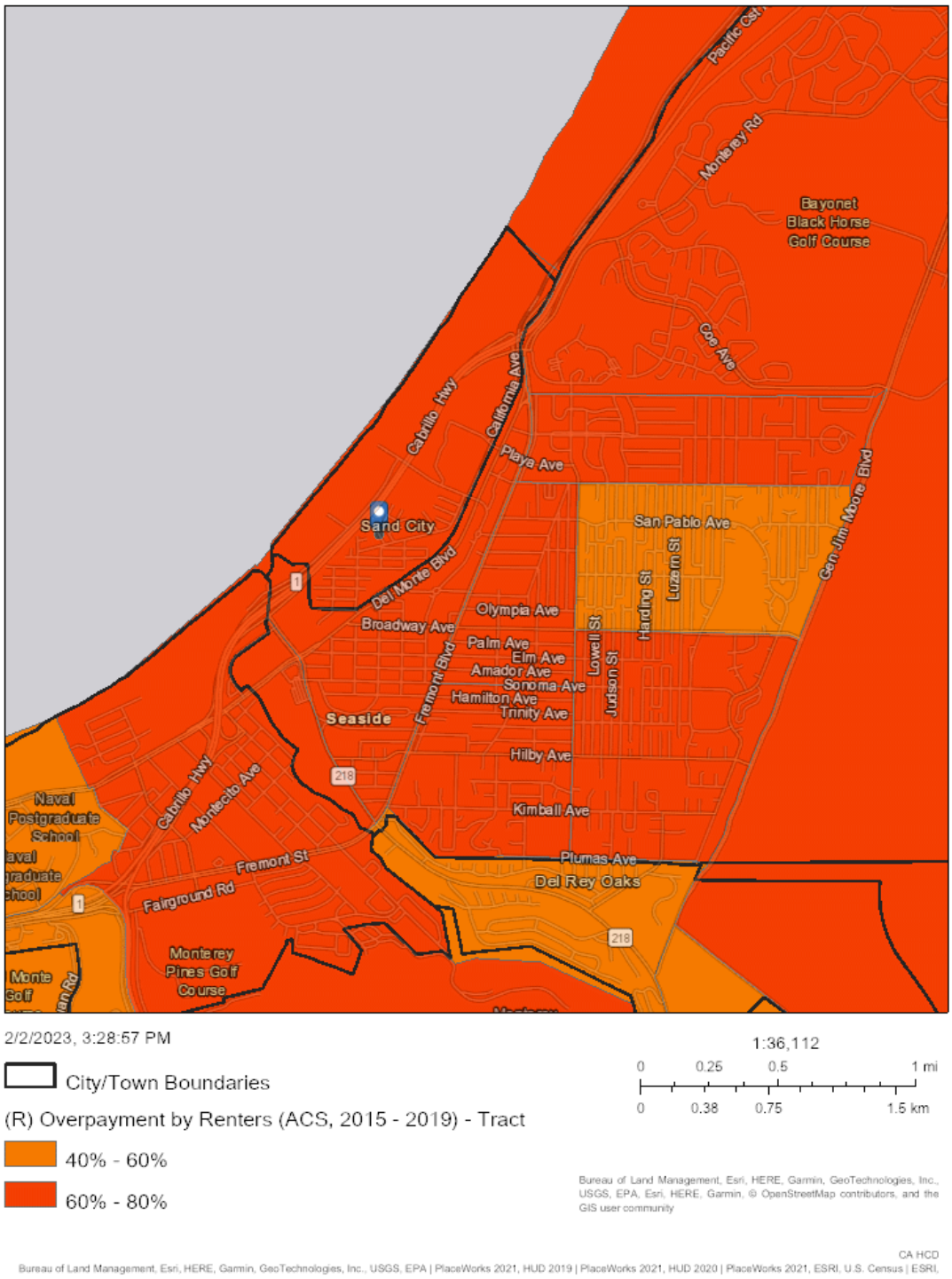
Figure A-29 Cost Burden by Home Owners, Sand City, 2015-2019



SOURCE: California Department of Housing and Community Development AFFH Data Viewer

Figure A-30 highlights cost burden for renter households within Sand City and other areas in Monterey County. Renter-occupied households are significantly more affected by cost burden than owner-occupied households ranging from 60-80 percent. The map below shows no variations in cost burden based on location.

Figure A-30 Cost Burden by Renter Households, Sand City, 2015-2019



SOURCE: California Department of Housing and Community Development AFFH Data Viewer

A.4 Special Needs Groups

Special needs groups are those that may face particular challenges in obtaining adequate housing due to inherent circumstances such as age, disabilities, household size, income level, age, and occupation. Large families, single parent households, female-headed households, or extremely low- and low-income households, and homeless persons may be classified as Special Needs groups. Special Needs groups are identified due to the unique nature of household characteristics and potential housing challenges faced. Table A-12 provides a summary of special needs groups in Sand City.

Table A-12 Overview of Special Needs Groups

Special Needs Groups	Count	Percent of Total Households	Percent of Total Population
Total population	310	--	100%
Total occupied units (households)	145	100%	--
Extremely Low-income (0-30% of HAMFI) households	20 households	14%	--
Total Senior Population	33 persons	--	11%
Senior Owner-Households	6 households	4%	--
Senior Renter-Households	10 households	7%	--
Persons with Disabilities	48 persons	--	15%
Persons with Developmental Disabilities[1]	171 persons	--	--
Large Households	8 households	6%	--
Single-Parent Households	16 households	11%	--
Single-Parent, Female Headed Households with Children (under 18) Below Poverty Line	2 households	1%	--
People Living in Poverty	51 persons	--	17%
Farmworkers[2]	26,929 persons	--	--
Migrant Farmworkers	4,972 persons	--	--
Seasonal Farmworkers	12,123 persons	--	--
Permanent Farmworkers	14,806 persons	--	--
Persons Experiencing Homelessness[3]	3 persons	--	--

SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019; U.S. Census Bureau CHAS 2015-2019 Data; USDA Statistics Services; California Department of Developmental Services, Consumer Count by California ZIP Code and Residence Type (2021).

NOTE: 1. Data provided by California Department of Developmental Services and taken at the ZIP code level. Reported figures are representative of Sand City and Seaside due to a shared ZIP code.

2. Agriculture, forestry, fishing and hunting and mining industry. Farmworker data is taken of the population 16 years and older. Data provided by USDA Statistics Services and taken at the County level for 2017; includes seasonal and permanent farmworkers.

3. Total results from 2022 Monterey Homeless Count and Survey Comprehensive Report.

Effectiveness of 5th Cycle Policies and Programs for Special Needs Groups

During the update of the 5th Cycle Housing Element, the City of Sand City committed to enact various programs that were designed to increase access to affordable housing options for all special needs groups, including: ELI residents and households, seniors, persons with disabilities, large households, female-headed households, farmworkers, and persons experiencing homelessness. Many of these policies and programs were supportive in nature, with the intent to support the County or other service providers and community organizations in their efforts to address the needs of the protected groups. As such, the effectiveness most of the 5th Cycle policies and programs is subjective, and difficult to be measured. The following 5th Cycle programs were aimed at supporting the development of housing for special needs groups and conducting outreach and publicizing available resources. Below is a summary of outcomes for each program related to special needs groups. Appendix D provides a detailed list of all of the policies and programs that the City committed to during the 5th Cycle.

Program 4.4.1.A Support the County of Monterey's Homeless Continuum of Care Plan. The City's Public Facilities (PF) Zone was updated to address building and/or providing housing for homeless persons. The program, now Program 3.A, will be revised to complete additional amendments to the Zoning Code and including information on the City's housing webpage with links to County programs and resources.

Program 4.4.1.B Homeless: Support for Day Facility. The Salvation Army Day Center continues to operate under a conditional use permit and owns the property. This facility provides support for between 70-100 homeless and at-risk families daily. Presently, the City does not conduct an annual review on conditional use permits unless a complaint is reported (i.e., conditional use permit does not allow overnight sleeping, but does allow the provision of office support, laundry facilities, mailing services, vaccinations, etc.) The property owner has indicated a desire to build transitional housing to supplement the day center facility. The City will initiate a zoning code amendment to allow additional related activities to support skills development and basic needs as well as allowing transitional housing (now Program 3.B).

Program 4.4.1C Elderly and Disabled: Support and Marketing of Countywide Programs. The city will continue to support County programs that direct housing assistance to senior and disabled residents. In order to increase outreach the City will engage in a wider variety of outreach efforts (now Program 3.C). Additionally, the City will prioritize pro-housing developments that include units for seniors and disabled residents.

Program 4.4.1D Remove Constraints to Housing Development and Encourage Accessible Housing for Persons with Disabilities. The number of accessible housing units constructed was limited. In order to facilitate the construction of accessible units, the City is working to incorporate an Objective Design Standards program in tandem with a Universal Design amendment to the City's

Building Code (now Program 1.L). The city continues to have the lowest fees on the Monterey Peninsula, minimizes public hearing continuance, and implemented a Sustainable Transportation Plan that addresses ADA accessibility within the City.

Program 4.4.1E Identify Methods to Support Homeless Services and Shelters. The City amended the Public Facilities (non-coastal only) Zoning District to allow for a homeless shelter as a permitted use. Since 1989, the City has been a member of a Service Agreement with Community Human Services (CHS). CHS provides mental health, substance abuse and homeless services to Monterey County residents. Additionally, the City donates funds annually to the Salvation Army Day Center. The City includes a line item for donations in the Annual Budget. The City has developed a new set of actions to support extremely low-income households (now Program 3.F).

Program 4.4.1F Ensure the Availability of Appropriate Sites for Emergency Shelters per Senate Bill 2. The City amended the Public Facilities (non-coastal only) Zoning District to allow for a homeless shelter as a permitted use. The existing Salvation Army Day Center includes case workers that among other services including providing rent relief funds and funds for utilities and transportation, also refers clients to their emergency shelter and transitional housing facility in the adjacent City of Seaside. The City will continue to support this facility (now Program 3.D). In the event of an emergency the Day Center has functioned as an emergency shelter during times of urgent need.

Program 4.4.1.G Amend the City's Zoning Ordinance to Comply with Statutory Requirements for Transitional and Supportive Housing. The City incorporated transitional supportive housing in 2016, which is considered a permitted use for mixed-use and residential zones. Ordinance 16-05. Program 1.S includes additional actions to comply with current state law.

Program 4.4.1.H Amend the City's Zoning Ordinance to Comply with Statutory Requirements for Single-Room Occupancy Residences. The City adopted Single-Room Occupancies as a conditional use in 2016.

Program 4.4.1.I Develop a Reasonable Accommodation Process for Persons with Disabilities. The City has a formalized process for accommodation of persons with disabilities per S.18.78.060. In an effort to better reach residents that may not be aware of the process, the City will enhance outreach efforts by and affirmatively marketing to people with disabilities. Program 3.L includes additional actions to comply with current state law.

Program 4.4.1.J Amend the City's Zoning Ordinance to Accommodate for the City's Homeless Shelter and Supportive Housing Needs. The City amended the Zoning Ordinance to remove 2-bed limit in the Public Facilities Zoning District, added the definition of supportive housing and enabled the use to be by-right (Ordinance 16-05).

Program 4.4.1.K Amend the City's Zoning Ordinance to Increase the City's Density Bonus/Incentive. The City amended the Zoning Ordinance in 2016 to comply with AB 1866 and AB 2222. Ordinance 16-05. The City will amend the ordinances to reflect current state law (now Program 1.B).

In an effort to affirmatively further fair housing and provide measurable impact for special needs groups during the 6th Cycle Housing Element and beyond, the City of Sand City has committed to using programmatic action as a means to facilitate affordable housing construction, increase housing mobility and choice, and connect the community to much needed housing and social service resources. The policies and programs that fall under Goals H3 and H5 in Chapter 2 of the Housing Element are specifically designed to meet the needs of households that fall into any of the "special needs" categories. Through programmatic actions such as zoning code amendments, community engagement and outreach, fee reductions, downpayment assistance, and other initiatives, the City aims to fill in the gaps that were present after the 5th Cycle Housing Element update, and continuously monitor the effectiveness of 6th Cycle policies and programs through quantified objectives, mid-cycle reviews, and discrete timelines.

The following sections provide a deeper analysis of each of the special needs groups, as relevant to Sand City and the region; in addition to a list of programs that propose to address the needs of individuals and households in the "special needs" categories. For a comprehensive list of all policies and programs, refer to Chapter 2 of the Housing Element.

Extremely Low-Income Households and Poverty Status

Extremely low-income (ELI) households are those that earn less than 30 percent of the median family income (MFI). Very low-income households are those that earn 50 percent of less of the MFI. Extremely low-income households typically face a combination of housing challenges related to income status, family size/type, disability status, access to housing opportunities and other household characteristics. Additionally, ELI households are more likely to experience overcrowding, cost burden, and substandard housing conditions. Extremely low-income households are typically minimum-wage workers, disabled persons, farmworkers, artists, and seniors on fixed incomes.

The 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) data indicates there were approximately 20 ELI households (14 percent of total households) in Sand City (Table A-13). Of the extremely low-income households in Sand City, 100 percent are renter-occupied households, or 14 percent of all households.

When analyzing cost burden by ELI households, approximately 20 ELI households experience severe cost burden (paying more than 50 percent of median gross income on housing) and 20 experience moderate cost burden (paying more than 30 percent of median gross income on housing). All ELI households experiencing cost burden are renter-occupied households.

Table A-13 Extremely Low-Income Households, Sand City, 2015-2019

Households	Number	Percentage of Total Households
Total occupied units (households)	145	100%
Total Lower-income (0-80% of HAMFI) households	69	48%
Extremely Low-income (0-30% of HAMFI) households	20	14%
Extremely Low-income renters	20	14%
Extremely Low-income owners	0	0%
Lower-income households paying more than 50%	28	19%
Extremely Low-income paying more than 50%	20	14%
ELI Renter HH severely cost burdened	20	14%
ELI Owner HH severely cost burdened	0	0%
Lower-income households paying more than 30%	57	39%
Extremely Low-income paying more than 30%	20	14%
ELI Renter HH moderately cost burdened	20	14%
ELI Owner HH moderately cost burdened	0	0%
Lower-income households experiencing 1 of 4 Housing Problems	60	41%
ELI Renter HH experiencing 1 of 4 Housing Problems	20	14%
ELI Owner HH experiencing 1 of 4 Housing Problems	0	0%

SOURCE: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) 2015-2019.
NOTE: MFI = HUD Median Family Income, this is the median family income calculated by HUD for each jurisdiction, to determine Fair Market Rents (FMRs) and income limits for HUD programs. MFI will not necessary be the same as other calculations of median incomes (such as Census number), due to a series of adjustments that are made.
The four housing problems are: incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room, and cost burden greater than 30%.
***Cost burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost is "select monthly owner costs", which includes mortgage payment, utilities, association fees, insurance, and real estate taxes.

Data for overcrowding by income level is not available for Sand City. However, because renter-occupied households exclusively experience overcrowding (12 percent; Figure A-23) in addition to exclusively representing ELI households, it is a likely assumption that ELI households may experience overcrowding.

The projected RHNA for ELI households was based on the assumption that 50 percent of very low-income households qualify as ELI households. The very low-income housing need is 59 housing units, of which the City estimates 29 housing units will accommodate the ELI housing need.

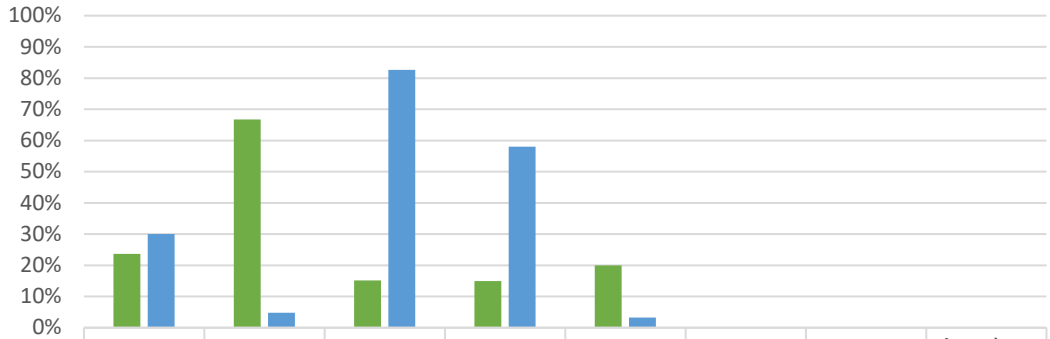
In 2019, approximately 51 persons were identified as living below the poverty line.[12] Figure A-31 illustrates the percent of the population in Sand City living below the poverty line in 2019 by race and ethnicity. Despite being one of the smallest populations in the City, the Other Race or Multiple

[12] U.S. Census Bureau ACS 5-Year Estimate 2019, Table S1701

Races population is estimated to have the highest rate of poverty (67 percent). In contrast, the White population represents 83 percent of the total population and only 15 percent is living below the poverty line. The Hispanic or Latinx population experiences the second highest rate of poverty with 24 percent living below the poverty line.

The Salvation Army operates a Day Center at 800 Scott Street in Sand City which serves the greater Monterey Peninsula region ELI and homeless clients. The center serves 70-100 families per day and all the programs are directed primarily towards families and the goal is to keep families housed. The Center provides showers, laundry, caseworker services, food distribution, a small library, meeting space for service providers, and large indoor space to sit and eat and access services. At least once per month Valley Health Associates visits the center with a mobile truck to offer medical and mental health services. The facility caseworkers work with families and place families in the Salvation Army's transitional housing facility in nearby Seaside which has 15 units with three staff. The objective at the transitional housing facility is to place families in permanent housing within a two-year timeframe. Interest has been expressed by the Salvation Army in developing transitional housing units at the Sand City property as well to augment the day center facility services. The 800 Scott St. site is included in the Site Inventory.[13]

Figure A-31 Percent Living Below the Poverty Line by Race and Ethnicity, Sand City, 2019



	Hispanic or Latinx	Other Race or Multiple Races (Hispanic and Non-Hispanic)	White (Hispanic and Non-Hispanic)	White, Non-Hispanic	Asian alone	Native Hawaiian and Other Pacific Islander	Black or African American (Hispanic and Non-Hispanic)	American Indian or Alaska Native (Hispanic and Non-Hispanic)
Below Poverty Line	23.7%	66.7%	15.2%	15.0%	20.0%	0.0%	0.0%	0.0%
Race/Ethnicity*	30%	5%	83%	58%	3%	0%	0%	0%

SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019
NOTE: Race/Ethnicity represents percentage of the total population.

[13] Meeting with Major John Bennett June 27, 2023 and June 16, 2023 letter.

Resources

To address the needs of ELI households, the City will adopt housing programs to facilitate the construction of affordable and supportive housing for extremely low-income households. Programs that will directly impact ELI households include:

Program 3.A: Support the County of Monterey's Homeless Continuum of Care plan;

Program 3.B: Homeless and Extremely Low Income: Continue to support the provision of services at the day center facility and transitional housing.

Program 3.C: Seniors and disabled: Support and marketing of countywide programs; and

Program 3.F: Affordable Housing Services for Extremely Low - Income and Other Income - Restricted Residents.

All housing policies and programs can be found in Chapter 2 of the Housing Element.

In the City of Sand City, housing costs and affordability may pose a challenge to residents that are from Extremely Low-Income households. With a median household income of $63,333 (compared to a median household income of $71,015 in Monterey County), ELI residents may find it difficult to achieve homeownership. Additionally, ELI residents normally experience limited accessibility to suitable transportation services to commute from home to work.

In addition to the City's initiatives to foster affordable housing and link ELI and special needs households with the necessary support and resources, the following regional service providers and programs are available to assist ELI households:

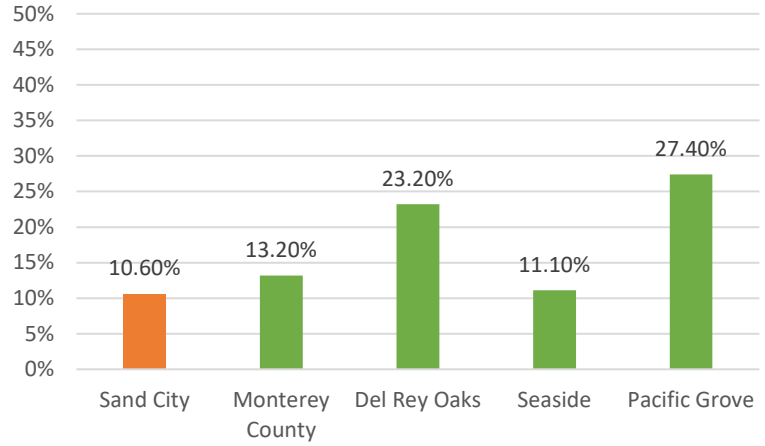
- Fair Housing Education;
- Housing Choice Voucher Program;
- 211 Monterey/United Way;
- CHISPA Housing;
- Monterey-Salinas Transit;
- Independent Transportation Network of Monterey (ITN Monterey); and
- MST Rides ADA Paratransit Agency.

Seniors

Seniors are identified as individuals 65 years and older. Senior households often experience a combination of factors that can make accessing or keeping affordable housing a challenge. They often live on fixed incomes and are more likely to have disabilities, chronic health conditions and/or reduced mobility. Seniors who rent may be at even greater risk for housing challenges than those who own, due to income differences between these groups.

Figure A-32 illustrates the senior population in Sand City, the County, and nearby cities. Compared to the County and nearby cities, Sand City has the lowest senior population (11 percent), approximately 3 percent less than the County. Conversely, the City of Pacific Grove has the highest senior population (27 percent).

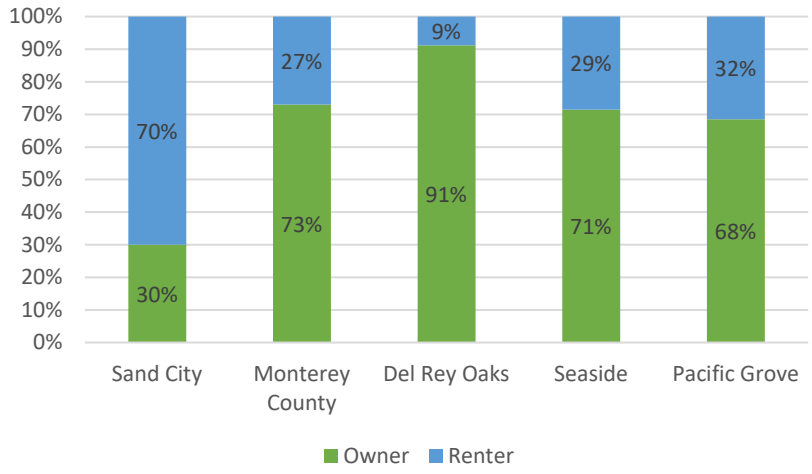
Figure A-32 Senior Population by Jurisdiction, 2019



SOURCE: U.S. Census Bureau, 2019
NOTE: Senior population is identified as persons 65 years and older.

Figure A-33 illustrates senior housing by tenure in Sand City during 2019. Senior households in Sand City are primarily renters (70 percent). Compared to the County and nearby cities, the majority of senior households own their homes. In the County, 73 percent of senior households own their homes and 27 percent rent.

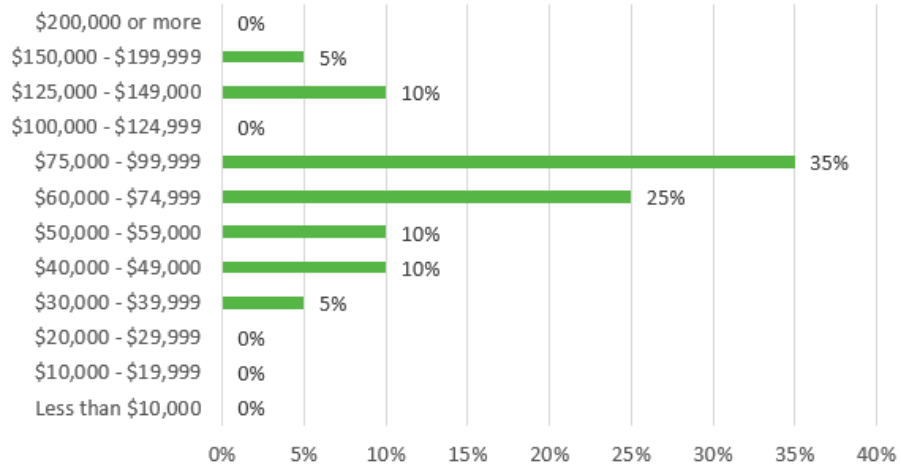
Figure A-33 Senior Households by Tenure by Jurisdiction, 2019



SOURCE: U.S. Census Bureau, 2019
NOTE: Senior population is identified as persons 65 years and older.

Figure A-34 illustrates senior households by their income. The majority of Sand City's senior households earn a yearly income between $75,000-$99,999 (35 percent). An estimated 25 percent of senior households earn less than the City's median household income of $63,333.

Figure A-34 Senior Household Income, Sand City, 2019



SOURCE: U.S. Census Bureau, 2019
NOTE: Senior population is identified as persons 65 years and older.

Resources

In Sand City, seniors (age 65+) make up approximately 10 percent of the population. Consequently, the County and local non-profits often offer services tailored for senior residents instead of the City. Comfort Keepers, situated at 1815-D Contra Costa Street, offers a range of in-home care services for adults and seniors. These services include companion care, personal care, transportation, technological assistance, temporary or respite care, and interactive caregiving. Additionally, the organization offers specialized 24-hour care.

Due to the small size of Sand City, there are no licensed residential care facilities in the City. However, according to the California Department of Social Services, the neighboring City of Seaside has four licensed care facilities, including the following:

- About Care Assisted Living Center – 1201 La Salle Avenue, Seaside: 15 beds;
- Anjellica's Villa – 555 Francis Avenue, Seaside: 40 beds;
- Monterey Bay Guest Home – 1100 Carson Street, Seaside: 22 beds; and
- Mescal Housing – 1722 Mescal Street, Seaside: six (6) beds.

The close proximity of Sand City to Seaside facilitates shared resources between the two communities.

In addition to the local resources listed above, the City has identified the following regional service providers and programs to assist seniors:

- Central Coast Senior Services, Inc.;
- Meals on Wheels of the Monterey Peninsula;
- Seniors Helping Seniors;
- Seaside Recreation Services – Senior Center Programs;
- Habitat for Humanity Monterey;
- Monterey-Salinas Transit;
- Independent Transportation Network of Monterey (ITN Monterey); and
- MST Rides ADA Paratransit Agency.

Disability

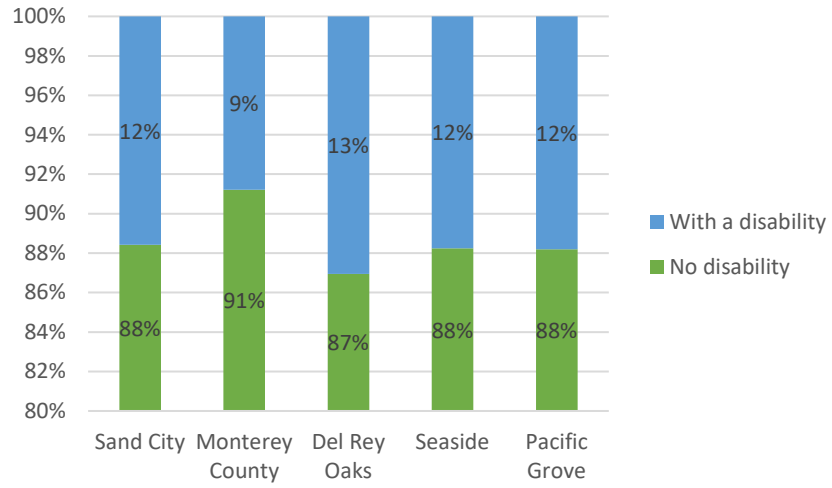
"Disability types include hearing difficulty, vision difficulty, cognitive difficulty, ambulatory difficulty, self-care difficulty, and independent living difficulty."

People with Disabilities

People with disabilities face additional housing challenges. Encompassing a broad group of individuals living with a variety of physical, cognitive and sensory impairments, many people with disabilities live on fixed incomes and are in need of specialized care, yet often rely on family members for assistance due to the high cost of care. When it comes to housing, people with disabilities are not only in need of affordable housing but accessibly designed housing, which offers greater mobility and opportunity for independence. Unfortunately, the need typically outweighs what is available, particularly in a housing market with such high demand. People with disabilities are at a high risk for housing insecurity, homelessness and institutionalization, particularly when they lose aging caregivers.

Figure A-35 illustrates population by disability status in Sand City, the County, and nearby cities in 2021. In Sand City, 12 percent of the population has some form of disability. This is consistent with Del Rey Oaks, Seaside, and Pacific Grove but a slightly higher percentage compared to the County (9 percent).

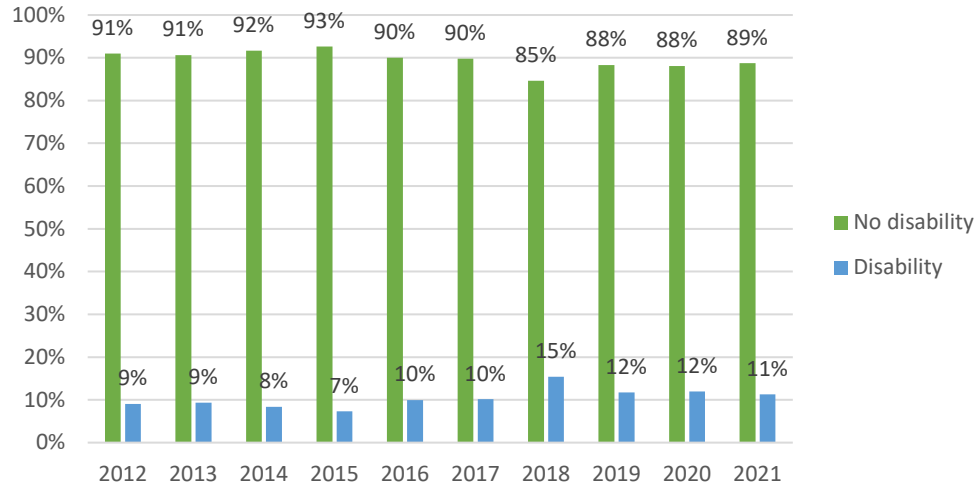
Figure A-35 Population by Disability Status by Jurisdiction, 2021



SOURCE: U.S. Census Bureau, 2021

Over the last decade, the population of persons with disabilities has slightly increased in Sand City. Figure A-36 illustrates trends in persons with disabilities in Sand City between 2012-2021. In 2016, the population of persons with disabilities began to slightly increase from 7 percent in 2015 to 10 percent. By 2018, the City reached its highest percentage of persons with disabilities at 15 percent, but quickly decreased to 12 percent and reached 11 percent by 2021. Overall, between 2012-2021, Sand City's population of persons with disabilities has increased 2 percent.

Figure A-36 Trends in Persons with Disabilities, Sand City, 2012-2021



SOURCE: U.S. Census Bureau, 2012-2021

Table A-14 provides an overview of disability by type and age in Sand City during 2021. Ambulatory difficulty is the most widespread disability in Sand City (31 percent) with the highest concentration in persons 18-64 years of age. Self-care difficulties was the least common disability with no person experiencing this in Sand City.

Table A-14 Disability Status by Age, Sand City, 2021

Disability Type	Under 18	18-64	65 and over	Total	Percent of Population with a Disability
Hearing Difficulty	0	11	3	14	29%
Vision Difficulty	0	6	0	6	13%
Cognitive Difficulty	0	10	0	10	21%
Ambulatory Difficulty	0	12	3	15	31%
Self-care Difficulty	0	0	0	0	0%
Independent Living Difficulty	0	2	1	3	6%
Total	0	41	7	48	100%

SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2021
NOTE: These disabilities are counted separately and are not mutually exclusive, as an individual may report more than one disability. These counts should not be summed.

State law also requires Housing Elements to examine the housing needs of people with developmental disabilities. Developmental disabilities are defined as severe, chronic, and attributed to a mental or physical impairment that begins before a person turns 18 years old. This can include Down's Syndrome, autism, epilepsy, cerebral palsy, and mild to severe mental retardation. Some people with developmental disabilities are unable to work, rely on Supplemental Security Income, and live with family members. In addition to their specific housing needs, they are at increased risk of housing insecurity after an aging parent or family member is no longer able to care for them.

The California Department of Developmental Services provides ZIP code level counts on populations with developmental disabilities based on age and residence type. Due to Sand City sharing a ZIP code with the neighboring City of Seaside, reported figures in Table A-15 and Table A-16 are representative of Sand City and Seaside. Between Sand City and Seaside, it is estimated 171 persons have a developmental disability. Of these, 92 are children (I.e., under the age of 18) and 79 are adults (Table A-15). In both Sand City and Seaside, 12 percent of the population experiences some form of disability.

Table A-15 Population with Developmental Disabilities by Age, Sand City & Seaside, 2021

Age Group	Number
Age Under 18	92
Age 18+	79

SOURCE: California Department of Developmental Services, Consumer Count by California ZIP Code and Age Group (2021).
NOTE: Universe: Population with developmental disabilities. Notes: The California Department of Developmental Services is responsible for overseeing the coordination and delivery of services to more than 330,000 Californians with developmental disabilities including cerebral palsy, intellectual disability, Down syndrome, autism, epilepsy, and related conditions. The California Department of Developmental Services provides ZIP code level counts. To get jurisdiction-level estimates, ZIP code counts were crosswalked to jurisdictions using census block population counts from Census 2010 SF1 to determine the share of a ZIP code to assign to a given jurisdiction.

The most common living arrangement for individuals with disabilities in Sand City and Seaside is the home of parent/family/guardian followed by independent/supported living arrangements.

Table A-16 Population with Developmental Disabilities by Residence, Sand City & Seaside, 2021

Residence Type	Number
Home of Parent/Family/Guardian	154
Foster/Family Home	<11
Independent/Supported Living	12
Other	<11
Community Care Facility	0
Intermediate Care Facility	0

SOURCE: California Department of Developmental Services, Consumer Count by California ZIP Code and Residence Type (2021).
NOTE: Universe: Population with developmental disabilities. Notes: The California Department of Developmental Services is responsible for overseeing the coordination and delivery of services to more than 330,000 Californians with developmental disabilities including cerebral palsy, intellectual disability, Down syndrome, autism, epilepsy, and related conditions. The California Department of Developmental Services provides ZIP code level counts. To get jurisdiction-level estimates, ZIP code counts were crosswalked to jurisdictions using census block population counts from Census 2010 SF1 to determine the share of a ZIP code to assign to a given jurisdiction.

Local Knowledge

Since Sand City lacks licensed group homes or residential care facilities within its limits, there are no concentrations of such facilities in the city. Additionally, there are no senior living communities established within Sand City. However, the neighboring City of Seaside provides both residential care facilities for seniors and senior living communities, which are available to Sand City senior residents. The City did not received any requests for reasonable accommodation during the 5th cycle planning period. To ensure residents are aware of their rights to reasonable accommodation, the City has included Program 3.L, which outlines public outreach actions the City is committed to completing (see Chapter 2).

Resources

Special housing needs for persons with disabilities fall into two general categories: physical design to address mobility impairments and in-home social, educational, and medical support to address developmental and mental impairments. In Sand City, approximately 12 percent of the population live with a disability. The majority of the residents that have disabilities are between the ages of 18 and 64. Housing and transportation costs may pose a challenge to residents with disabilities.

The California Department of Social Services, Community Care Licensing Division indicates that Sand City currently has no state-licensed residential care facilities. However, the neighboring City of Seaside boasts four state-licensed care facilities: three for the elderly and one for adults. Comfort Keepers is a community-based, non-profit located in Sand City that offers in-home care services for both adults and seniors. A comprehensive list of services offered by Comfort Keepers can be found in the Resources section for Seniors, mentioned earlier.

The San Andreas Regional Center (SARC) is a community-based, private nonprofit organization funded by the State of California. It operates under the mandate of the Lanterman Developmental Disabilities Services Act, commonly known as the Lanterman Act. This legislation outlines the rights and responsibilities of individuals with developmental disabilities in California. SARC is one of 21 regional centers across California and serves individuals and families residing in Monterey, San Benito, Santa Clara, and Santa Cruz Counties. The center conducts diagnosis and eligibility assessments, facilitates planning, and coordinates and monitors services and supports tailored to the needs arising from developmental disabilities. The center has eight facilities in the City of Seaside, which provide a range of services, including habilitation, miscellaneous referrals, physician assistance, group placement, support training for parents, community integration training, supportive living services, and public transit.

In addition to the resources listed above, the City has identified the following regional service providers and programs to assist residents that are living with disabilities:

- Monterey County Aging and Adult Services;
- Paradigm Adult Services;
- Special Kids Connect;
- Monterey-Salinas Transit;
- Independent Transportation Network of Monterey (ITN Monterey); and
- MST Rides ADA Paratransit Agency.

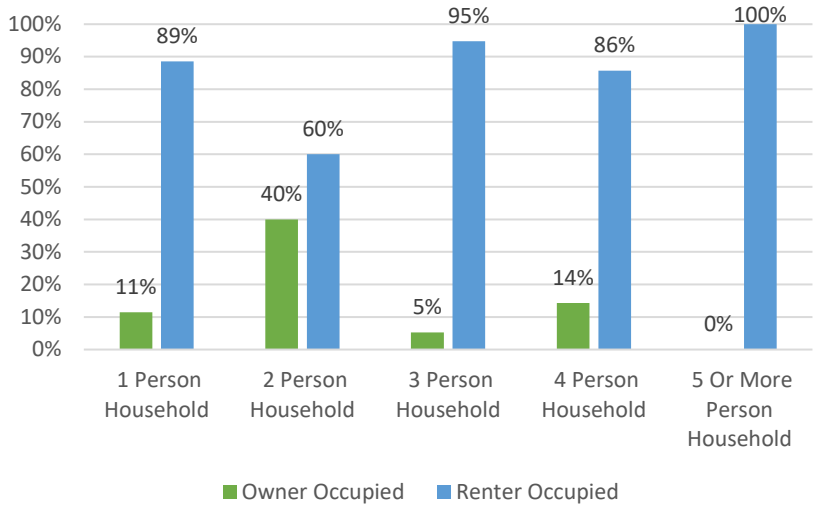
Large Households

Large households are defined as households of five or more individuals. Large households often have different housing needs than smaller households. Household income and local housing markets can greatly impact a household's ability to afford adequately sized housing. If a city's rental housing stock does not include larger apartments, large households who rent could end up living in

overcrowded conditions. Similarly, large households may experience overpayment as a result of a high housing market and limited availability.

Figure A-37 illustrates 2019 households by size and tenure in Sand City. Sand City has eight (8) large households, of which 100 percent are renter households. Renter households makeup the majority of all households by approximately 85 percent. This combined with a cost burden rate of 63 percent for renter households (Figure A-28), suggests it is likely that large households in Sand City may experience overcrowding and/or overpayment.

Figure A-37 Households by Size and Tenure, Sand City, 2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019

Resources

In Sand City, there are approximately eight (8) large households, all of which are renters. Housing costs may pose a challenge to large households, as they are more likely to rent as opposed to purchasing a home, and experience higher cost-burden and overcrowding. Furthermore, finding suitable transportation may be a challenge as well.

Generally, large households in Sand City can benefit from general programs and services for lower and moderate-income households, including the Housing Authority of the County of Monterey Housing Choice Voucher program, and various community and social services provided by non-profit organizations in the region. Program 3.O has been included in this Housing Element to encourage the development of family friends affordable housing units (see Chapter 2).

The City also has the ability to leverage city-owned sites to incentivize the development of larger, family friendly units that accommodate a minimum of three bedrooms per unit. The City will work with non-profit affordable housing developers to encourage housing development that meets the needs of large households.

In addition to the City's efforts to enable the development of family friendly residential units, the following regional service providers and programs are available in Monterey County to assist large households:

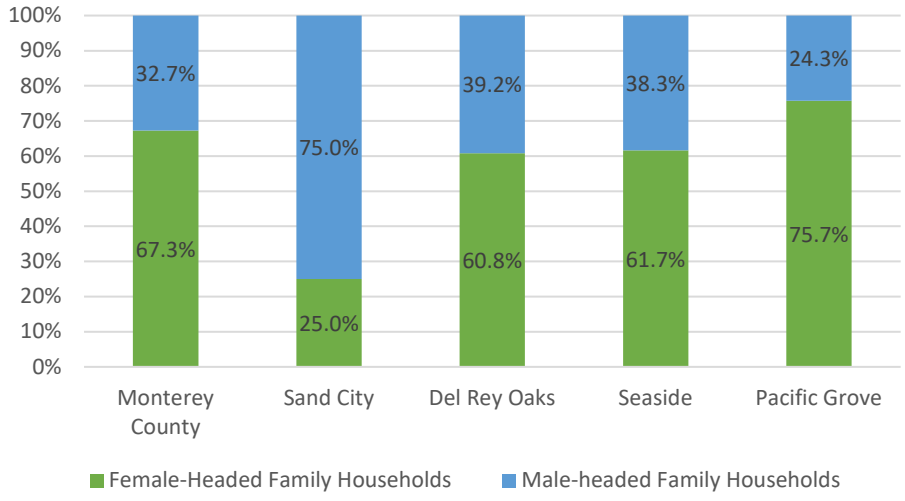
- Housing Choice Voucher Program;
- Fair Housing Education;
- Monterey County Down-payment Assistance Program;
- Monterey-Salinas Transit;
- Independent Transportation Network of Monterey (ITN Monterey);
- Monterey Dial-A-Ride Program; and
- Ridesharing services.

Single-Parent Households

Households headed by one person are often at greater risk of housing insecurity, particularly female-headed family households, who may be supporting children or a family with only one income.

In Sand City, there are a total of 16 single-parent households. Of which, female-headed family households make up 25 percent (four households) and male-headed households makeup 75 percent (12 households) (Figure A-38). Compared to the County and nearby cities, Sand City has significantly less female-headed family households than male-headed family households.

Figure A-38 Single-Parent Households by Jurisdiction, 2019

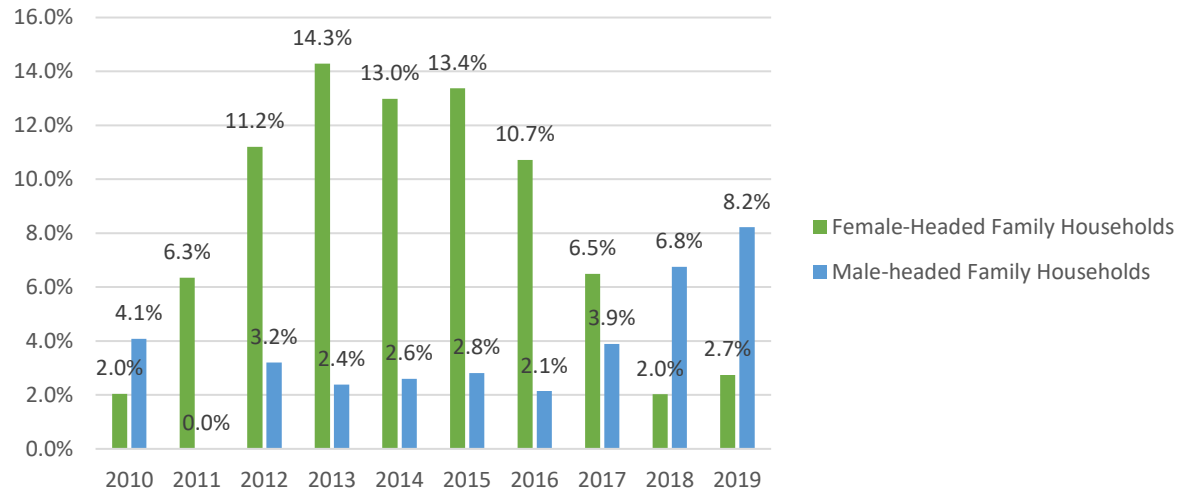


SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019

Over the last decade, both female-headed and male-headed family households have increased in Sand City. Figure A-39 illustrates trends in single-parent households in Sand City between 2010-2019.[14] During this period, female-headed households climbed from 2 percent in 2010 to its highest at 14.3 percent in 2013. By 2015, the trend began to steadily fall reaching 2 percent by 2018, before slightly increasing to 2.7 in 2019.

Between 2010-2019, male-headed family households experienced fluctuations in population size similar to female-headed family households, but on a lower scale. Female-headed family households remained greater than male-headed family households from 2011-2017. Male-headed family households have greatly exceeded the percentage of female-headed family households since 2018.The small household size and increase in male-headed households could be associated with the trend towards farmworker families remaining in Southern California while male workers migrate to Monterey County for the approximate nine-month harvest season[15].

Figure A-39 Trends in Single-Parent Households, Sand City, 2010-2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019

Female-headed households with children may face particular housing challenges, with pervasive gender inequality resulting in lower wages for women. Moreover, the added need for childcare can make finding a home that is affordable more challenging. In 2019, there were two female-headed households with children that fell in the Below Poverty Level category compared to zero male-headed households with children that fell in the Below Poverty Level category in Sand City.

[14] The data reports female- and male-headed family household as a percentage of total households in Sand City.
[15] AMBAG Director's Forum August 28, 2023 - 2026 Regional Growth Forecast

Resources

Limited household income constrains the ability of single-parent households to afford adequate housing, childcare, health care, and other necessities. In Sand City, there are approximately 16 single-parent households, but due to resource constraints, the City doesn't offer childcare services. This is not atypical given that Sand City does not have school facilities within city limits. Instead, local youth attend schools in the Monterey Peninsula Unified School District, including those in Seaside. School districts often offer after-school programs and collaborate with non-profit organizations to provide affordable childcare options, supporting low-income and single-parent families.

The neighboring City of Seaside provides a range of programs tailored for children and families. These include Tiny Tot University Preschool Programs, K-5th Grade Programs/Camps, Teen Programs, Sports Programs, and seasonal camps. As mentioned earlier, the close proximity of Sand City to Seaside enables the sharing of resources.

Single-parent households in Sand City can also benefit from general programs and services for lower and moderate-income households, including the Housing Authority of the County of Monterey Housing Choice Voucher program, and various community and social services provided by non-profit organizations in the region. The following regional service providers and programs are available to assist single-parent households:

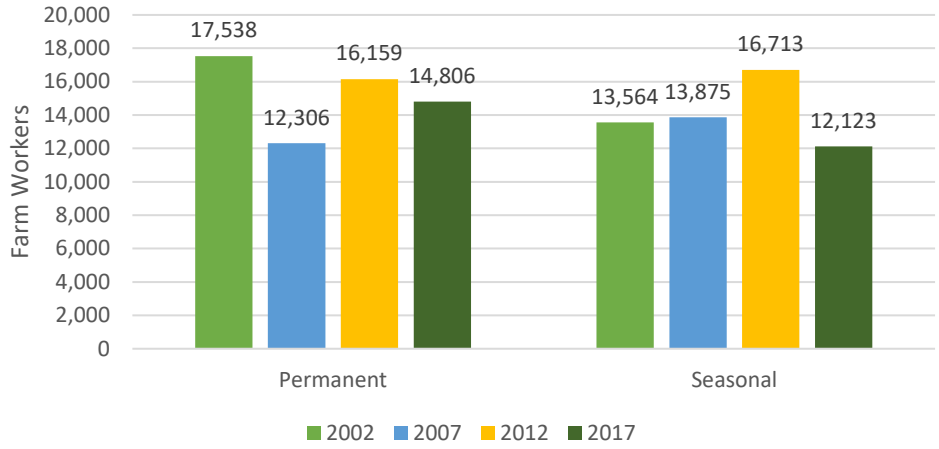
- Housing Choice Voucher Program;
- Fair Housing Education;
- Monterey County Down-payment Assistance Program;
- Monterey-Salinas Transit;
- Independent Transportation Network of Monterey (ITN Monterey); and
- Ridesharing services.

Farmworkers

Across the state, housing for farmworkers has been recognized as an important and unique concern. Farmworkers generally receive wages that are considerably lower than other jobs and may have temporary housing needs. Finding decent and affordable housing can be challenging, particularly in the current housing market.

The U.S. Department of Agriculture, National Agricultural Statistics provides data on hired farm labor in the U.S. at the State and County level only. In Monterey County, the number of permanent farm workers has decreased since 2002, totaling 14,806 in 2017. Similarly, the number of seasonal farm workers has also decreased, totaling 12,123 in 2017. Figure A-40 shows hired farm labor in Monterey County between 2002-2017.

Figure A-40 Hired Farm Labor, Monterey County, 2002-2017



SOURCE: U.S. Department of Agriculture, Census of Farmworkers (2002, 2007, 2012, 2017), Table 7: Hired Farm Labor.
NOTES: Universe: Hired farm workers (including direct hires and agricultural service workers who are often hired through labor contractors). Farm workers are considered seasonal if they work on a farm less than 150 days in a year, while farm workers who work on a farm more than 150 days are considered to be permanent workers for that farm.

According to the California Employment Development Department, the average farm worker (Farming, Fishing, and Forestry Occupation) in Monterey County earned a median annual income of $29,901. This annual income places each individual or household in the very low-income bracket for Sand City. Additionally, this limited income may be significantly impacted by employment status (permanent or seasonal).

Agriculture consisting of crop farming and livestock grazing is the largest industry in Monterey County and contributes a significant amount of money to the County's economy. Out of approximately 1.3 million acres of County land dedicated to agriculture, most of this area (approximately 80 percent) is used for grazing. The most productive and lucrative farmlands in the County are located in the North County, Greater Salinas, and Central Salinas Valley Planning Areas.

According to the 2021 American Census Survey (ACS) data, 4.3-percent of individuals residing in Sand City households reported that they were employed in the Agriculture, Forestry, or Fishing and Hunting industry.[16] There are no agricultural lands or agriculturally zoned properties within the City limits. There are no farm labor housing developments in the City nor are there projects assisted with Rural Housing Administration financing; however, the City shares the responsibility for farmworker housing as farmworkers may work within 75 miles of agricultural land uses (including dairy, vineyards, and produce) and the City is within 75 miles of these uses. While HCD has no established metrics, the United States Department of Agriculture, (USDA) considers farmworkers that work at a specific location within 75 miles of their home to be "settled" and thus permanent members of their home community.

[16] Sand City 2021 ACS data; Source: City of Sand City, California - Census Bureau Profile

The California Institute for Rural Studies released a Farmworker Housing Study and Action Plan for Salinas Valley and Pajaro Valley in April 2018. Key findings of the Study included:

- A survey of 420 farmworkers in the labor shed as well as interviews with employers and other stakeholders was conducted to gather primary data. Among the farmworkers surveyed, men and women were relatively evenly distributed across age groups with 75 percent of the interviewees married. The clear majority of the immigrant farmworker interviewees had very few years of schooling. They were 92 percent immigrants (not born in the U.S.). About one fifth were follow-the-crop migrants (FTC) who had traveled outside the two-County (Monterey and Santa Cruz counties) area for agricultural employment;
- Most households of farmworkers interviewed included non-family members who were for the most part other farmworkers. There are consistently stunningly high rates of residences that are above the severely crowded condition of 2.0 people per room. This is true of almost all the subgroups of the population. Often more than 5 people per bathroom;
- About 40 percent of respondents live in houses, 30 percent in apartments. Another 19 percent live in rented rooms without kitchens – either in houses or apartments. Another 12 percent live in "other" types of dwellings. Eighty-nine percent of farmworkers were renters and 11 percent owners. Of those who reported as owners, a quarter owns mobile homes; and
- Other characteristics of those interviewed included:
    - Most have only completed primary school.
    - Wages ranged from a median of $12.79 per hour, mean of $13.64, with median annual income of $25,000.
    - The majority do not work all year in agriculture – 7.5 months is the median.
    - 44 percent of migrants work all year, 20 percent of non-migrants work year-round.
    - Average age at arrival is about 20.
    - Median number of years in the US is 15 years.
    - Median age was 37.
    - Median number of years with current employer is 4 years; a quarter worked for their employer for 8 years or more.
    - Two-thirds are from four states in Mexico:
        - Oaxaca 21 percent
        - Michoacan 19 percent
        - Jalisco 14 percent
        - Guanajuato 10 percent

- 13 percent self-identified as indigenous Mixtec, Triqui, Zapotec.
- They work in a range of crops throughout the region.
  - 46 percent participate in harvest
  - 16 percent are packers
  - 38 percent participate in all other farm-related tasks such as:
    - Weeding
    - Irrigating
    - Thinning
    - Pruning
    - Loading
    - Driving
    - Operating machines

The farmworker housing demand model developed as part of the study calculates the total housing units needed of all types, based on target People Per Dwelling (PPD), and total permanent affordable farmworker housing based on the current rate that farmworkers access subsidized housing.

Key findings of the demand model were:

- An additional 33,159 units of farmworker housing are needed to alleviate critical overcrowding in farmworker households that are occupied at 7.00 PPD to the average PPD of 3.23 in Monterey County and the average PPD 2.60 in Santa Cruz County;
- A total of 4,393 units of permanent affordable farmworker housing are needed to maintain the present "access rate" of 7.6 percent of farmworkers to subsidized housing; and
- The data from this study indicate an overwhelming need for affordable permanent year-round family housing.

Resources

The housing needs of farmworkers are addressed under Sand City's overall programs for affordability, consistent with the California Institute for Rural Studies 2018 report. Although the City does not have agricultural uses, and therefore, no housing designated specifically for farmworkers —the City supports the County of Monterey's efforts to educate the public on resources that are available for agricultural workers. The City has included Program 3.J to identify and publicize resources that are available throughout the region for agricultural employees, and amend the zoning code to add a definition for "employee housing," including agricultural employees.

The County, in compliance with State legislation and the Employee Housing Act, acknowledges the division of available farmland for the creation of farmworker or employee/family housing[17]. In compliance with State requirements, the City of Sand City has included Program 1.S to amend the Municipal Code's to include a definition for employee housing, and the zone in which employee housing would be allowed (see Chapter 2). Program 3.F has been added to address the needs of farmworkers and other special needs groups (see Chapter 2).

In addition to the City's efforts to enable the development of employee housing, including housing farmworkers, the following regional service providers and programs are available to assist farm-worker households with the greater Monterey County region:

- Spanish Farmworkers Resource Line;
- The Center for Community Advocacy;
- Farm and Food Worker Relief Program;
- Monterey-Salinas Transit;
- Independent Transportation Network of Monterey (ITN Monterey);
- MST Rides ADA Paratransit Agency; and
- Rideshare services.

Persons Experiencing Homelessness

Homelessness remains an urgent challenge in many communities across the state, reflecting a range of social, economic, and psychological factors. Rising housing costs result in increased risks of community members experiencing homelessness. Addressing the specific housing needs for the unhoused population remains a priority throughout the region, particularly since homelessness is disproportionately experienced by people of color, people with disabilities, those struggling with addiction and those dealing with traumatic life circumstances.

According to the 2022 Monterey Homeless Count and Survey Comprehensive Report, Sand City has seen a decrease in homeless persons since 2017 (31 persons), totaling three persons in 2022 (Table A-17). Similarly, the Monterey Bay Area overall has seen a decrease in homeless populations with the exception of Seaside.

[17] https://www.co.monterey.ca.us/home/showpublisheddocument/45812/636389938528430000

Table A-17 Homeless Population by Jurisdiction, 2017-2022

Jurisdiction	Unsheltered			Sheltered			Total			2019-2022 % Change
	2017	2019	2022	2017	2019	2022	2017	2019	2022	
Monterey County	1,692	1,492	1,089	724	560	652	2,416	2,052	1,741	-15%
Sand City	31	8	3	0	0	0	31	8	3	*
Del Rey Oaks	111	0	2	0	0	0	111	0	2	*
Seaside	40	126	90	58	56	62	98	182	152	-16%
Pacific Grove	35	14	29	0	0	0	35	14	29	*
Total	1,909	1,640	1,213	785	616	714	2,691	2,256	1,927	-28%

SOURCE: 2022 Monterey Homeless Count and Survey Comprehensive Report
NOTE: % change was not calculated when jurisdiction was below 25 individuals.

Table A-18, shows household type and shelter status in Monterey County in 2019. In Monterey County, the most common type of household experiencing homelessness are those without children in their care. Among households experiencing homelessness that do not have children, 83 percent are unsheltered. Similarly, the majority of homeless households with children are unsheltered (45 percent).

Table A-18 Homelessness by Household Type and Shelter Status, Monterey County, 2019

Type of Shelter	People in Households Composed Solely of Children Under 18		People in Households with Adults and Children		People in Households without Children Under 18		Total
	Count	Percent	Count	Percent	Count	Percent	
Sheltered – Emergency Shelter	0	0%	146	22%	218	11%	364
Sheltered – Transitional Housing	0	0%	218	33%	124	6%	342
Unsheltered	10	100%	303	45%	1,685	83%	2,340
Total	10	100%	667	100%	2,027	100%	2,704

SOURCE: U.S. Department of Housing and Urban Development (HUD), Continuum of Care (CoC) Homeless Populations and Subpopulations Reports (2019). For the data table behind this figure, please refer to the Data Packet Workbook, Table HOMELS-01.
NOTES: Universe: Population experiencing homelessness. This data is based on Point-in-Time (PIT) information provided to HUD by CoCs in the application for CoC Homeless Assistance Programs. The PIT Count provides a count of sheltered and unsheltered homeless persons on a single night during the last ten days in January.

As mentioned earlier, the Salvation Army operates a Day Center facility at 800 Scott Street in Sand City which serves regional and local ELI and homeless clients. The Center provides showers, laundry, caseworker services, food distribution and a small library and large indoor space to sit and eat and access services. Program 3.B provides for ongoing support for the facility. Additionally, the City entered a joint powers agreement with the Community Human Services Project, to assist in providing mental health, substance abuse and homeless services.

Local Knowledge

According to local knowledge, Sand City does not have a significant homeless population, and there is no specific area where homeless individuals congregate in the city. If a situation were to arise leading to an increase in homelessness, Sand City is well-served by public transportation, providing access for individuals to seek necessary services.

At the local level, Sand City does not offer extensive resources for homeless individuals due to limited resources and staffing constraints. Nonetheless, The Salvation Army Day Center in Sand City does provide assistance to homeless and low-income individuals. Additional regional service organizations and programs are listed below in the Resources section.

Resources

Housing and transportation costs can be barriers to residents that are experiencing homelessness. Those experiencing homelessness often need wrap-around support, access to community services, and State/Federal assistance to end the cycle of homelessness. Many individuals thar are homeless may experience difficulties with finding emergency shelter, having access to food and job-training resources. Lack of adequate transportation to commute to job interviews and appointments with social service providers may also be an obstacle to individuals experiencing homelessness.

Generally, three types of facilities provide shelter for homeless individuals and families, including emergency shelters, transitional housing, and permanent supportive housing. In Sand City, none of these types of facilities are available due to the small nature of the City and limited available resources. However, the City of Seaside offers both emergency shelter and transitional housing options. The following includes day and resource centers, emergency shelters, transitional housing, and health and wellness services provided in Sand City and neighboring Seaside.

- **The Salvation Army – Day Center – 800 Scott Street, Sand City.** Provides many services to extremely low income and homeless individuals including case managers, public benefits, food distribution, laundry and shower facilities.
- **Monterey Peninsula Unified School District Family Resource Center – Emergency Shelter – 1295 La Salle Avenue, Seaside.** Provides support for homeless children and families within the Monterey Peninsula Unified School District, including clothing, school supplies, and referral to other community resources to remove barriers to education.

- **Community Homeless Solutions Central Coast Respite Center – Emergency Shelter – 780 Hamilton Avenue, Seaside.** Provides a six-bed shelter for homeless adults in need of respite care following stays in three participating hospitals. Access to meals, case management, and supportive services designed to help participants transition to permanent housing. By hospital referral only. The program also maintains a bridge housing program for guests coming out of respite care while lining up permanent housing options.
- **Community Human Services Casa de Noche Buena – Emergency Shelter – 1292 Olympia Avenue, Seaside.** A 28-35 bed year-round shelter. Capacity depends on the number of children in families. Provides case management, housing navigation, meals, laundry facilities, mail service, social recreation activities, and linkages to income, education, and employment.
- **Safe Parking Program – Emergency Shelter –** An overnight safe parking program for people living in their legally registered vehicles. The program opens at 7:00pm nightly and closes each morning at 7:00am.
- **The Salvation Army Casa de Las Palmas – Transitional Housing.** Family transitional housing provides residential care for up to 24 months. Capacity for nine (9) units and 36 beds.
- **The Salvation Army Frederiksen House – Transitional Housing.** Family transitional housing provides residential care for up to 90-days. Provides case management, information, and referral services.
- **Sun Street Centers Outpatient Counseling – Health and Wellness – 1201 Echo Avenue, Seaside.** Provides counseling services for men, women, and teens. Group and individual sessions are provided for people struggling with alcohol or drug abuse. Bi-lingual services are available. Counseling for couples and families is also available.

In addition to the resources listed above, the following regional service providers and programs are available to assist residents experiencing homelessness:

- Community Human Services;
- Habitat for Humanity Monterey;
- Peacock Acres;
- Interfaith Outreach of Monterey;
- Monterey-Salinas Transit;
- Independent Transportation Network of Monterey (ITN Monterey);
- MST Rides ADA Paratransit Agency; and
- Rideshare Services.

A.5 Access to Opportunity

This section discusses disparities in access to opportunity among protected classes including access to quality education, employment, transportation, and environment. The California Tax Credit Allocation Committee (TCAC) in collaboration with HCD developed a series of opportunity maps that help to identify areas of the community with good or poor access to opportunity for residents. These maps were developed to align funding allocations with the goal of improving outcomes for low-income residents—particularly children.

Access to Opportunity

"Access to opportunity is a concept to approximate place-based characteristics linked to critical life outcomes. Access to opportunity oftentimes means both improving the quality of life for residents of low-income communities, as well as supporting mobility and access to 'high resource' neighborhoods. This encompasses education, employment, economic development, safe and decent housing, low rates of violent crime, transportation, and other opportunities, including recreation, food and healthy environment (air, water, safe neighborhood, safety from environmental hazards, social services, and cultural institutions)."

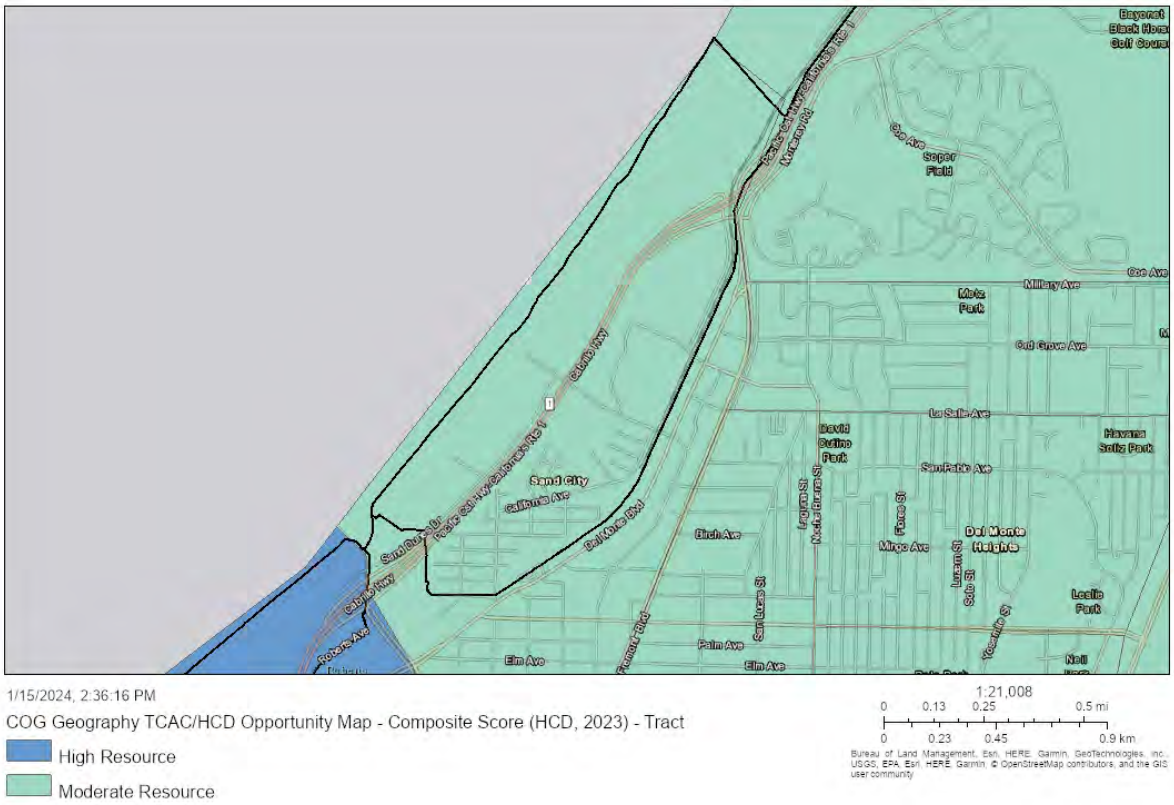
SOURCE: California Department of Housing and Community Development Guidance, 2021, page 34.

The opportunity maps highlight areas of highest resource, high resource, moderate resource, moderate resource (rapidly changing), low resource and high segregation and poverty. TCAC provides opportunity maps for access to opportunity in quality education, employment, transportation, and environment. Opportunity scores are presented on a scale from zero to one and the higher the number, the more positive the outcomes.

Disparities in Access to Opportunity

As can be seen in Figure A-41, Sand City is a moderate resource area. Neighboring areas such as Seaside also shows concentrations of moderate resources, whereas areas to the southwest are majority high and highest resource areas. It is important to recall that Sand City households are majority renter-occupied (83 percent) of which 54 percent are lower-income earners. This in tandem with moderate access to resources may indicate a lack of investment in economic and educational opportunities.

Figure A-41 TCAC Opportunity Composite Score, Sand City, 2022



SOURCE: California Department of Housing and Community Development AFFH Data Viewer

Economic Outcomes

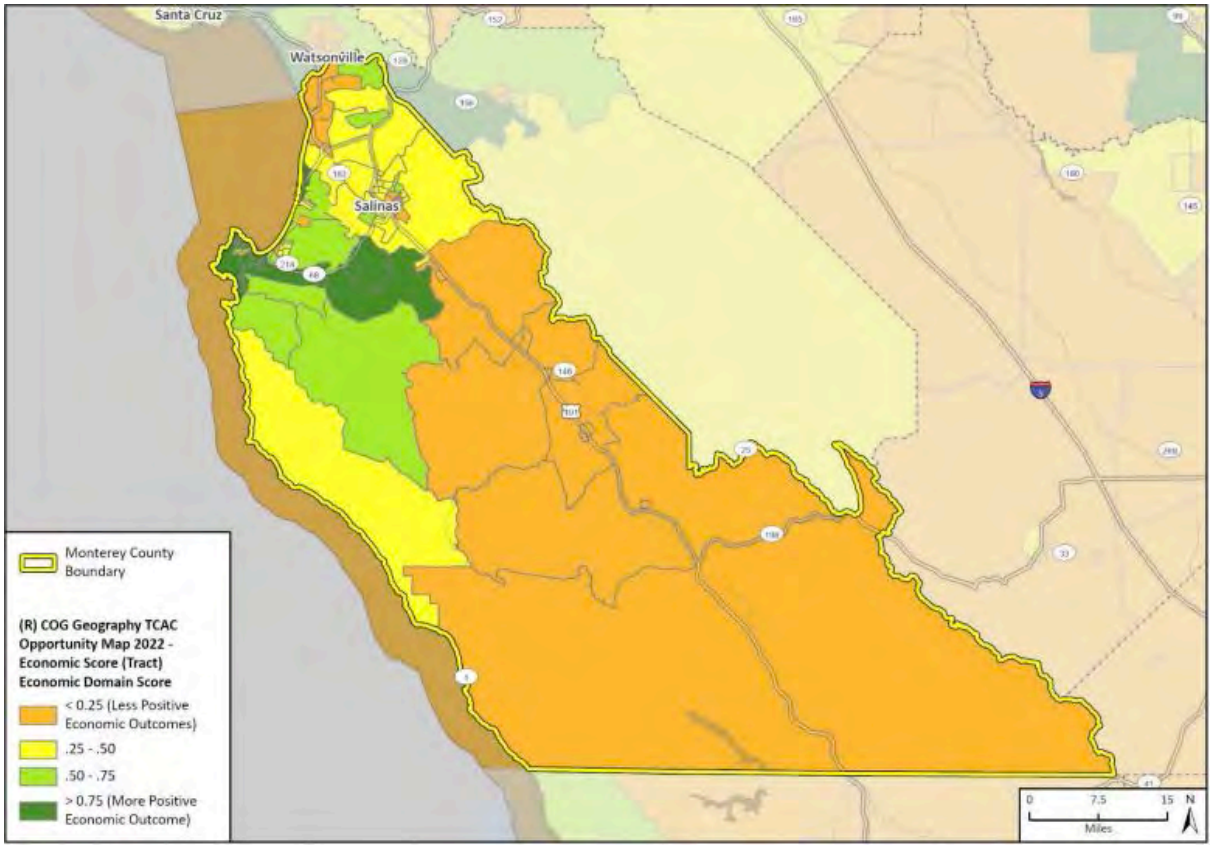
Housing opportunities are directly related to economic outcomes. Access to high-quality employment close to desired and affordable housing results in more housing opportunities and shorter commute times. The analysis for economic opportunities uses TCAC economic indicators, employment participation data from the ACS, and the HUD Jobs Proximity Index. TCAC economic opportunities are measured by census tract and consider poverty (the percent of the population with an income above 200 percent of the federal poverty line), adult education (the percent of adults with a bachelor's degree or above), employment (the percent of adults between age 20 to 64 who are employed in the civilian labor force or armed forces), job proximity (the number of jobs filled with less than a bachelor's degree that fall within a determined radius), and median home values (the value of owner-occupied units). A higher economic index score reflects more positive economic outcomes. The HUD Jobs Proximity Index measures the accessibility to job opportunities at the census block group level.

Regional Trends

Figure A-42 shows a variety of economic outcomes across Monterey County. Areas with more positive economic outcome scores were identified in the northern, western, and central northern portions of the county near Carmel-by-the-Sea, Pacific Grove, Monterey, and western area of Marina. Conversely, the cities of Salinas, Gonzales, and Soledad had large concentrations of census tracts reflecting less positive economic outcomes. According to 2016-2020 ACS estimates, Monterey

County had a labor force participation rate of 61 percent of persons 16 years and over, which is approximately 4 percent lower than the county's 2010 labor force participation rate. Estimates show that the mean earning in Monterey County in 2020 was $97,156.

Figure A-42 TCAC Opportunity Areas – Economic Domain, Monterey County



SOURCE: HCD AFFH Data Viewer, 2022

Local Trends

According to TCAC estimates shown in Figure A-43, there is no geographical variation in economic opportunity throughout the city. As shown in Figure A-43, Sand City has a low economic opportunity score of 0.19. This reflects a low level of opportunity for economic advancement for residents in Sand City, which in part is likely due to the historical jobs-workers imbalance (Figure A-11).

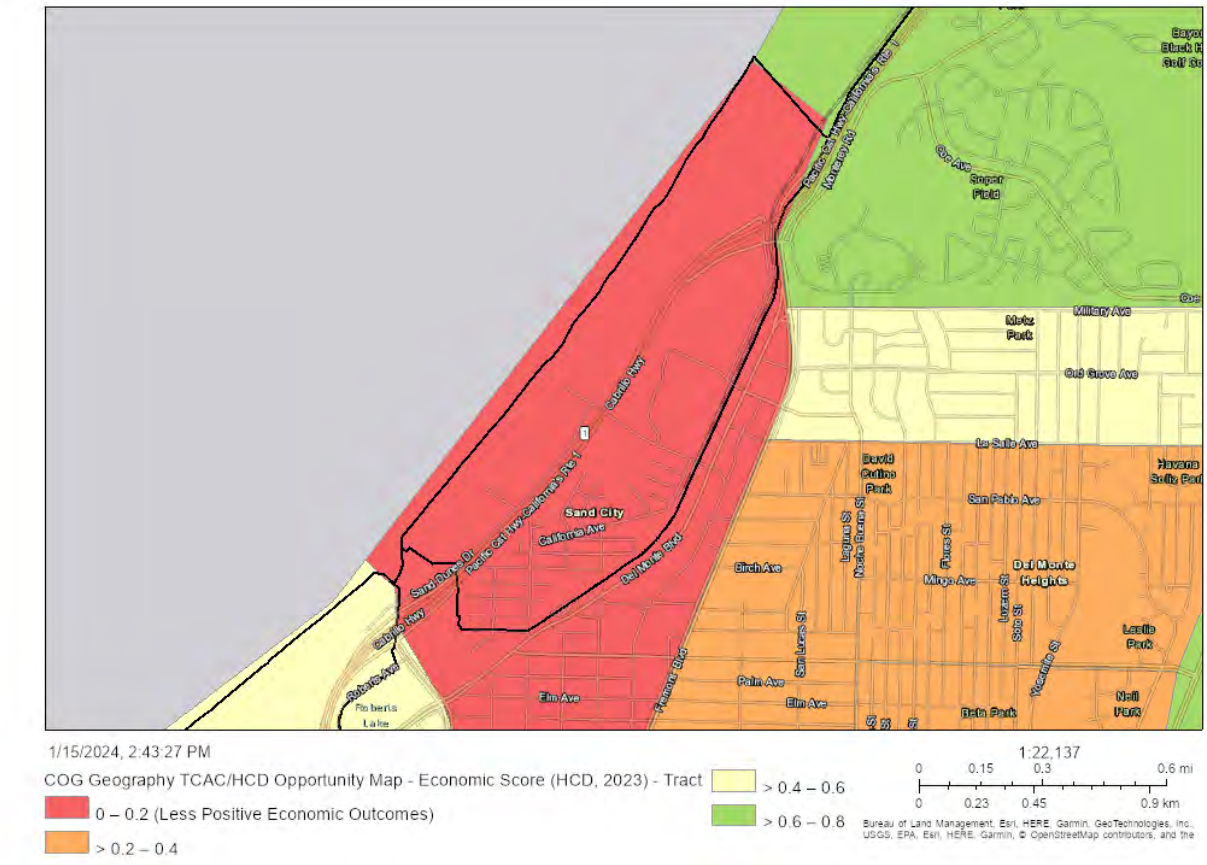
HUD's Job Proximity Index utilized Longitudinal Employer-Household Dynamic estimates to examine the distance from a given neighborhood to all job locations within the Salinas-Monterey Area and measures the accessibility to job opportunities at the census block group level. Because the size of employment centers and the supply of labor differ across the region, the distance from any single job location is positively weighted by the size of employment (job opportunities) at that location and inversely weighted by the labor supply (competition) to that location.[18] The higher the index value, the better the access to employment opportunities for residents in a neighborhood. According to the Jobs Proximity Index, access to employment opportunities does not differ across Sand City. All neighborhoods within Sand City have a job proximity index of 52.

As previously discussed, Sand City historically served as an industrial and manufacturing hub. However, over the past three decades, the city has been shifting towards a mix of commercial and residential uses. This transition is evident in the jobs-to-workers imbalance, with Sand City having more jobs than resident workers, particularly in low to moderate-wage sectors.

The city is actively pursuing the expansion of its residential landscape to address this imbalance, aiming for a more harmonious environment. Despite these efforts, the dominant industry in Sand City is arts, entertainment, recreation, accommodation, and food services. The city is home to major retail outlets like Costco, Marshalls, and Target. Consequently, economic opportunities are somewhat limited, presenting challenges for diversifying the local economy.

[18] 6HUD. AFFH-T Data Documentation Data Version AFFHT0006 (2020).

Figure A-43 TCAC Opportunity Economic Score, Sand City, 2023



SOURCE: California Department of Housing and Community Development AFFH Data Viewer

Educational Outcomes

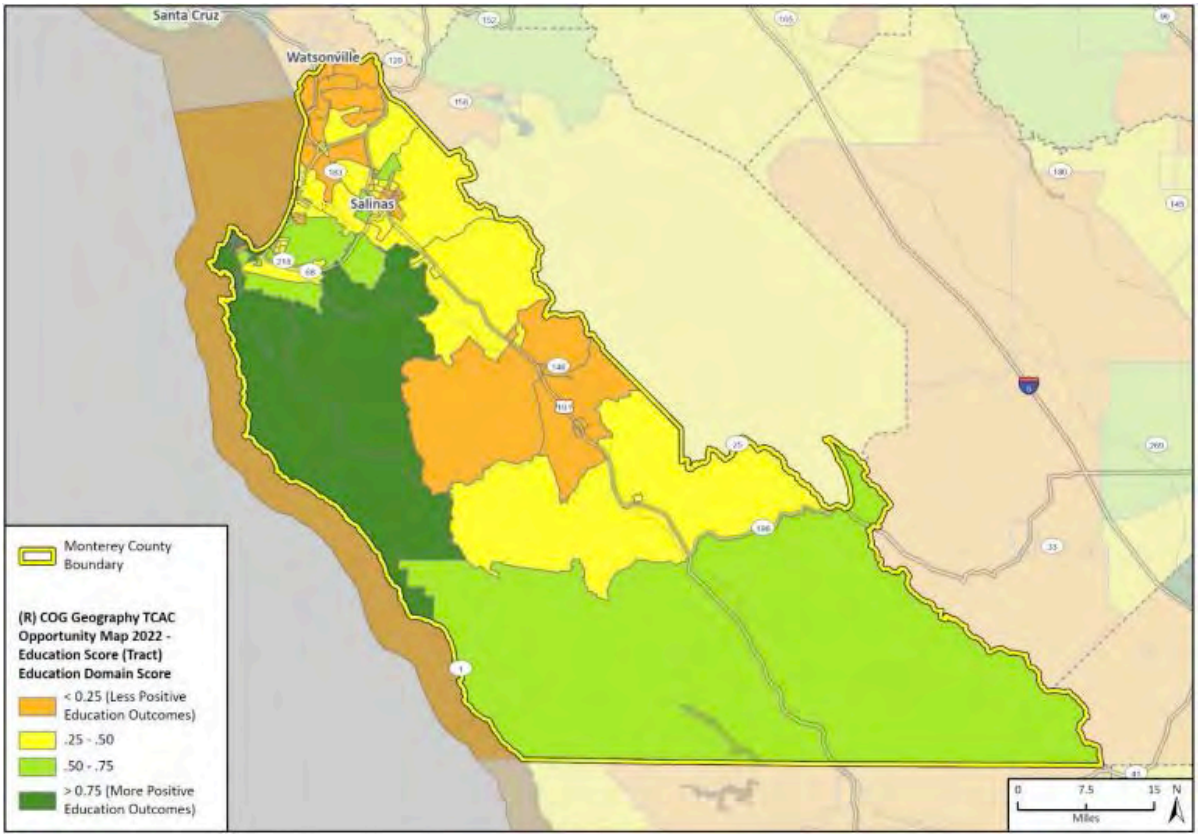
Educational attainment is directly linked to housing opportunities. TCAC education domain scores measure educational outcomes using math and reading proficiency (the percentage of 4th graders who met or exceed math proficiency standards), high school graduation rates (the percentage of high school cohorts that graduate on time) and student poverty indicators (the percent of students not receiving free or reduced-priced lunch). The TCAC education domain scores are derived from 2018-2019 Department of Education data. This analysis incorporates demographic and socioeconomic measures to spatially evaluate access to educational opportunities at the census tract level. Opportunity scores are presented on a scale from zero to one and the higher the number, the more positive the outcomes.

Regional Trends

An overview of education outcomes across Monterey County is illustrated in Figure A-44. Educational outcomes vary across the county, as jurisdictions in the western portion, including Pacific Grove, Monterey, and Carmel-by-the-Sea, generally had more positive education outcomes compared with the cities in the eastern portion such as Greenfield, Soledad, and parts of eastern

Soledad. According to kidsdata.org, a data compilation program of the Lucile Packard Foundation for Children's Health, Monterey County had a total public-school enrollment estimate of 1,691 students in 2021.15 Hispanic/Latino (55 percent) and white (31 percent) comprised the two largest racial/ethnic groups of the total public school enrollment in Monterey County in 2021, whereas multiracial students (8 percent), Asian American (3 percent), and African American (2 percent) comprised a significantly smaller share. Furthermore, high school graduation rates are highest among Asian American (91 percent) and Native Hawaiian/Pacific Islander students (95 percent), while African American (86 percent), non-Hispanic white students (85 percent), and Hispanic/Latino (84 percent) had slightly lower graduation rates.

Figure A-44 TCAC Opportunity Areas – Education Domain, Monterey County



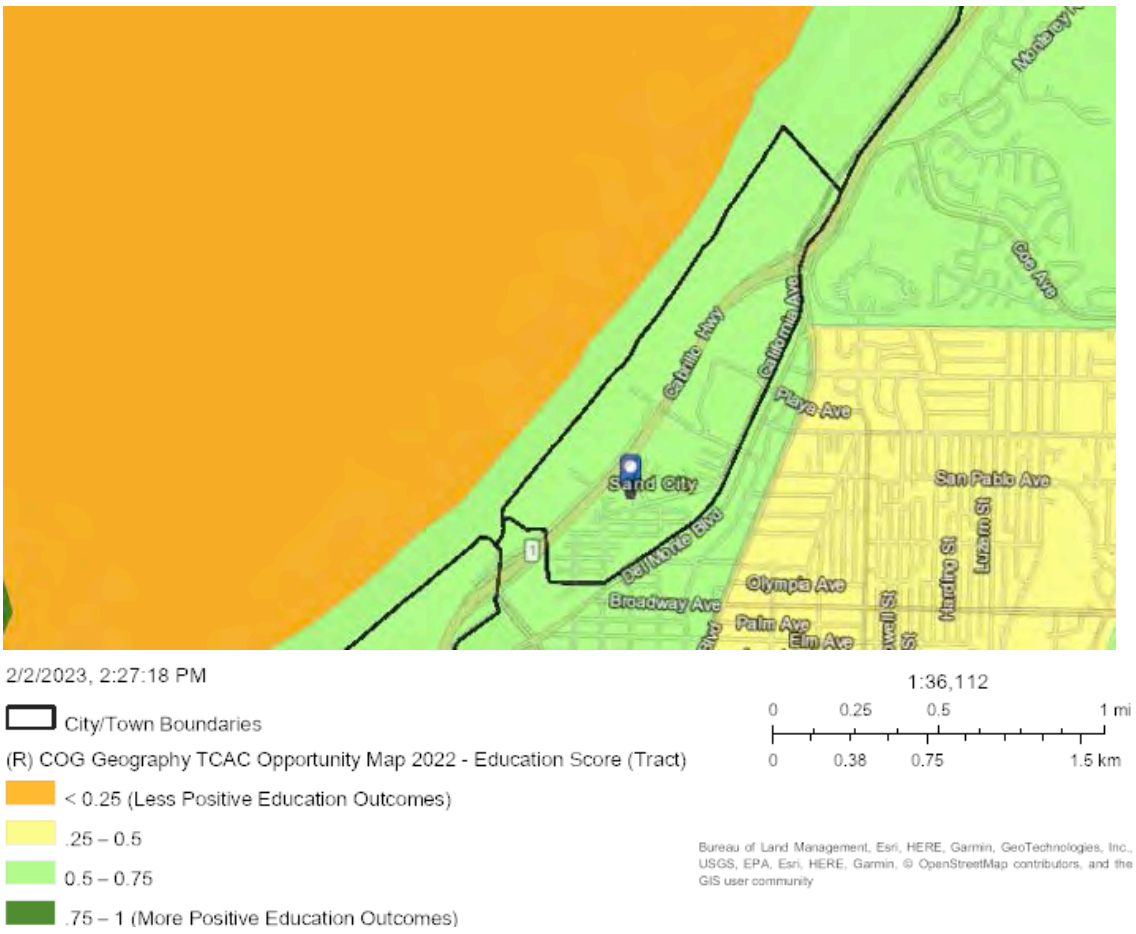
SOURCE: HCD AFFH Data Viewer, 2022

Local Trends

Sand City is served by the Monterey Peninsula Unified School District (MPUSD), along with a variety of elementary, middle, and high schools within the City of Seaside. There are no school facilities within Sand City, but the youth of the community do attend the various local schools that are part of this District. As of 2022, MPUSD highlights a 94.6 percent graduation rate among all students in the district, which is higher than the statewide average (87.4 percent) and County average (86.2 percent).

When broken down by race/ethnicity, Filipino and Asian students graduated at a slightly higher rate (97.8 and 97.3 percent, respectively) than other students, although graduation rates are very high across races and ethnicities: African American students' graduation rates were 96 percent; Hispanic and White students' graduation rates were 94.3 percent and 92.8 percent, respectively. There is no data available for the graduation rates of American Indian students, as only 8 students, within the MPUSD, graduated. The lowest graduation rate was among students with a disability at 75.9 percent. According to TCAC's educational opportunity map (Figure A-45), all areas of Sand City score between 0.5 to 0.75 indicating a moderate level of educational outcomes.

Figure A-45 TCAC Opportunity Education Score, Sand City, 2022



SOURCE: California Department of Housing and Community Development AFFH Data Viewer

Environmental Outcomes

TCAC's opportunity areas environmental scores are based on the CalEnviroScreen 4.0 indicators, which identify areas disproportionately vulnerable to pollution sources such as ozone, PM2.5, diesel PM, pesticides, toxic release, traffic, cleanup sites, groundwater threats, hazardous waste, impaired water bodies, and solid waste sites.

Regional Trends

The CalEnviroScreen map shown in Figure A-46 for Monterey County identifies the degree to which communities are considered burdened by pollution; the higher the score (red), the more burdened by pollution. Figure A-46 below shows that, generally, the more urbanized, eastern portion of the county has less positive environmental outcomes, most notably near the U.S. 101 corridor, where residents are exposed to greater amounts of traffic-related air pollution as well as agricultural particles and elevated risk for adverse health outcomes.[19] TCAC's environmental scores for Monterey County correspond to the CalEnviroScreen analysis and highlight less positive environmental outcomes among communities located in the eastern area of the county, while communities throughout the western and central areas of the county generally had positive environmental outcome scores.

Local Trends

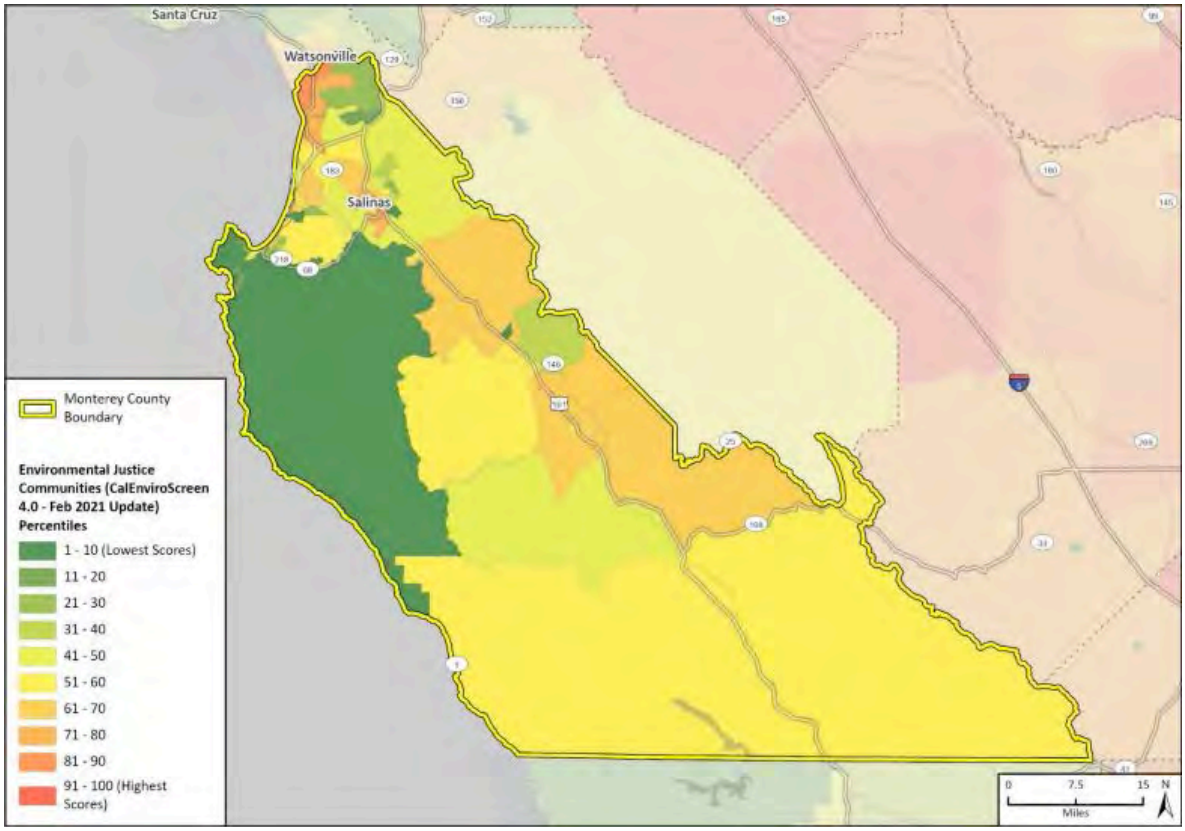
Figure A-47 illustrates environmental pollution estimates based on the CalEnviroScreen 4.0 map. Sand City scores in the 66th percentile according to the CalEnviroScreen 4.0 environmental indicators, reflecting a moderate to high pollution burden. Pollution burden in Sand City is likely a result of its history as the heavy commercial and industrial hub serving the Monterey Peninsula. Additionally, the city is situated adjacent to the U.S. 101 corridor, resulting in elevated levels of traffic-related air pollution in the city. In spite of Sand City's low community and environmental health scores, the City is not considered a disadvantaged community as defined under SB 535 as "the top 25 percent scoring areas from CalEnviroScreen along with other areas with high amounts of pollution and low populations."[20]

There are no known major sources of pollution in the city. The City's General Plan includes policies regulating the location of sites that would include storage or use of hazardous materials and policies designed to protect local water quality. The northern part of the city is predominantly designated for regional commercial uses (C-4), whereas residential areas are located south of Tioga Avenue, extending to the city's southern end.

Given the city's compact size, there are no neighborhoods lacking access to parks or outdoor spaces. Situated along the Pacific coast, Sand City offers ample coastline and beach areas, along with Calabrese Park, providing residents with various outdoor recreational opportunities. The City's General Plan also regulates open space areas in the city. Due to Sand City's population being less than 400 people, the City does not require the average standard of providing three to five acres of open space per every 1,000 residents. The City provides a single park, Calabrese Park, which is adjacent to City Hall.

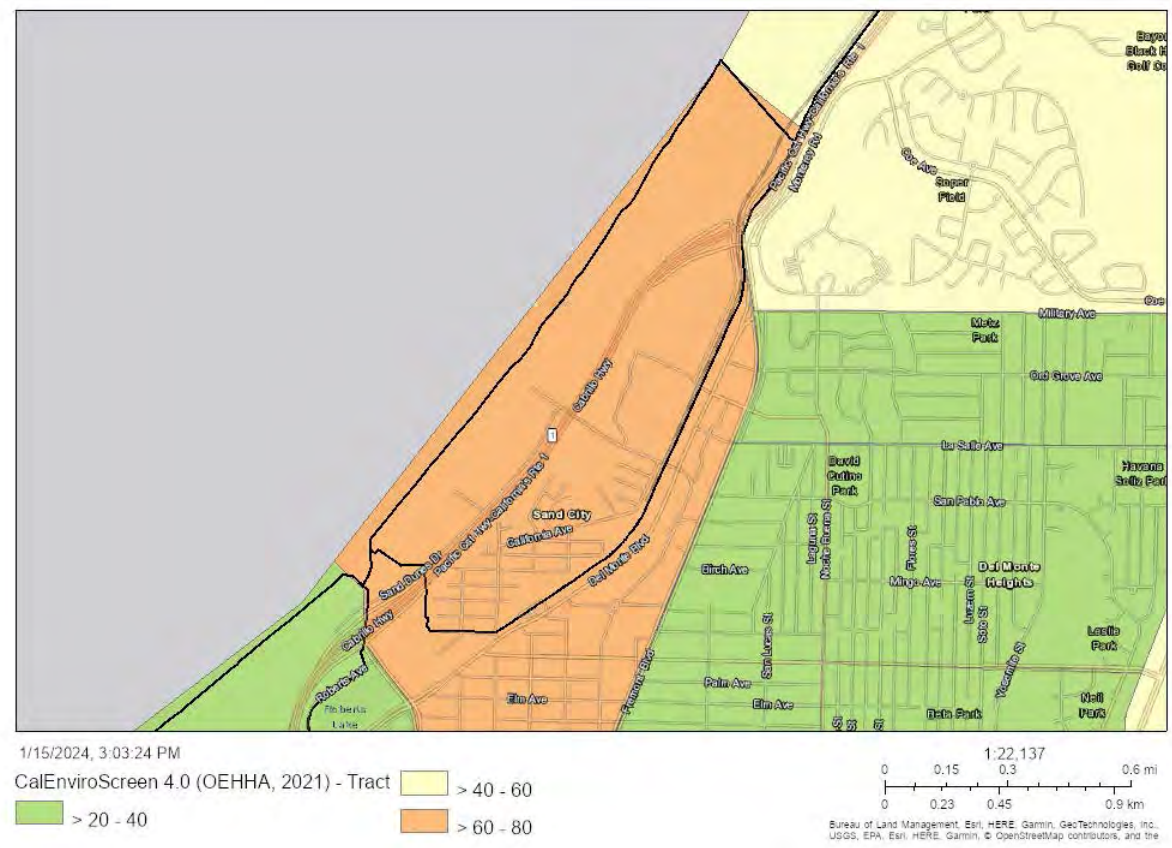
[19] 9 CDC, Residential Proximity to Major Highways, 2010. https://www.cdc.gov/mmwr/preview/mmwrhtml/su6203a8.htm
[20] https://oehha.ca.gov/calenviroscreen/sb535

Figure A-46 CalEnviroScreen 4.0, Monterey County



SOURCE: HCD AFFH Data Viewer, 2021

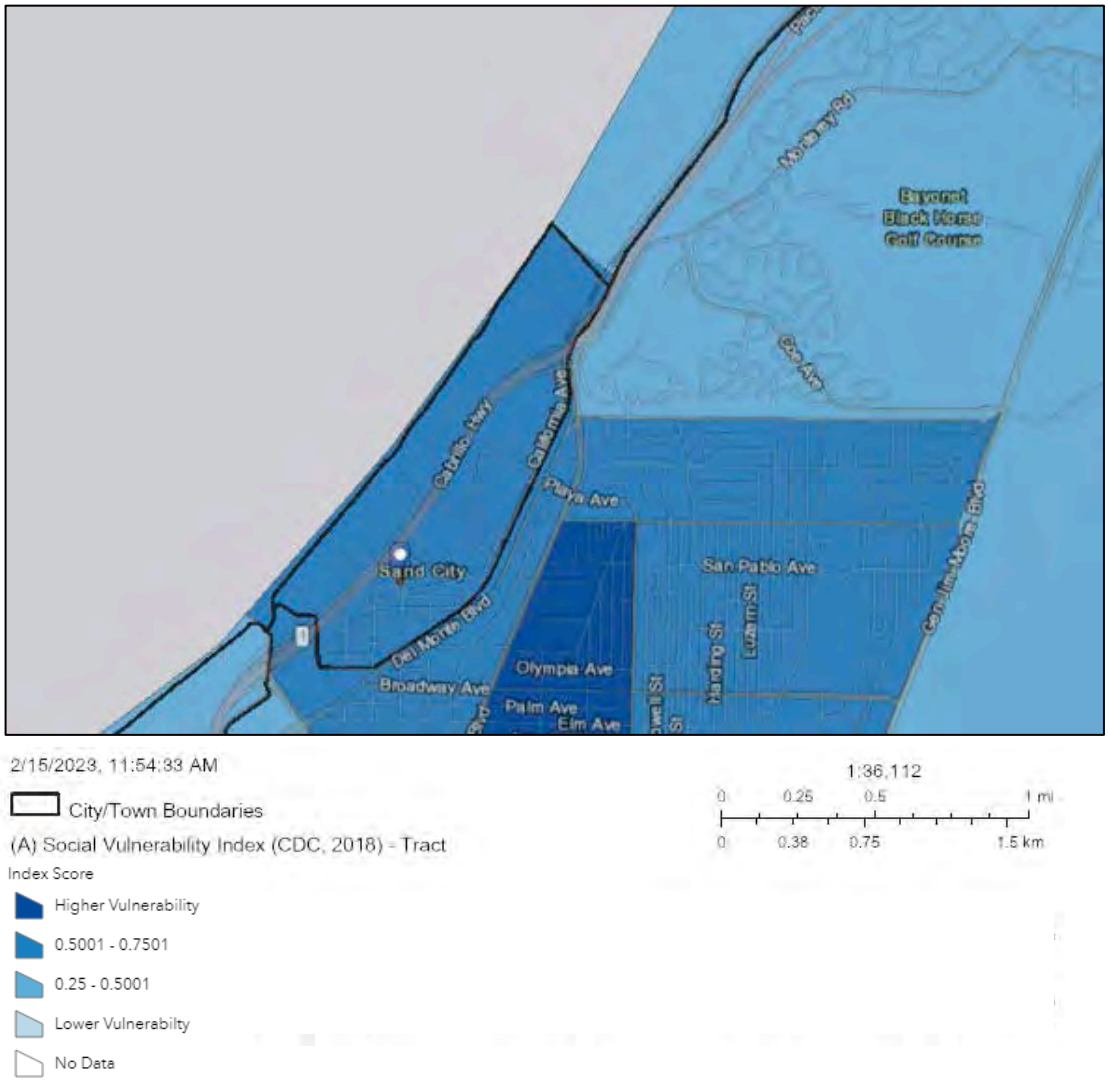
Figure A-47 CalEnviroScreen 4.0, Sand City, 2021



SOURCE: California Department of Housing and Community Development AFFH Data Viewer

The Social Vulnerability Index (SVI) provided by the Center for Disease Control (CDC)—ranks census tracts based on their ability to respond to a disaster—including four themes of socioeconomic status, household composition, race or ethnicity, and housing and transportation. Sand City scores high on the SVI (between 0.5001 and 0.7501), indicating that the City is highly vulnerable to disasters, and ill equipped to respond to them (Figure A-48).

Figure A-48 Social Vulnerability Index by Census Tract, Sand City, 2018



SOURCE: California Department of Housing and Community Development Guidance, 2021, page 36.

Transit Access and Walkability

Reliable public transit access and active transportation options (walking and biking) are imperative for low-income residents and/or persons with disabilities to connect to employment opportunities. Access to employment via public transit and active transportation can reduce income burden and increase housing mobility, which enables residents to locate housing in more areas. Lack of transportation options can impede fair housing choice and continue to reinforce barriers for low-income residents in accessing opportunities.

Regional Trends

Monterey County generally has widespread access to public transit. Transportation Agency for Monterey County (TAMC) and Monterey-Salinas Transit (MST) all serve Monterey County. TAMC serves as the county's regional transportation agency responsible for planning and financial programming of transportation projects in the county. Through local and statewide funding, TAMC provides funding for public transit services operated by MST. MST provides a variety of local bus services through a total of 36 routes where service originates from two primary locations: the Monterey Transit Plaza, in downtown Monterey, and the Salinas Transit Center, in downtown Salinas. From there, routes branch out through the western cities of Marina, Sand City, Monterey, Pacific Grove, Carmel-by-the-Sea, and then the eastern cities, including Salinas, Gonzales, Soledad, Greenfield, and King City. In addition, MST provides a connection to Watsonville Transit Center as the primary connector to Santa Cruz Metro to Santa Cruz and San Jose centers. MST offers a paratransit program (RIDES) in cooperation with the Americans with Disabilities Act for those who have a disability that prevents them from using MST's regular fixed-route bus service. Each bus is equipped with a wheelchair lift, and a service corridor extends 0.75 mile from any of the MST bus routes throughout the Monterey Peninsula, Carmel-by-the-Sea, Carmel Valley, Salinas, Chualar, Gonzales, Greenfield, Soledad, and King City with connection to Watsonville Transit Center. College students ride free with valid student photo identification during the Fall and Spring semesters. Amtrak rail service has a station in Salinas as part of the Coast Starlight line that extends north as far as Seattle, Washington.

Monterey County received an average AllTransit performance score of 4.2 which equates to a low combination of trips per week and number of jobs accessible by transit.[21] Nearly 73 percent of workers in the county live within 0.5 mile of transit. Almost all major employment centers in Monterey County are served by some form of public transit. However, having regional access to jobs by means of public transit does not necessarily translate into stable employment. Some residents with unique needs, such as households with children, have unique travel patterns that may prevent them from working far from home due to childcare needs, access to schools, and other considerations.

Local Trends

Sand City is served by MST which offers four fixed route bus lines in Sand City (Routes 17, 18, 20, and 94). Route 17 connects Sand City to the City of Marina and California State University Monterey Bay (CSUMB), operating from 7:50 am to 6:40 pm on weekdays. Route 18 connects Sand City to the City of Marina and CSUMB, operating from 7:50 am to 6:50 pm on weekends. Route 20 connects Sand City to the cities of Monterey and Salinas operating from 5:45 am to 9:15 pm on weekdays and from 7:15 am to 8:15 pm on weekends. Route 94 connects Sand City to the City of Carmel-by-the-Sea, operating from 9:50 am to 3:50 pm. The City of Sand City is currently processing the coastal

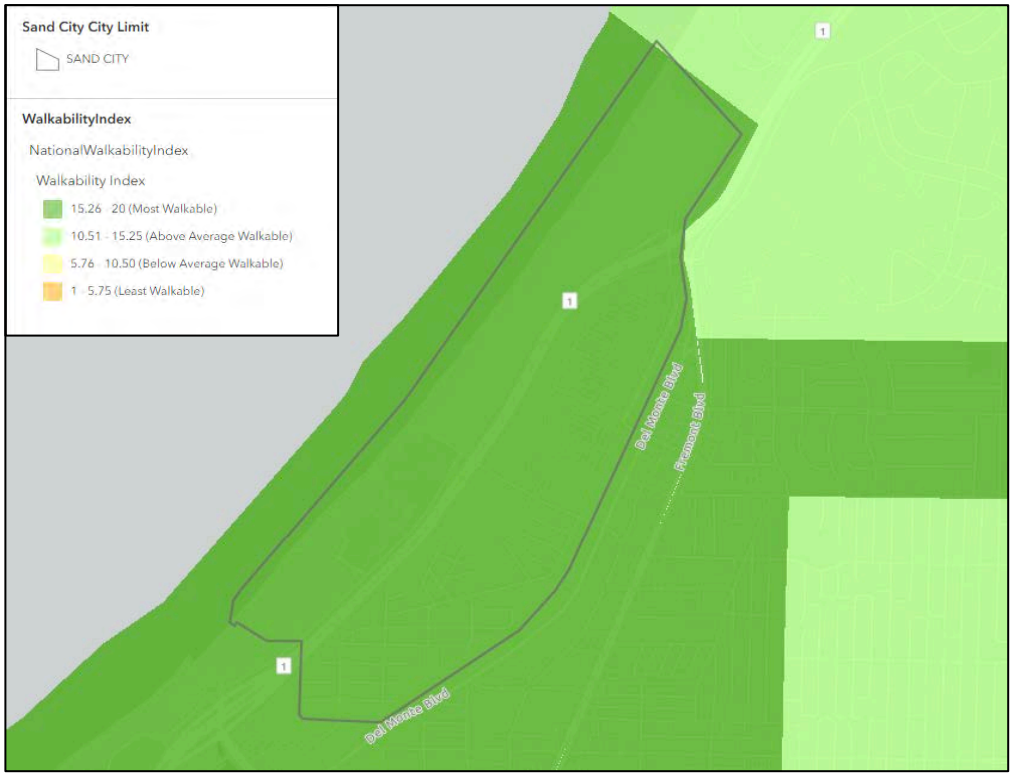
[21] 2 AllTransit.org. 2022. County: Monterey, AllTransit Metrics. https://alltransit.cnt.org/metrics/?addr=monterey+county

development permit for the proposed MST SURF! Busway and Bus Rapid Transit project which will increase connections with a 6-mile busway parallel to Highway 1 from Marina to Sand City and Seaside. MST plans to run zero-emission buses at 15-minute intervals which would curb pollution and commute times by easing traffic congestion.

Sand City is generally accessible by local transit. The city has an AllTransit Performance Score of 7.2, which is three points higher than overall Monterey County. According to AllTransit, on average, households have access to three transit routes within one half mile and 100 percent of jobs in Sand City are within one-half mile of transit.[22]

Walk Score is a tool that produces a walkability index by assigning a numerical walkability score to cities and neighborhoods. Walkability is measured by analyzing population density, distance to amenities, and road metrics such as block length and intersection density. Overall, Sand City has a walk score of 70, which is an above average walk score and indicates most errands can be accomplished on foot.[23] Figure A-49 illustrates Sand City's walkability index from the EPA, which ranks block groups according to their relative walkability. As shown, the entirety of the city has a high level of walkability.

Figure A-49 Walkability Index, Sand City



SOURCE: EPA National Walkability Index, 2021

[22] https://alltransit.cnt.org/fact-sheet/?mapR=248,-121.8600225,36.627557464943905,12.864450190921145,place,2244
[23] https://www.walkscore.com/score/sand-city-ca

Disparities Specific to the Population Living with a Disability

In Sand City, 12 percent of the population is living with at least one disability, compared to 9 percent in the County. The most common disabilities in the City are ambulatory difficulty (5 percent), hearing difficulty (3 percent), and cognitive difficulty (3 percent). For the population 65 and over, the share of the population with ambulatory difficulties increases to 7.1 percent.

A.6 Housing Stock Characteristics

Sand City's housing stock is defined as all housing units within its jurisdiction. Characteristics of housing stock include housing type, age, condition, tenure, vacancy rates, costs, affordability, and growth. The following section provides an in-depth analysis of the housing stock in Sand City to determine how/if the current the housing stock meets the needs of existing and future residents.

Housing Growth

Table A-19 provides an overview of housing growth trends between 2010-2019 in Sand City, the County, and nearby cities. Between 2010-2019, Sand City housing unit estimates grew approximately 60 percent, more than the County and surrounding cities. These estimates show the majority of housing growth in Sand City occurred between 2010-2015 (50 percent).

Table A-19 Housing Unit Growth Trends by Jurisdiction, 2010-2019

Jurisdiction	2010	2015	2019	Percent Change 2010-2015	Percent Change 2015-2019
Monterey County	138,833	139,794	141,820	1%	1%
Sand City	106	160	176	50%	10%
Del Rey Oaks	752	733	745	-3%	2%
Seaside	10,766	10,867	11,494	1%	6%
Pacific Grove	7,723	8,411	8,347	9%	-1%

SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2010-2019

Housing Type

Table A-20 provides a comparison of housing unit types in Sand City, the County, and nearby cities. In Sand City, multifamily homes are the most common housing type (63 percent) followed by single-family detached units (35 percent). Conversely, the County's most common housing type is single-family detached units (63 percent), and only 27 percent multifamily. Overall, Sand City has the lowest percentage of single-family detached units compared to the County and nearby cities, but the highest percentage of multifamily housing units.

Table A-20 Housing Units by Type by Jurisdiction, 2019

Geography	Single-Family Detached		Single-Family Attached		Multifamily		Mobile Homes		Total Units
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	
Monterey County	88,721	63%	8,796	6%	37,734	27%	6,529	5%	141,820
Sand City	62	35%	4	2%	110	63%	0	0%	176
Del Rey Oaks	567	76%	49	7%	118	16%	11	2%	745
Seaside	6,936	60%	1,413	12%	2,829	25%	292	3%	11,494
Pacific Grove	5,023	60%	497	6%	2,668	32%	159	2%	8,347

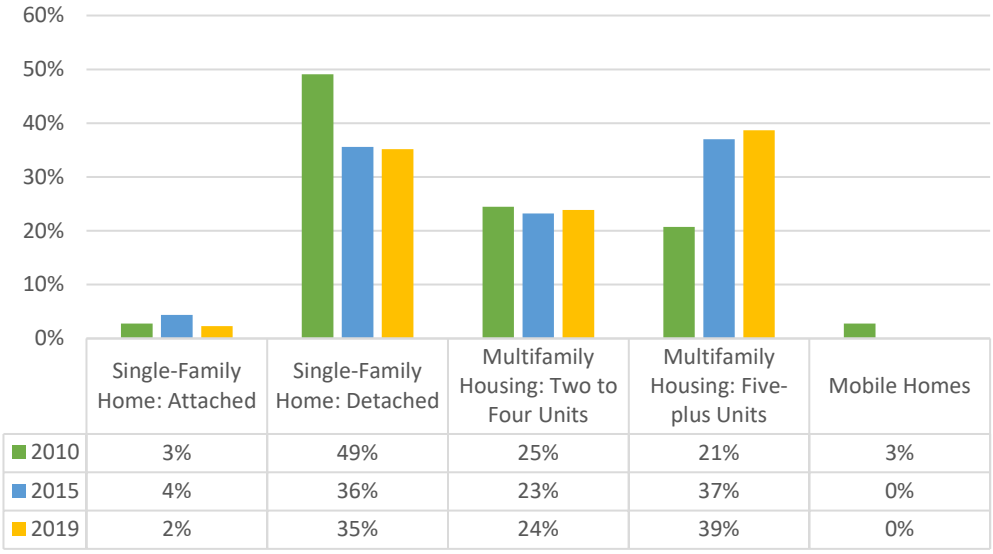
SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019
NOTE: Table indicates total housing units.

Figure A-50 illustrates housing type trends in Sand City between 2010-2019. In 2010, the majority of housing types were single-family detached homes (49 percent); this has since decreased to only 35 percent in 2019. More recently, multifamily housing (2-5+ units) makes up the majority of housing types (63 percent) in 2019. In 2010, mobile homes comprised the smallest percentage of housing in Sand City (along with single-family attached), and have since dropped to zero percent in 2015 and 2019.

Housing Availability and Tenure

Housing tenure refers to individuals who own or rent a housing unit. The number of residents who own their homes compared to those who rent their homes can help identify the level of housing insecurity (i.e., ability for individuals to stay in their homes) in a city and region. Generally, renters may be displaced more quickly if prices increase. Additionally, housing tenure may be an indicator of housing affordability (i.e., if the local housing market has high barriers to entry, there may be more renter households than owner households).

Figure A-50 Housing by Type, Sand City, 2010-2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2010-2019

In Sand City, the housing stock includes 25 owner-occupied housing units and 121 renter-occupied housing units (Table A-21). The majority of renter-occupied units are multifamily (69 percent), whereas the majority of owner-occupied units are single-family detached (60 percent).

When analyzing housing unit type in tandem with tenure, the majority of all housing units are multifamily (63 percent), of which 76 percent are renter-occupied and 6 percent are owner-occupied (Table A-20; Table A-21).

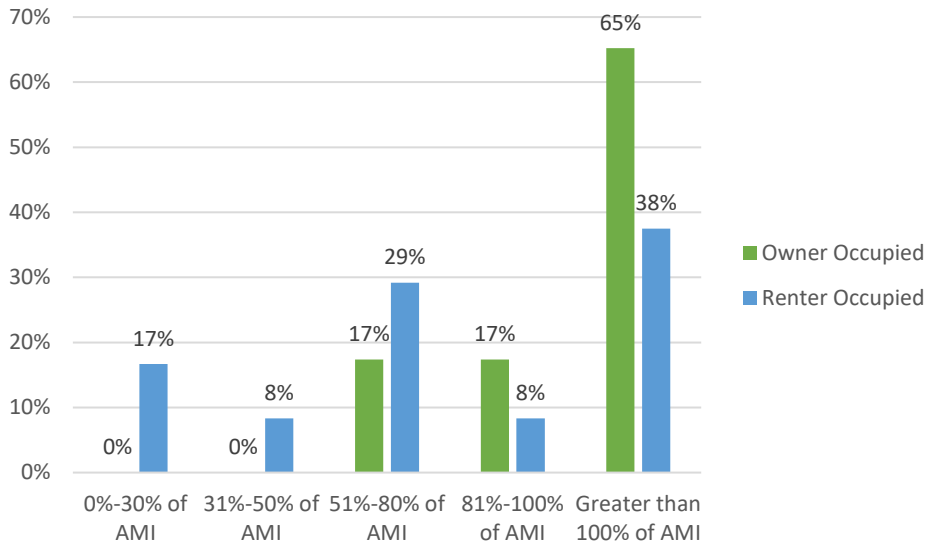
Table A-21 Housing Units by Type and Tenure, Sand City, 2019

Tenure	Single-Family Detached		Single-Family Attached		Multifamily		Mobile Homes		Total Units
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	
Renter-Occupied	36	30%	1	0.82%	84	69%	0	0%	121
Owner-Occupied	15	60%	3	12%	7	28%	0	0%	25

SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019
NOTE: Table indicates total occupied housing units.

Figure A-51 illustrates household tenure by income level in Sand City. The largest proportion of both renters (38 percent) and homeowners (65 percent) fall in the Greater than 100 percent of AMI group. However, lower-income renters as a whole (0-80 percent of AMI), makeup 54 percent of households.

Figure A-51 Household Tenure by Income Level, Sand City, 2019



SOURCE: U.S. Census Bureau, CHAS, 2015-2019

Table A-22 provides an overview of household size by tenure for Sand City, the County, and nearby cities. In Sand City, the average household size is 2.12, of which the majority of larger households are comprised of renter-occupied units (2.17 persons/unit). An average household size of 2.12 suggests a need for more smaller housing units. This aligns with 48 percent of Sand City's population being comprised of single-person households (Figure A-12). Compared to the County and nearby cities, Sand City has the lowest average household size (2.12 persons/unit). The County has a high average household size of 3.27 suggesting a need for large housing units and even a need for smaller independent units such as ADUs/JADUs for extended family, etc.

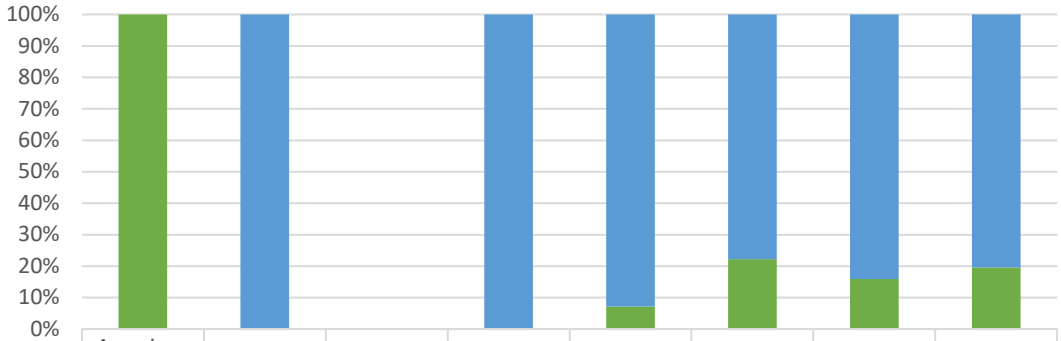
Table A-22 Household Size by Tenure by Jurisdiction, 2019

Jurisdiction	Owner-Occupied	Renter-Occupied	Average Household Size
Monterey County	3.13	3.41	3.27
Sand City	1.88	2.17	2.12
Del Rey Oaks	2.29	2.49	2.35
Seaside	2.92	3.19	3.08
Pacific Grove	2.34	2.15	2.23

SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019

Figure A-52 illustrates 2019 household tenure by race in Sand City. Tenure by race does not vary much in Sand City, as the majority of all households in Sand City are renter-households (82 percent), of which both non-Hispanic White and Hispanic or Latinx populations (the City's most populous groups) are majority renter-households. However, all Black or African American households rented their homes, while homeownership rates were 100 percent for American Indian or Alaska Native households, 7 percent for Hispanic or Latinx households, 38 percent for White households, and 22 percent for Multiple Races.

Figure A-52 Household Tenure by Race, Sand City, 2019

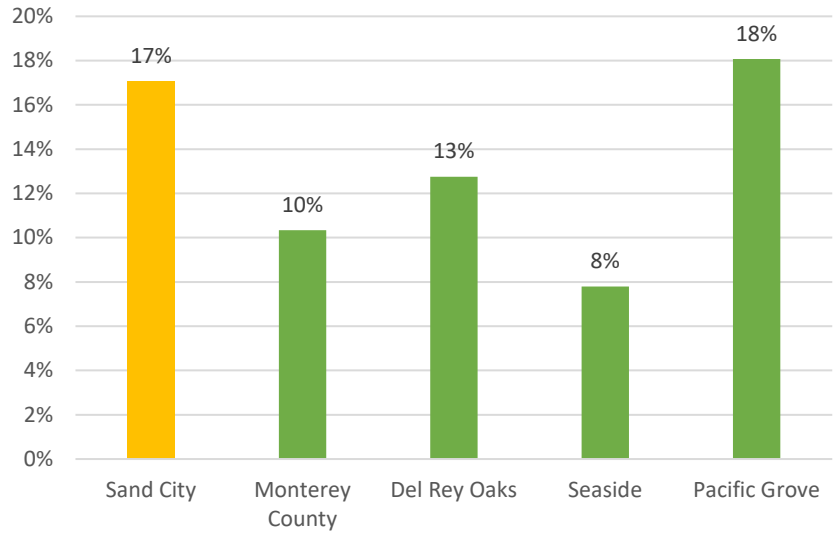


	American Indian or Alaska Native (Hispanic and Non-Hispanic)	Asian alone	Native Hawaian and Other Pacific Islander	Black or African American (Hispanic and Non-Hispanic)	Hispanic or Latinx	Some Other Race/Multiple Races	White (Hispanic and Non-Hispanic)	White, Non-Hispanic
Renter Occupied	0%	100%	0%	100%	93%	78%	84%	80%
Owner Occupied	100%	0%	0%	0%	7%	22%	16%	20%

SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019

Sand City has the second highest vacancy rates of the nearby cities at 17 percent (Figure A-53). At 18 percent, the City of Pacific Grove has the highest vacancy rate, just one point above Sand City. The City of Seaside has the lowest vacancy rate at 8 percent (9 percent below Sand City). Table A-23 shows vacant housing units by type, revealing 63 percent of Sand City's vacant units are for rent, suggesting a mismatch of housing need in some proportion (i.e., affordability, size, etc.).

Figure A-53 Vacancy Rates by Jurisdiction, 2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019

Table A-23 Vacant Housing Units by Type, Sand City, 2019

Housing Unit Type	Estimate	Percentage
For rent	19	63%
Rented, not occupied	0	0%
For sale only	0	0%
Sold, not occupied	6	20%
For season, recreations, or occasional use	0	0%
For migrant workers	0	0%
Other vacant	5	17%
Total	30	100%

SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019

Table A-24 shows housing permits issued by the City of Sand City by income group. Between 2015 and 2021, permits were issued for seven (7) housing units in Sand City. Of those, all were for above moderate-income housing.

Table A-24 Housing Permits by Income Group, Sand City, 2015-2021

Income Group	Number	Percent
Very Low-Income Permits	0	0%
Low-Income Permits	0	0%
Moderate-Income Permits	0	0%
Above Moderate-Income Permits	7	100%
Total	7	100%

SOURCE: California Department of Housing and Community Development (HCD), 5th Cycle Annual Progress Report Permit Summary (2022).
NOTE: Universe: Housing permits issued between 2015 and 2021. Notes: HCD uses the following definitions for the four income categories: Very Low Income: units affordable to households making less than 50 percent of the Area Median Income for the county in which the jurisdiction is located. Low Income: units affordable to households making between 50 percent and 80 percent of the Area Median Income for the county in which the jurisdiction is located. Moderate Income: units affordable to households making between 80 percent and 120 percent of the Area Median Income for the county in which the jurisdiction is located. Above Moderate Income: units affordable to households making above 120 percent of the Area Median Income for the county in which the jurisdiction is located.

Assisted Housing Developments At-Risk of Conversion

While there is an immense need to produce new affordable housing units, ensuring that the existing affordable housing stock remains affordable is equally important. The City includes a variety of programs that provide incentives for the development of affordable rental housing in Sand City. Programs are administered by the US Department of Housing and Urban Development (HUD), insured by the Federal Housing Administration (FHA), financed by Multifamily Revenue Bond issuance or tax credits or subject to a housing agreement under the City's density bonus provisions. Through these programs, units are restricted to periods of up to 55 years. Once the term of the contract is up, the owner of the rental units can raise rents to market rate. This can have the effect of displacing low- and very low-income tenants who cannot afford increased rents.

The California Housing Partnership Preservation Database is the state's most comprehensive source of information on subsidized affordable housing at risk of losing its affordable status and converting to market-rate housing.[24] According to the database, there are no federal or state assisted units in Sand City.

At the local level, there are a total of 11 below market rate rental units with protective covenants in place. The City facilitated the development of The Independent, located at 600 Ortiz Ave., a mixed-use multifamily development, which includes 10 low-income rental units (approximately 5 percent of the City's existing housing stock) with protective covenants for 55 years. The protective covenants began in 2008 and expire in 2063. Additionally, there is one (1) moderate-income unit located at The Independent that has a protective covenant for a 12-year term. The protective covenant was executed in 2020 and will expire in 2032. Currently, there are no affordable housing units at risk of

[24] This database does not include all deed-restricted affordable units in the state, so there may be at-risk assisted units in a jurisdiction that are not captured.

conversion to market rate during the 6th cycle planning period. Nevertheless, it is important for the City to be aware of various options to grow and maintain the City's affordable housing stock.

To maintain the existing affordable housing stock, the City can preserve existing affordable units and facilitate the development of new units. Depending on the circumstances of at-risk projects, different options may be used to preserve or replace the units. Preservation options to ensure the viability and ongoing supply of affordable units typically include: 1) construction of replacement units; 2) provision of rental assistance to tenants 3) transfer of the project to nonprofit ownership; and 4) purchase of affordability covenants. These options are described below and the City's focus is on proactive construction of replacement units and rental assistance.

Construction of Replacement Units

The construction of new affordable housing units is a means of replacing the at-risk units should they be converted to market-rate units. The cost of developing housing depends on a variety of factors, including density, size of the units (i.e. square footage and number of bedrooms), location, labor, materials and land costs, and type of construction. The City is implementing a number of programs to encourage development of new affordable units to increase the City's affordable housing stock.

Rental Assistance

Rental subsidies using non-federal (state, local, or other) funding sources can be used to maintain affordability of at-risk units. These rent subsidies can be structured to mirror the federal Housing Choice Voucher (Section 8) program. Under Section 8, HUD pays the difference between what tenants can pay (defined as 30 percent of household income) and what HUD estimates as the fair market rent on the unit. The feasibility of this alternative is highly dependent on the availability of other funding sources necessary to make rent subsidies available and the willingness of property owners to accept rental vouchers if they can be provided. Housing Choice Vouchers are available through the Housing Authority of Monterey County.

Transfer of Ownership

Transferring ownership of an at-risk project to a nonprofit housing provider is generally one of the least costly ways to ensure that at-risk units remain affordable for the long term. By transferring property ownership to a nonprofit organization whose mission includes affordable housing, the risk of losing the low-income restrictions is minimized, and the project would become potentially eligible for a greater range of governments assistance.

Purchase of Affordability Covenants

Another option to preserve the affordability of at-risk projects is to provide an incentive package to the owners to maintain the projects as affordable housing. Incentives could include bringing down the interest rate on the remaining loan balance, providing loans for capital improvements, and/or supplementing subsidies. The feasibility of this option depends on whether the complex is too highly leveraged. By providing lump sum financial incentives or ongoing subsidies in the form of rents or reduced mortgage interest rates to the owner, the City can ensure that some of all of the units remain affordable.

Displacement

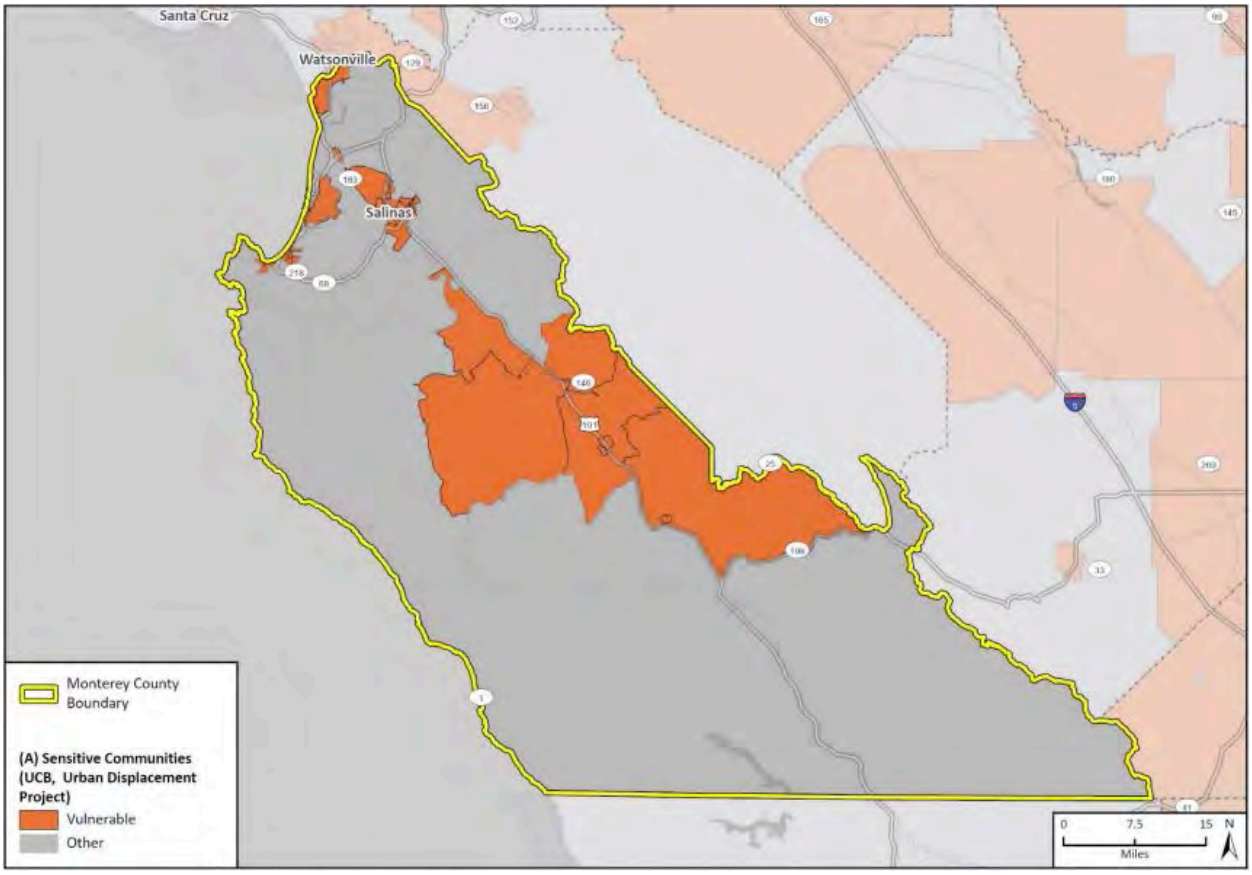
Displacement, as defined by HCD, is any involuntary household move caused by landlord action or market changes. Shifts in neighborhood composition are often framed and perpetuated by established patterns of racial inequity and segregation. Movement of people, public policies, and investments, such as capital improvements and planned transit stops, and flows of private capital can lead to displacement. Displacement is fueled by a combination of rising housing costs, rising income inequality, stagnant wages, and insufficient market-rate housing production. Decades of disinvestment in low-income communities, coupled with investor speculation, can result in a rent gap or a disparity between current rental income of the land, and potentially achievable rental income if the property is converted to its most profitable use. These processes can disproportionally impact people of color, as well as lower-income households, persons with disabilities, large households, and persons at-risk of or experiencing homelessness.[25] Because of increasing housing prices, displacement is a major concern in the Monterey Bay Area. Displacement has the most severe impacts on low- and moderate-income residents. When individuals or families are forced to leave their homes and communities, they also lose their support network.

Regional Trends

As shown in Figure A-54, throughout the county, residents reside in what are called "sensitive communities," which means they are vulnerable to displacement.[26] Every city in the region had sensitive communities, with the exception of Carmel-by-the-Sea. Unincorporated areas of the county with sensitive communities were concentrated in the eastern portion of the county along U.S. 101. Communities are designated sensitive if the share of very low-income residents is greater than 20 percent and have any of the following characteristics: the share of renters is above 40 percent, the share of people of color is above 50 percent, the share of very low-income households that are severely rent burdened is above the county median, the percent change in rent is above the county median for rent increases.

[25] HCD, 2021. https://www.hcd.ca.gov/community-development/affh/docs/affh_document_final_4-27-2021.pdf
[26] Urban Displacement Project, 2021. https://www.sensitivecommunities.org/

Figure A-54 Sensitive Communities, Monterey County



SOURCE: California Department of Housing and Community Development, AFFH Data Viewer

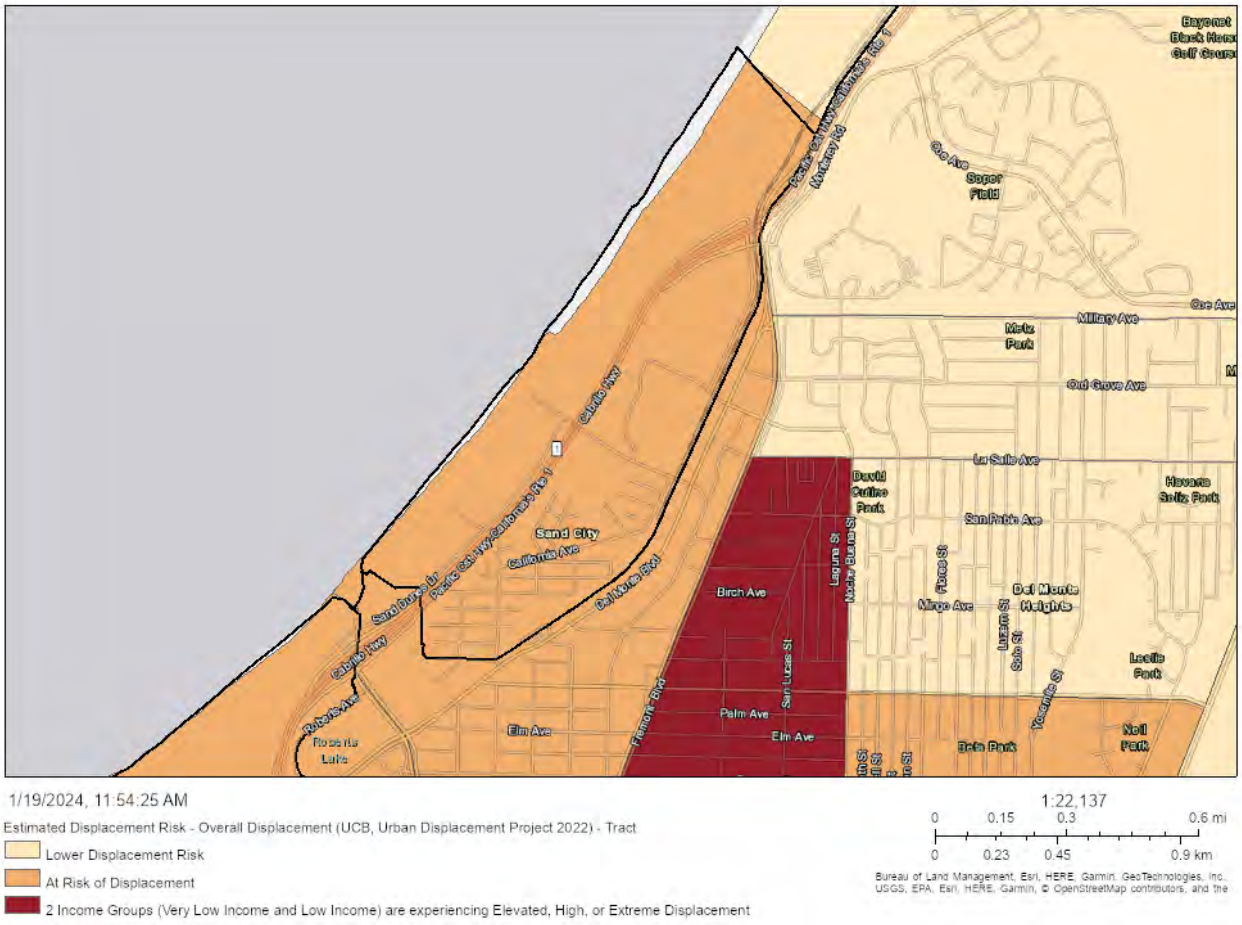
Local Trends

Figure A-55 illustrates displacement risk in Sand City. According to the California Department of Housing and Community Development (HCD) AFFH Data Viewer and the Urban Displacement Project 2022 estimates, Sand City renter-occupied households earning between 0-80 percent AMI are at risk of potential displacement or gentrification. However, this data includes the City of Seaside impacting accuracy for Sand City.

There appears to be no geographic variation in the level of displacement risk. This aligns with 63 percent of renter households experiencing some level of cost burden. Displacement risk in Sand City is likely caused by economic factors, such as rising housing costs. As discussed later in this appendix, between 2019 and 2022, median home prices increased 33 percent from $550,015 to $729,055. Median rent has also increased significantly in recent years. According to Zillow, median rent for a two-bedroom apartment in Sand City increased approximately 16 percent between 2023 and 2024, from $2,500 to $2,900. These increases are not specific to any one area in the city.

There have not been any reported events causing displacement in Sand City. The City's goal is to implement the required governmental measures to promote the development of affordable housing. As part of this initiative, the City plans infrastructure improvements to support future development within the city. These improvements would not result in the loss of any housing units or displace any existing residents. There are no proposed improvements which would require the displacement of existing housing units or residents.

Figure A-55 Displacement Risk, Sand City, 2022

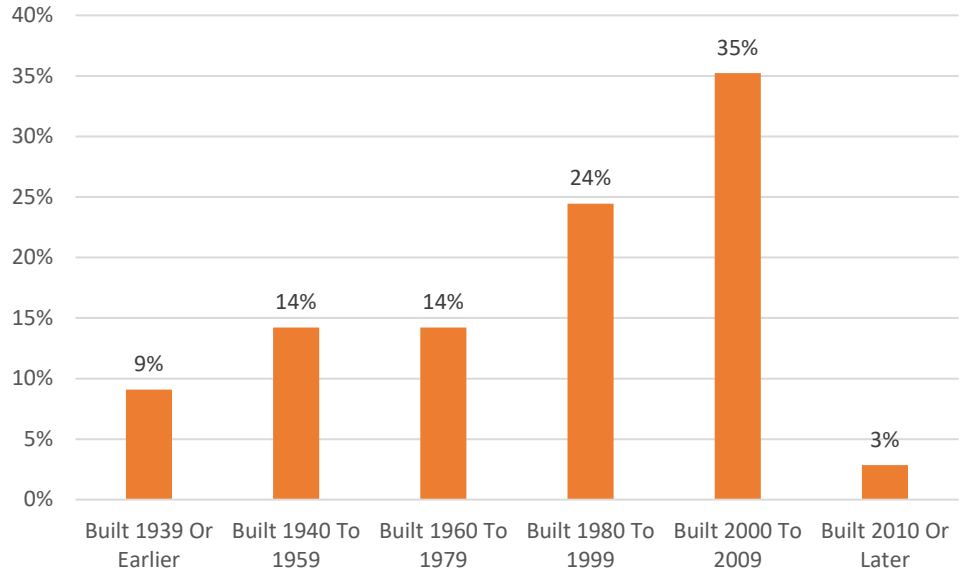


SOURCE: California Department of Housing and Community Development, AFFH Data Viewer

Housing Age and Condition

Housing age and condition are factors considered in overall housing quality as they may affect the structural integrity and ability to adequately function for a household. Thus, the age and condition of a house may indicate the need for major repairs to the foundation, plumbing, or roof. In Sand City, 61 percent of the housing stock was built prior to 1999 and is over 20 years old. Thirty-five (35) percent of the housing stock was built between 2000-2009 and 3 percent was built in 2010 or later (Figure A-56).

Figure A-56 Housing Stock Age, Sand City, 2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019

The small nature of Sand City provides the opportunity for City staff to monitor all structures in the City on a regular basis. The City estimates that there are less than 5 percent of structures in need of rehabilitation. In late 2023, a city-wide windshield survey was conducted by City staff, with findings that approximately six (6) residential structures are in need of rehabilitation. Based on the windshield survey, the older housing stock still appears to be in decent shape, and is expected to need reroofing in about five to 10 years. Most residential units in need of repair are older wooden structures dating back to the 1960s or earlier, located in more industrial areas of the City within the MU-P District. These units are mostly in need of electrical maintenance and updated exterior finishes such as paint or siding. The City will continue to monitor this situation.

Based on recent building permits, it is evident that interior maintenance, such as hot water heater replacements and electrical maintenance is being done in several homes throughout the city. The City Council and City staff are proactive in conducting outreach to residential units that appear to be in disrepair. Code enforcement is more closely related to the monitoring and enforcement of businesses as the city's primary land use is commercial, but they are still active in monitoring residential activity as well.

To facilitate the rehabilitation and preservation of existing housing units, the 6th Cycle Housing Element proposes policies and Program 2.C (see Chapter 2). The program is intended to provide information and assistance to lower-income households in need of home repairs and rehabilitation.

The MU-P District has recently seen the construction of several residential developments since 2022, and is anticipated to accommodate the entirety of the RHNA through adaptive reuse, lot consolidation, and new high-density development. Included in the Sites Inventory are several vacant

lots, a condemned single-family home, and underutilized lots that are intended to be redeveloped in the eight-year planning cycle. This will address the needed restoration of many underutilized/vacant structures and lots, in addition to increasing the desirability of the area.

Housing Costs and Affordability

Identifying the cost of owning or renting a home in a city helps determine the affordability of housing at different income levels. Understanding housing affordability also informs what types and sizes of housing are needed by the community's households. Housing affordability is considered affordable if the monthly housing cost does not exceed 30 percent of a household's gross income. In Sand City, a lack of affordable housing for locals has been a major issue surrounding housing as the City has supported a retail economy without providing its local workforce affordable housing, causing a spatial mismatch of jobs-workers. Thus, implementing policies and programs to build and protect housing is critical to ensuring the housing needs of the community are met, the local economy is better supported, and environmental impacts are reduced.

Home Prices and Rental Costs

Due to the small population size of Sand City, home price and rental cost data is not available through Zillow or other commonly used real estate databases. Moreover, U.S. Census ACS data is not an accurate indicator of home price values due to stagnant collection of data and an ever-changing housing market. For the assessment of home prices in Sand City, the neighboring city of Seaside is being used as an indicator of affordability.

According to Zillow Home Value Index data, the median home value in Sand City was estimated at $550,015 in December 2019 (Table A-25). By 2022, the median home value in Sand City increased approximately 33 percent due to market demand. By comparison, the median home value in the County was valued at $561,490 in December 2019 and experienced a 39 percent increase by 2022.

Table A-25 Median Home Value by Jurisdiction, 2019-2022

Jurisdiction	Median Home Value				Percent Change 2019-2022
	2019	2020	2021	2022	
Monterey County	$561,490	$632,834	$735,469	$778,164	39%
Sand City	$550,015	$616,786	$690,126	$729,055	33%
Del Rey Oaks	$630,204	$701,060	$779,099	$840,663	33%
Seaside	$550,015	$616,786	$690,126	$729,055	33%
Pacific Grove	$943,900	$1,032,675	$1,237,054	$1,294,881	37%

SOURCE: Zillow Home Value Index, 2019-2022

NOTE: Housing value estimates were taken from December for years 2019-2022.
Reported median home values for Sand City are reflective of Seaside median home values due to lack of available data for Sand City.

Rental Affordability

Similar to home value prices, rental prices have also increased over the last decade. This significantly affects lower-income households as they are typically majority renters. High rental prices can exacerbate housing challenges such as overcrowding and cost burden if adequate rental stock is not available to suit household needs.

Table A-26 shows average rent estimates by unit size in Sand City based on 2023 Zillow rental market data in Seaside. Included in the table is Housing and Urban Development's (HUD) Fair Market Rents (FMR) for 2023, which establishes rental subsidy limits for Section 8 housing voucher recipients.

Table A-26 Average Rent by Number of Bedrooms, Sand City, 2023

Unit Type	Average Rents	Fair Market Rents (HUD)
Studio	$1,450	$2,112
One bedroom	$1,865	$2,194
Two bedrooms	$2,800	$2,675
Three bedrooms	$4,100	$3,790
Four bedrooms	$4,048	$4,144

SOURCE: Zillow, 2023; HUD, Fair Market Rent Documentation System, 2023
NOTE: Zillow rental value estimates were taken from March 2023 and based on Seaside median rental price.
Fair Market Rent values are based on Salinas, CA MSA

Table A-27 reports the maximum monthly housing costs affordable to households according to income group in Monterey County. Income groups are based on the HCD 2022 State Income Limits Report, which considers housing affordable assuming a household can pay up to 30 percent of its monthly income toward housing. In Table A-27, maximum affordable sales prices are based on the following assumptions: 6.42 percent interest rate,[27] 30-year fixed loan, and a 5 percent down payment.

As mentioned in Table A-25, the median home price in Sand City[28] in December 2022 was $729,055, which is only affordable to above moderate-income households earning approximately $183,000 annually or more (42 percent of Sand City households are categorized as above moderate-income).

[27] Interest rate based on December 29, 2022 interest rate according to Freddie Mac Primary Mortgage Market Survey
[28] Reported median home values for Sand City are reflective of Seaside median home values due to lack of available data for Sand City.

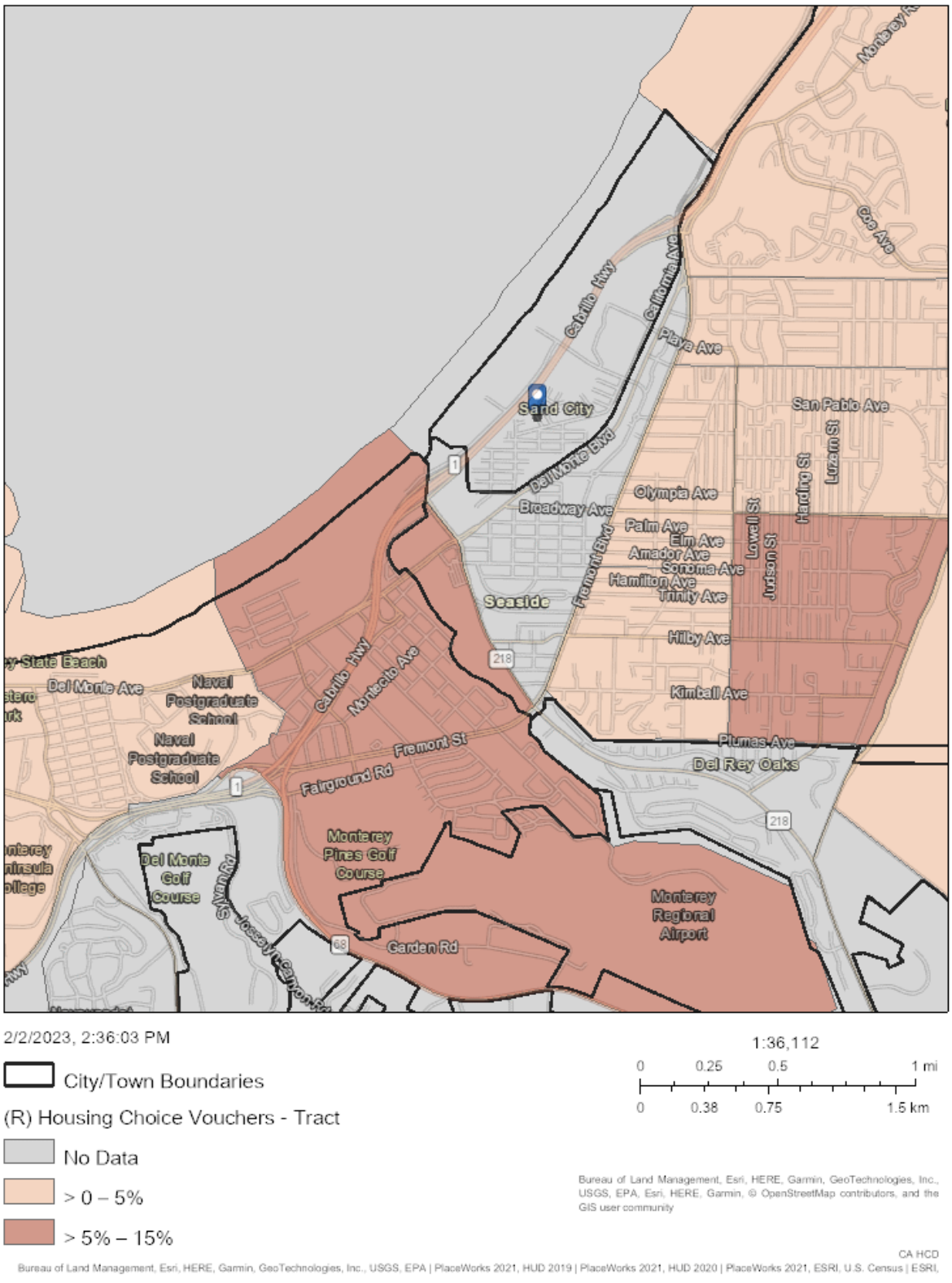
Table A-27 Housing Affordability, Sand City, 2022

Income Group	HCD Income Limits	Maximum Affordable Price	
		Monthly Rental	Ownership
Extremely Low (0-30% AMI)			
One Person	$23,900	$598	$100,340
Two Person	$27,300	$683	$114,614
Three Person	$30,700	$768	$128,889
Four Person	$34,100	$853	$143,163
Very Low (30-50% AMI)			
One Person	$39,800	$995	$167,093
Two Person	$45,500	$1,138	$191,024
Three Person	$51,200	$1,280	$214,954
Four Person	$56,850	$1,421	$238,675
Low (50-80% AMI)			
One Person	$63,700	$1,593	$267,433
Two Person	$72,800	$1,820	$305,638
Three Person	$81,900	$2,048	$343,843
Four Person	$91,000	$2,275	$382,048
Moderate (80-120% AMI)			
One Person	$75,650	$1,891	$317,603
Two Person	$86,500	$2,163	$363,155
Three Person	$97,300	$2,433	$408,497
Four Person	$108,100	$2,700	$453,839

SOURCE: California Department of Housing and Community Development, State Income Limits, 2022, Monterey County

According to the California Department of Housing and Community Development AFFH Data Viewer, Sand City does not have any public housing buildings. Additionally, the city's census tract does not show data for Housing Choice Voucher usage (Figure A-57).

Figure A-57 Housing Choice Vouchers by Census Tract, Sand City



SOURCE: California Department of Housing and Community Development AFFH Data Viewer

A.7 Fair Housing Enforcement and Outreach Capacity

This section discusses fair housing legal cases and inquiries, fair housing protections and enforcement, and outreach capacity.

Fair Housing Legal Cases and Inquiries

California fair housing law extends beyond the protections in the Federal Fair Housing Act (FHA). In addition to the FHA protected classes—race, color, ancestry/national origin, religion, disability, sex, and familial status—California law offers protections for age, sexual orientation, gender identity or expression, genetic information, marital status, military or veteran status, and source of income (including federal housing assistance vouchers).

The California Department of Fair Employment in Housing (DFEH) was established in 1980 and is now the largest civil rights agency in the United States. According to their website, the DFEH's mission is, "to protect the people of California from unlawful discrimination in employment, housing and public accommodations (businesses) and from hate violence and human trafficking in accordance with the Fair Employment and Housing Act (FEHA), Unruh Civil Rights Act, Disabled Persons Act, and Ralph Civil Rights Act".[29]

DFEH receives, evaluates, and investigates fair housing complaints. DFEH plays a particularly significant role in investigating fair housing complaints against protected classes that are not included in federal legislation and therefore not investigated by HUD. DFEH's website provides detailed instructions for filing a complaint, the complaint process, appealing a decision, and other frequently asked questions.[30] Fair housing complaints can also be submitted to HUD for investigation.

Additionally, Monterey County has a number of local resource and enforcement organizations:

- The Housing Authority of the County of Monterey: A public agency that provides rental assistance and develops and manages affordable housing throughout Monterey County, California;
- South County Housing: A non-profit community development corporation. The organization's mission is to promote viable neighborhoods that enhance healthy, sustainable communities by collaboratively providing affordable housing and promoting neighborhood services;
- Public Interest Law Project: a nonprofit support center for California legal services and other public interest law programs. The California Affordable Housing Law Project (CAHLP) is a project of the Public Interest Law Project. CAHLP concentrates primarily on the enforcement of California's Housing Element and redevelopment statutes and of state and federal relocation assistance and fair housing laws;

[29] https://www.dfeh.ca.gov/aboutdfeh/
[30] https://www.dfeh.ca.gov/complaintprocess/

- Coalition of Homeless Service Providers: Advocate on the subject of homelessness with policy makers, public funders, and those with lived experience; and
- California Rural Legal Assistance (CRLA): a nonprofit legal service program created to help California's low-income individuals and communities. CRLA provides low-income rural Californians with free legal assistance and a variety of community education and outreach programs. Half of its resources are committed to multi-client cases that grapple with the root causes of poverty, with the goal of improving conditions for farmworkers, single parents, school children, seniors, people with disabilities, and entire communities.

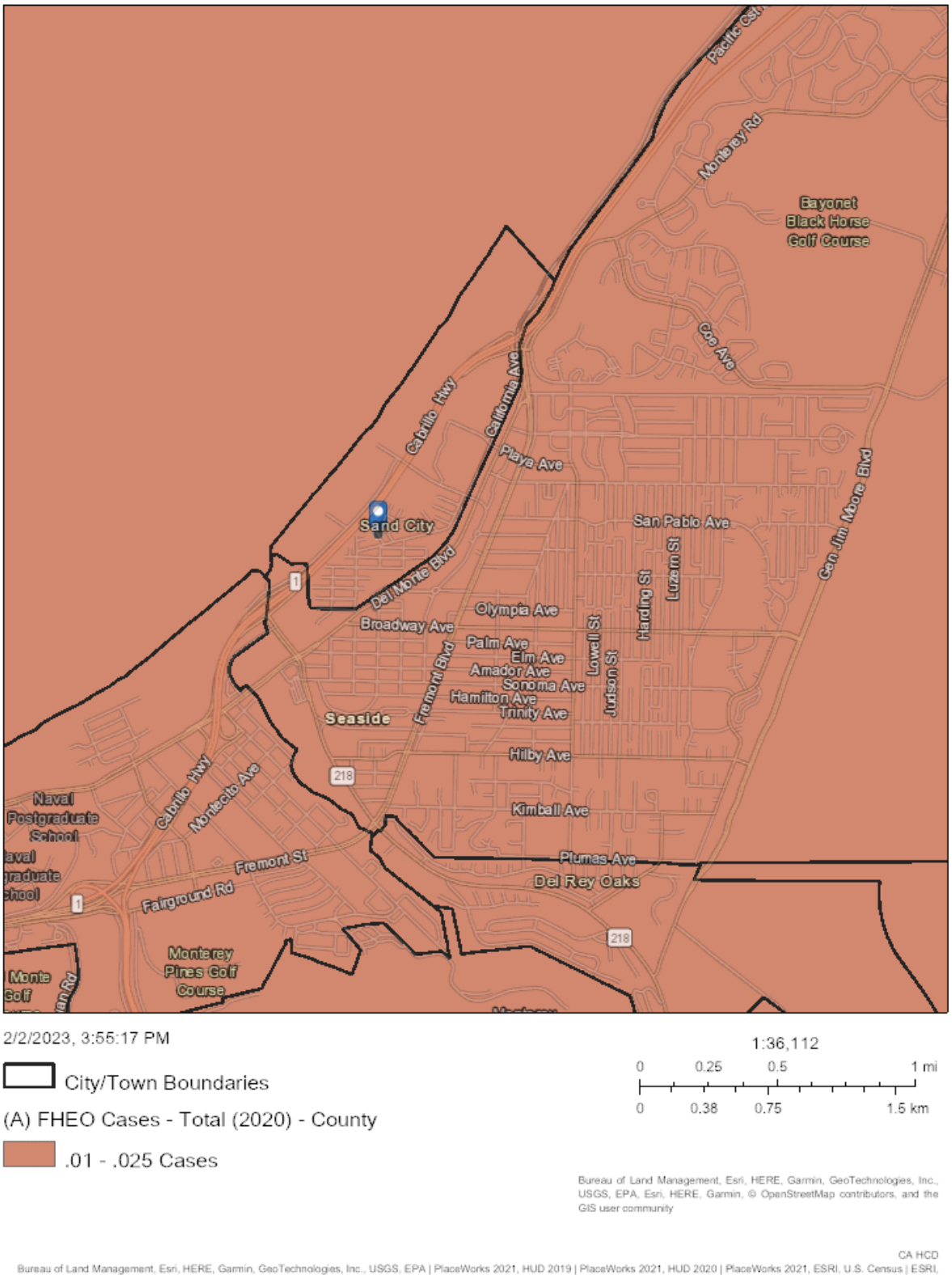
Between 2012 and 2017, 53 fair housing complaints in Monterey County had been filed with the California Department of Fair Employment and Housing (DFEH). Among the complaints countywide, most were related to physical disabilities (23 instances) and familial/marital status (ten instances). Discrimination based on race was also included (seven instances). A complaint may involve multiple acts of discrimination and vice versa. A total of 57 acts of discrimination were recorded in Monterey County. Refusal to rent (17 instances), discriminatory statements (12 instances), and denial of reasonable accommodation/modifications (12 instances) were the most common discriminatory acts in the County.[31]

In 2020, a total of six (6) discrimination cases were found with the Office of Fair Housing and Equal Opportunity. Fifty percent of the cases were filed on the basis of disability bias. None of the complaints alleged racial bias. Figure A-58 illustrates that out of all of the FHEO cases filed in the state of California in 2020 (398), only between 1 and 2.5 percent of the cases were filed in Monterey County. None of the discrimination cases filed in Monterey County in 2020 took place in Sand City.

A total of six (6) discrimination complaints were filed within Monterey County during 2020. Of those cases, three of them alleged discrimination based on disability. Figure A-59 illustrates this statistic by showing that 40.01 to 65 percent of the cases filed in Monterey County during 2020 reflected disability bias. None of the FHEO complaints occurred in Sand City. Due to Sand City's small size and limited staff, the lack of FHEO complaints may be due to limited education on Fair Housing law and tenant protection rights. To address this issue, the City of Sand City has developed Program 5.A that is intended to provide Fair Housing education and resources to the community via partnerships with local service organizations, and outreach at City-wide events.

[31] Source: California Department of Fair Employment & Housing, 2018; Monterey County Regional Analysis of Impediments to Fair Housing Choice, 2019

Figure A-58 FHEO Cases Total, Monterey County, 2020



2/2/2023, 3:55:17 PM

City/Town Boundaries

(A) FHEO Cases - Total (2020) - County

.01 - .025 Cases

1:36,112

0 0.25 0.5 1 mi

0 0.38 0.75 1.5 km

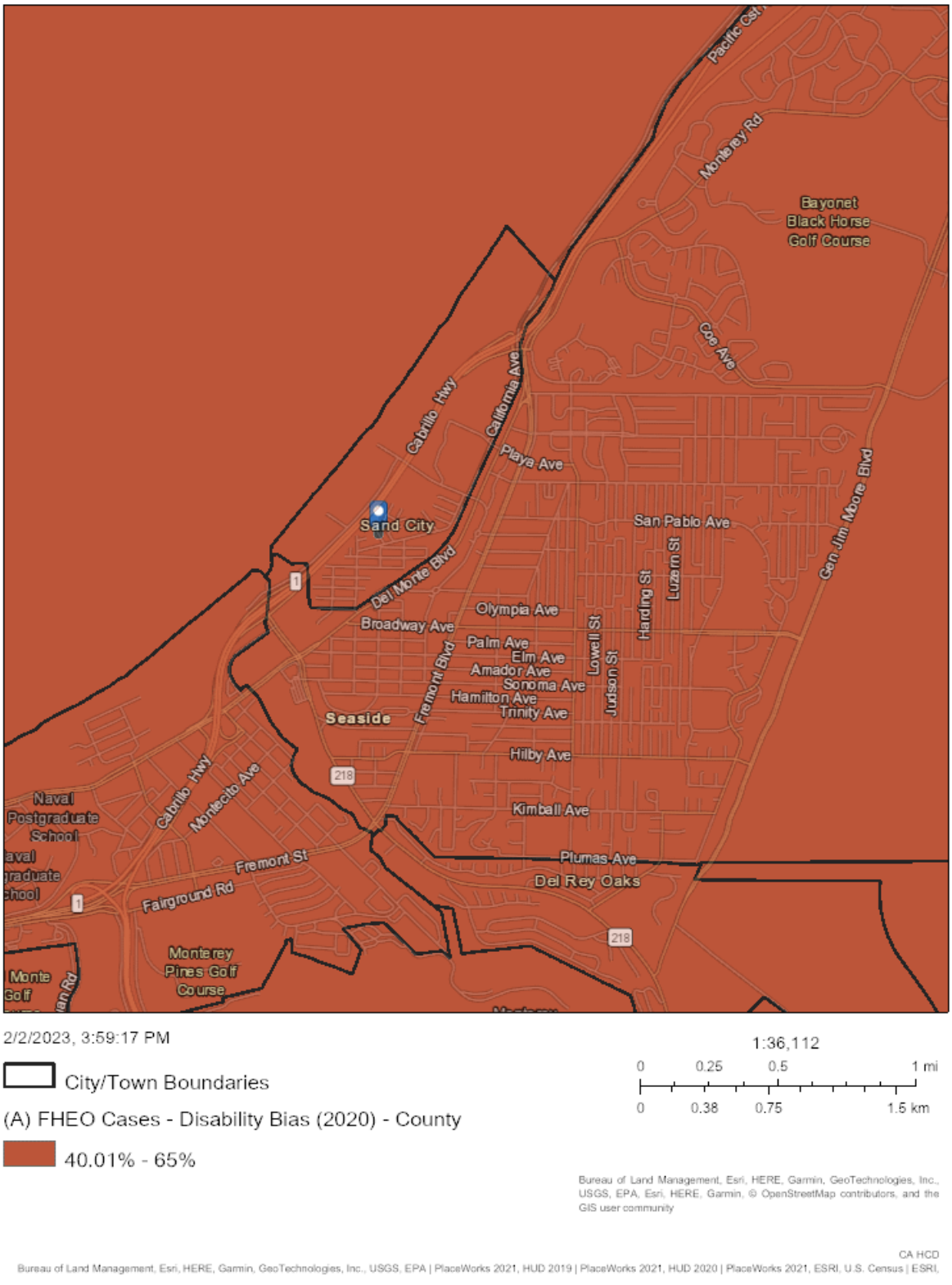
Bureau of Land Management, Esri, HERE, Garmin, GeoTechnologies, Inc., USGS, EPA, Esri, HERE, Garmin, © OpenStreetMap contributors, and the GIS user community

CA HCD

Bureau of Land Management, Esri, HERE, Garmin, GeoTechnologies, Inc., USGS, EPA | PlaceWorks 2021, HUD 2019 | PlaceWorks 2021, HUD 2020 | PlaceWorks 2021, ESRI, U.S. Census | ESRI,

SOURCE: California Department of Housing and Community Development AFFH Data Viewer

Figure A-59 FHEO Cases, Disability Bias, Monterey County, 2020



SOURCE: California Department of Housing and Community Development AFFH Data Viewer

NFHA identifies three significant trends in 2020 that are relevant for this AFFH:

- First, fair lending cases referred to the Department of Justice from federal banking regulators has been declining, indicating that state and local government entities may want to play a larger role in examining fair lending barriers to homeownership;
- Second, NFHA identified a significant increase in the number of complaints of harassment—1,071 complaints in 2020 compared to 761 in 2019; and
- Finally, NFHA found that 73 percent of all fair housing complaints in 2020 were processed by private fair housing organizations, rather than state, local, and federal government agencies—reinforcing the need for local, active fair housing organizations and increased funding for such organizations.[32]

Outreach and Capacity

Currently, Sand City's website contains limited information about local fair housing ordinances. The website can be improved to more transparently describe how the steps residents should take if they feel they have faced discrimination and are seeking information about filing complaints (e.g., link to HUD's and State of California fair housing pages). The site should also reference the organizations that provide fair housing services and assistance to City residents. Program 5.A establishes actions the City is committed to taking to adequately provide fair housing resources (see Chapter 2).

The following organizations offer fair housing services and assistance to the residents of Sand City:

- Conflict Resolution and Mediation Center;
- Legal Services for Seniors;
- California Rural Legal Assistance;
- Central Coast Center for Independent Living;
- The Salvation Army Good Samaritan Center;
- Housing Resource Center Salinas; and
- Center for Community Advocacy.

Sand City is compliant with the following state laws that promote fair and affordable housing. The city has not been alleged or found in violation of the following:

- Density Bonus Law (Gov. Code Section 65915) – The City last revised its density bonus ordinance (Ordinance No. 16-05) to comply with state law in 2016. In compliance with state law, the City will update is Density Bonus provisions outlined in the Municipal Code to be consistent with recent changes to the State Density Bonus Law. Program 1.B will regulate this amendment to the Municipal Code (see Chapter 2);

[32] https://nationalfairhousing.org/2021/07/29/annual-fair-housing-report-shows-increase-in-housing-harassment/

- No Net Loss Law (Gov. Code Section 65863) requiring that adequate sites be maintained to accommodate unmet RHNA allocations – The City complies with the No Net Loss Law by identifying sites that can accommodate the City's RHNA;
- Housing Accountability Act (Gov. Code Section 65589.5) requiring adoption of a Housing Element and compliance with RHNA allocations – The City will comply with the Housing Accountability Act by approving any eligible housing development projects, including those with at least 20 percent affordable units to lower-income households;
- Senate Bill 35 (Gov. Code Section 65589.5) – The City will comply with State law as established in this Housing Element through Program 1.R (see Chapter 2);
- Senate Bill 330 – The City will comply with State law as established in this Housing Element through Program 1.R (see Chapter 2);
- California Fair Employment and Housing Act (FEHA)– (Part 2.8 (commencing with Section 12900) of Division 3 or Title 2) – The City complies with the Fair Employment and Housing Act by upholding policies that prohibit housing discrimination based on protected characteristics and enforces these policies by supporting residents seeking to file a complaint to the FHEO or who wish to pursue legal action;
- Federal Fair Housing Act of 1968 – The City has adopted housing policies that prohibit housing discrimination based on protected characteristics and ensuring equal access to housing programs and services;
- Anti-Discrimination in Zoning and Land Use (Gov. Code Section 65008) – The City does not discriminate or deny any individual or group of individuals the right to residence, land ownership, tenancy, or other land use on the basis of one's membership or perceived membership in a protected class, method of financing, and/or the intended occupancy. The City has adopted housing policies that prohibit discrimination based on protected characteristics. Further, the City has received zero FHEO complaints, and is committed to conducting outreach and educating residents on Fair Housing Law. Program 5.A in this Housing Element commits the City to providing information on fair housing and services offered in the region (see Chapter 2);
- Assembly Bill 686 (Gov. Code Section 8899.50) – The City has included this assessment of fair housing and identifies strategies to increase housing opportunities for all residents, with specific actions to reduce housing disparities for disadvantaged communities;
- Equal Access (Gov. Code Section 1195 et seq.) – The City does not discriminate or deny any individual or group of individuals access to programs or activities operated, administered, or funded with financial assistance from the state, regardless of one's membership or perceived membership in a protected class. The City included Programs 5.A, 5.B, and 5.C in this Housing Element to promote affordable housing opportunities and resources, including Housing Choice Vouchers, and shared housing programs (see Chapter 2);

- Fair Housing Act Title VI of the Civil Rights Act of 1964 – The City does not discriminate or deny any individual or group of individuals the right to residence, land ownership, tenancy, or other land use on the basis of one's membership or perceived membership in a protected class, method of financing, and/or the intended occupancy. The City has adopted housing policies that prohibit discrimination based on protected characteristics;
- Rehabilitation Act of 1973 – The City does not discriminate against persons with disabilities and promotes equal opportunities, accessibility, and independence for individuals with disabilities; and
- American Disabilities Act – The City's Municipal Code establishes procedures for persons with disabilities seeking equal access to housing including reasonable accommodation for persons with disabilities. The City ensures housing developers comply with the American Disabilities Act through permit process review. The City includes Program 3.L to amend the Municipal Code regulations related to reasonable accommodations (see Chapter 2).

Housing Specific Policies Enacted Locally

Sand City identified the following local policies that contribute to the regulatory environment for affordable housing development in the City.

Policy 2.1: Ensure that new residential developments are adequately served by infrastructure, including water and sewer, park and recreation areas, transportation, public safety and other community services.

Policy 2.2: Ensure that water and sewer providers allocate services on a priority basis to units that meet the City's Regional Housing Needs Allocation.

Policy 2.3: Support the preservation and conservation of existing housing units that provide affordable housing opportunities for City residents and workers.

Policy 3.1: Encourage the provision of services and housing for those households with special needs. In Sand City, these households would include the homeless, seniors and persons with disabilities.

Policy 5.1: Support and market fair housing opportunities and services available to Sand City residents.

Policy 5.3: Develop and utilize all available funding resources in order to provide the maximum amount of affordable housing possible.

A.8 Fair Housing Recommendations

AFFH: A Means to Enhance Housing Equity

Within Sand City, steps can be taken to build community trust and bring about policies and programs that further the cause of AFFH. Through taking constant, collective action, the community of Sand City can work together to incrementally change any residual impact of past practices. Through creating policies and programs that align with the tenants of "Affirmatively Furthering Fair Housing" (AFFH), Sand City can take steps to put in place policies to protect community members from discrimination and retaliation. Furthermore, as a component of AFFH, public outreach and community engagement serve as vehicles to bring forth the voices and needs of those who have been historically marginalized. By holding workshops and promoting "Diversity, Equity, and Inclusion" (DEI) educational tools and trainings, the City can work to alleviate barriers to inclusion and housing equity that exist within the community.

DEI trainings could help with addressing not only the racialized components of housing segregation within the Sand City, but also the socio-economic aspects of housing segregation. By focusing on methods to include AFFH within future policies, the stigma surrounding "renting," as opposed to "owning a home," could begin to dissipate. Overall, the mission of HCD with respect to AFFH, as supported by Sand City, is to "promote safe, affordable homes and vibrant, inclusive, sustainable communities for all Californians" (California Department of Housing and Community Development, 2021).

Contributing Factors and Fair Housing Action Plan

The disparities in housing choice and access to opportunity discussed above stem from historical actions, socioeconomic factors that limit employment and income growth, barriers to open housing choice, and until recently, very limited resources to respond to needs.

Local Knowledge of Contributing Factors to Fair Housing

A recent article[33] in the Monterey County Weekly, "The story of how – and why – Del Rey Oaks and Sand City exist" shares insight into the history of Sand City. The article tells a story of eccentric residents as well as industry, both of which persist today. The area that is now Sand City was one of Seaside's earliest neighborhoods. The article shares a vignette about one of Sand City's early residents. This resident is named Joe Martori, and he is thought to be depicted by the character "Pirate" in John Steinbecks novel *Tortilla Flat*, which is about a group of errant friends who live in the forest above Monterey in the 1930's. Martori lived in a shack in Sand City for 15 years without any plumbing, with his six dogs who would hunt in the sand dunes for their dinner. The article continues on to describe Sand City in the 1960's as a "hippie-enclave" and an artist-friendly community.

[33] Schmalz, David. "The story of how – and why – Del Rey Oaks and Sand City exist." Monterey County Weekly, 10 August 2023.

Running parallel to Sand City's unique identity on the peninsula as a home for eccentric individuals, is Sand City's industrial identity. The area that is now Sand City was the heavy industrial hub of the southern Monterey Peninsula. In the pre-1950's there were two large sand mining operations on the beach west of where Sand City's town center is located today. When Seaside incorporated in 1954, they wrote their first General Plan which called for Sand City's beaches to be designated for recreational use. This is what ultimately drove the business owners and industrialists in Sand City to incorporate into their own City, ultimately, to control their own destiny and business operations.

Sand City incorporated in 1960 with just 100 registered voters. Many of Sand City's proponents for incorporation feared losing control of the industrial and business operations within the City.

Since these early years of incorporation, the sand mining operations of Sand City have been shut down. However, Sand City still serves as the industrial and retail hub of the southern Monterey Peninsula, bringing in 40,000 to 50,000 shoppers daily to the City's businesses which include Costco, Target, and other Big Box stores. The City has also continued on its tradition as an eccentric community, considering itself an artist community. In recent years, the City has embraced mural paintings throughout the mixed-use area or "West End," hosts a Night Market monthly and conducts the larger two-day West End Celebration (over 150 artists, crafters, vendors and live music festival) annually, both of which are outdoor street fair type of events featuring local chefs, artists, and musicians.

In order to better inform this Housing Element to meet the needs of Sand City residents today, the City solicited the input of the public with a number of prompted questions through an online Stakeholder Survey (Appendix F). The responses were taken into consideration for incorporation into the Housing Element to guide policies and programs that address the housing needs of existing and future residents.

Below are a few of the questions and responses from the Stakeholder Survey.

Question: What factors prevent you from obtaining permanent housing in Sand City?

Community members offered the following responses:

- Housing affordability
- Limited supply of housing
- Limited variety of housing options

Question: How would living in Sand City benefit you?

Community members offered the following responses:

- Being able to walk or bike to the beach
- Close to work
- Ability to live in a beautiful area

Priority of Contributing Factors

Sand City has prioritized the following contributing factors to the Fair Housing issues mentioned above. Table A- 28 presents prioritized fair housing issues and contributing factors, as well as the City's programs to support a solution-oriented approach to affirmatively furthering fair housing.

Table A-28 Fair Housing Issues & Contributing Factors

Fair Housing Issue	Contributing Factor(s)	AFFH Programmatic Action	Priority
Household Characteristics Sand City has significantly lower proportions of racial and ethnic minorities compared to Monterey County and the AMBAG region. The absences of protected classes and housing options suitable to them may indicate past exclusionary behavior.	▪ Lack of racial and ethnic diversity within the city; ▪ Lack of adequate affordable housing options.	Program 3.H: Reduced Fees for Affordable Projects Program 5.A: Fair Housing Services and Information Program 5.C: State and Federal Housing Programs and Funding	High
Disproportionate Housing Needs Sand City households are comprised of 17 percent owner-occupied households and 83 percent renter-occupied households, of which 68 percent are experiencing at least one of four housing problems. Additionally, renter-households are disproportionately cost burdened.	▪ Lack of adequate housing stock that meets the needs of residents; and ▪ Lack of affordable housing.	Program 5.A: Fair Housing Services and Information Program 5.B: Housing Choice Voucher Program	High
Special Needs Groups In Sand City, special needs groups comprise large shares of the population. Of the total households, Large Households makeup 6 percent, Single-Parent households makeup 11 percent, and Extremely Low-Income households makeup 14 percent. Additionally, persons with disabilities makeup 12 percent of the total population. These special needs groups experience disproportionate impacts of poverty, and cost burden increasing the challenge of obtaining adequate housing in the City.	▪ Jobs to housing imbalance; ▪ Lack of affordable housing.	Program 1.L: Universal Design – Encourage Accessible Housing for Persons with Disabilities Program 3.A: Support the County of Monterey's Homeless Continuum of Care plan Program 3.B: Homeless and Extremely Low Income: Support for day center facility and transitional housing Program 3.C: Senior and disabled: support and market opportunities to house seniors and disabled residents including reasonable accommodation procedures Program 3.E: Low Barrier Navigation Center Program 3.F: Affordable Housing Services for Extremely Low-Income and Other Income Restricted Residents	High

Fair Housing Issue	Contributing Factor(s)	AFFH Programmatic Action	Priority
		Program 3.H: Reduced Feeds for Affordable Projects	
Housing Stock Sand City's increased housing unit production since 2010 by 60%; however, the lack of affordable housing production, along with increasing housing costs create barriers to enter the local housing market.	▪ Since 2015, there have been 7 housing permits in the city for above moderate-income households; ▪ There is a lack of developable land, and the city is subject to coastal zoning ordinances.	Program 1.C: Increase Housing Diversity Program 1.F: Adequate Land Inventory	High
Access to Opportunity Sand City offers a moderate performing educational environment with high graduation rates across races and ethnicities. Access to employment opportunities are limited to the majority of students due to the spatial mismatching of jobs and housing.	▪ Jobs to housing imbalance; ▪ Lack of diverse housing stock; and ▪ Lack of affordable housing.	Program 1.C: Increase Housing Diversity	Medium
Fair Housing Enforcement No residents filed fair housing complaints in Sand City, indicating a potential lack of awareness about fair housing rights.	▪ Lack of access to information about fair housing rights; and ▪ Limited knowledge of fair housing by residents.	Program 5.A: Fair Housing Services and Information Program 5.B: Housing Choice Voucher Program	Medium

SOURCE: Sand City and EMC Planning Group

A.9 Conclusion

To address the fair housing issues identified throughout this Appendix, the policies and programs listed above are included as a course of action in Chapter 2 of this Housing Element.

Housing Constraints

B

APPENDIX

Table of Contents

APPENDIX B HOUSING CONSTRAINTS B-1

B.1 Introduction B-1

B.2 Governmental Constraints B-1

B.3 Non-Governmental Constraints B-37

Tables

Table B-1 Residential Land Use Designations and Density B-2

Table B-2 Residential Development Standards B-6

Table B-3 Permit Processing Times B-12

Table B-4 City of Sand City Planning Fees B-28

Table B-5 City of Sand City Building Fees B-29

Table B-6 Estimate of total development fees imposed B-31

Table B-7 Parking Requirements B-34

Table B-8 Summary of Governmental Constraints B-37

Table B-9 Non-Governmental Constraints and Programmatic Actions B-49

Appendix B
Housing Constraints

B.1 Introduction

State law requires that Housing Elements include an analysis of governmental and nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels. Governmental constraints include land use controls, building codes and their enforcement, fees and exactions, and permitting procedures. Nongovernmental constraints are primarily market-driven and include land costs, construction costs and the availability of financing.

B.2 Governmental Constraints

Governmental regulations, while intentionally regulating the quality of development in the community, can also unintentionally increase the cost of development and thus the cost of housing. These governmental constraints include land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. Land use controls may limit the amount or density of development, thus increasing the cost per unit. On-site and off-site improvements like road improvements, traffic signals on adjacent streets or sewer improvements may increase an individual project's costs of development. Processing and permit requirements may delay construction, increasing financing and/or overhead costs of a development.

Sand City General Plan

The City's General Plan and Local Coastal Plan are the primary plans that govern development of residential units in Sand City. The City's Coastal Zone includes approximately 1.5 miles of ocean frontage on the west side of State Route 1 as well as a strip of land 200 feet in width bordering the east side of State Route 1. Also included in the City's Coastal Zone is that portion of the former Union Pacific Railroad right-of-way within the City boundaries and a 100-foot-wide parallel strip of land adjacent to the western side of the railroad right-of-way.

As required by state law, the General Plan includes a land use map indicating the allowable uses and densities at various locations in the community. The Land Use section identifies five categories of residential uses based on dwelling unit density, expressed as the number of dwelling units permitted per gross acre, as summarized below in Table B-1, Residential Land Use Density Classifications.

Table B-1 Residential Land Use Designations and Density

General Plan Designation	Development Category	Density[1]
Single-Family Residential District (R-1)	Single-Family Residential	1 to 13 du/ac
One-Family & Two-Family Residential District (R-2)	One-Family & Two-Family Residential	14 to 25 du/ac
Multi-Family Residential District (R-3)	High Density Multi-Family Residential	25 to 35 du/ac
Coastal Zone Residential (CZ R-2)	Medium Density, Coastal Zone	14 to 25 du/ac
Coastal Zone Residential (CZ R-3)	High Density, Coastal Zone	25 to 35 du/ac
Coastal Zone Visitor Serving Residential (CZ VS R-2)	Medium Density, Visitor Serving Residential	14 to 25 du/ac
Coastal Zone Planned Mixed Use District (CZ MU-P)	Mixed Use, Coastal Zone	9 to 20 du/ac
Coastal Zone East Dunes Area District (CZ-EDA)	Single-Family, Multi-Family, and Mixed Use	9 to 20 du/ac
Planned Unit Development District (PUD)[2]	Planned Unit Development	-
Planned Mixed Use District (MU-P)[3]	Mixed Use Development	23 du/ac
East Dunes Specific Plan (EDSP)	N/A	12-20 du/ac
Public Facilities (PF)	Emergency Shelters	-

SOURCE: Sand City 2002-2017 General Plan

NOTES: 1. A higher effective density may be achieved on R-1 lots smaller that 3,750 square feet in size.
2. Single-room occupancies and multi-family dwellings are allowed as a conditional use.
3. The number of dwelling units in a PUD district shall be determined based upon the ability of the site to support, and of the City to provide, adequate services. The planning staff shall make a recommendation, based on standard planning criteria, concerning the density of intensity of use.
4. Development areas, consisting of existing lots or newly consolidated and merged lots, equal to or greater than 9,375 square feet are considered better suited for progressively increasing residential unit densities, and may be discretionarily granted density bonuses by the City Council.

The Sand City General Plan was over 20 years old at the time that this 6th Cycle Housing Element update was prepared. The plan is considered out of date and will need to be comprehensively updated in the near future. The plan as currently written does not support the residential densities allowed in the Sand City Zoning Ordinance, which are in many cases significantly higher. The East Dunes Specific Plan is defunct and the area currently developing as South of Tioga has progressed beyond the 2002 plan.

This 6th Cycle Housing Element update includes new Program 1.E to undertake a comprehensive revision to the City's General Plan (see Chapter 2).

Housing Requirements in the Coastal Zone

California Government Code Section 65588(d) requires that the Housing Element update take into account any low- or moderate-income housing provided or required in the Coastal Zone pursuant to Section 65590 (the Mello Act). State law requires that jurisdictions monitor the following:

- The number of new housing units approved for construction within the Coastal Zone (after January 1, 1982);
    - According to Sand City records, The Independent, a portion of which is in the coastal zone, has 10 low-income deed-restricted units and one (1) moderate-income deed-restricted unit

not to expire in the next 10 years. Additionally, the East Dunes area is partially located in the coastal zone, and includes approximately 30 above moderate-income residential units. Approximately four (4) of the units are located in the coastal zone.

- The number of low- or moderate-income units required to be provided in new developments either within the Coastal Zone or within 3 miles of the Coastal Zone;
    - The City does not have an inclusionary ordinance, meaning there is no requirement for low- or moderate-income units in residential development within the City. However, the South of Tioga development, which is within three miles of the coastal zone, does have a development agreement in place for 52 affordable units.
- The number of existing housing units in properties with three or more units occupied by low- or moderate-income households that have been authorized for demolition or conversion since January 1, 1982; and
    - There are no deed-restricted properties with three or more units that are located within the coastal zone. No deed-restricted units have been authorized for demolition or conversion since January 1982.
- The number of low- or moderate-income replacement units required within the Coastal Zone or within 3 miles of the Coastal Zone.
    - No deed-restricted units have been authorized for demolition or conversion since January 1982. Therefore, no replacement units have been required. However, there are 11 deed-restricted units at The Independent and 52 required in the South of Tioga project via the development agreement.

Local Coastal Program and Coastal Land Use Plan

The Coastal Act requires coastal access and protection of habitat values within environmentally sensitive areas. This means not only protection of rare and endangered plants, but also protection and/or enhancement of the dune coastal strand community within the environmentally sensitive habitat area while preserving access to the coast. Generalized locations of sensitive areas have been identified. Until a more comprehensive habitat conservation strategy is prepared and adopted, future developments within these areas is subject to site-specific review to determine exact locations of habitats and to incorporate mitigation measure to minimize habitat impacts. Projects on the east side of Highway 1 have had to provide habitat protection areas, most notably the South of Tioga future site of residential and commercial uses and the Sand Dollar and Edgewater Shopping Centers.[1]

[1] Source: Sand City General Plan, 2002-2017, page 5-23

The presence of environmentally sensitive habitat areas on the east side of Highway 1 poses a significant government constraint on the development of housing in Sand City. While the City has taken care to exclude properties from the housing sites inventory that are located in the CZ-EDA (Coastal Zone-East Dunes Area) Zoning District and from areas specifically identified "Resource Management Areas" on the Zoning Map, approximately half of all potential low- and moderate-income housing (i.e., 132 units) is, nonetheless, considered by the California Coastal Commission to be located in a potential environmentally sensitive habitat area.

As a practical matter, this means that many of the properties identified for housing development in the 6th Cycle planning period will require site-specific biological studies and, in many cases, "incidental take" permits from the California Department of Fish and Wildlife. As this process is expensive and time consuming, this constitutes a substantial government constraint on the development of housing in Sand City. Unfortunately, this constraint is largely unavoidable. A comprehensive habitat management plan (HMP) could be undertaken by the City or a master developer. Such a process would relieve individual property owners from site-specific surveys but involves years of painstaking research, field surveys, and decision making by both the California Department of Fish and Wildlife and the United States Department of Fish and Wildlife. This 6th Cycle Housing Element update includes Program 1.H, to undertake the preparation of a habitat management plan for the East Dunes Area.

As discussed below, Sand City's development regulations and Zoning Ordinance provide a development review process that, with some noted exceptions, is well streamlined and free of undue constraints to housing development. The presence of environmentally sensitive habitat area, specifically, and land use regulation by the California Coastal Commission, in general, means that housing development in Sand City nonetheless faces a high bar to succeed. It is, no doubt, a significant part of the reason why the City has struggled to meets its regional housing needs allocation in past cycles (e.g., seven units or 13 percent of RHNA in the 5th Cycle planning period).

It's also worth noting here that most of the recent remedies brought forward by the California legislature to facilitate housing development are either outright inapplicable in the Coastal Zone (SB 35) or are secondary to California Coastal Commission policies that protect habitat resources (SB 9).

Sand City Zoning Ordinance and Development Review Process

This section discusses government constraints related to Sand City's Zoning Ordinance and development review process.

Sand City Zoning Ordinance

The City of Sand City Zoning Ordinance establishes development standards and densities for new housing in the City. These regulations include minimum lot sizes, maximum number of dwelling

units per acre, lot width, setbacks, lot coverage, maximum building height, and minimum parking requirements. These standards are summarized in Table B-2, Residential Development Standards. The residential zoning districts and their respective permitted densities and development standards are summarized below. Residential development is permitted By Right in residential zones.

As shown in Table B-2, the minimum building site coverage requirements in districts that permit mixed-use and multi-family residential uses range from a minimum of 60 to 70 percent building site coverage. The City's current minimum building site coverage requirements are not considered a constraint as they are reasonable and have not hindered the development of residential units in Sand City.

The City's Zoning Code currently permits a maximum height of 36 feet in the R-3 Zone, which may pose a potential barrier to multi-family residential development. To address this potential barrier, the City has proposed an amendment to the Municipal Code to raise the maximum permitted height in the R-3 Zone to 40 feet (four stories). Program 1.S establishes this amendment to the Municipal Code (see Chapter 2).

Currently, the City's Zoning Code does not require on-site open space according to residential development zones due to the City's coastal access. The City is within the coastal zone and provides adequate access points to the beach and recreational trails, which provide adequate access to outdoor space and facilities. Additionally, Calabrese Park is within City limits, providing adequate park space for the city.

Single-family residential uses are conditionally permitted uses in the MU-P multi-family residential zoning districts. This acts as a deterrent to single-family uses in a zoning district that allows greater density and can encourage redevelopment of sites with multi-family projects. Single-family uses are directed to specific limited zoning districts as permitted uses to avoid competing with sites in the M-UP zoning district.

The Zoning Ordinance contains multiple zoning districts, both within and outside of the Coastal Zone, plus additional overlay districts that provide a high level of granularity and complexity to guide development both inside and outside of the Coastal Zone. Navigating the various zoning districts and overlays can be daunting and are an impediment to development. Consolidating districts to simplify the regulations and minimize the variations in development standards can ease the regulatory process. Some of the zoning districts lack clear development standards for setbacks as shown in Table B-2 below. For example, the MU-P lacks setback information and leave setbacks to the discretion of the approval body, either the Design Review Committee and/or the City Council which increases uncertainty and risk for a housing developer.

Table B-2 Residential Development Standards

Zoning	Minimum Lot Area (sq ft)	Building Site Coverage	Density (du/ac)	Setbacks (ft)			Maximum Height (ft)	Allowed Residential Uses	Conditionally Allowed Uses
				Front	Side	Rear			
R-1	3,750	Min. 60%	11.6 du/ac	5	5	10	30	Single-Family Dwelling (SFD)	Single Room Occupancy (SRO)
R-2	3,750	Min. 60%	23.2 du/ac	5	5	10	30	SFD; Duplex	Multi-Family Dwelling (MFD); SRO
R-3[1]	3,750	Min. 70%	43.6 du/ac	5	5	15	Single Story: 16 Multi-story: 36	SFD; MFD	SRO
CZ R-2[2,3]	1,875	Min. 60%	25.0 du/ac	5	0	10	36		SFD; MFD; Duplex
CZ R-3[2,3]	1,875	Min. 70% 1-story Min. 65% multi-story	35.0 du/ac	5	0	15	36		SFD; MFD; Duplex
MU-P[4,5]	3,750	-	23.2 du/ac	See Note	See Note	See Note	60		SFD; MFD; SRO
CZ VS R-2[3]		-	25.0 du/ac	See Note	See Note	See Note	36		Medium Density, Visitor Serving Residential
CZ MU-P[3,4,5]	3,750	-	23.2 du/ac	See Note	See Note	See Note	60		SFD; Mixed Use; Live/Work
CZ-EDA[3,5]	-	-	20.0 du/ac	See Note	See Note	See Note	36		SFD, MFD, Mixed Use
PUD[6]	See Note	(Underlying Zone)	(Underlying Zone)	See Note	See Note	See Note	See Note	(Underlying Zone)	(Underlying Zone)
PF	3,750	Max. 60%	11.6 du/ac	See Note	See Note	See Note	35	Emergency Shelter	

SOURCE: City of Sand City, Municipal Code Tile 18 Zoning

NOTES: 1. Setbacks may vary for residential structures that exceed two-stories.

2. All development within one hundred (100) feet of the freeway right-of-way (considered as the main thoroughfare right-of-way, excluding on/off ramps) shall be designed so as to minimize significant adverse visual impacts and shall be limited to twenty-five (25) feet in height.

3. Coastal development permit required; CZ district regulations apply. All uses within this district shall be visitor serving timeshare units and shall be restricted to purchase in thirty-one (31) day maximum increments and to occupancy for thirty-one (31) day maximum periods with the following exception: units may be constructed as fee simple specifically to accommodate the transfer of density credit program as established in the local coastal land use plan.

4. The minimum land area of a parcel or lot in created on or before January 17, 1984, and improved with a single-family residence shall be 1,875 square feet.

5. Minimum setbacks as approved by site plan review of the City Council or Design Review Committee.

6. A planned unit development may be located in any zoning district upon the granting of a PUD permit in accordance with the provisions of chapter 18.60 of the City's Municipal Code. A planned unit development shall include only uses permitted either as permitted uses or conditional uses in the zoning district in which the planned unit development is located.

The 6th Cycle Housing Element update includes Program 1.C, to amend the City's Zoning Ordinance to include a West End Housing Diversity Overlay which included the following: increase the allowable density to 81 du/ac, replace discretionary setbacks with specific dimensions, assist with lot consolidations, allow multi-family residential uses as a permitted use instead of a conditional use, expedite permit processing, reduce parking standards (see Chapter 2). Furthermore, new Program 1.D sets minimum densities of 20 dwelling units per acre for selected sites to encourage a higher multi-family unit yield (see Chapter 2).

Residential Permitting Process

Processing and permit procedures can pose a considerable constraint to the production and improvement of housing. Common constraints include lengthy processing time, unclear permitting procedures, layered reviews, multiple discretionary review requirements, and costly conditions of approval. These constraints increase the final cost of housing, uncertainty in the development of the project, and overall financial risk assumed by the developer.

Permitting Procedures

Sand City's residential development permit process is officially initiated with the submission of an application, fees, and necessary plans and drawings for proper review. This is usually a result of one or more preliminary "unofficial" discussions between the applicant and planning staff that then leads to a determination by the Planning Director of the type of permitting required to achieve the project. For larger residential projects this could include a Conditional Use Permit (a land use tool that allows the proper integration into the community of uses that may be suitable only in specific locations in the zoning district or only if such uses are designed or laid out on the site in a particular manner), a Coastal Development Permit (which is basically a Conditional Use Permit issued in zoning districts with a Coastal Zone (CZ) overlay), or a Planned Unit Development Permit (basically a Conditional Use Permit that includes a general development plan). All of these are discretionary processes that are handled by the City Council (Sand City has no separate Planning Commission). For smaller projects, permitting may only include site plan and design review; however, a Conditional Use permit is usually required. The City also contains many small lots, many of which are substandard, but are still buildable. The Zoning Ordinance is not clear on this issue. An update is necessary to clarify that substandard size lots are encouraged to be consolidated but also may be developed if the lot is substandard in size.

If the residential project is located west of Highway 1, a Coastal Development Permit is required, and this permit is appealable to the California Coastal Commission. If the project is located east of Highway 1, any required Coastal Development Permit (if located in a CZ overlay zone) is non-appealable to the Coastal Commission.

Procedurally, the difference between a Conditional Use Permit (CUP) and Coastal Development Permit (CDP) is the processing. Processing a CDP must include a published public hearing notice that is mailed to the California Coastal Commission prior to City Council consideration; it also includes submitting a "Notice of Action" to the California Coastal Commission after City Council action. For projects that are not located west of Highway 1 or within a CZ overlay zone east of Highway 1, no CDP is required. The CUP does not require additional noticing to the California Coastal Commission.

For a large multi-family residential project (six or more units) located in the R-3 Zoning District, the City requires the approval of a Planned Unit Development Permit. For smaller multi-family projects in the R-3 Zoning District, the City requires site planning and design review, and a Conditional Use Permit. In the R-2 Zoning District, the City requires a Conditional Use Permit for multi-family projects of any size. If the project is in a CZ overlay zone, a non-appealable Coastal Development Permit is required.

The Conditional Use Permits are not currently codified in the City's Zoning Code, which poses a constraint because project applicants are unable to identify if their project is consistent with the zoning district's intended use and requirements. As such, the City will first codify the Conditional Use Permit findings listed below, which will remove the aforementioned constraint.

1. The intended use for the project is consistent with the use and zoning of surrounding parcels in the zoning district as indicated on the City of Sand City Zoning Map;
2. The establishment of the intended use is allowed under zoning regulations with a Conditional Use Permit
3. Adequate parking can be provided for the project;
4. Utilities, including electricity, gas, and, sewer, are sufficiently available;
5. The City has sufficient water supply for the project;
6. The use is not intended to pose an impediment of traffic flow; and
7. The project complies with the California Environmental Quality Act.

The City has included Program 1.S to include findings of approval for multifamily zones and remove the CUP requirement for multifamily projects within multifamily zones. The Conditional Use Permit requirement in multifamily zoning districts poses both time and density constraints to development.

In 2016, the City revised Chapter 18.72 of the zoning code to simplify the permitting process and address potential conflicts with Coastal Commission appeals (west of the freeway). Development projects can integrate their design review, site plan review, CUP, and PUD approvals all into a single CDP. As all of the residential permitting process employed by the City of Sand are discretionary in nature, CEQA review applies to all projects.

Chapter 18.72 references a variety of permit types and it is not always abundantly clear which permits are required and whether Committees are advisory and/or decision-making bodies. As a result, there is a lack of transparency and certainty of entitlement procedures. Additional updates to Chapter 18.72, to clearly identify permit types, recommending and decision-making bodies, and the requisite findings will clarify permitting procedures and remove a constraint. The lack of clear permitting procedures adds to uncertainty and overall financial risk assumed by the developer.

Additionally, the City lacks handouts and/or flow charts illustrating the permitting process procedures. Currently staff field multiple questions regarding permitting requirements. A clear handout that accompanies the Zoning Ordinance updates will also have a beneficial impact to residential housing by clearly laying out in a simplified form the City's planning entitlement procedures.

The City uses a variety of applications for various permit types. None of these applications are available on the City's website. This poses a constraint by requiring potential applicants to call the City and request an application. The City's small size and staffing capacity would benefit from a universal application. One application can be crafted for the planning entitlement process and the application can clearly include application requirements such as site plan, elevations, details and additional technical reports like biological reports for CEQA analysis. The 6th Cycle Housing Element update includes Program 1.P to simplify and clarify both the required permit type(s) for multi-family residential uses and the decision-making authority through amendments to the Zoning Ordinance with the goal to minimize the levels of review and establish a permit process that takes four months or less for those projects those consistent with the General Plan and zoning regulations (see Chapter 2). Additionally, the program includes an associated easy to read handout that clearly illustrates the process and the development of a universal application for planning permits. The City will also add language to the zoning ordinance to clarify that sites which are substandard in size are buildable.

These changes will remove processing and permitting constraints by increase certainty of the development of the project and reducing overall financial risk assumed by the developer.

Site Plan and Design Review

All residential projects in Sand City are required to undergo site plan and design review, which is undertaken by initially by staff for all projects and then referred to the Design Committee that meets on an ad hoc basis. If projects include a Conditional Use Permit, Coastal Development Permit, and/or Planned Unit Development Permit, site plan and design review are integrated into the larger permit. This review is guided by development guidelines and standards for architecture and site planning that were adopted in 2001.[2] It is also guided by the recent 2019 Sand City Vibrancy Plan which refers to the West End Design Guidelines.

[2] See Resolution No. SC 01-64, 2001

The West End Design Guidelines apply to commercial, residential and mixed-use architecture and are over a decade old. The City's goal is to create a vibrant, exciting sense of place by being visually interesting and imaginative, functional but not bland. The City strongly encourages the use of Industrial Chic architectural style. Industrial Chic has many elements reminiscent of the 1940's and '50s architecture, with the restrained use of simple geometric shapes and ornamentation. The guidelines apply to the transformation of older structures and to new construction alike. The guidelines reference site planning and building form types that incorporate many objective standards such as:

- Orient the main façade of the building to the street;
- Utilize the form of the lot for the footprint of the building;
- Use simple geometric shapes; and
- Use simple geometric shapes such as rectangle or square for windows.

The West End Design Guidelines do not appear to be a development constraint because of the use of objective standards. However, due to the age of the 2001 design guidelines that apply to specific areas of the City, and recent state legislation, the 6th Cycle Housing Element update includes Program 1.G to develop and adopt Objective Design Standards (ODS) for multi-family developments. The objective design standards are currently underway and scheduled for City Council adoption in Summer 2024. Prior to going before the City Council for adoption, the objective design standards will be reviewed by the Design and Review Committee, and subsequently undergo a public review period, which will include a public workshop.

Permit Processing Timeframes

Processing and permit procedures can pose a considerable constraint to the production and improvement of housing. Common constraints include lengthy processing time, unclear permitting procedures, layered reviews, multiple discretionary review requirements, and costly conditions of approval. These constraints increase the final cost of housing, uncertainty in the development of the project, and overall financial risk assumed by the developer.

The residential development process proceeds through various stages, each of which requires some form of City approval. Initial processing of a development application depends on the type of project proposed (e.g., planned unit development, lot subdivision) as well as whether additional requirements will need to be met (e.g., rezoning of land, environmental reviews). There has been very limited new residential construction in Sand City with the exception of the 8-unit Catalina Loft residential development.

South of Tioga

The City planning department has spent considerable time during the 5th Cycle planning period, working on the South of Tioga complicated planning entitlement process which involved working

with many outside agencies and is planned as a mixed-use project with a large housing component of 356 units, 15 percent of which are affordable and addressed in an approved Development Agreement. The overall South of Tioga (SOT) project was proposed by DBO Development that includes a hotel and residential development on six (6) newly created parcels (H1, H1A, H2, H2A, R1 & R2). The project is located in the central portion of the City, generally referred to as the South of Tioga area. South of Tioga is approximately 10 acres bounded by Tioga Avenue to the northeast, California Avenue to the southeast, East Avenue to southwest, and the Merle Street right-of-way (not improved) to the northwest. South of Tioga was comprised mostly of blighted light industrial / warehouses, heavy commercial uses, undeveloped but degraded sand dunes, and several dilapidated residential structures. Demolition commenced in 2021; and the last structures were demolished by mid-2022. The residential structures are anticipated to be constructed during the 6th Cycle Housing Element period. Program 1.A specifically addresses this area and in an effort to support near-future residential development, the City is willing to consider altering the Development Agreement via an amendment by ordinance to include incentives to increase the viability of financing the residential portions of the project. Incentives could include but are not limited to:

- Separating the affordable and market rate units;
- Increasing the number of affordable units and therefore density; and
- Waiving, reducing, decoupling parking requirements, and/or removing the concrete base parking from the podium style building structure.

Permit Processing

Because of its small size, Sand City has fairly efficient permit processing time frames for small to mid-size residential projects compared to other communities. Sand City's permit processing efficiencies are primarily attributed to the fact that the City Council also acts as the Planning Commission. No other community within Monterey County provides this development accommodation. This organizational structure eliminates a significant development review step and saves time because one decision-making body acts as the approval authority and appeals from citizens are rare due to the small number of residents and close access to Council members. The Council meets twice per month which affords timely Council review and decision-making. Larger more complex projects take longer due to the small size of the City and staffing constraints.

Table B-3, Permit Processing Timelines, describe the typical permit processing time frames, which include single-family, multi-tenant, and mixed-use developments. Processing times for development review vary, based on the size of the project and the extent of environmental review required, and can range from six months to more than one year if an EIR is required. When an application is submitted, it is reviewed within 30 days to verify that it is complete or the applicant is notified that it is incomplete. Once the application is complete, typical processing times are as follows, in line with

the requirements of the State Permit Streamlining Act of 1992. The City makes a determination of CEQA streamlining or exemption within 30 days of receiving a complete application. Typical processing time is about one month for a single-family home, and about four to six months for a multiple-family housing project, unless delayed by the environmental clearance process due to significant environmental impacts.

Table B-3 Permit Processing Times

Development Type	Land Use Entitlement[1]	Architecture Review[1]	Building Permit
Single-Family Dwelling[2]	30-45 days	30-45 days	21 working days for first submission 10 working days for each subsequent plan-check
Multi-Tenant Permit	30-45 days	30-45 days	21 working days for first submission 10 working days for each subsequent plan-check
Mixed-Use Residential and Commercial[2]	30-45 days	30-45 days	21 working days for first submission 10 working days for each subsequent plan-check

SOURCE: City of Sand City
NOTES: 1. Double time if Negative Declaration required
2. Land Use Entitlement and Architecture Review are processed concurrently, while building permits are typically postponed until after all Planning Department approvals are issued.

Processing permits efficiently and increasing public access to permitting information increases certainty in the development of a project. Databases can form a critical component to accurate track and record permit approval on property. The City currently uses the iWorq database to track building permits; however, the information is not easily accessible to the public and increases staff time who respond to calls about individual project activity. A database that clearly shows pertinent information to the public increases staff capacity for other critical tasks related to housing development and increases City accountability. The 6th Cycle Housing Element includes Program 1.O to update the iWorq database to include permit information on the City's website. Additionally, the database will be augmented to better track affordable units.

In an effort to further improve service and responsiveness, the City currently contracts with consulting firms to provide planning and building permitting services. The consulting firms provide consistent and responsive building permit services to the community and a high level of service to the community. Given the City's small size and limited staffing, permit review for large housing planning entitlement and building permit applications the 6th Cycle Housing Element includes a Program 1.Q to contract out permit review and establish one single point of contact to further expedite multi-family housing applications. This procedure lends itself well particularly for larger housing proposals to expedite the review process.

For projects located east of Highway 1, the entire permitting process usually takes six (6) weeks to two (2) months. The same holds true for single-family development. West of Highway 1, however, projects located within this portion of the Coastal Zone are appealable to the California Coastal Commission. In this case, if the project is perceived to be controversial, time limits expand significantly, and the outcome is uncertain.

Environmental Review

Environmental review is required for all development projects under CEQA. Sand City has a number of environmental constraints due to its coastal location and extensive sensitive habitat areas. Because of these environmental constraints, larger residential projects have required preparation of EIRs. An EIR is required of all developments that have the potential of creating significant impacts that cannot be mitigated. Most residential projects in Sand City are either Categorically Exempt or require only an Initial Study and Negative Declaration. The Negative Declaration process typically takes three to six months to complete, depending on staffing levels and workloads. Categorically Exempt developments such as accessory dwelling units require a minimal amount of time. As a result, State-mandated environmental review does not pose a significant constraint to housing development.

Special Housing Topics

This section discusses a number of special housing topics that have been the subject of recent legislation by the California Legislature.

Accessory Dwelling Units

The City of Sand City updated its Municipal Code in 2021 to comply with new state law regarding accessory dwelling units (ADU) and junior accessory dwelling units (JADU). However, State ADU laws were updated in 2023. To bring the City's ADU ordinance into compliance with State law, the City has established Program 1.K to monitor the implementation of updating the City's ADU ordinance (see Chapter 2).

According to the City's ordinance, an accessory dwelling unit means an attached or a detached residential dwelling unit which provides complete independent living facilities for one or more persons. It includes permanent provisions for living, sleeping, eating, cooking and sanitation on the same parcel as the primary residence is situated.

Accessory dwelling units are allowed ministerially, without discretionary review or a hearing in all zoned areas where single-family and multifamily residential uses are allowed, including the Planned Mixed-Use zoning district. Junior accessory dwelling units are allowed ministerially, without discretionary review or hearing, on properties zoned for single-family dwellings and where a single-

family dwelling either exists or is proposed to be built.[3] Junior Accessory Dwelling Units can be an effective method to increase the number of smaller studio and/or small one-bedroom units because they are generally less expensive to build.

Habitat for Humanity of Monterey Bay offers an ADU financing program targeted at low-income qualified seniors to encourage the construction of new ADUs. A zero percent interest loan of up to $100,000 is available for income qualified residential property owners. The owner must invest at least $40,000 and allow Habitat for Humanity to provide labor. A deed restriction is placed on the property; however, if the ADU is rented to a low income verified tenant, the principal of the loan is reduced every year a low-income tenant occupies the unit and the property owner is reimbursed 1/20th of the loan. This program is an effective way to defray the high construction costs and to encourage construction of ADUs. In order to further encourage smaller, more affordable rental housing units in support of Sand City demographics which show low median incomes and small households, the 6th Cycle Housing Element includes Program 1.K to promote JADUs in order to facilitate construction of smaller JADU units that are less costly to build and have lower rents, and a program to promote the Habitat for Humanity ADU loan program.

Mobile Home Parks

State law requires manufactured homes be permitted equally anywhere that single family homes are permitted. Although the 2021 American Census Survey did not identify any mobile homes in Sand City, Mobile and manufactured homes are currently allowed by the Zoning Ordinance as a permitted use in the R-1 zone and as a conditional use in the R-2 and R-3 zones.

To remove barriers to the development of mobile and manufactured housing, the City has included Program 1.S to amend the Zoning Code to permit mobile and manufactured housing in all zones, including the R-2 and R-3 zones, where single-family residential is allowed, in compliance with Government Code Section 65852.3(a).

SB 35 Streamlining

Government Code section 65913.4 allows qualifying development projects with a specified proportion of affordable housing units to move more quickly through the local government review process and restricts the ability of local governments to reject these proposals. The bill creates a streamlined approval process for qualifying infill developments in localities that have failed to meet their RHNA, requiring a ministerial approval process, removing the requirement for CEQA analysis, and removing the requirement for discretionary entitlements. A substantial portion of the City is located within the California Coastal Zone and/or is habitat for protected species that is not subject to SB 35.[4] However, a portion of the City is subject to SB 35 streamlining provisions when

[3] Sand City Municipal Code 18.63.030 (Ord. 21-01 §1).

[4] See Government Code §65913.4(a)(6)

development proposals include at least 10 percent affordability due to insufficient progress toward Above Moderate Income RHNA units.[5] No SB 35 projects have been submitted to the City to date.

The City does not currently have a specific checklist or procedures to facilitate SB 35 projects. The City included new Program 1.R, to develop an SB 35 checklist and written procedures for processing applications to ensure efficient and complete application processing (see Chapter 2).

SB 330 Priority Processing

SB 330 enacts changes to local development policies, permitting, and processes that will be in effect through January 1, 2025. SB 330 places new criteria on the application requirements and processing times for housing developments; prevents localities from decreasing the housing capacity of any site, such as through downzoning or increasing open space requirements, if such a decrease would preclude the jurisdiction from meeting its RHNA housing targets; prevents localities from establishing non-objective standards; and requires that any proposed demolition of housing units be accompanied by a project that would replace or exceed the total number of units demolished. Additionally, any demolished units that were occupied by lower-income households must be replaced with new units affordable to households with those same income levels. The 6th Cycle Housing Element includes a Replacement Unit Program, Program 2.D, in compliance with State law.

SB 9 California Housing Opportunity and More Efficiency (HOME) Act

SB 9, also known as the California Housing Opportunity and More Efficiency (HOME) Act, is a state bill that requires cities to allow one additional residential unit onto parcels zoned for single-dwelling units. For properties located within a Coastal Zone, properties can still qualify for SB 9 only if:

- All applicable California Coastal Act and Local Coastal Program provisions are met; and
- The project receives a coastal development permit prior to pursuing development.

Unlike non-coastal SB 9 projects, the SB 9 streamlining ministerial approval process does not automatically apply for properties in the Coastal Zone. Essentially, coastal SB 9 projects must adhere to state and local coastal development guidelines and may take longer to get permitted. The only exception is that the City is not required to hold public hearings for coastal development permit applications on SB 9 projects. Nonetheless, Local Coastal Program (LCP) provisions still apply and local governments should adopt LCP amendments that harmonize SB 9 requirements as much as is feasible. SB 9 developments must follow all LCP requirements, even if they conflict with SB 9.

[5] SB 35 Statewide determination summary 2023

To date, the City has taken no action to facilitate SB 9 projects. The 6th Cycle Housing Element update includes new Program 1.I to better facilitate SB 9 projects outside of the confines of Coastal Zone regulations (see Chapter 2). Codifying the regulations to allow new residential construction on new lots created under SB 9 with the same or similar development standards as the existing City Zoning districts provides a clear process and parity with existing lots.

Special Needs Housing

Residential Care Facilities

The City allows residential care facilities, also known as multi-family units or group homes, of six (6) or fewer persons as a permitted use in residential areas. Facilities for seven (7) or more persons may require a use permit but the City expedites the request, as quickly as possible, and minimizes required fees to the extent feasible. The Zoning Ordinance was amended on August 7, 2007, to allow residential care facilities in all areas where the City allows residential uses.[6] In compliance with the federal Fair Housing Act and the California Fair Employment and Housing Act, added Section 18.78.060 to the Sand City Municipal Code. The ordinance was adopted on April 3, 2007, and identifies those zoning/land use applications where reduced processing time, streamlined procedures and fee reductions/waivers are allowed.

While residential care facilities are a permitted use, the City could benefit from providing a clearer and expanded definition of residential care facilities to include group homes and sober living homes for residents with disabilities. Currently, Sand City's Zoning Code places a limitation of six (6) individuals on the number of residents permitted in residential care facilities. This has the potential to pose a constraint on housing selection for residents with disabilities. As such, the City has included program 3.K to further expand the definition of residential care facilities to permit group homes that provide licensable services to seven or more residents.

Residential care facilities are permitted in the following zones:

- R-1 (based on the definition of supportive housing);
- R-2;
- R-3; and
- MU-P (subject to a Conditional Use Permit).

In addition to the housing choice constraints that zoning-based numerical restrictions can pose to residents with disabilities, when selecting residential care facilities, Conditional Use Permits as a requirement in specific zoning districts could also be a constraint to residents with disabilities. The City has included Program 3.K to amend the zoning code to permit residential care facilities within the MU-P zoning district by-right, in accordance with Government Code Section 65651.

[6] Ordinance No.: 07-04

Transitional and Supportive Housing

Transitional housing is defined in Section 50675.14 of the Health and Safety Code as rental housing for stays of at least six (6) months but where the units are recirculated to another program recipient after a set period. It may be designated for a homeless individual or family transitioning to permanent housing. This housing can take many structural forms such as group housing and multi-family units and may include supportive services to allow individuals to gain necessary life skills in support of independent living.

Supportive housing is defined by Section 50675.14 of the Health and Safety Code as housing with linked on-site or off-site services with no limit on the length of stay and occupied by a target population as defined in Health and Safety Code Section 53260 (i.e., low-income person with mental disabilities, AIDS, substance abuse or chronic health conditions, or persons whose disabilities originated before the age of 18). Services linked to supportive housing are usually focused on retaining housing, living and working in the community, and/or health improvement.

Both transitional and supportive housing types are defined in the City's Municipal Code and are permitted in R-1, R-2, R-3, and MU-P zoning districts. Currently, transitional and supportive housing is not permitted in the following zones that permit residential uses: CZ R-2, CZ R-3, CZ MU-P, CZ VSC, CZ VS R-2, and CZ-EDA. SB 2 (2007) requires that transitional and supportive housing types be treated as residential uses and subject only to those restrictions that apply to other residential uses of the same type in the same zone. In compliance with this mandate, The City of Sand City has added a program (see program 1.S in Chapter 2) to allow supportive housing as a use by-right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses pursuant to Government Code section 65651.

The nonprofit Salvation Army Day Center provides many services to extremely low income and homeless individuals including case managers, public benefits, food distribution, laundry and shower facilities. Although the Center does not provide transitional or supportive housing facilities, the Salvation Army does provide transitional housing in the adjacent City of Seaside. The 6th Cycle Housing Element includes program 3.B to continue working with the nonprofit organization to further support and expand programs, including the possibility of transitional housing, at the current Day Center location.

Emergency Shelters

Homelessness in California is a continuing crisis that demands the effective involvement of both the public and private sectors. California has the highest population of people experiencing homeless. Emergency shelter is defined as "housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay." (See Gov. Code, § 65582, subd. (d) and Health and Safety Code, § 50801, subd. (e).) The California Legislature amended Government Code Section 65583(a)(4) in 2022 to expand the definition of emergency shelters and address

regulations. Essentially, local jurisdictions must identify a zone or zones where emergency shelters are allowed By Right (without any conditional use permit or other discretionary action). The local jurisdiction is allowed to set standards for the development of emergency shelters but are limited to objective standards that address a specific and limited set of criteria. As the approval of emergency shelters is a non-discretionary action, it qualifies as exempt under the California Environmental Quality Act (CEQA).

Housing Element updates must include an analysis of any development standards for emergency shelters to confirm that they comply with the state mandate. If the jurisdiction can demonstrate that is party to a multijurisdictional agreement that provides emergency shelters outside the City limits, it is not required to identify a site or sites within the City. Sand City has no multijurisdictional agreement for providing emergency shelter, and it currently has no permanent emergency shelters in its City limit. The City's Zoning Ordinance does, however, include an emergency shelter as a permitted use in the Public Facility (PF) Zone. Currently, the City requires a design permit and site plan review for all new construction and significant remodeling of existing structures within this zoning district.[7]

Also, regardless of the need, at a minimum, all jurisdictions must have a zone in place to permit at least one year-round emergency shelter without a conditional use permit or any discretionary permit requirements. This 6th Cycle Housing Element update includes Program 3.D (see Chapter 2) to eliminate any element of these regulations that does not conform to the standards for emergency shelters, such as the design permit, mandated by the amended Government Code. The site permit requirement will remain in place because of the objective nature of site permit requirements such as setbacks and height regulations. Additionally, Program 3.D establishes an amendment to the Municipal Code to amend the definition of emergency shelters in compliance with AB 2339 (see Chapter 2).

As described in Appendix A – Housing Needs & Fair Housing Report, the *2022 Monterey Homeless Count and Survey Comprehensive Report* prepared by Applied Survey Research, there are three (3) unsheltered homeless people living in Sand City. AB 2339 provides a general guidance of 200 square feet per person as the minimum site size requirement for an emergency shelter.[8] A site area of approximately 2,000 square feet (0.04 acres) would be sufficient to house up to 10 people, and therefore accommodate the City's homeless population of three (3) people, including a buffer.

In 2010, the City approved the Public Facilities (PF) zone to accommodate 2-bed emergency shelters.[9] The PF zone was the most appropriate for emergency shelters because the sites currently zoned or slated to be rezoned to PF are near transportation and services. Furthermore, the PF Zone

[7] Ordinance No. 16-05 §11

[8] Government Code 65583(3)(I).

[9] Ordinance No. 10-05

is situated between the M-PUD and C-2 Zoning Districts, which both permit residential uses. No hazardous conditions exist in the PF Zone or adjacent zones. A two-bed limit for emergency shelters poses challenges to their development due to the financial challenges associated with creating such small-scale shelters. Moreover, this limit may lead to underutilization of available space. To address these obstacles and facilitate the development of emergency shelters within the City, Program 3.D proposes an amendment to the Municipal Code. This amendment aims to eliminate the two-bed limit as outlined in Ordinance 10-05.

According to AB 139 (Government Code Section 65583(a)(4)(A)), local jurisdictions may not require parking standards for emergency shelters that are beyond what is required for other residential or commercial uses within the same zone. Sand City's parking standards in the PF Zone require adequate on-site parking and loading facilities per Municipal Code 18.64. To ensure parking requirements do not pose a constraint to the development of emergency housing, Program 3.D establishes an amendment to the Municipal Code to clarify parking requirements for emergency shelters in compliance with the government code (see Chapter 2).

Development standards in the PF Zone include a minimum lot area of 3,750 square feet; 60 percent maximum building coverage; no specific setback requirements; and maximum height of 35 feet (three stories). These standards do not pose a significant constraint to the development of emergency shelters. Potential sites for the development of an emergency shelter in the City's PF Zone are detailed below.

There are approximately seven (7) acres of PF zoned land currently. Most sites are "underutilized" in that they have an existing use, but there is additional capacity within each site to sustain a small shelter. For example, City Hall and Calabrese Park constitute 27,850 square feet and the City Hall parking lot is an additional 5,475 square feet. An emergency shelter large enough to accommodate up to 27 beds, exceeding the City's estimated need of three (3) beds, could potentially be located on the parking lot adjacent to City Hall. This building would likely be designed to have four bedrooms with four bunks in each room, allowing for the separation of men and women, if necessary.

Given that the City has property appropriately zoned and available for a shelter for up to 27 beds, the City is in compliance with State law. Additionally, the City has included Program 3.D to establish amendments to the Municipal Code to permit emergency shelters in the PF Zone in accordance with State law and to remove barriers to development (see Chapter 2).

Single Room Occupancy

Assembly Bill (AB) 2634 (Lieber, 2006) requires the quantification and analysis of existing and projected housing needs of extremely low-income households. Elements must also identify zoning to encourage and facilitate supportive housing and single-room occupancy units.

Extremely low-income households typically comprise at persons with special housing needs including but not limited to persons experiencing homelessness or near-homelessness, persons with substance abuse problems, and farmworkers. The City's Zoning Ordinance currently allows SROs in the R-2, R-3, and the MU-P districts.

Low Barrier Navigation Centers

Homelessness in California is a continuing and growing crisis. Individuals and families experiencing homelessness are without permanent housing largely due to a lack of affordable housing. Homelessness is often compounded by a lack of job training and supportive services to treat mental illness, substance abuse, or domestic violence. AB 101, adopted in 2019, requires approval By Right for low barrier navigation centers that meet the requirements of State law. "Low Barrier Navigation Center" means a housing first, low-barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing. If the City receives applications for these uses, it will process them as required by State law. The Salvation Army day facility provides many of these services and connects clients to transitional housing.

The 6th Cycle Housing Element update includes Program 3.E to develop by right procedures for processing low barrier navigation centers including amending the Zoning Code definitions and allowing low barrier navigation centers as a permitted use in the PF Public Facilities zoning district. Program 1.S establishes an amendment to the Zoning Code to permit low barrier navigation centers as a use by-right in zones where mixed uses are permitted, including nonresidential zones permitting multifamily uses pursuant to Government Code section 65660 (zones R-3, CZ-R-3, MU-P, CZ-MU-P, CZ-EDA, and MU-P).

Employee Housing Act

The housing needs analysis in Appendix A of this Housing Element indicates that approximately 4.3 percent of individuals residing in Sand City reported that they were employed in the Agriculture, Forestry, or Fishing and Hunting industry.[10] Accordingly, the City has not identified a need for specialized farmworker housing beyond overall programs for housing affordability.

The City included Program 1.S to amend the Municipal Code in compliance with Health and Safety Code Section 17021.5, to define and permit employee housing for six or fewer employees to be treated as a single-family structure and permitted in the same manner as other dwellings of the same type in the same zone (see Chapter 2).

[10] Sand City 2021 ACS data; Source: City of Sand City, California - Census Bureau Profile

Constraints for Persons with Disabilities

California Senate Bill 520 (SB 520), passed in October 2001, requires local Housing Elements to evaluate constraints for persons with disabilities and develop programs which accommodate the housing needs of disabled persons.

The City has reviewed all of its zoning laws, policies and practices for compliance with fair housing law and is currently compliant with all legislation. In compliance with the federal Fair Housing Act and the California Fair Employment and Housing Act, Ordinance SC 07 02, in Section 18.78.060 of the Sand City Municipal Code identifies those zoning and land use applications where reduced processing time, streamlined procedures and fee reductions/waivers are allowed.

Requests for Reasonable Accommodation

The State of California and Federal law requires that landlords provide "reasonable accommodations" and "reasonable modifications" to tenants with disabilities. A "reasonable accommodation" is a change in a landlord's rules, policies or practices, or a change in ways the housing services are provided; a "reasonable modification" is a physical change in a housing unit or common area that is necessary for a person with a disability to use or enjoy the housing.

A request for reasonable accommodation may be made by any person with a disability, their Representative or any entity, when the application of a zoning law or other land use regulation, policy or practice acts as a barrier to fair housing opportunities. A person with a disability is a person who has a physical or mental impairment that limits or substantially limits one (1) or more major life activities, anyone who is regarded as having such impairment or anyone who has a record of such impairment. A request for reasonable accommodation may include a modification or exception to the rules, standards and practices for the siting, development and use of housing or housing-related facilities that would eliminate regulatory barriers and provide a person with equal opportunity to housing of their choice. Residential parking standards for persons with disabilities are not different from other parking standards. However, if a proponent could demonstrate a need for reduced parking this could be considered as part of a discretionary review.

As a result of the small size of the City and limited number of City staff, requests for reasonable accommodation go directly to the City's Planning Department. Requests for reasonable accommodation are immediately reviewed by the Planning Department, as long as no discretionary land use approval is sought other than the request for reasonable accommodation. When the request is under the Planning Department's purview, the department makes a written determination within 45 days and either grants, grants with modifications or denies a request for reasonable accommodation in accordance with Section 18.78.060.

In granting a request for reasonable accommodation, the reviewing authority may impose any conditions of approval deemed reasonable and necessary to ensure that the reasonable accommodation complies with the required findings.

1. Whether the housing which is the subject of the request will be used by an individual disabled under the Acts;
2. Whether the request is necessary to make specific housing available to an individual with a disability under the Acts;
3. Whether the requested accommodation would impose an undue financial or administrative burden on the City;
4. Whether the requested accommodation would require a fundamental alteration in the nature of a City program or law, including but not limited to land use and zoning;
5. Potential impact on surrounding uses;
6. Physical attributes of the property and structure(s); and
7. Alternative reasonable accommodations which may provide an equivalent level of benefit.

Should the City Council ultimately decide on the request for reasonable accommodation due to its related land use authority, that decision shall be non-appealable and final. If, however, the Community Development Director or the Design Review Committee denied the request of reasonable accommodation, said decision shall be appealable to the City Council for final resolution.

The City of Sand City has updated it Zoning Ordinance to provide reasonable accommodations in a manner fully compliant with state and federal regulations (see Section 18.78.060). The City has included Program 3.C to update the City's reasonable accommodation procedures to remove subjective language from the findings.

The findings requirement that the requested accommodation would not result in a "significant impact on surrounding uses" is a discretionary standard that could impose constraints on improvements to make housing accessible to persons with disabilities. To eliminate subjectivity in the review of requests for reasonable accommodations, the City will amend the Municipal Code to remove the findings requirement for requested accommodations stating the requested accommodation will not "impose an undue financial or administrative burden on the City," and result in a "significant impact on surrounding uses." Program 3.C will establish and monitor these amendments to the City's Municipal Code.

Currently, there are no brochures or informational flyers regarding reasonable accommodation at the City's planning counter. In order to further mitigate the constraints for persons with disabilities, the City will undertake the following actions:

- Conduct educational workshops for landlords and tenants;

- Connect to organizations and fair housing resources;
- Encourage tenants with disabilities to file discrimination complaints if necessary;
- Establish a single point of contact to handle reasonable accommodation issues and provide necessary info; and
- Create an informational worksheet/flyer to distribute at Sand City's front desk.

Definition of Family

According to Section 18.04.245 of the City's Municipal Code, a family is defined as "a person living alone, or two or more persons living together as a single housekeeping unit in a dwelling unit, as distinguished from a group occupying a boardinghouse, lodging house, motel or hotel, fraternity or sorority house." The definition should not distinguish between related and unrelated persons and should not impose limitations on the number of people that may constitute a family. To comply with State law, the City of Sand City will implement Program 3.K to amend the Municipal Code to update the jurisdiction's definition of "family" to comply with all federal and state fair housing laws (see Chapter 2).

Density Bonuses/Incentives for Affordable Housing Developments

The City of Sand employs two types of density bonus to encourage higher-density housing—the mandatory state density bonus and Sand City's own local density incentive. Each of these is discussed in detail below. Beyond these two incentives for affordable housing developments and the Short-Term Rental Ordinance, the City does not have any other locally adopted ordinances that directly impact the cost and supply of residential development (I.e.: inclusionary requirements or growth controls).

State Density Bonus

State law requires jurisdictions to provide density bonuses and development incentives to all developers who propose to construct affordable housing on a sliding scale, where the amount of density bonus and number of incentives vary according to the amount of affordable housing units provided. Specifically, state law requires the provision of total units to be affordable to lower- and moderate-income households. Under current state law, builders who opt to include affordable units in their residential projects are allowed to increase the total number of housing units in the project to cover the costs of the affordable units. Known as the state density bonus, this incentive requires local jurisdictions to provide a density bonus (or equivalent financial incentives) of at most 35 percent to housing developers who agree to construct one of the following conditions: five percent of the units affordable to very low-income households; 10 percent of the units affordable to lower-income households; and 10 percent of the housing units in a for-sale common interest development are restricted to moderate income resident.

Until 2018, it was nearly impossible to apply the density bonus to new housing that caters exclusively to students even if it included affordable units. This was corrected by SB 1227, which made two changes: 1) allowing 100 percent student serving housing projects to apply the density bonus based on the number of bedrooms or beds instead of the number of housing units and 2) allowing students to submit financial aid documents as the documentation to qualify for affordable units.

State density bonus law was again amended in 2022 (SB 290 and SB 728) to add the ability to request one concession or incentive for projects that include at least 20 percent of the total units for lower-income students in a student housing development. It also requires the agency to report on student housing projects receiving density bonuses as part of a Housing Element annual report.

More broadly, the amendments:

- Clarified that the State density bonus law more broadly applies to projects with for-sale housing by replacing prior references to "common interest developments" with references to for-sale housing;
- Provided that when determining the required percentage of units that must be affordable in order to qualify for State density bonus law benefits, the "total units" or "total dwelling units" excludes the units added pursuant to the State density bonus law or a local law granting a greater density bonus;
- Provided that an impact on the physical environment is no longer an appropriate basis for denying a concession or incentive, aligning the State density bonus law with the Housing Accountability Act's (HAA) basis for denying or reducing the density of a qualifying housing development project;
- Imposed a new parking maximum of 0.5 spaces per bedroom for a development that includes 40 percent moderate income, for-sale units and is within a half-mile of a major transit stop to which residents have unobstructed access; and
- Required that units resulting from density bonus be either 1) initially occupied by a person or family of the required income, offered at an affordable housing cost and subject to an equity sharing agreement, or 2) purchased by a qualified nonprofit housing organization receiving a property tax welfare exemption. For option 2, a recorded contract must memorialize a) affordability restrictions for at least 45 years, b) an equity sharing agreement and c) a repurchase option that requires a subsequent purchaser desiring to sell or convey the property to first offer the nonprofit corporation the opportunity to repurchase the property.

The City last revised its density bonus ordinance (Ordinance No. 16-05) to comply with state law in 2016. The 6th Cycle Housing Element update includes new Program 1.B to amend the City's density bonus provisions to reflect recent changes in state law if applicable (see Chapter 2). Increasing the density above the current State law thresholds will encourage maximizing the use of property for residential units and increase overall unit count. To further incentive housing development in Sand City a program is included to include a 10 percent increase as a pro-housing measure.

Local Density Incentive

In 2017, the City of Sand amended its Zoning Ordinance to provide a local density incentive for projects located in the MU-P zoning district. The new provisions set density standards for residential development and included provisions for a local density incentive to encourage the consolidation of the many substandard-sized lots in the City. The local density incentives, which applies above and beyond the state density bonus provisions, were set as follows:

- Existing lots or newly consolidated merged lots of 9,375 square feet to 16,874 square feet may be granted up to a maximum 25 percent density bonus;
- Existing lots or newly consolidated merged lots of 16,875 square feet to 24,374 square feet may be granted up to a maximum 50 percent density bonus;
- Existing lots or newly consolidated merged lots of 24,375 square feet to 31,874 square feet may be granted up to a maximum 75 percent density bonus;
- Existing lots or newly consolidated merged lots of 31,875 square feet to 35,624 square feet may be granted up to a maximum 100 percent density bonus;
- Existing lots or newly consolidated merged lots of 35,625 square feet to 39,374 square feet may be granted up to a maximum 150 percent density bonus;
- Existing lots or newly consolidated merged lots of 39,375 square feet to 43,124 square feet may be granted up to a maximum 200 percent density bonus; and
- Existing lots or newly consolidated merged lots of 43,125 square feet or more may be granted up to a maximum 250 percent density bonus.

The 6th Cycle Housing Element update includes new Program 1.C to amend the City's local density incentive to simplify the calculations and broaden the number of parcels that are eligible for a 250 percent bonus (approximately 81 du/ac) (see Chapter 2). By doing so, lot consolidation will be encouraged and the number of potential multi-family units increased. These changes are anticipated to further encourage lot consolidation and development of multi-family and missing middle housing units.

Short Term Rental Ordinance

The City adopted their short-term rental (STR) ordinance in 2022. The regulations can be found in Title 5 Section 5.20.040 of the Municipal Code regarding short-term rental regulations. STR's are permitted as an accessory use for fewer than 30 days with a City-issued permit. Affordable units are not eligible for an STR permit in order to preserve the existing affordable housing stock. The City found it is necessary to regulate STRs in the interest of public health, safety, and other impacts on land use and housing. The City's intent with the ordinance was to address concerns on land use impacts in residential areas and to limit the impact on the City's shortage of affordable housing.

Impacts of STRs related to housing issues include the use of residential units for commercial use and the reduction of housing supply which drives up rents. The City will continue to monitor the impacts of STRs on long-term housing options.

Staff Resources

The City had very limited staff during the 5th cycle planning period and staff was primarily focused on obtaining the entitlements for the South of Tioga area. The City has since engaged a consulting firm to increase responsiveness and identified a number of programs to improve the planning permitting process as part of 6th Cycle Housing Element.

The City also commits staff time and budget resources to facilitate development of housing units and supportive facilities for homeless and those at-risk in the following ways:

- Staff participates actively with potential developers and advocates for below-market rate units;
- The City provides information on Fair Housing Resources at the City Hall counter and the City's website; and
- The City annually donates to service providers and includes donations as a line item in the annual budget. In 1989, the City adopted a Service Agreement to become a participant in the Community Human Services Project (CHS) joint powers agreement. CHS is a nonprofit agency dedicated to providing mental health, substance abuse and homeless services. Other service agencies the City donates to includes the Salvation Army Day Center that provides caseworker assistance and services to homeless and at-risk clients including laundry, shower, food distribution and vouchers for rent, utilities and transportation. The Salvation Army also operates a Transitional Housing Center in the adjacent City of Seaside.

Building Codes and Code Enforcement

Sand City adopted the 2022 California Building Code, which is based on the California Building Code. The City regularly updates its building code in accordance with Title 24 changes. The City's building code has been adopted in order to prevent unsafe or hazardous building conditions. There have not been any local amendments to the building code. As such, the City's code is a reasonable and normal enforcement of state building regulations and does not act as a constraint to the construction or rehabilitation of housing.

The City provides reasonable accommodation for persons with disabilities in the enforcement of building codes and the issuance of building permits for all new structures. Universal Design allows for new construction and home modifications that enhance the full life cycle use of housing in order to accommodate a wide range of physical abilities or disabilities of a home's occupants. This is particularly relevant to seniors and allows residents to age in place and remain in a particular unit for a longer period of time. Sand City's demographics show the City's aging trend and suggests a demand for housing geared toward middle aged to senior groups. In an effort to broaden the

number of units that can accommodate a wider variety of residents' abilities, the 6th Cycle Housing Element includes Program 1.L to adopt Universal Design elements that address limited lifting (e.g., roll-in showers and grab bars), limited mobility (e.g., push/pull lever faucets, wide swing hinges) and limited vision (e.g., additional stairwell and task lighting) (see Chapter 2).

It is the duty of the building inspector, Chief Building Official, and the City Manager to enforce the City's building code and zoning codes. The City's code enforcement model promotes education first, with sufficient noticing prior to issuing fines and scheduling hearings, if necessary. The City is so small that every property is well-known to staff and City Council members. City staff and the City Council are very active in connecting with households in need of assistance, and proactive in monitoring the city's residential housing stock.

Fees and Exactions

The development of new housing units imposes certain costs upon local government, such as the cost of providing planning services and inspections. In addition, there are long-term costs such as the continued maintenance of a community's infrastructure and public facilities. In order to pay for such services, local governments charge fees for proposed development applications. These fees and exactions can impact the cost and feasibility of developing the housing as well as its affordability. They can also involve issues of private property rights. High planning and site development fees can impact property owners' ability to make improvements or repairs, especially for lower-income households. Development projects are subject to fees and exactions from a growing number of public entities, ranging from special districts to regional agencies. In order to create a viable development proposal, it is important to estimate the cumulative amount of fees to which the housing development will be subject.

The City last updated its Planning fee schedule in 2015 and the Building fee schedule in 1997, in comparison to other communities on the Monterey Peninsula, Sand City's governmental fees are low primarily because the City has not updated the City fee schedule in many years. The lack of fee increases and regular fee schedule updates may be viewed as an economic incentive to encourage new and revitalization development in the City; however the City is reassessing fees and considering a fee study in order to recover reasonable costs for providing City planning entitlement and building permit services. The fees have been artificially low for many years and do not recover reasonable City costs which can cause an impact to City permitting services. Discounted fees or waived fees for affordable projects will be included to incentivize affordable units. Program 3.H is included in the 6th Cycle Housing Element to ensure fees for affordable projects remain low or are waived. Table B-4, City of Sand City Planning Fees, and Table B-5 City of Sand City Building Fees provides a current list of applicable planning and building department fees.

Table B-4 City of Sand City Planning Fees

Planning Fees	Cost
Administrative Land Use Approvals and Zoning Permits	
Zoning Compliance Statement	No Fee
Home Occupation Permit	No Fee
Temporary Use Permit	$100
Parking Permit (1 per vehicle)	$200 / permit / year
Tree Removal Permit	No Fee
Discretionary Land Use Permit	
Conditional Use Permit	$500
Coastal Development Permit	$500
Site Plan Review	$500
Variance	$500
Planned Unit Development	$500
Tentative Subdivision Map and Vesting Tentative Map	$1,000 + Reimbursement Ag.
Final Map / Parcel Map	$500 + Reimbursement Ag.
Combining Multiple Permits[1]	Sum of all applicable fees above + Reimbursement Ag.
Appeal for Permit (within 10 days of approval)	$500
Amendment of Permit	$500
Design Permit	
Architectural Review	$100
Master Sign Program	$100
Individual Sign Permit	$50
Environmental Review	
Environmental Impact Report (EIR)	$2,000 + Reimbursement Ag.
Negative Declaration[2]	$1,000 + Reimbursement Ag.
Categorical Exemption (per CEQA)	No Fee
Legislative Amendments	
General Plan Amendment	$2,000 + Reimbursement Ag.
Zoning Amendment or Change	$1,000 + Reimbursement Ag.

Planning Fees	Cost
Specific Plan Approval or Amendment	$2,000 + Reimbursement Ag.
Local Coastal Plan Amendment	$2,000 + Reimbursement Ag.

SOURCE: City of Sand City Planning Department Fee Schedule
NOTE: 1. For Projects that require more than one permit.
2. Environmental Initial Study required.
3. There are no fees or applications required for a preliminary development project review.

Building Permit Fees

Similar to planning fees, building permits fees for the City have not been increased for many years and do not recover City costs to provide this critical service. In 1991, the City Council established a schedule of fees for plumbing mechanical and electrical permits and this was followed by an update building permit fee structure based on the Table 1-A from the 1997 Uniform Building Code. These fees have not been updated since that time frame and are woefully outdated and the City is subsidizing building permit costs at an unsustainable rate. Table B-5 reports the City's building fees.

Table B-5 City of Sand City Building Fees

Building Fees	Cost
Over the Counter Type Permits	
Plumbing (no plan review required)	$30.00
Electrical (no plan review required)	$30.00
Mechanical (no plan review required)	$30.00
Combination Permit	
Value $0-$2,000	$23.38-$86.56
Value $2,001-$25,000	$104.06-$489.06
Value $25,001-$50,000	$501.69-$804.69
Value $50,001-$100,000	$813.44-$1,242.19
Value $100,001-$500,000	$1,249.19-$4,042.19
Value $500,001 and up	$4,042.19
Value $0-$2,000	$23.50-$69.25
Value $2,001-$25,000	$83.25-$391.25
Value $25,001-$50,000	$401.35-$643.75
Value $50,001-$100,000	$650.75-$993.75

Building Fees	Cost
Value $100,001-$500,000	$999.35-$3,233.75
Value $500,001 and up	$3,233.75

SOURCE: City of Sand City Building Department Fee Schedule

The building fee structure is currently based on the valuation or cost of the project. This is a widely accepted and used system to establish both building permit fees as well as the cost to complete a plan review. Fees are generally collected at the time of application; however, in the case of very large developments, fees may be requested by the applicant to be partially deferred until the project receives a certificate of occupancy at the discretion of either City Manager or Council. In an effort to improve service and responsiveness, the City currently contracts with a consulting firm to provide building permitting services. The consulting firm provides consistent and responsive building permit services to the community and a high level of service which is critical to ensure property owners follow the building permit process and do not conduct building work and repairs without applying for building permits.

The City is currently looking at conducting a fee nexus study to recalibrate the fees to reflect current service levels and associated costs. Currently, City fees are do not form a constraint to development.

Regional Fees

The City is not a full-service municipality; several agencies and special districts levy fees on new development for the provision of basic urban services. These agencies and special districts including the following:

- Monterey Peninsula Water Management District (MPWMD);
- Monterey Peninsula Unified School District (MPUSD);
- California American Water (Cal-Am);
- Monterey One Water (M1W); and
- Transportation Agency for Monterey County (TAMC).

Special district fees add to development costs in the City. Sand City is under the jurisdiction of the MPWMD and receives its water from Cal-Am. The water district has permit authority over the production and distribution of all water supplies within the Monterey Peninsula region, and allocates water supplies to cities and County areas within its jurisdiction. The current MPWMD permit fees are governed by the Fees and Charges Table (effective August 16, 2021) and start at $225 per residential dwelling unit plus $90 per hour for more than 2.5 hours.

The MPUSD requires the payment of an impact fee of $4.79 per square foot for new residential development per the fees listed on the school district website. The school district does not offer any discounts or exemptions for affordable projects.

Cal-Am charges non-refundable Connection Fees as determined by CPUC guidelines. The fee is based on the meter size which is as follows:

1. 5/8" Meter - $3,000 (single-family)
2. 1" Meter - $5,000 (small multi-family)[11]
3. 1-1/2" Meter - $10,000 (large multi-family)
4. 2" Meter - $16,000 (large volume requirement ex. hotel.)

M1W impact fees are approximately $6,056 per residential unit. TAMC established a Regional Impact Fee (RDIF) program to address required mitigation for traffic impacts. Accessory Dwelling Units under 750 square feet are exempt from impact fees. Sand City is located with Zone 3: Peninsula/South Coast and also subject to additional infill fee. Impact fees are calculated using an online spreadsheet and fees range from $4,484 for an above moderate single-family home, to $31,491 for a 10-unit apartment to $27,461 for a 10-unit condo or townhome, and $17,386 for a 10-unit multi-family development. Impact fee discounts are applied to affordable units and are dependent on the affordability level.

Fees charged for the provision of basic services by these outside agencies vary according to project types and size and increase development costs. The City does not control fees for outside agencies; but outside agency fees are considered an economic constraint add to the overall cost of development; however, the agencies provide necessary services for residential development (Table B-6).

Table B-6 Estimate of total development fees imposed

	Single-Family*	Multi-Family (10 units)**
Planning permit fee (incl. CEQA)	$600	$1,800
Building Permit fee	$2,999	$4,042
Subtotal	$3,599	$5,842
MPWMD	$225	$2,250
MPUSD	$9,580	$52,690

[11] Small multifamily properties, defined as those with five to 49 units (Terner Center, UC Berkeley, January 2024)

	Single-Family*	Multi-Family (10 units)**
Cal-Am	$3,000	$5,000
M1W	$6,056	$60,560
TAMC	$4,036	$17,386
Regional Fees Subtotal	$22,897	$137,886
Total Fees	$26,496	$143,728

*assumed $350K valuation and 2,000 sq. ft.
**assumed $5,000,000 valuation and 11,000 sq. ft.

City fees generally comprise one (1) percent of the cost of development of a single-family home and less than 0.005 percent of the cost of development of a multi-family development. Fees from other districts comprise practically 100 percent of the development of a multi-family development. The City will work with outside agencies to develop a process to defer fees until the Certificate of Occupancy is ready to be issued as part of the fee schedule update process in Program 3.H.

Transparency of Development Standards and Fees

Per Government Code section 65940.1(a)(1), jurisdictions must post all zoning and development standards and associated fees on the jurisdiction's website. The City of Sand City complies with State law, providing zoning and development standards on the City's website by reference to the City's Municipal Code. Associated fee schedules are also readily available on the City's website through the Planning Department.

Americans with Disabilities Act Compliance

Compliance with provisions of the federal Americans with Disabilities Act (ADA) is assessed and enforced by Planning and Building departments in Sand City. ADA access is enforced through building permit entitlement and is required for all commercial development, new construction of multi-family apartments with three or more units in any one building, and new construction of congregate housing or shelters.

The Planning and Building Departments monitor California Title 24 accessibility requirements with all plan checks and permits. Such reviews include but are not limited to parking spaces, walkways, building access and restrooms. When an application for a building permit is received, it is automatically routed through the plan check process. The Planning Department logs the permit request and assigns a tracking number. Then the application is forwarded to the City of Monterey Building Department, with whom the City of Sand City contracts for building services. The City of

Monterey Building Department applies both ADA and Title 24 regulations to all building permit requests. The Building Department coordinates with the Planning Department to expedite the review for ministerial permits such as door widening and ramps. The City of Monterey Building Department and Fire Department conducts building code and fire code, respectively, compliance and enforcement for the City of Sand City, by contractual agreement. Additionally, Sand City staff provide additional enforcement by means of windshield surveys.

For existing privately owned structures, the City has not sponsored any efforts to remove constraints for persons with disabilities; however, for City owned properties, Capital Improvement projects include accessibility modifications. For example, improvements and construction to Calabrese Park will commence summer 2023 and includes ADA access. For all new construction, the City ensures ADA and Title 24 compliance. The Building Department and City Engineer monitors ADA compliance for all work within the public right-of-way. The Building Department and City Engineer routinely review sidewalks, curbs and all development improvement plans for ADA compliance on public property.

On- and Off-Site Improvement Standards

Onsite/offsite improvement standards establish infrastructure or site requirements to support new residential development such as streets, sidewalks, water and sewer, drainage, curbs and gutters, street signs, park dedications, utility easements, and landscaping. While these improvements are necessary to ensure that new housing meets the local jurisdiction's development goals, the cost of these requirements can represent a significant share of the cost of producing new housing.

Such requirements can reasonably be considered regulatory barriers to affordable housing if the jurisdiction-determined requirements are greater (and hence, more costly) than those necessary to achieve health and safety requirements in the community.

New on-site infrastructure is not considered to be a potential constraint to housing development within the West End districts (formerly known as the Old Town) because those housing opportunities will be in urban infill sites where the infrastructure is largely already in place. The City, however, had worked with an urban design and parking design team to develop streetscape improvement plans. These plans will include street trees, street furniture and undergrounding of existing, unsightly utility poles.

In those areas such as the East Dunes where new residential development is planned, the City will require on-site infrastructure improvements, including the construction of interior roads, street lighting, water, sewer, drainage and underground utility systems. The City has not adopted any requirements above and beyond those authorized by the California Subdivision Map Act. For the East Dunes area, the City has actually reduced the street width to 32 feet. This narrowing of streets was a design consideration to provide more front yard landscaping to individual homeowners and for traffic-calming purposes. The 6th Cycle Housing Element includes program 2.A to continue to

implement its Five-Year Capital Improvement Program and continue budgeting revenues into the capital improvement budget to improve streets, sidewalks, storm drainage, wastewater and water lines within the West End area.

Parking Requirements

Excessive parking standards that are not reflective of actual parking demand can pose a significant constraint to housing development by increasing development costs and reducing the potential land available for project amenities or additional units. The City's Zoning Code contains parking requirements according to zoning designation and are summarized in Table B-7, Parking Requirements.

Table B-7 Parking Requirements

Zoning Designation	Parking Requirement
R-1	2 per unit
R-2	2 per unit
R-3	1.5 per unit (2 or fewer bedrooms) 2 per unit (3+ bedrooms)
CZ R-2	2 per unit
CZ R-3	1.5 per unit (2 or fewer bedrooms) 2 per unit (3+ bedrooms)
CZ VS R-2	1.5 per unit
CZ MU-P[1]	See Note
CZ-EDA	1.5 per unit
PUD	Dependent on type of use (e.g., commercial, industrial, etc.)
MU-P	Dependent on type of use (e.g., commercial, industrial, etc.)
PF[1]	See Note

SOURCE: City of Sand City, Municipal Code Tile 18 Zoning
1. On-site parking and loading facilities required for all uses, as provided in the City's Municipal Code Chapter 18.64 Parking and Loading areas.

West End Parking Plan

The City of Sand City recognizes a need for a comprehensive parking plan that will complement the City's West End Vibrancy Plan and help better achieve the land use goals of the 2002 General Plan. This Sand City West End Parking Plan (parking plan) has been created to address common issues related to parking patterns and availability in the West End and is based on a review of the City's parking ordinances, parking management and strategies in other jurisdictions, the conclusions of past studies, and more recent observed parking conditions within the West End. Land uses are

expected to continue shifting from industrial, warehouse, and commercial service uses to live-work studios, residences, entertainment, and restaurants. This parking plan provides an updated analysis and action plan for implementing expanded or new parking strategies, facilities, and funding consistent with the General Plan and the Vibrancy Plan. Past studies concluded that it would be physically impossible for allowable uses to provide off-street parking due to limitations of existing improvements and parking standards that do not appear to be tied to actual conditions within the West End. Past studies also concluded that although the City's future parking demand could be accommodated by a mix of private and public parking supply, much of future supply would be located on public streets.

This plan identifies potential parking opportunity public and private locations, reviews potential parking layouts and financing, management programs and strategies to create more efficient parking, suggests revisions to existing parking regulations to address common issues, and presents an action plan for implementation.

Given the lack of space available within the City to construct private off-street parking that meets current code requirements, a parking maximum is considered in the plan. The parking maximum would create an upper limit on site-specific or area-wide parking supply to increase opportunities available for shared parking and/or parking credits, and promote the use of alternative transportation. This approach allows flexibility in addition to, or instead of, minimum parking requirements. Parking maximums are typically most successful in areas with a well-developed transit system that allows for reduced dependency on cars. Parking requirement reductions for affordable housing units are included as well. The Plan is nearing completion and is anticipated to be adopted by Council in 2023.

AB 2097 – Major Transit Stops and Reduced Parking Requirements

AB 2097 was passed by the California legislature and signed into law on September 22, 2022 by Governor Gavin Newsom. The new law becomes a part of CA. GOV. Code Section 65863.2. This bill would prohibit a public agency from imposing any minimum automobile parking requirement on any residential, commercial, or other development project, as defined, that is located within 1 /2 mile of public transit, as defined. The bill would create an exception from the above-described provision if the housing development project (1) dedicates a minimum of 20 percent of the total number of housing units to very low, low-, or moderate-income households, students, the elderly, or persons with disabilities, (2) contains fewer than 20 housing units, or (3) is subject to parking reductions based on any other applicable law.

Monterey-Salinas Transit District (MST) provides public transportation throughout Monterey County, including Sand City. MST uses the Sand City Station located on Playa Avenue, which serves six bus routes—lines 17, 18, 20, 94, Jazz A, and Jazz B. With the implementation of MST's Better

Bus Network in 2022, Jazz A and Jazz B have a combined frequency of 15-minute service from 7:26 a.m. to 6:48 p.m.at Sand City Station. This meets the definition for a "major transit stop" under AB 2097 criterion (c):

> *The intersection of two or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods.*

Once the SURF! Busway and Bus Rapid Transit is completed, there will also be public transit service along Del Monte Boulevard every 15 minutes throughout the day.

Eliminating parking minimums for residential projects within a half mile of the City's major transit stops removes a significant constraint to development. Parking adds significantly to the construction costs of buildings and uses critical space that could alternatively be used for new housing. The proximity of major transit stops that have 15-minute service enables residents to travel conveniently within the City and the greater region without an automobile and will not hinder a residents' mobility.

It is important to note the City has the right under the new law to require standard parking provision, as long as the City addresses an application within 30 days and makes appropriate findings (as described Section 65863.2).

The 6th Cycle Housing Element update includes new Program 1.J to reduce the City's parking requirements (see Chapter 2).

Summary of Governmental Constraints

Land use regulation by the California Coastal Commission, in general, and the presence of environmentally sensitive habitat area, specifically, presents a significant government constraint on the production of housing in Sand City. Sand City's location in the Coastal Zone is, no doubt, a significant part of the reason why the City has struggled to meets its regional housing needs allocation in past cycles (e.g., seven units or 13 percent of RHNA in the 5th Cycle planning period). For this 6th Cycle update, many sites identified for low- and moderate-income housing would be adversely affected by Coastal Commission regulations.

In addition to the obvious constraints associated with the City's location in the Coastal Zone, the City has identified a number of ways in which it can otherwise reduce the burden of governmental constraints on the production of housing. Table B-8 lists new programs detailed in Chapter 2 to address constraints related to the following areas of government regulation:

Table B-8 Summary of Governmental Constraints

Governmental Constraint	Programmatic Action
Location in the Coastal Zone Certain areas of Sand City are located in the California Coastal Zone and are therefore subject to a host of regulations that are not present in communities outside the Coastal Zone.	Program 1.H: Habitat Management Plan Program 1.C: West End Housing Diversity Overlay
Zoning Ordinance and Development Review Process Multiple zoning districts and overlay districts currently complicate permitting and can be an impediment to developers. Updating the Zoning Ordinance and consolidating districts can ease the regulatory process.	Program 1.P: Clarify permit processing Program 1.G: Objective Design Standards Program 1.I: California Housing Opportunity and More Efficiency (HOME) Act
Out-of-date General Plan The City's General Plan was adopted in 2002 and had a 15-year planning horizon. The residential densities allowed by the General Plan do not match the residential densities allowed by the Zoning Ordinance.	Program 1.E: Update the General Plan
City Fees While Sand City's building fees are lower than surrounding communities, fees can still pose as an impediment to development.	Program 3.H: Reduced Fees for Affordable Projects
Development Standards Parking requirements Minimum lot coverage	Program 1.J: Reduce Minimum Parking Standards Program 1.C: West End Housing Diversity Overlay Program 1.S: Changes to Zoning Code
Zoning to Permit a Variety of Housing Types Emergency Shelters Low-barrier Navigation Centers Employee and Farmworker Housing Transitional and Supportive Housing Mobile and Manufactured Housing Residential Care Facilities	Program 3.D: Emergency Shelters Program 3.E: Low Barrier Navigation Center Program 3.J: Employee and Farmworker Housing Program 1.S: Changes to Zoning Code Program 3.K: Residential Care Facilities for Residents with Disabilities
Reasonable Accommodation	Program 3.L: Update Reasonable Accommodation Procedures in the Municipal Code
SB 9	Program 1.I: California Housing Opportunity and More Efficiency (HOME) Act

B.3 Non-Governmental Constraints

In addition to governmental constraints, non-governmental factors may constrain the production of new housing. These could include economic and market related conditions such as land and construction costs, as well as environmental hazards such as wildfires, earthquakes, and flooding.

In Sand City, the availability of land and land costs will remain a constraint to affordable housing, and programs to use publicly-owned lands—such as City-owned land—can make a difference. The cost of construction and construction materials is also very high and therefore a constraint, and to the degree that the City can subsidize affordable housing projects with available funds dedicated to housing, this too can make a difference. The 6th Cycle Housing Element includes programs to refer developers to Federal and State loan programs as well as referring individual property owners to Habitat for Humanity Monterey Bay's ADU loan program which also supplies labor to help defray construction costs.

Land and Construction Costs

As is true for most coastal communities, new residential development in Sand City can be expensive. According to Zillow, since May, 2020, eleven vacant lots have been sold within the City ranging in price from $12,500 to $530,000 with an average cost of $151,278. The average lot size sold over the same period of time was approximately 4,200 square-feet, accounting for an average cost per of $36 per square-foot. However, properties values may vary significantly based on their location and ability to facilitate development.

Construction costs have risen significantly over the past five years due to labor shortages, the COVID-19 pandemic and related supply chain issues and the cost of materials. High construction costs are a barrier to constructing not only affordable units, but all types of residential units at this time.

Availability of Financing

The cost of financing has a substantial effect on the affordability and availability of housing. Interest rates have a significant role in determining the feasibility of development projects, especially residential real estate. Interest rates have been at historic lows in recent years, but depending on Federal Reserve Bank actions, may rise in the coming years. Developers typically pass the cost of financing development projects on to buyers or tenants, thus affecting the affordability and availability of housing types for residents. The availability of financing for residents to purchase, refinance and improve homes is an important analysis of the private market to determine the feasibility of homeownership access.

Since 2020, interest rates for homebuyers steadily increased from a low of 2.75 percent in 2020 to a peak of 7.08 percent in November of 2022 for a fixed rate, 30-year mortgage.[12] The current economic climate is uncertain and still affected by the COVID-19 pandemic, increasing inflation, and the supply chain disruptions; however, there are a number of ways to finance residential development in the City, some of which are outlined below.

Banks, Community Development Financial Institutions Fund (CDFIs), and state housing agencies

Banks, Community Development Financial Institutions Fund (CDFIs), and state housing agencies all play a role in providing affordable housing.

- **Banks** are regulated by the Community Reinvestment Act (CRA), which requires them to provide lending and services to all segments of their communities, including low-and moderate-income borrowers. Banks can meet their CRA requirements through a variety of activities, including making loans to affordable housing developers, providing grants to community development organizations, and investing in CDFIs.

[12] Source: 30 Year Mortgage Rate (ycharts.com)

- **CDFIs** are specialized financial institutions that provide loans, investments, and other financial services to low-income communities and individuals. CDFIs are often more flexible than traditional banks, and they can provide loans to borrowers who may not be able to qualify for financing from other sources.
- **State housing agencies** (SHAs) are government agencies that provide financial assistance for affordable housing development. SHAs can provide loans, grants, and tax credits to developers, and they can also help to promote affordable housing through public education and outreach programs.

Together, banks, CDFIs, and SHAs play a vital role in providing affordable housing. These organizations work to ensure that everyone has access to safe, decent, and affordable housing, regardless of their income. The California Housing Finance Agency (CalHFA) is a SHA that provides financing for affordable housing development in California. These organizations are essential partners in the fight to ensure that everyone has access to safe, decent, and affordable housing.

Housing Credits

Federal

The 4% and 9% LIHTC (Low-Income Housing Tax Credit) are federal tax credits that can be used to finance the construction or rehabilitation of affordable housing. The 4% credit is for the acquisition of existing buildings for rehabilitation and new construction financed by tax-exempt bonds. The 9% credit is generally for new construction and substantial rehabilitation with no federal subsidies. The amount of the credit is equal to 4% or 9% of the project's qualified basis, and it can be used to offset federal income taxes. The credit is claimed over a 10-year period.

The 9% LIHTC is more valuable than the 4% LIHTC, so it is typically used for larger projects. The 9% LIHTC is also more competitive, as there is a limited amount of 9% credits available each year. Both the 4% and 9% LIHTCs are important tools for financing affordable housing. They have helped to create millions of affordable housing units across the country.

State

State housing credit is a state-level program that provides tax credits to developers who build or rehabilitate affordable housing. The credits are similar to the federal Low Income Housing Tax Credit (LIHTC), but they are administered by state housing finance agencies (HFAs).

State HFAs allocate tax credits to developers through a competitive process. The credits are then sold to investors, who use them to offset their state income tax liability. The proceeds from the sale of the credits are used to finance the construction or rehabilitation of affordable housing.

State housing credit benefits both developers and low-income households. For developers, the credits provide a valuable source of financing that can help them make affordable housing projects financially feasible. For low-income households, the credits help to keep rents affordable.

Federal Home Loan Bank System

The Federal Home Loan Banks (FHLBs) are 11 regional banks that provide funding to financial institutions in all 50 states and U.S. territories. They were created by Congress in 1932 to help revitalize the housing market during the Great Depression.

FHLBs are cooperatively owned by their member institutions, which include community banks, credit unions, commercial banks, savings institutions, and insurance companies. These member institutions can borrow money from FHLBs at a discounted rate, which helps them to offer lower interest rates on mortgages and other loans to their customers.

In addition to providing funding, FHLBs also offer a variety of other services to their members, such as:

- Technical assistance on housing and community development
- Affordable housing programs
- Letters of credit
- Mortgage purchase programs

FHLBs play an important role in the U.S. housing market. They help to ensure that there is a steady supply of affordable mortgage credit available to borrowers, and they also support community development efforts.

Federal Home Loan Bank and Affordable Housing Program

The Federal Home Loan Bank (FHLB) Affordable Housing Program (AHP) is a grant program that provides funding for the creation and preservation of affordable housing. The AHP is funded by a 10 percent contribution from each FHLB's earnings.

The AHP can be used to finance the following types of affordable housing projects:

- **Owner-occupied housing:** The AHP can be used to finance the purchase, construction, or rehabilitation of owner-occupied housing for low-or moderate-income households.
- **Rental housing:** The AHP can be used to finance the purchase, construction, or rehabilitation of rental housing where at least 20 percent of the units are affordable for and occupied by very low-income households.
- **Mixed-income housing:** The AHP can be used to finance the purchase, construction, or rehabilitation of mixed-income housing where a portion of the units are affordable for low-or moderate-income households.

The AHP is a competitive program, and applications are typically reviewed on a quarterly basis. To be eligible for an AHP grant, a project must meet the following criteria:

- The project must be located in a low-or moderate-income census tract;
- The project must be affordable to low-or moderate-income households; and
- The project must be developed by a qualified project sponsor.

The AHP is a valuable resource for developers of affordable housing. The program provides much-needed funding for the creation and preservation of affordable housing, and it helps to ensure that low-and moderate-income households have access to safe and affordable housing.

Housing First

Supportive housing is a type of housing that provides permanent, affordable housing with on-site supportive services to help people who are homeless or at risk of homelessness. The supportive services can vary depending on the needs of the individual or family, but they may include case management, mental health services, substance abuse treatment, job training, and education.

There are a variety of supportive housing subsidy programs available in the United States. Some of the most common programs include:

- **Housing Choice Vouchers (HCVs):** HCVs are a federal program that provides rental assistance to low-income households. HCVs can be used to rent apartments on the private market, and they can also be used to pay for supportive housing;
- **Veterans Affairs Supportive Housing (VASH):** VASH is a federal program that provides rental assistance and case management services to homeless veterans; and
- **Rapid Re-housing:** Rapid Re-housing is a short-term program that provides rental assistance and case management services to help people who are homeless quickly find and maintain housing.

The Housing First approach to homelessness is a philosophy that emphasizes providing permanent housing to people who are homeless, regardless of their other needs. The Housing First approach has been shown to be effective in reducing homelessness and improving the lives of people who are homeless.

The supportive housing subsidy system in the United States is a complex system, but it is an important part of the Housing First approach to homelessness. The subsidy programs help to make supportive housing affordable for people who are homeless, and they help to ensure that people who are homeless have access to the supportive services they need to succeed.

Housing financing, including private financing and government assistance programs, is generally available in the community. Financing from the following sources is available for affordable housing units for extremely-low, very-low and low-income households in Sand City:

- CDBG Funds: The City will continue to apply to the California HCD for special planning grants to pursue specific projects. The City will submit applications for those funds based on the state's application time frame process;
- HOME Funds: The State of California also awards HOME funds to localities on a competitive basis for developments that include rental housing, homeownership opportunities, special needs housing and tenant-based rental assistance. The City will submit applications for those funds based on the state's application time frame process;
- Low Income Tax Credits: Federal and state tax credits are available to investors on a competitive basis for the development of lower-income housing units;
- Other State-funded programs: The City will make use of available State-funding allocated for affordable housing; and
- Permanent Local Housing Allocation (PLHA) grant: The City applied for and was awarded a Permanent Local Housing Allocation grant. PLHA provides funding to local governments in California for housing-related projects and programs that assist in addressing the unmet housing needs of their local communities.

This 6th Cycle Housing Element includes Program 5.C, to continue to apply for State and Federal Housing Program Funding (see Chapter 2).

Requests to Develop at Densities Below Those Permitted

New State Housing Element law now requires the non-governmental constraints analysis to evaluate developer requests to build at densities below the density identified in the Housing Element sites inventory. To date, the City has not received requests to develop at densities below those permitted.

In order to incentivize development which better implements densities planned in the Housing Element sites inventory, the 6th Cycle Housing Element sets forth Program 1.D to ensure that there are adequate sites available throughout the planning period to accommodate the City's regional housing needs, "or " "RHNA" (see Chapter 2). Additionally, Program 1.D requires a minimum density of 20 dwelling units per acre for selected sites.

Length of Time between Application Approval and Building Permit Issuance

New Housing Element law now also requires an examination of the length of time between receiving approval for a housing development and submittal of an application for building permits. The time between application approval and building permit issuance is influenced by a number of

factors, none of which are directly impacted by the City. Factors that may impact the timing of building permit issuance include: required technical or engineering studies; completion of construction drawings and detailed site and landscape design; securing construction and permanent financing; and retention of a building contractor and subcontractors.

The majority of residential permits in the City are for single-family homes, with building permit issuance generally taking eight (8) to 14 months after planning approvals. In Sand City, most approved projects are constructed in a reasonable time period with the exception of the South of Tioga (SOT) area. This planning area is taking longer due to current financing conditions and retention of a housing developer for multi-family developments. The owner is soliciting proposals from housing developers in an effort to move the project to fruition and the City is willing to consider altering the Development Agreement via an amendment by ordinance to include incentives to increase the viability of financing the residential portions of the project.

Infrastructure Capacity

A significant factor that can add to the cost of residential development is the availability and adequacy of infrastructure. Sand City, unlike many other jurisdictions in the Monterey Bay Area, has available water to service new residential development.

Priority for Water and Sewer

Per Chapter 727, Statues of 2004 (SB 1087), upon completion of an amended or adopted Housing Element, a local government is responsible for immediately distributing a copy of the Housing Element to area water and sewer providers. In addition, water and sewer providers must grant priority for service allocations to proposed developments that include housing units affordable to lower-income households. Chapter 727 was enacted to improve the effectiveness of the law in facilitating housing development for lower-income families and workers.

The City consulted with water and sewer providers during the development and update of the Housing Element as stated below. Involvement during the development and update process facilitates effective coordination between local planning and water and sewer service functions to ensure adequate water and sewer capacity is available to accommodate housing needs, especially housing for lower-income households. Updates or amendments to the Housing Element will be sent to water and sewer providers within a month after adoption.

Water Availability and Adequacy

The Monterey Peninsula has historically experienced water shortages that limit residential development. Sand City is a member of the Monterey Peninsula Water Management District (MPWMD). The MPWMD is responsible for issuing water service permits for developments located within the District's boundaries. Domestic water service is provided by the California American Water Company (Cal-Am), which operates and maintains the water system within the district.

Monterey County's water supplies are derived primarily from the Carmel and Salinas River systems and the Seaside groundwater basin. Cal-Am's use of the Carmel River system was greatly restricted by State Water Resources Control Board Order 95 1 issued in 1995 and due to be implemented in the next year. Due to the lack of adequate water supplies on the Monterey Peninsula, the availability of water for new development is limited and will become more limited in the future. Several regional desalination plant proposals are in process, but years away from approval or construction.

In order to develop a more permanent source of water, the City successfully pursued the establishment of a desalination facility using state grants to help fund the development costs. The project's total costs were $12 million for both design and construction. The City aggressively pursued grant opportunities, and received $2.9 million in Proposition 50 grant funds from the California Department of Water Resources. The remainder of the project was paid for through Redevelopment Agency Bonds and capital improvement program funding. Additionally, the innovative energy recovery system that was incorporated, developed by Energy Recovery Incorporated (ERI), enabled energy consumption savings of 50 percent, and earned the City $104,974 in rebated from Pacific Gas and Electric (PG&E), the region's utility provider. The facility began production in April of 2010 and supplies the City with 300 acre-feet of water (98 million gallons approximately) annually.

On June 1, 2023 the MPWMD released a Technical Memo that summarized the water supply requirements for housing. The estimated future residential water need for Sand City forecasted 32 acre-feet based on the City's 2023-2031 Regional Housing Need Allocation of 260 units.[13] According to the July 2023 MPWMD monthly water entitlement and allocation reports[14], the City has approximately 197.886 acre-feet in water entitlements from their personal desalination plant and an additional 23.163 acre feet in water allocations from the MPWMD. The City has access to both water provisions and can adequately meet the RHNA water supply demand of 32 acre-feet using either the 197.886 acre-feet in water entitlements and/or the 23.163 in water allocations. The City intends to use the 197.886 acre-feet in water entitlements from its desalination plant to satisfy the RHNA since this provides more local control.

The permit fees charged by the MPWMD vary according to project types and size and increase development costs. The City does not control fees for outside agencies; but outside agency fees are a constraint and add to the overall cost of development. The 6th Cycle Housing Element includes Program 2.B to prioritize water for residential housing projects and will include working with outside agencies to defer fees (see Chapter 2).

Sewer

The Seaside County Sanitation District (SCSD) and Monterey One Water (M1W formerly the Monterey Regional Water Pollution Control Agency (MRWPCA)) provide wastewater collection and

[13] MPWMD June 1, 2023 Technical memo

[14] MPWMD May 15, 2023 Board meeting packet

treatment to Sand City. The M1W operates the Regional Sewage Treatment Plant in Marina. The SCSD maintains the collection lines and pumping stations that deliver sewage from Sand City and Seaside to M1W's Seaside pumping station, located west of State Route 1 on Bay Street. The Regional Treatment Plant has a capacity of 30 MGD (million gallons per day), and processes approximately 20 MGD. There is adequate capacity to meeting the City's RHNA.[15]

There are some deficiencies in sewer service supply and distribution lines, primarily in the coastal area west of State Route 1 and undeveloped portions of the East Dunes area. The sewer deficiency in the East Dunes area is not one of downstream line capacity or plant capacity. In this currently undeveloped area of Sand City, there is a need to extend sewer lines to serve new development.

Recently, the South of Tioga residential development project funded sewer extensions, which is located adjacent to the East Dunes area. Additionally, the East Dunes area does include a few single-family homes, which also have access to sewer. New developments in this area could extend existing sewer lines from adjacent properties.

When a developer approaches the City for the appropriate land use entitlements, sewer extension will be a required condition to subdivision approval—a standard process that any developer would need to address. Thus, there will not be a negative impact on the development of residential units associated within the East Dunes area. Furthermore, none of the identified housing opportunity sites are located in the East Dunes area. Therefore, this does not pose a constraint to the development of sites identified to satisfy the RHNA. Aside from the deficiencies in the coastal areas, there is adequate sewer capacity in the City to accommodate development equaling or exceeding the RHNA.

Again, fees charged by theses outside agencies vary according to project types and size and increase development costs. The City does not control fees for outside agencies; but outside agency fees are a constraint and add to the overall cost of development.

Program 2.B is included and provides for ongoing coordination and outreach with sewer providers and continued operation of the City's desalination facility. To ensure sewer infrastructure is not a potential barrier in the next housing cycle, the City includes Program 1.H, which establishes City actions to work with SCSD and M1W to facilitate sewer service to the East Dunes area (see Chapter 2).

Transportation

State Route 1 crosses the center of Sand City and is a dominant fixture in the City's landscape. For several years, there have been proposals to widen State Route 1 from four to six lanes and to improve interchange access. However, there were no specific actions or funding sources authorized at the time that this Housing Element was prepared.

[15] Conversation with M1W staff June 15, 2023.

The City's Circulation Element and Public Facilities Element of the 2002 General Plan identifies the need for circulation and access improvements in several areas of the City, including the East Dunes, West End and Coastal Zone areas. However, none of these recommendations are significant in terms of restricting new residential development. All local streets within Sand City operate within acceptable levels of service. Traffic mitigation fees are required for all new development in Sand City based on a regional impact fee required by the Transportation Agency for Monterey County (TAMC).

Environmental Constraints

The City of Sand City has some environmental constraints that directly impact the development of housing. A significant portion of the City lies within the Coastal Zone, a portion of which is subject to appeals to the Coastal Commission. Environmental constraints along the coast include erosion, sensitive habitat areas and endangered species.

The Moffatt & Nichol study of coastal erosion, which calculates the future position of the shoreline, has been endorsed by the Coastal Commission and has been applied by the City to develop setback lines for development along the coastline.

Biological

Biological studies conducted within Sand City have identified five species that qualify for special status under state or federal law or among a broad consensus of the scientific community. Those species include the Monterey Bay gilia, the Monterey spineflower, the coastal wallflower, the Monterey ceanothus and the sandmat manzanita. Wildlife studies have identified four special-status species in the City, including Smith's blue butterfly, the western snowy plover, the coast horned lizard and the California burrowing owl.

Habitat preservation areas have been established in conjunction with, and as a permitting requirement for, previous development projects. In 2000, the U.S. Fish and Wildlife Service (USFWS) designated all of the Sand City coastal area west of State Route 1 as critical habitat for the western snowy plover. Therefore, future development proposals will require federal Endangered Species Act Section 9 consultation and may require the approval of a habitat conservation plan by the USFWS. The City is coordinating closely with USFWS and other agencies, including the California Department of Fish and Wildlife (CDFW) regarding these sensitive and protected habitat areas. The development process is significantly slower and elongated when working with outside agencies in these areas.

The presence of environmentally sensitive habitat area, specifically, presents a significant government constraint on the production of housing in Sand City. A Habitat Management Plan is a guide for that facilitates appropriate development in sensitive areas by protecting and enhancing existing habitat in addition to creating new habitats in appropriate areas and directing development

to places that do not impact sensitive areas. An adopted Habitat Management Plan provides more certainty to residential developers by completing the necessary biological studies and surveys and identifying areas for development. The City will initiate a Habitat Management Plan per 6th Cycle Housing Element Program 1.H to provide programmatic incidental take permits for properties identified in the Sites Inventory including the East Dunes. By doing so, the regulatory environment for constructing housing will be somewhat eased for this geographic area.

Seismic Hazards

The principal active faults in the region, the San Andreas fault and the San Gregorio fault, have been responsible for several moderate to large historic earthquakes and are associated with well-defined zones of active seismicity. These faults traverse Monterey County, and many areas therein are susceptible to seismic hazards including strong ground shaking, liquefaction, and earthquake induced landslides. In addition, erosion hazards are present in the agricultural areas of the Salinas and Pajaro Valleys. Coastal erosion of dunes, cliffs, and bluffs is a serious problem in Monterey County. Coastal erosion of cliffs is concentrated along the Big Sur Coast due to very steep terrain; but there are locally severe erosion problems in the south Monterey Bay area, mainly due to highly erosive windblown sand and particularly in the incorporated and unincorporated areas around Marina, Sand City, Monterey, and Fort Ord. Potential geologic and soil hazards can be increased by inappropriate development, seismic activity and heavy rains.

Flooding

Potential water-related hazards in Sand City include flooding, tsunami, and sea-level rise. Flood hazards include coastal inundation, flash flooding down watercourses and channels throughout the community, and sheet flooding across low lying areas adjacent to these watercourses. A tsunami is a series of ocean waves triggered by the displacement of a large volume of water after a submarine disturbance, such as an underwater earthquake or landslide. While there is no record of large or moderate tsunamis in the Sand City area, the potential for tsunami damage exists, as it does in most coastal California communities. Global climate changes affecting sea level have been observed over time and if observed patterns continue, a sea-level rise should be expected. Sea-level rise is a long-range concern and while predictions vary, a significant rise in sea-level rise could adversely affect land use, transportation and water quality in low-lying coastal areas. With the exception of essential support facilities for coastal-dependent industry, the City of Sand City's Local Coastal Program (LCP) (in accordance with the California Coastal Act) restricts all structural development on the ocean-side of the dunes, within a tsunami run-up zone, or within the area subject to wave erosion.

Fire

Public Resources Code 4201-4204 directs the California Department of Forestry and Fire Protection (CAL FIRE) to map fire hazard within State Responsibility Areas (SRA) based on fuel loading, slope, fire weather, and other relevant factors present, including areas where winds have been identified by the department as a major cause of wildfire spread. These zones, referred to as Fire

Hazard Severity Zones (FHSZ), classify a wildland zone as Moderate, High, or Very High fire hazard based on the average hazard across the area included in the zone. According to the California Department of Forestry, Sand City is not within the state responsibility area fire hazard severity zone, and is at low risk of fire hazards.

Toxic Cleanup

In the City of Sand City, there are many areas that are/were once designated for heavy industrial uses that will require site cleanup to enable residential development. Site cleanup can be an expensive and burdensome process for local jurisdictions and developers to take on. As a proactive measure to facilitate the development of residential uses in areas that once accommodated heavy industrial uses, the City has included Program 3.M, Brownfield Remediation Loans and Grant Assistance (see Chapter 2). This program commits the City to working with property owners and developers to seek outside funding opportunities for site remediation and offer technical assistance with funding applications. None of the sites identified in the Sites Inventory are located on a parcel that has a legacy of contaminants.

Scenic Resources

Scenic resources, most notably views of Monterey Bay seen while traveling along State Route 1 through the City, are also considered and protected as a resource of public importance in conformity with the California Coastal Act through the goals and policies of the Conservation and Open Space Element of the City's General Plan. Protection of the scenic resources could constrain the location and height of future residential development in the specified area.

Noise

Highway 1 continues to be a source of noise along the northern edge of the City. With a growing residential population in a mixed-use environment, there is an increasing awareness of noise from nonresidential uses. The Sand City Municipal Code prohibits excessive and annoying noises in Chapter 8.04. Construction hours are not currently regulated by the Municipal Code. Some noises occur on a continual or a continual but intermittent basis, such as highway noise, or is emitted by mechanical equipment. The General Plan Public Safety and Noise Element contains policies and actions to address noise.

Summary of Non-Governmental Constraints

In summary, while Sand City is subject to the environmental constraints described above, the Housing Element Update includes specific policies and programs in Chapter 2 to reduce or eliminate non-governmental constraints to the extent feasible and practical.

The primary non-governmental constraints and the 6th Cycle Housing Element programs to address them are shown in Table B-9 below:

Table B-9 Non-Governmental Constraints and Programmatic Actions

Non-Governmental Constraint	Programmatic Action
Land and Construction Costs As is the case in most Coastal cities, the cost of land and construction costs can be expensive and result in constraints to housing production.	Program 1.N Small Sites Lot Consolidation Program 1.B: Amend the City's Zoning Ordinance to align with new Density bonus State laws and include 10 percent density bonus Program 1.C: Increase Housing Diversity – MU-P Zoning District Amendments
Limited Land Sand City's size limits areas where new housing can be constructed.	Program 1.C: Increase Housing Diversity – MU-P Zoning District Amendments
Environmental Constraints The presence of special status species and environmentally sensitive habitat areas limit areas available for development within the City.	Program 1.H: Habitat Management Plan
Availability of Financing Developers typically pass the cost of financing development projects on to buyers or tenants, thus affecting the affordability and availability of housing types for residents.	Program 5.C: State and Federal Housing Programs and Funding

This side intentionally left blank.

Vacant and Available Sites

C

APPENDIX

Table of Contents

APPENDIX C VACANT AND AVAILABLE SITES C-1

C.1 Introduction C-1

C.2 Regional Housing Needs Allocation C-1

C.3 Overview of the Site Inventory C-2

C.4 Capacity Analysis of Site Inventory C-20

C.5 Additional Opportunities for Residential Development and Affordable Housing ... C-38

C.6 AFFH Analysis of Sites C-39

C.7 Summary and Conclusions C-70

Figures

Figure C-1 Sand City Sites Inventory C-6

Figure C-2 Mural Development C-9

Figure C-3 Site Plan for South of Tioga, with Residential Parcels R1 and R2 ..... C-14

Figure C-4 East Dunes neighborhood paper lots and recent "Bungalow" development C-16

Figure C-5 Typical Missing Middle and Live/Work Developments in Sand City C-17

Figure C-6 Consolidation Example Sites, Catalina Lofts (above) and The Sandbox C-18

Figure C-7 West End Housing Diversity Overlay Boundary C-19

Figure C-8 Salvation Army Site #1 ..... C-20

Figure C-9 Art Park Artist Live Work Concept First Floor C-24

Figure C-10 Art Park Artist Live Work Concept Second Floor C-25

Figure C-11 1793 Catalina Street, Site #4 ..... C-30

Figure C-12 1712 Catalina Street, Site #5 ..... C-32

Figure C-13 Sites Inventory Analysis by TCAC/HCD Opportunity Areas, 2023 ..... C-46

Figure C-14 Sites Inventory Analysis by TCAC/HCD Education Domain, 2021 ..... C-48

Figure C-15 Sites Inventory Analysis by TCAC/HCD Economic Domain, 2023 ..... C-50

Figure C-16 Sites Inventory Analysis by CalEnviroScreen 4.0, 2021 ..... C-52
Figure C-17 Sites Inventory Analysis by Predominant Population, 2021 ..... C-55
Figure C-18 Sites Inventory Analysis by Median Income, 2021 ..... C-58
Figure C-19 Sites Inventory Analysis by Poverty Status, 2021 ..... C-59
Figure C-20 Sites Inventory Analysis by Population with a Disability, 2021 ..... C-63
Figure C-21 Sites Inventory Analysis by Overcrowding, 2021 ..... C-65
Figure C-22 Sites Inventory Analysis by Cost Burdened Renter Households, 2021 ..... C-67

Tables

Table C-1 Sand City's Regional Housing Needs Allocation – 2023–2031 ..... C-2
Table C-2 Sand City's Adjusted RHNA 2023-2031 ..... C-3
Table C-3 Capacity to Accommodate 2023-2031 RHNA C-4
Table C-4 Housing Site Inventory Capacity Overview C-12
Table C-5 Recently Developed Housing Projects C-13
Table C-6 Pipeline Projects, 2022-2023 ..... C-13
Table C-7 Site #1 Description C-22
Table C-8 Site #1 Capacity Assumptions C-22
Table C-9 Site #2 Description C-27
Table C-10 Site #2 Capacity Assumptions C-27
Table C-11 Site #3 Description C-29
Table C-12 Site #3 Capacity Assumptions C-29
Table C-13 Site #4 Description C-31
Table C-14 Site #4 Capacity Assumptions C-32
Table C-15 Site #5 Description C-34
Table C-16 Site #5 Capacity Assumptions C-34
Table C-17 Sites #6 and 7 Description C-36
Table C-18 Sites #6 and 7 Capacity Assumptions C-36

Table C-19 Site #8 Description C-37
Table C-20 Site #8 Capacity Assumptions C-38
Table C-21 Projects/Sites Selected to Accommodate Lower Income RHNA Consideration Factors C-40
Table C-22 AFFH Indicators Table C-41
Table C-23 TCAC/HCD Opportunity Area Domains, 2023 ..... C-44
Table C-24 Site Inventory Unit Count by TCAC/HCD Opportunity Area, 2023 ..... C-45
Table C-25 Site Inventory Unit Count by Diversity Index and Percent Non-Hispanic White Population, 2023 ..... C-54
Table C-26 Site Inventory Unit Count by Median Household Income and Poverty Status, 2021 ..... C-57
Table C-27 Sites Inventory Unit Count by Female-Headed Households, 2021 ..... C-60
Table C-28 Sites Inventory Unit Count by Population with a Disability, 2021 ..... C-61
Table C-29 Sites Inventory Unit Count by Overcrowding, 2021 ..... C-64
Table C-30 Site Inventory Unit Count by Cost Burdened Renter Households, 2021 ..... C-66
Table C-31 Programmatic Actions Related to Projected Housing Types C-69

Appendix C
Vacant and Available Sites

C.1 Introduction

The 6th Cycle Regional Housing Needs Allocation Plan 2023-2031[1] has identified the region's housing need as 33,274 units. The total number of housing units assigned is separated into four income categories that cover housing types for all income levels, from very low-income households to market rate housing. This calculation, known as the Regional Housing Needs Allocation (RHNA), is based on population projections produced by the California Department of Finance as well as adjustments that incorporate the region's existing housing need. The adjustments result from recent legislation requiring HCD to apply additional adjustment factors to the baseline growth projection from California Department of Finance, in order for the regions to get closer to healthy housing markets. To this end, adjustments focus on the region's vacancy rate, level of overcrowding and the share of cost burdened households, and seek to bring the region more in line with comparable ones. These new laws governing the methodology for how HCD calculates the RHNA resulted in a significantly higher number of housing units for which the Monterey Bay Area must plan compared to previous cycles.

C.2 Regional Housing Needs Allocation

In April 2022, AMBAG adopted its Draft Regional Housing Needs Allocation Plan. For Sand City, the RHNA required to be planned for this cycle is 260 units, which when achieved will represent a 70 percent increase in the City's 2022 population.

RHNA Summary

Sand City's share of the regional housing need for the seven-year period from 2023 to 2031 is 260 units, which is a 472 percent increase over the 55 units required by the 2014 to 2022 RHNA and a 141 percent addition to the City's total existing housing units. The housing need is divided into the five income categories of housing affordability. Table C-1, Sand City's Regional Housing Needs Allocation – 2023–2031 shows Sand City's RHNA for the planning period 2023 through 2031 in comparison to the RHNA distributions for Monterey County and the Monterey Bay Area region.

[1] Source: Association of Monterey Bay Area Governments, April 2022

Table C-1 Sand City's Regional Housing Needs Allocation – 2023–2031

Income Group	Sand City Units	Percent	Monterey County Units	Percent	Monterey Bay Area Units	Percent
Very Low Income (<50% of AMI)	59	22.7%	4,412	21.7%	7,868	23.6%
Low Income (50%-80% of AMI)	39	15.0%	2,883	14.2%	5,146	15.5%
Moderate Income (80%-120% of AMI)	49	18.8%	4,028	19.8%	6,167	18.5%
Above Mod. Income (>120% of AMI)	113	43.5%	8,972	44.2%	14,093	42.4%
Total	260	100.0%	20,295	100.0%	33,274	100.0%

SOURCE: AMBAG 2022

Progress to Date

The RHNA planning period for the 2023-2031 Housing Element (6th Cycle) is June 30, 2023 through December 15, 2031. The statutory adoption date for the 6th Cycle Housing Element is January 1, 2024—a full six months after the beginning of the planning period. To account for this discrepancy, the City of Sand City must account for the number of housing units issued building permits prior to adoption of the 6th Cycle Housing Element and apply these to the 2023-2031 RHNA. Accordingly, the units permitted in this period count towards the 2023-2031 planning period RHNA and are subtracted from the 6th Cycle RHNA.

Table C-2, Sand City's Adjusted RHNA 2023-2031, shows the City of Sand City's adjusted RHNA, which accounts for progress made prior to the adoption of the updated Housing Element document. Accounting for entitled, approved, and pending projects, the City is able to count 16 lower-income, 26 moderate-income, and 322 above-moderate income units towards its RHNA for the 6th cycle. Full details for each pipeline project are provided in section C.3 Overview of the Site Inventory.

C.3 Overview of the Site Inventory

The purpose of the sites inventory is to identify and analyze specific sites that are available and suitable for residential development from 2023-2031 in order to accommodate Sand City's adjusted RNHA of 260 housing units (see Table C-1, above). The site inventory provides a total capacity for 505 units and opportunities for the development of a variety of housing types to meet the needs of a range of household types and income levels.

Table C-2 Sand City's Adjusted RHNA 2023-2031

	Very Low-Income Units	Low-Income Units	Moderate-Income Units	Above Moderate-Income Units	Total Units
2023–2031 RHNA	59	39	49	113	260
Units permitted between June 30, 2023 and January 1, 2024					
Catalina Lofts	0	0	0	8	8
South of Tioga Parcel R-1	0	0	0	125	125
South of Tioga Parcel R-2	9	7	26	189	231
Remaining RHNA	50	32	23	-209	-

SOURCE: City of Sand City, 2024

The City developed programs and policies to plan for where new housing should go and how many units could be on potential sites. Per state law and Housing Policy (SB 166) the City is required to maintain "no net loss" of the housing capacity represented by this list of parcels and the sites they comprise. To facilitate this, the Sites Inventory has been designed with excess capacity. This allows some degree of flexibility in decision making for individual development projects as they come forward for approval by City Council.

Table C-3, Capacity to Accommodate 2023-2031 RHNA, summarizes Sand City's sites inventory for the 2023-2031 planning period and capacity to accommodate RHNA goals. The housing Site Inventory assessor parcel numbers (APNs) and addresses are included in Table C-4.

Pursuant to Government Code section 65583.2(b)(7), Figure C-1 provides a map illustrating the Site Inventory. All tables related to the Site Inventory include RHNA income category information, in compliance with Government Code section 65583.2(c).

Following is a synopsis of information related to the Sites Inventory:

- Vacant and underutilized site-specific details are provided in Table C-4;
- Pipeline project details are provided for three (3) projects in Table C-5; and
- Comprehensive descriptions and capacity analyses are provided for each individual site.

Table C-3 Capacity to Accommodate 2023-2031 RHNA

Housing Resource	Very Low-Income Capacity	Low-Income Capacity	Moderate-Income Capacity	Above Moderate-Income Capacity	Total Capacity
2023-2031 RHNA	59	39	49	113	260
Pipeline Projects (Catalina Lofts and South of Tioga)	9	7	26	322	364
Salvation Army (Site #1)	5	0	0	0	5
City of Sand City Art Park (Site #2)	9	7	0	0	16
The Independent, Phase 2 (Site #3)	46	31	30	0	107
Underutilized Sites (Sites #4-5)	0	0	0	3	3
Vacant Sites (Sites #6-8)	0	0	0	7	7
ADUs (Site #8)	2*	1	0	0	2
Total	71	46	56	332	505
Surplus at 194% RHNA	120%	118%	114%	294%	245

SOURCE: City of Sand City; EMC Planning Group Inc.
NOTE: *One ADU to accommodate very-low income is anticipated with the development of Site #5 and one ADU to accommodate very-low income is anticipated with the development of Site #8.

Sites to Accommodate Lower-Income RHNA

Sites Used in Previous Housing Element Planning Periods

Government Code Section 65583.2(c)

Each site includes information indicating if it was used in a prior housing element planning period, and it if is currently vacant. Four sites included in the Sites Inventory were used in the 5th cycle. However, none are of adequate size to accommodate lower-income residential units. Site #2, Art Park, is the only site that was used in the 5th cycle and anticipated to accommodate lower-income residential units. This is based on City ownership and interest in developing affordable residential units; an ongoing proforma study determining the feasibility to construct affordable units on the site; and community support for the development. Sites #6-8 are less than 0.5 acres and do not have property owner or developer interest in developing affordable residential units. Sites #6 and #7 are anticipated to undergo a lot consolidation to maximize development potential, and are included in a proforma study, which has not determined the development of affordable units to be feasible on the consolidated site. Further details for each site are provided in section C.4 Capacity Analysis of Site Inventory of this appendix.

Sites #2-8 are located within the West End Housing Diversity Overlay Zone (see Program 1.C). This Overlay will be adopted prior to December 2024 and will enable all sites to have a density of

up to 81 dwelling units per acre. By-right development review will be the process by which any housing project with less than four (4) units is proposed, and for any housing project that includes five (5) or more units where at least 15 percent of the units are affordable to lower income households. This exceeds requirements set forth in Government Code 65583.2(c), for sites previously identified in the 5th Cycle Housing Element that are proposed to accommodate the low- and very low-income RHNA. Table C-4 provides details for all housing sites identified to satisfy the RHNA.

Appropriate Zoning

Government Code Section 65583.2(c)(3)

For suburban jurisdictions such as Sand City, sites allowing at least 20 units per acre are appropriate to accommodate lower-income housing. The density range for all parcels that anticipate housing units to meet the lower-income RHNA include the default density. The General Plan designation that applies to Sites #2-8 identified in the Site Inventory, which meets this prerequisite, is MU-D, (and/or zoning at MU-P) at a maximum density of 81 dwelling units per acre. Site #1 has a General Plan designation of East Dunes Specific Plan, which allows residential densities between 12-20 dwelling units per acre.

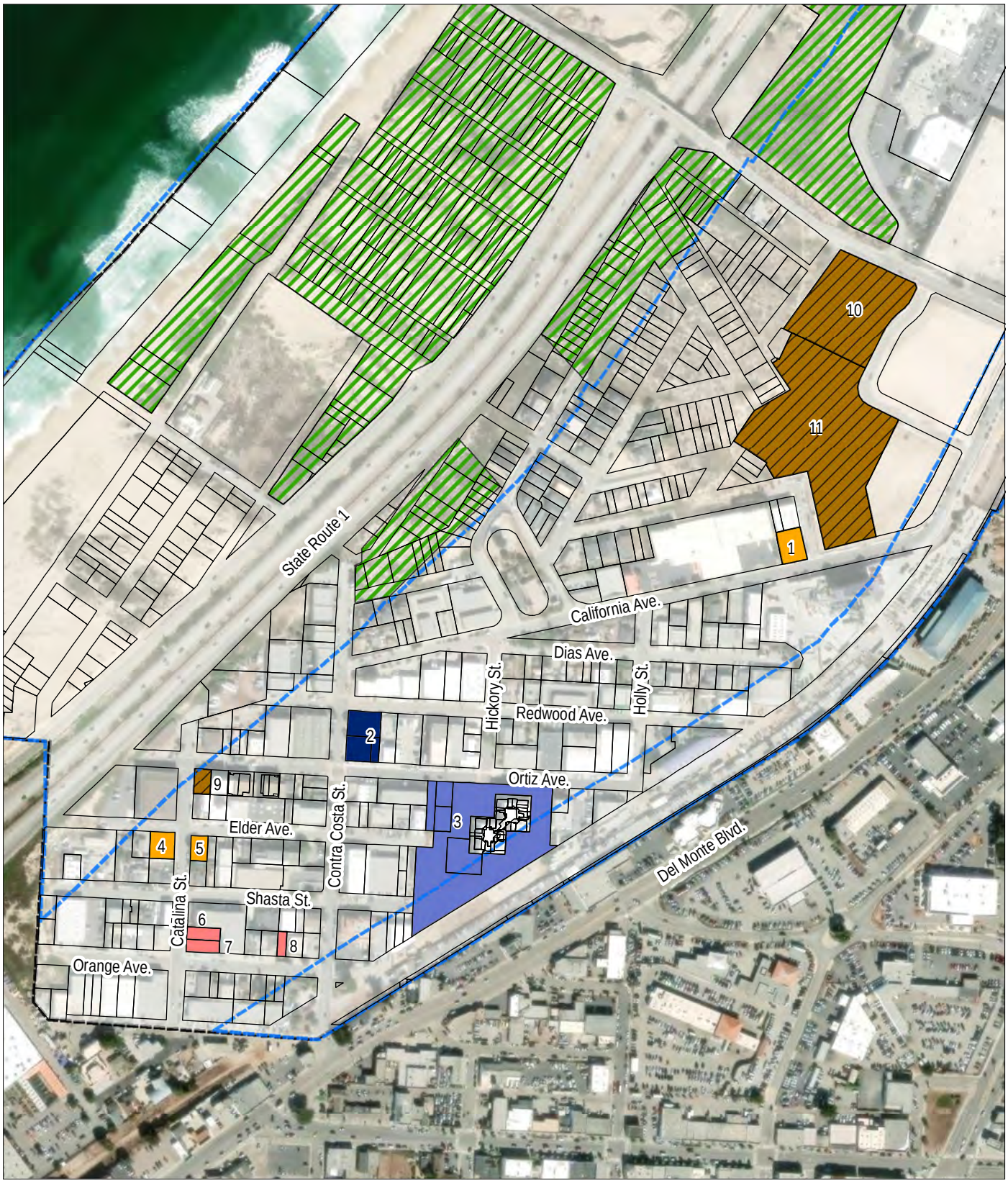
Site Size

Government Code Section 65583.2(c)(2)(A), (B), and (C)

Several factors outside of the City's control impact the availability and developability of land in the City, including the significant acreage that is within the coastal zone and/or protected habitat areas, and the City's built-out nature. As a result, approximately 88 percent of sites included in the housing Site Inventory are less than 0.5 acres, of which Sites #1 and #2 are anticipated to accommodate a portion of the lower-income RHNA. Sites #1 and #2 include mission-based property owner interest in developing transitional and supportive housing and City-owned sites.

The sites included in the site inventory have been chosen by the City upon supportive evidence to be the most developable for new housing in the eight-year planning cycle. Several of the sites have property owner interest and the anticipated developments are supported by the City. Additionally, recent developments in the city include seven residential developments, of which four were less than 0.5 acres; zoned MU-P; and utilized lot consolidation and/or adaptive reuse tools for existing structures. As a result, the size of sites included in the site inventory is not considered a constraint to development.

Moreover, the City has a successful track record for developing housing projects within the constraints of small lot sizes and environmental protections. The use of lot consolidation has contributed to this success, which resulted in recent residential developments including, The Sandbox, Catalina Lofts, and South of Tioga. See Considerations for Capacity Analysis below for more details on these projects.



Source: Monterey County GIS 2023, Google Earth 2023

Figure C-1

Sites Inventory

Sand City 6th Cycle Housing Element

No Net Loss

Government Code Section 65863

Through the eight-year planning period of the 6th Cycle Housing Element, pursuant to the No Net Loss Law, City staff is required to identify an alternative site(s) if a site is developed at a lesser ratio of lower-income units than anticipated with this Sites Inventory. Program 1.F monitors the City's actions to evaluate the City's progress in meeting housing objectives and remaining in compliance with the No Net Loss Law (see Chapter 2).

Reliance on Nonvacant Sites to Accommodate More than 50 Percent of the RHNA for Lower-Income Units

Government Code Section 65583.2(g)(2)

More than 50 percent of the sites intended to accommodate the RHNA for lower-income households are projected to be developed at vacant sites.

As part of the resolution adopting the housing element, findings stating the uses on nonvacant sites identified in the inventory to accommodate the RHNA for lower-income are likely to be discontinued during the planning period and the factors used to make that determination. The City will include this either in the body or in the recital section of the resolution.

Findings and a description of the substantial evidence can be found within the subsections for each area. The "substantial evidence" indicates that the existing use will not impede further residential development or that the existing use will be discontinued during the planning period.

City-Owned Sites and Surplus Land Act

The Surplus Land Act (SLA) is a "right of first refusal" law that requires all local agencies to offer surplus land for sale or lease to affordable home developers and certain other entities before selling or leasing the land to any other individual or entity (Government Code Sections 54220-54234). Any time a local agency disposes of land, it must follow the SLA unless the land qualifies as exempt surplus land. Dispositions include both sales and leases (unless the lease is less than five years or where no demolition or development will occur during the term of the lease).

The City has identified two (2) underutilized parcels (both at Site #2, Art Park) with intentions to make them available through the Surplus Land Act process over the next five years for the potential development of 16 units (eight (8) units affordable to very low- and eight (8) units affordable to low-income households). The City plans to acquire a privately owned parcel that is adjacent to the two city-owned parcels in order to maximize development potential. The site is planned to remain in City ownership and is anticipated to be made available for development through a long-term land lease for 55 years. The site will be made available for affordable housing consistent with the requirements of the Surplus Land Act.

Specific planned actions by the City include the development of a project description, publication of an RFP within 12-18 months, selection of a development partner, two years to enter into an Exclusive Negotiation Agreement, two years for land use entitlements and development agreements, 6-12 months for building permit issuance, and 1-2 years for construction depending on the complexity of the project. Council approval is required for each step in this process. The City has included Program 3.1 to establish and monitor the City's anticipated timeline and actions for entering into the SLA process (see Chapter 2).

Vacant and Underutilized Sites

Nonvacant Site Analysis Methodology

Government Code Section 65583.2(g)(2)

Existing Uses

All sites selected for the Sites Inventory are either vacant, represent intentional second phase of development, or the use of which has been discontinued. In no case is the existing use of a site considered a constraint.

Nearly all of the anticipated housing capacity within this plan is predicated on not discontinuing existing uses. The single exception is the Salvation Army (Site #1), where two low-intensity industrial uses may be relocated to enable five (5) transitional housing units within an existing building. Discussions with the property owner indicate interest in redeveloping the site to provide transitional housing.

Should displacement of low or very low-income households occur, the City is prepared to comply with the requirements of Government Code section 65915, subdivision (c)(3). Program 2.D in Chapter 2 will be in effect to require replacement housing units subject to the requirements of the Government Code.

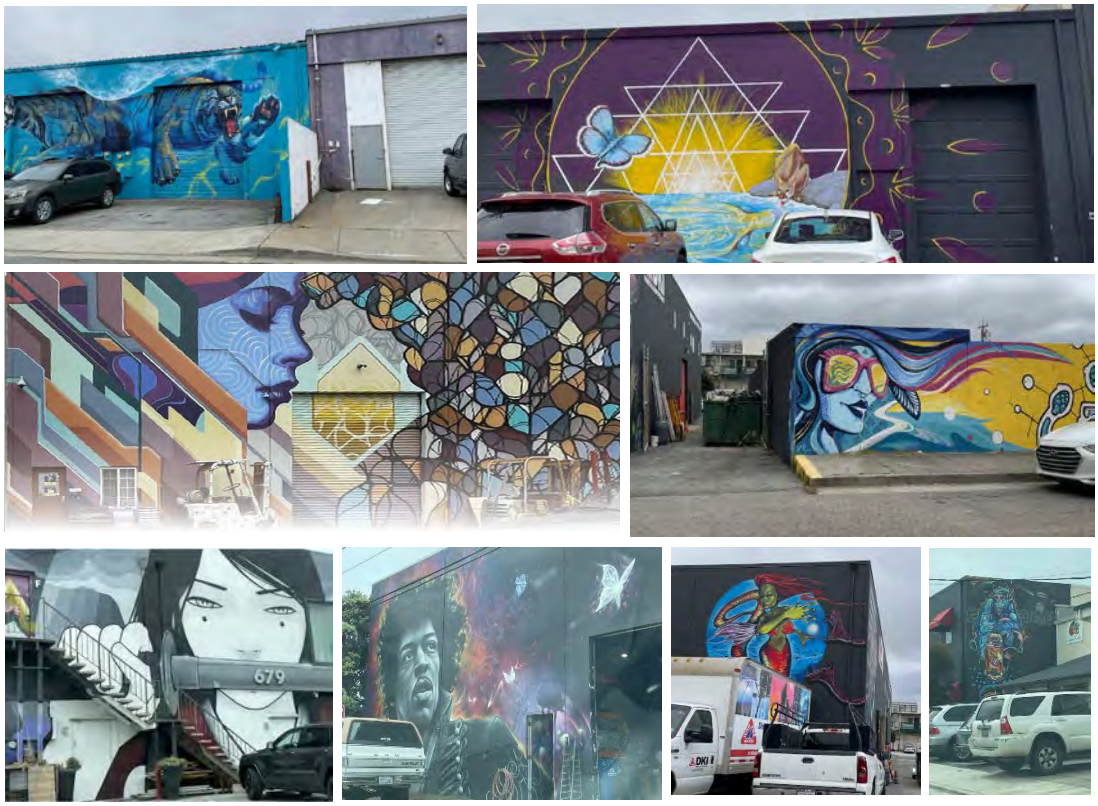
Development Trends

Sand City is an arts-centric evolving light industrial mixed-use community that has a legacy for supporting the arts community. This is evident with their mural program, illustrated in Figure C-2, where many commercial and light industrial companies have welcomed artistic displays across their otherwise blank walls. Small and medium scaled mixed use is commonplace within the fabric of the city, across decades of development. Residential adaptive reuse of a commercial building is the single pipeline project for this year in the MU-P Zone, following full development and occupancy of Catalina Lofts (see the Lot Consolidated sub-section within this Appendix for details).

The City has not received any proposals for 100 percent non-residential projects in the MU-P Zone. There is considerable developer interest in residential projects, and the City is actively engaging with non-profit affordable housing developers to build multi-family housing.

Developers participating in Sand City Housing Element update outreach events have likened the city's moment in time to a smaller version of Emeryville, just prior to their boom days. The goal is to set the development stage for plentiful, artist-focused, and varied housing to be constructed within the 6th cycle.

Figure C-2 Mural Development



SOURCE: City of Sand City

Market Conditions

The market does not yet seem to support podium construction or integrated affordable housing for multifamily development, as evidenced in City discussions with developers focused on opportunities at the South of Tioga Parcels R1 and R2. The cost of podium construction is very high, and must be supported by market rents or the purchase of a unit. Integrated affordable housing, as much as that is the City's desired goal, is very difficult to finance within the context of a single integrated building. Essentially, it requires two different types of financing structures be placed on a single parcel and building with is very difficult to make work in our current market environment.

The City is actively seeking solutions to support construction throughout the City. Following is a list of activities that the City is currently pursuing to increase housing construction opportunities in Sand City:

- City Council has agreed to consider increased density through reopening the Development Agreement at South of Tioga;
- Prohousing Community Designation application is in process;
- The City is educating their staff on affordable housing financing tools;
- Lot consolidation will continue to be encouraged and small lots have been given greater density allowance to enable increased construction of missing middle housing such as plexes;
- City Council is considering Objective Design Standards development in tandem with this Housing Element update;
- The City has initiated an economic development campaign that will include financial analysis, renderings, and a committed webpage;
- The City is leveraging opportunities for City-owned properties, including possible use of an undeveloped right of way; and
- The City is committed to continue seeking opportunities to attract and assist housing developers to consider constructing homes in Sand City.

Dry Utilities and Water Capacity

Central Coast Community Energy (3CE) and Pacific Gas and Electric (PG&E) supply electricity in Sand City. All sites included in the Site Inventory have access to sufficient water, sewer, and dry utilities. Program 2.B has been included in this Housing Element to grant priority water and sewer services to proposed developments that include units affordable to lower-income households (see Chapter 2).

Considerations for Capacity Analysis

Type of Sites

Government Code Section 65583.2(c)

This housing plan and Site Inventory provides capacity for a variety of housing types; including multifamily rental housing, factory-built housing, mobile homes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. The Zoning Ordinance and General Plan for the sites allows the housing types listed above.

Adjustment Factors for Realistic Capacity

Government Code Section 65583.2(c)(2)

Land use controls and site improvements requirements have been analyzed for constraints within Appendix B – Housing Constraints, and necessary changes to the review process are included as programs within Chapter 2 – Goals, Policies and Programs. The realistic development capacity for the site begins with assuming those process changes to be in place by or prior to December 2024.

Table C-4 provides details and capacity estimates for each of the parcels identified in the Sites Inventory. These capacity estimates are considered conservative, as there is the potential for lot consolidation beyond what is assumed. Such consolidation would allow the application of the local density incentive program that the City of Sand instituted to encourage lot consolidation. In addition, State Density Bonus might also apply, which could shift affordable unit counts in a positive direction. Finally, the density assumptions applied to the sites are well below the maximum allowed per the City's zoning regulations/development standards.

Typical densities of existing or approved residential developments at a similar affordability level in Sand City has been considered to discover a yield percentage of the maximum density used for each pipeline project. Tables C-5 and C-6 report details for completed projects from the 5th cycle and recent 6th cycle pipeline projects. These projects were taken into consideration when determining realistic capacity and developments types likely to occur during the 6th cycle. More recent projects, including the South of Tioga development, utilize significantly higher densities (81 du/ac). This is the result of a culmination of efforts by the City to enable the development of affordable residential units, including working with developers to understand what densities are most feasible to develop affordable housing and implementing changes on the ground.

Pipeline Projects

Pipeline projects include entitled, permitted, or constructed projects. Table C-6 exhibits three (3) current housing projects that have earned approval for entitlements and/or permits and will begin construction during the 6th cycle planning period including, South of Tioga Parcel R1, South of Tioga Parcel R2, and Catalina Lofts.

Catalina Lofts

The Catalina lofts, located at 400 Ortiz Avenue, was completed in 2023 and has been issued a Certificate of Occupancy. This site includes eight (8) above-market housing units, with artist/light-industrial/commercial studio space at the ground floor. The density for this 0.35-acre site was 23 dwelling units per acre and the developer maximized it for a total of eight (8) above moderate units.

Table C-4 Housing Site Inventory Capacity Overview

Map #	APN	Address	GENERAL PLAN	ZONING	ACRES	MAX DENSITY	REALISTIC CAPACITY (% of Max Density)	VL	L	M	AM	Total
Salvation Army												
1	011-186-020-000	801-803 California Avenue	EDSP	M	0.3	20		5				5
	Subtotal				0.3		83%	5				5
City of Sand City Art Park and adjacent privately owned properties												
2	011-196-014-000	502 Ortiz Avenue	MU-D	MU-P	0.040	81		3	3			6
	011-196-020-000	No address	MU-D	MU-P	0.175	81		3	3			6
	011-196-015-000	No address	MU-D	MU-P	0.130	81		3	1			4
	Subtotal				0.345		57%	9	7			16
The Independent, Phase 2												
3	011-232-027-000	524 Elder Avenue	MU-D	MU-P	0.087	81		2	2			4
	011-232-022-000	525 Elder Avenue	MU-D	MU-P	0.087	81		2	2			4
	011-232-021-000	526 Elder Avenue	MU-D	MU-P	0.087	81		2	2			4
	011-236-027-000	No address	MU-D	CZ-MU-P	2.727	81		38	23	30		91
	011-236-029-000	No address	MU-D	CZ-MU-P	0.216	81		2	2			4
	Subtotal				3.204		41%	46	31	30	0	107
Underutilized Sites												
4	011-243-004-000	1793 Catalina Street	MU-D	MU-P	0.138	81	18%				2	2
5	011-237-001-000	1712 Catalina Street	MU-D	MU-P	0.088	81	14%*				1	1
Vacant Sites												
6	011-238-012-000	No address	MU-D	MU-P	0.086	81	50%				3	3
7	011-238-011-000	No Address	MU-D	MU-P	0.086	81	50%				3	3
8	011-238-021-000	445 Orange Avenue	MU-D	MU-P	0.045	81	67%*				1	1
							Subtotal	60	38	30	10	145
ADUS								2*	1	0	0	3
Pipeline Projects								9	7	26	322	364
Total								71	46	56	332	505
RHNA								59	39	49	113	260
Net Surplus								12	7	7	219	245
Percent Surplus								120%	118%	114%	294%	194%

SOURCE: City of Sand City; EMC Planning Group Inc.
NOTE: *One ADU to accommodate very-low income is anticipated with the development of Site #8 to a total of two units and Site #5 for a total of two units.

Table C-5 Recently Developed Housing Projects

Recent Housing Development; name, address	Year Built	Site Size	Zoning	Utilized Density	Number of Units	Development Type	Affordability/ Tenure
Catalina Lofts; 400 Ortiz Avenue	2023	0.35 acres	MU-P	23 du/acre; 79%	8	Consolidated lots, demo existing building, new infill construction	Above-market rate/Ownership
Hickory SFD; 1745 Hickory Street	2023	0.06 acres	MU-P	17 du/acre; 74%	1	Adaptive reuse of existing retail/service one-story structure	Above-market rate/Ownership
The Bungalows	2019	0.22 acres	R-2 PUD	18 du/acre; 150%	4	Existing Single-Family lots developed (small lots, avg. 2,395 sf)	Above-market rate/Ownership
The Independent; 600 Ortiz	2014	2.64 acres	CZ-MU-P	23 du/acre; 100%	61	Adaptive re-use of prior Design Center, now mixed-use	Market-rate/Rental Affordable/Rental

SOURCE: City of Sand City; EMC Planning Group Inc.

Table C-6 Pipeline Projects, 2022-2023

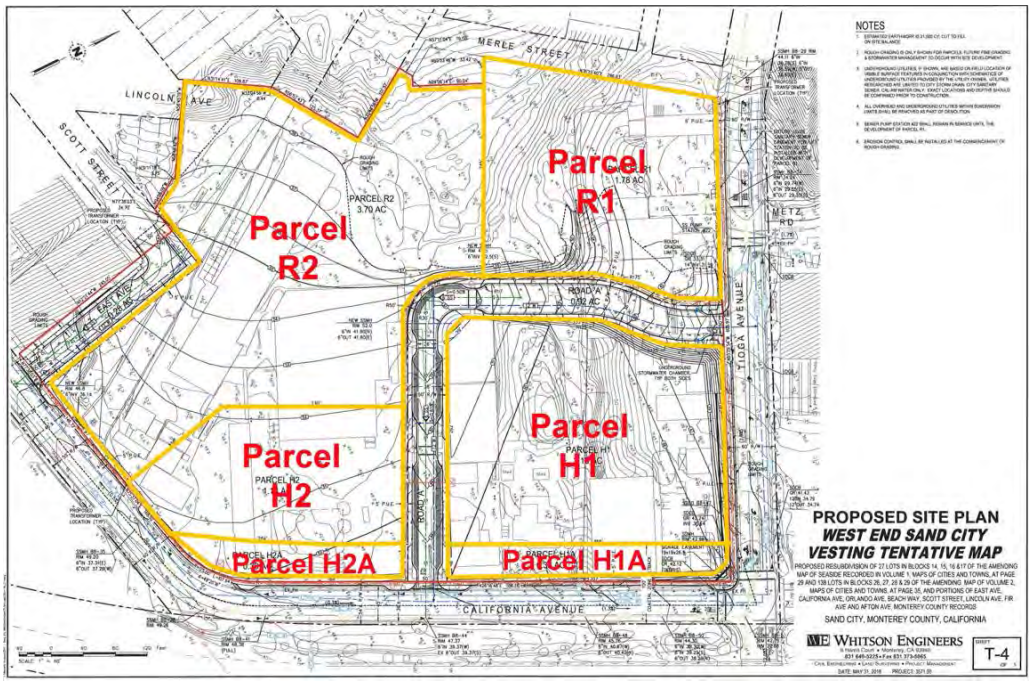
Project Name	Zoning	Site Size	Density Utilized	VLI Units	LI Units	MI Units	AM Units	Total Units	Entitlement Status	Affordability/Tenure
Catalina Lofts	MU-P	0.35	23 du/ac	0	0	0	8	8	Approved*	Above-market rate/Ownership
South of Tioga Parcel R1	MU-P	1.74	81 du/ac	0	0	0	125	125	CUP pending**	Market rate/Ownership
South of Tioga Parcel R2	MU-P	3.69	81 du/ac	9	7	26	189	231	CUP pending**	Market rate/Ownership Affordable/Rental
Total				9	7	26	322	364		

SOURCE: City of Sand City, 2022
NOTES: VLI = very low-income; LI = low-income; MI = moderate-income; AM = above moderate-income.
*The Catalina Lofts development project was completed in 2023.
**Timeline for development is anticipating CUP filed for early 2025 followed by a building permit later in the year of 2025.

South of Tioga

The overall South of Tioga project was proposed by DBO Development and includes a hotel and residential development on six (6) newly created parcels (H1, H1A, H2, H2A, R1 and R2) as shown below in Figure C-3. In October 2020, the City Council approved the South of Tioga development project. The project is located in the central portion of the City, generally referred to as the South of Tioga area. The overall South of Tioga project is approximately 10.64 acres bounded by Tioga Avenue to the northeast, California Avenue to the southeast, East Avenue to southwest, and the Merle Street right-of-way (not improved) to the northwest. The South of Tioga site was comprised mostly of blighted light industrial/warehouses, heavy commercial uses, undeveloped but degraded sand dunes, and several dilapidated residential structures. Demolition commenced in 2021; and the last structures were demolished by mid-2022 and site baseline infrastructure and park improvements are underway. Parcels R1 and R2 are discussed in more detail below.

Figure C-3 Site Plan for South of Tioga, with Residential Parcels R1 and R2



SOURCE: City of Sand City

The approved Vesting Tentative and Final Maps dissolved existing public rights-of-way within the area, and introduced a new internal roadway named "Morgan's Way" after Mr. Kelly Morgan, a retired but long-term serving City Administrator. Morgan's Way will provide access to all of the newly created parcels and thoroughfare connections between California Avenue and Tioga Avenue. A segment of East Avenue within the project area was relocated to have a slightly more southerly alignment parallel to and abutting the Salvation Army building.

The Environmental Impact Report (EIR) for the overall South of Tioga project was prepared by EMC Planning Group under contract with the City. The City Council approved and certified the EIR as complete and adequate (including responses to comments) on June 5, 2018.

The South of Tioga Parcel R1 Development Agreement has been approved to require a minimum of 125 market-rate residential for sale units to be constructed.[2] A hotel is currently being constructed within Parcel H1, with plans for an adjacent hotel parking area within parcel H2. An Environmental Impact Report was certified for this development. The residential site, R1 is currently for sale. One clause in the Development Agreement states that the number of affordable units required for the whole of the project may be entirely constructed within Parcel R2. For financing reasons, this may be the preferred option for the affordability split between these two parcels. Infrastructure improvements are nearly complete for this vacant site. Remaining steps for Parcel R1 include obtaining a Use Permit per the City's design requirements, followed by a building permit.

The South of Tioga Parcel R2 Development Agreement has been approved to require a minimum of 231 residential units to be constructed, including 52 rental units affordable to lower income families as follows: one (1) extremely-low income; three (3) extremely-low-income senior-restricted (i.e., 55 years or older); five (5) very low income; seven (7) low income; and 26 moderate-income, of which 18 are identified as "workforce" units.[3] Additionally, there will be 189 above moderate-income units. An Environmental Impact Report was certified for this development. The residential site, Parcel R2 is currently for sale. Infrastructure improvements are nearly complete for this vacant site. Remaining steps for Parcel R2 include obtaining a Use Permit per the City's design requirements, followed by a building permit.

South of Tioga Parcels R1 and R2 are anticipated to be constructed at close to 100 percent density capacity due to being constructed as new development with newly built infrastructure, close to a major transit stop, current market conditions, high ratio of affordable unit count, and with City Council supportive of high density.

The development timeline for both Parcels R1 and R2 include filing a CUP application in early 2025 followed by a building permit in mid- 2025. The CUP will go to the City Council for approval (single hearing), which is anticipated to take approximately four months, and building permit review is anticipated to take two to four months for such a large project. Once a building permit is issued, construction is anticipated to begin in late 2025. The City has worked closely with property owners and developers over the past few years to ensure this project is developed during the planning cycle, and intends to facilitate a smooth permitting process to deter any potential constraints to development.

[2] See Table C-6 for a breakdown of anticipated residential units according to affordability category.
[3] See Table C-6 for a breakdown of anticipated residential units according to affordability category.

Infrastructure improvements for Parcels R-1 and R-2 of the South of Tioga project is underway and nearly complete. There are no constraints in the Development Agreements that preclude development on these two parcels. The City is preparing to accept the improvements with an estimated timeline of Summer 2024.

Vacant Sites

Vacant sites are sites that allow for residential development that are currently vacant. Many single-family zoned parcels were included with an initial public draft that have since been removed from the Site Inventory map. This is because the East Dunes neighborhood, paper lots shown with Figure C-1, requires a full Environmental Impact Report that likely will also involve a Habitat Management Plan. Program 1.H in Chapter 2 addresses this need. All potential housing units within this area are projected to become above-moderate housing units. Recent development (2019) within this neighborhood has resulted in four (4) new single-family homes, "the Bungalows," which can be seen with Figure C-4. Because Sand City currently exceeds capacity for the above-moderate affordability criteria, and because the environmental constraints will introduce unknowns regarding timeline and mitigation requirements, the East Dunes neighborhood is not included with this capacity analysis.

Figure C-4 East Dunes neighborhood paper lots and recent "Bungalow" development



SOURCE: City of Sand City

Underutilized Sites and Market Trends

Underutilized sites include sites that are zoned planned mixed-use (MU-P) and are currently developed but are capable of being developed at a higher residential density. Many mixed-use zoned parcels within the West End of Sand City were included with an initial public draft that have since been removed from the Site Inventory map for social equity reasons. There are many naturally occurring affordable single-family homes within the West End of Sand City. A few of these small

single-family sites are currently on the market and therefore included with the Sites Inventory. Small sites typically need additional density allowance to construct missing middle housing opportunities such as duplex, tri-plex, four-plex, etc., which is why density increase incentives will now apply throughout the Mixed-Use zone (see Overview of Strategies to Incentivize Housing Production section below). Many small-scale mixed-use (or Live/Work) structures exist within the West End, with examples illustrated in Figure C-5. This also relieves market pressure that might otherwise unintentionally incentivize displacement.

Figure C-5 Typical Missing Middle and Live/Work Developments in Sand City



SOURCE: City of Sand City

Lot Consolidation

Consolidated sites are sites that are comprised of a number of small sites that are adjacent to each other and under the same ownership. Lot consolidation has been encouraged through a local density bonus program for this area, according to Municipal Code 18.13.060 (H).

An example of development that has been constructed among consolidated underutilized lots is the Catalina lofts, located at 400 Ortiz Avenue, which was completed in 2023. This project resulted in the construction of eight (8) above-market rate units designed to enable live/work space with studio

spaces at the ground level, as pictured in Figure C-6. The Sandbox is another, prior successful example of consolidated lot residential development that has been transformed into performance space at the street level, with residential units above, also pictured in Figure C-6. South of Tioga is a more recent example of a project that has successfully achieved lot consolidation in the City, and is included in the City's pipeline projects.

Program 1.C in the Housing Element broadens opportunity for residential development by enabling all MU-P sites the full incentive of 250 percent more density (up to 81 du/acre), without discretionary approval (see Chapter 2).

Figure C-6 Consolidation Example Sites, Catalina Lofts (above) and The Sandbox



SOURCE: City of Sand City

Strategies to Incentivize Housing Production

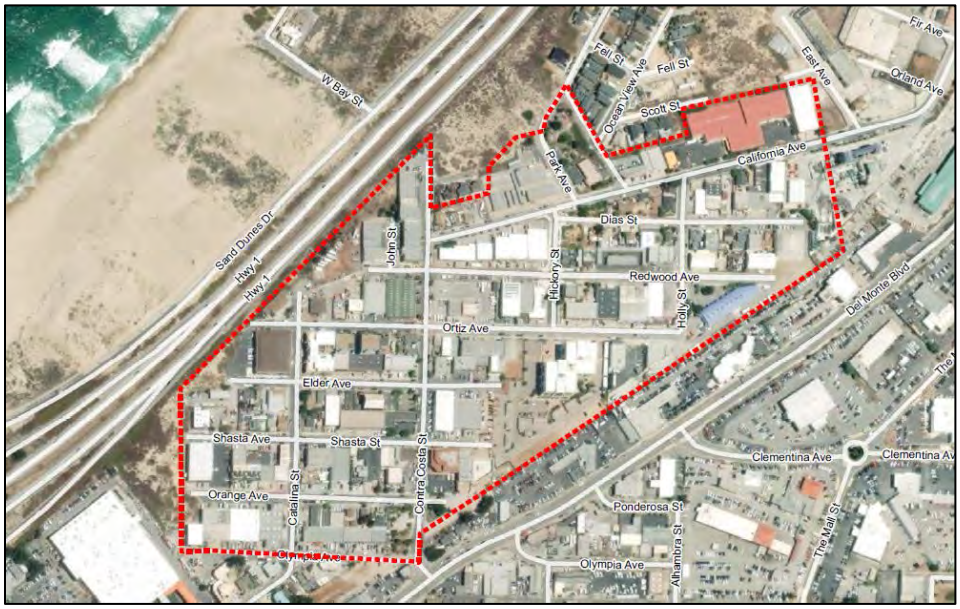
The entire 0.5 square miles of land that is currently home to 325 people was considered with this capacity analysis. Much of the land within the Coastal Zone was not considered at this time due to the long-time delays involved with sites that are heavily environmentally constrained. The commercial east end of the city was only briefly considered as potential redevelopment opportunities within their expansive parking lots. The commercial areas, Sand Dollar Shopping Center, with Costco as an anchor and Edgewater Shopping Center, with Target as an anchor, are activated long-term lease uses that would be presumed to impede near-term residential construction.

West End Housing Diversity Overlay Zone

In order to generate more redevelopment activity of parcels that are served by public infrastructure and do not have constraints such as the presence of environmentally sensitive habitat areas, Program 1.C West End Housing Diversity Overlay, shown in Figure C-7, has been added with this 6th Cycle Housing Element. The program allows for an expansion of the MU-P zoning district density provisions that would permit any MU-P lot of any size a 250 percent density bonus, which equals 81 dwelling units per acre.

Additionally, a minimum density of 20 dwelling units per acre will be applied to all parcels within the Sites Inventory and allow housing development projects up to 85 feet by-right, by eliminating the Conditional Use permit requirements. By doing so, the potential number of units would be significantly increased by incentivizing redevelopment of underutilized properties into multi-family development.

Figure C-7 West End Housing Diversity Overlay Boundary



SOURCE: City of Sand City

Objective Design Standards

To further incentivize and catalyze development within the West End Housing Diversity Overlay area, Program 1.G is being employed immediately (see Chapter 2). The development of Objective Design Standards will encourage more, and denser residential development over time. Residential capacity will be expanded by the adoption of improved and specific design standards that will include a thorough analysis for maximum lot coverage, height, open space, parking, and materials. The City anticipates draft objective design standards in February 2024, which will be reviewed by the Design Review Committee prior to going before the City Council for adoption.

C.4 Capacity Analysis of Site Inventory

This section provides information on the current list of potential sites under consideration for determining how the City will accommodate housing sites beyond the State's required minimum of 260 housing units. Please note that the site numbers listed here are added only as an additional way to reference the site and easily label it on a map. The site number is not any indication of preference or priority. Figure C-1 (above) shows an overview of the housing sites inventory map developed for Sand City's 6th Cycle Housing Element Update.

Underutilized Sites

Site 1: Salvation Army Good Samaritan Center

Site #1, The Salvation Army Good Samaritan Center, operates as a day center serving approximately 70-100 homeless and/or ELI families per day, providing services both on and off-site to those in need, including: daily hot meals, food boxes, showers, laundry, and mail services. On a monthly basis, service providers from Valley Health Associates provide medical and mental health services at the facility, as well as work to place families in transitional housing as it becomes available. Transitional housing is not currently offered at the facility. This organization also operates an emergency shelter and transitional housing units in neighboring Seaside. However, in discussion with the City, the property manager of the facility has indicated a desire to renovate two commercial sites at the street front of the building to enable the development of five (5) transitional housing units.

Figure C-8 shows a street view of the The Salvation Army Good Samaritan Center. The facility is approximately 0.3 acres and currently zoned M. Program 3.B has been included in this Housing Element to commit the City to supporting the provision of services at the Salvation Army day center, including working with non-profit affordable housing developers to encourage the development of transitional and supportive housing (see Chapter 2).

Figure C-8 Salvation Army Site #1



(Street front view from California Avenue in Sand City)

SOURCE: City of Sand City

Developed at a maximum density of 20 dwelling units per acre, the gross acreage of the site would allow a maximum of six (6) units. When factoring for adjustments such as land use controls and site improvements, realistic capacity, and typical densities in Sand City, the net acreage of the site would allow a total of five (5) units (Tables C-7 and C-8).

While the site is less than 0.5 acres, redevelopment of the site is intended to improve and expand the range of services for which the facility currently provides. Therefore, the development is supported by existing leaseholders, the property manager, and the community served through the development. A property owner interest letter is included in Attachment A. Examples of recent residential developments on small sites in the MU-P Zoning District include Catalina Lofts, 1745 Hickory Street (see Tables C-5 and C-6). While these sites did not produce affordable units, this site is owned by a mission-based organization that currently provides assistive services for lower-income residents, and intends to expand services through the development of transitional and supportive housing.

The MU-P Zoning District is adjacent to the M Zoning District. If the City has not received a building permit by mid-cycle, the City will pursue rezoning the site to MU-P. Program 3.B establishes this alternative action to ensure development of the site (see Chapter 2).

Based on the aforementioned property owner interest and support from the City, this site is anticipated to develop during the planning cycle to accommodate a total of five (5) very low-income units.

Steps for development on this site include filing for a CUP, which includes a single hearing of the City Council and is coupled with site plan review; filing a building permit application; building permit issuance; and construction.

Table C-7 Site #1 Description

Site Description		Site Image & Capacity Calculation
APN	011-186-020-000	
By-Right with 20% Affordable	No, not used in previous cycles.	
Size of Site	0.3 acres	
Zoning	M	
General Plan	EDSP	
Allowable Density	12-20 du/ac	
RHNA Affordability	Very low-income: 5 units	
Existing Use	Vacant	
Infrastructure Availability	Yes, no constraints	Realistic Capacity utilizing factors = (0.3 X 20) (.95) (.95) (.95) = 5 units 83% of max density
Environmental Constraints	None known.	
Other Constraints	Re-zoning to enable transitional housing uses at this location is necessary. Construction would not need to disrupt services provided.	

SOURCE: City of Sand City

Table C-8 Site #1 Capacity Assumptions

Site Description	Adjustment	Reasoning
Land use controls and site improvements	95%	For net acreage due to challenging site geometry, on-site improvements, and utility easement needs.
Realistic capacity of the site	95%	Based on site size and property owner interest in the development of transitional housing units.
Typical densities	95%	Future projects in Sand City are more likely to be built out close to maximum density due to lot sizes, limited developable sites, and very high demand for new units.
Infrastructure availability	No adjustment	Not applicable, no constraints
Environmental Constraints	No adjustment	No known site constraint

SOURCE: City of Sand City

Site 2: Art Park

Site #2, City of Sand City Art Park, is a combination of both publicly and privately owned properties located at the heart of the city, just south of City Hall. The City owns two of the three parcels (APN 011-196-014-000 and 011-196-020-000) and A&R Plumbing owns one (APN 011-196-015-000). In recent discussions with the City, A&R Plumbing has expressed interest in selling the parcel to the City. In February 2023, the City was awarded approximately $280,000 in Permanent Local Housing Allocation (PLHA) funds, which the City intends, assuming a willing seller, to use for purchase of the A&R Plumbing parcel.

Currently, the City hosts a monthly and annual arts-focused community gathering on the two City-owned parcels. Residents have expressed a desire for live/work spaces that appeal to the City's artist community. The City intends to conduct a public workshop with the City Council in the first quarter of 2024 to determine the community and Council's visions for the Art Park property. The initial intention would be to develop the three parcels to include a live/work space on the ground floor and affordable residential units on the upper levels, while maintaining the Art Park and the uses and events the City desires there.

Figure C-9 and C-10 show the preliminary design sketches for the development. Preliminary design sketches of the potential development illustrate approximately three stories, which the current zoning allows (maximum 80 feet). The design concept caters to a live/work environment with open space on the ground level; separated studios and gallery space on the first floor; and residential units on the second and third floors. This design facilitates a mix of uses, while providing the City's artist community an affordable place to live and work. Further discussions regarding the vision, development, and design of this site is needed and planned.

The site will remain zoned MU-P. The site is approximately 0.345 acres and consists of paved lots and two commercial structures. While the site is less than 0.5 acres, the City has a strong track record for developing small sites. As previously discussed, Catalina Lofts and The Sandbox are two successful examples of recently completed consolidated lot residential developments (refer back to Tables C-5 and C-6). While these sites did not produce affordable units, this is a City-owned site, which the City has control over and intends to work with nonprofit developers to construct affordable live/work housing.



Source: Monterey County GIS 2023, onthegrid.com 2023 (originally from BastileIE.com), tideearts.com 2024

Figure C-9

Art Park Artist Live/Work Concept: First Floor

Art Park Long Term Artist Live/Work Housing Idea



Source: Monterey County GIS 2023, architectmagazine.com 2023, truthbox.com 2023

Figure C-10

Art Park Artist Live/Work Concept: Second Floor

Art Park Long Term Artist Live/Work Housing Idea

Developed at a maximum density of 81 dwelling units per acre, the site would allow a maximum of 27 units. Currently, the City intends to consider developing 16 units to accommodate nine (9) very low- and seven (7) low-income households (Tables C-9 and C-10). Based on City-ownership of the site, and community support to develop affordable artist live/work units, this site is anticipated to develop during the planning cycle to accommodate a total of 16 lower-income units.

Steps for development on this site include continuing negotiations to acquire the A&R Plumbing parcel (APN 011-196-015-000) in 2024. Subsequently, the City will follow the requirements of the Surplus Land Act to lease the land to facilitate the development of affordable residential units. This process includes the development of a project description, publication of an RFP within 12-18 months, selection of a development partner, two years to enter into an Exclusive Negotiation Agreement, two years for land use entitlements and development agreements, 6-12 months for building permit issuance, and 1-2 years for construction. Council approval is required for each step in this process. The City has included Program 3.I to establish and monitor the City's anticipated timeline and actions for entering into the SLA process (see Chapter 2).

Parcel 011-196-020-000 was previously identified in the 5th cycle planning period. The site did not develop due to its small size. To enable development during the 6th cycle planning period, the City plans to acquire an adjacent parcel to increase the overall site size and development opportunity. Program 3.I establishes a by-right development process for the site since it was previously identified in the 5th cycle planning period. Pursuant to Government Code section 65583.2(c), if a developer proposes a project with a minimum of 20 percent affordable, the City shall permit development without discretionary action.

Table C-9 Site #2 Description

Site Description		Site Image & Capacity Calculation
Address	525 Ortiz Ave. and 502 Ortiz Ave.	
APN	011-196-020-000* 011-196-014-000 011-196-015-000 (privately-owned parcel)	
By-Right with 20% Affordable	Yes, used in 5th cycle.	
Size of Site	0.345 acres	
Zoning	MU-P	
General Plan	MU-D	
Allowable Density	Max. 81 du/ac	
RHNA Affordability	Very low-income: 8 units Low-income: 8 units	
Existing Use	Vacant	
Infrastructure Availability	Yes, no constraints	Realistic Capacity utilizing factors = (0.345 X 81) (.90) (.70) (.95) = 16 units 57% of max density
Environmental Constraints	None known.	
Other Constraints	Funding needs to be sourced, potentially through Prohousing Community Designation; an affordable housing developer partnership would need to be initiated and fostered.	

SOURCE: City of Sand City
NOTES: *Parcel 011-196-020-000 used in 5th cycle.

Table C-10 Site #2 Capacity Assumptions

Site Description	Adjustment	Reasoning
Land use controls and site improvements	90%	For net acreage due to challenging site geometry, on-site improvements, and utility easement needs.
Realistic capacity of the site	70%	Based on site size, retaining existing open park area, City ownership of the parcels, and community support for the development.
Typical densities	95%	Future projects in Sand City are more likely to be built out close to maximum density due to lot sizes, limited developable sites, and very high demand for new units.
Infrastructure availability	No adjustment	Not applicable, no constraints
Environmental Constraints	No adjustment	No known site constraint

SOURCE: City of Sand City

Site 3: The Independent, Phase 2

Site #3 is located just west of Del Monte Boulevard and the eastern City limit. Current use on the site includes The Independent, which is a completed Phase 1 construction of a mixed-use project that included ground-floor commercial uses and 64 upper story residential units (including 11 affordable units). Phase 1 of The Independent was completed in 2007 and there is currently interest from the property owners to add an additional seven (7) residential units in vacant commercial space for a potential total of 71 units.

Intentions for Phase 2 development of the site include five stories of residential development. A property owner interest form is included in Attachment A.

Neighboring paved and unpaved lots that are currently used as accessways, parking, and outdoor art work areas and display storage can contribute to the overall building site that will be, The Independent, Phase 2. The City owns the rights over one of the adjacent vacant lots that could contribute to providing housing and parking in Phase 2.

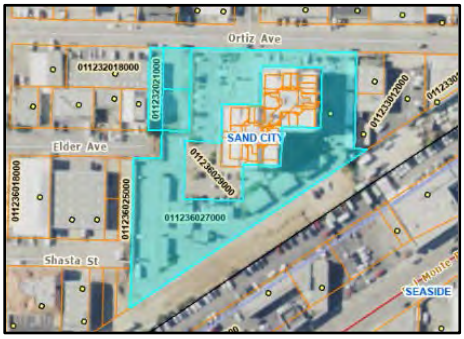
This site would remain zoned as MU-P with a coastal zone overlay (CZ-MU-P), extending 100 feet into the site from the easterly property line. The current cumulative area of the site of 3.2 acres would allow a maximum of 259 units developed at 81 dwelling units per acre. However, based on adjustments for on-site improvements and typical densities, the site is anticipated to develop 107 lower-income units (Tables C-11 and C-12). The need to accommodate parking also reduces development capacity.

To further incentivize development of the project, the City will consider reduced parking requirements. Program 1.J will regulate this action, which establishes reduced parking standards based on the City's West End Parking Plan (see Chapter 2).

Based on the successful development of Phase 1, City support for the affordable residential development, and adequate site size to accommodate affordable residential units, this site is anticipated to develop during the planning cycle to accommodate a total of 107 lower-income units.

A non-appealable Coastal Development Permit (CDP) is required for development within the coastal zone overlay area of this site, which would be issued by the City Council according to the certified LCP. This process includes a published public hearing notice that is mailed to the California Coastal Commission prior to City Council consideration; it also includes submitting a "Notice of Action" to the California Coastal Commission after City Council action. Additional steps to development include filing a building permit; building permit issuance; and construction. A CDP is only required if development occurs on the portion of the parcel within the coastal zone overlay of the site.

Table C-11 Site #3 Description

Site Description		Site Image & Capacity Calculation
Address	524, 525, and 526 Elder Avenue and two parcels with no address	  
APN	011-232-027-000 011-232-022-000 011-232-021-000 011-236-027-000 011-236-029-000	
By-Right with 20% Affordable	No, not used in previous cycles.	
Size of Site	3.2 acres	
Zoning	CZ-MU-P and MU-P	
General Plan	MU-D	
Allowable Density	Max. 81 du/ac	
RHNA Affordability	Very low-income: 46 units Low-income:31 units Moderate-income: 30	
Existing Use	Vacant	
Infrastructure Availability	Yes, no constraints	Realistic Capacity utilizing factors = (3.2 X 81) (.90) (.49) (.95) = 107 units 41% of max density
Environmental Constraints	None known.	
Other Constraints	If development expands beyond the initial intended footprint, then the design may need to incorporate existing at-grade parking or consider the building of a parking garage.	

SOURCE: City of Sand City

Table C-12 Site #3 Capacity Assumptions

Site Description	Adjustment	Reasoning
Land use controls and site improvements	90%	For net acreage due to challenging site geometry, on-site improvements, and utility easement needs.
Realistic capacity of the site	49%	Based on adequate site size, developer interest, City support of project, and accommodating parking needs.
Typical densities	95%	Future high-density projects in Sand City are more likely to be built out close to maximum density due to lot sizes, limited developable sites, and very high demand for new units.
Infrastructure availability	No adjustment	Not applicable, no constraints
Environmental Constraints	No adjustment	No known site constraint

SOURCE: City of Sand City

Site 4: 1793 Catalina Street

Site #4, located at 1793 Catalina Street, is a commercial building with a discontinued use that is currently for sale, as shown in Figure C-11. Opportunities for this site include possible adaptive reuse of the existing building or redevelopment to maximize the potential number of residential units.

Figure C-11 1793 Catalina Street, Site #4



SOURCE: City of Sand City

The site would remain zoned MU-P. The site is approximately 0.138 acres, which would allow for a maximum of 11 units developed at 81 dwelling units per acre (Tables C-13 and C-14). However, the site is intended to develop two (2) above-moderate units. This is a result of the small size of the lot, rendering its feasibility to favor the development of townhomes. Discussions with developers conclude that developing mixed-income and affordable housing units is challenging in circumstances where developable land is constrained by small lot sizes.

Additionally, parcels that are less than 0.5 acres are considered inadequate to accommodate housing affordable to lower-income households unless there is developer or property owner interest in constructing affordable units. Without property owner interest in developing affordable housing on the site, it is unrealistic to assume affordable units will be developed. Should the property owner express interest in developing affordable units, the site will be reconsidered for feasibility to develop affordable units. Despite the small size of the site, the City has completed several successful housing developments on small lots (recent projects include Catalina Lofts, The Sandbox, and 1745 Hickory Street).

Existing uses on the site are not an impediment to development of residential units since current commercial uses have been discontinued and the building is for sale. While the MU-P Zoning District allows nonresidential uses, the City has seen an uptick in residential developments and

projects in the MU-P zone. Examples of recent developments and current projects in the MU-P zone are included in Tables C-5 and C-6, including the South of Tioga project, which is anticipated to develop a total of 356 residential units. Additionally, the City has increased the density bonus for residential development to 250 percent (81 dwelling units per acre), which is anticipated to increase residential development in the MU-P zone (Program 1.C, see Chapter 2).

Intentions for the site include either extensive remodeling of the existing building or demolition. Steps for development on this site include filing for a CUP, which includes a single hearing of the City Council and is coupled with site plan review; filing a building permit application; building permit issuance; and construction.

Table C-13 Site #4 Description

<table>
<tr><th colspan="2">Site Description</th><th>Site Image & Capacity Calculation</th></tr>
<tr><td>Address</td><td>1793 Catalina Stret</td><td rowspan="9">  </td></tr>
<tr><td>APN</td><td>011-243-004-000</td></tr>
<tr><td>By-Right with 20% Affordable</td><td>No, not used in previous cycles.</td></tr>
<tr><td>Size of Site</td><td>0.138 acres</td></tr>
<tr><td>Zoning</td><td>MU-P</td></tr>
<tr><td>General Plan</td><td>MU-D</td></tr>
<tr><td>Allowable Density</td><td>Max. 81 du/ac</td></tr>
<tr><td>RHNA Affordability</td><td>Above moderate-income: 2</td></tr>
<tr><td>Existing Use</td><td>Vacant</td></tr>
<tr><td>Infrastructure Availability</td><td>Yes, no constraints</td><td rowspan="2">Realistic Capacity utilizing factors =

(0.138 X 81) (.90) (.30) (.95) = 2 units
18% of max density</td></tr>
<tr><td>Environmental Constraints</td><td>None known.</td></tr>
<tr><td>Other Constraints</td><td colspan="2">Extensive remodeling and/or demolition of existing building required.</td></tr>
</table>

SOURCE: City of Sand City

Table C-14 Site #4 Capacity Assumptions

Site Description	Adjustment	Reasoning
Land use controls and site improvements	90%	For net acreage due to challenging site geometry, on-site improvements, and utility easement needs.
Realistic capacity of the site	30%	Based on feasibility to develop high-end townhomes on small lot sizes. Limited to above moderate affordability due to small lot size and lack of expressed owner interest to develop affordable units.
Typical densities	95%	Future projects in Sand City are more likely to be built out close to maximum density due to lot sizes, limited developable sites, and very high demand for new units.
Infrastructure availability	No adjustment	Not applicable, no constraints
Environmental Constraints	No adjustment	No known site constraint

SOURCE: City of Sand City

Site 5: 1712 Catalina Street

Site #5, located at 1712 Catalina Street, includes a recently condemned single-family home and is currently for sale, as shown in Figure C-12. Redevelopment of this site is likely the course of action to maximize the potential number of residential units.

Figure C-12 1712 Catalina Street, Site #5



SOURCE: City of Sand City

The site would remain zoned MU-P. The site is approximately 0.088 acres, which would allow for a maximum of seven (7) units developed at 81 dwelling units per acre (Tables C-15 and C-16). However, the site is intended to develop one (1) above-moderate unit. Similar to Site #4, recent discussions with developers have concluded that market conditions favor the development of high-end townhomes on smaller parcels where high volume is unattainable.

Without property owner interest in developing affordable housing on the site, it is unrealistic to assume affordable units will be developed. Should the property owner express interest in developing affordable units, the site will be reconsidered for feasibility to develop affordable units. Despite the small size of the site, the City has completed several successful housing developments on small lots (recent projects include Catalina Lofts, The Sandbox, and 1745 Hickory Street). Additionally, the site is anticipated to accommodate above-moderate income units, increasing the feasibility of development.

Existing uses on the site are not an impediment to development of residential units since the existing single-family home has been condemned and is for sale. While the MU-P Zoning District allows nonresidential uses, the City has seen an uptick in residential developments and projects in the MU-P zone. Examples of recent developments and current projects in the MU-P zone are included in Tables C-5 and C-6, including the South of Tioga project, which is anticipated to develop a total of 356 residential units. Additionally, the City has increased the density bonus for residential development to 250 percent (81 dwelling units per acre), which is anticipated to increase residential development in the MU-P zone (Program 1.C, see Chapter 2).

Intentions for the site include demolition to maximize redevelopment potential for residential units. Steps for development on this site include filing for a CUP, which includes a single hearing of the City Council and is coupled with site plan review; filing a building permit application; building permit issuance; and construction.

Table C-15 Site #5 Description

Site Description		Site Image & Capacity Calculation
Address	1712 Catalina Street	
APN	011-237-001-000	
By-Right with 20% Affordable	No, not used in previous cycles.	
Size of Site	0.088 acres	
Zoning	MU-P	
General Plan	MU-D	
Allowable Density	81 du/ac	
RHNA Affordability	Above moderate-income: 1	
Existing Use	Vacant	
Infrastructure Availability	Yes, no constraints	Realistic Capacity utilizing factors = (0.088 X 81) (.90) (.30) (.95) = 1 unit 14% of max density
Environmental Constraints	None known.	
Other Constraints	Extensive remodeling and/or demolition of existing building required.	

SOURCE: City of Sand City

Table C-16 Site #5 Capacity Assumptions

Site Description	Adjustment	Reasoning
Land use controls and site improvements	90%	For net acreage due to challenging site geometry, on-site improvements, and utility easement needs.
Realistic capacity of the site	30%	Based on feasibility to develop high-end townhomes on small lot sizes. Limited to above moderate affordability due to small lot size and lack of expressed owner interest to develop affordable units.
Typical densities	95%	Future projects in Sand City are more likely to be built out close to maximum density due to lot sizes, limited developable sites, and very high demand for new units.
Infrastructure availability	No adjustment	Not applicable, no constraints
Environmental Constraints	No adjustment	No known site constraint

SOURCE: City of Sand City

Sites 6 & 7

Sites #6 and #7 are vacant adjacent unpaved lots, which together equal 0.172 acres. Since 2011, accumulation of assorted materials and vehicles has occurred on these otherwise vacant and underutilized lots. It is anticipated the sites will undergo lot consolidation to maximize development potential. As previously discussed, the City has had great success utilizing lot consolidation as a tool to develop housing with limited land availability (recent projects include Catalina Lofts and The Sandbox). Both parcels were used in the 5th cycle, however, due to the small size of the site even with lot consolidation, the site is considered inadequate to accommodate low-income units.

The site would remain zoned MU-P. Developed at a density of 81 dwelling units per acre, the consolidated site would allow a maximum of 13 units (Tables C-17 and C-18). However, the consolidated site is intended to develop six (6) above-moderate units. This is a result of the small size of the lots, rendering its feasibility to favor the development of townhomes or condominiums. Discussions with developers conclude that developing mixed-income and affordable housing units is challenging in circumstances where developable land is constrained by small lot sizes. Typically, townhomes and condominiums are more feasible to develop under such circumstances. However, the City is currently undergoing a proforma to determine development potential and feasibility of specific sites throughout the City. These particular parcels are included in the proforma study, which in the preliminary stage found that six (6) townhomes or condominiums was most feasible on the site. Upon receiving the final results of the study, the City will adjust assumptions accordingly.

Despite the small size of the sites, it is expected that development will occur, based on the feasibility to develop townhomes/condominiums affordable to above moderate-income households. The City also has a successful track record for developing on small lot sizes (Catalina Lofts, The Sandbox, and 1745 Hickory Street).

Steps for development of the site include lot consolidation, which requires the filing of an application and City Council approval; filing for a CUP, which includes a single hearing of the City Council and is coupled with site plan review; filing a building permit application; building permit issuance; and construction.

There are no existing structures on the site. While the MU-P Zoning District allows nonresidential uses, the City has seen an uptick in residential developments and projects in the MU-P zone. Examples of recent developments and current projects in the MU-P zone are included in Tables C-5 and C-6, including the South of Tioga project, which is anticipated to develop a total of 356 residential units. Additionally, the City has increased the density bonus for residential development to 250 percent (81 dwelling units per acre), which is anticipated to increase residential development in the MU-P zone (Program 1.C, see Chapter 2).

Table C-17 Sites #6 and 7 Description

Site Description		Site Image & Capacity Calculation
Address	No address	
APN	011-238-012-000 011-238-011-000	
By-Right with 20% Affordable	N/A	
Size of Site	0.0172 acres	
Zoning	MU-P	
General Plan	MU-D	
Allowable Density	Max. 81 du/ac	
RHNA Affordability	Above moderate-income: 6	
Existing Use	Vacant	
Infrastructure Availability	Yes, no constraints	Realistic Capacity utilizing factors = (0.172 X 81) (.90) (.55) (.95) = 6 units 46% of max density
Environmental Constraints	None known.	

SOURCE: City of Sand City

Table C-18 Sites #6 and 7 Capacity Assumptions

Site Description	Adjustment	Reasoning
Land use controls and site improvements	90%	For net acreage due to challenging site geometry, on-site improvements, and utility easement needs.
Realistic capacity of the site	25%	Based on feasibility to develop high-end townhomes on small lot sizes. Limited to above moderate affordability due to small lot size and lack of expressed owner interest to develop affordable units.
Typical densities	95%	Future projects in Sand City are more likely to be built out close to maximum density due to lot sizes, limited developable sites, and very high demand for new units.
Infrastructure availability	No adjustment	Not applicable, no constraints
Environmental Constraints	No adjustment	No known site constraint

SOURCE: City of Sand City

Site 8: 445 Orange Avenue

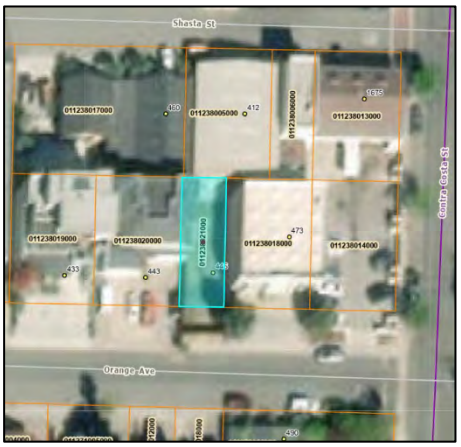
Site #8, located at 445 Orange Avenue, is a vacant lot adjacent to two duplexes. This site was used in the 5th cycle, however, due to the small size of the site, the site is considered inadequate to accommodate low-income units.

The site would remain zoned MU-P. The site is approximately 0.045 acres, which would allow a maximum of three (3) units developed at 81 dwelling units per acre (Tables C-19 and C-20). However, the site is intended to develop two (2) units. This is a result of the small size of the lot, rendering its feasibility to favor the development of a single-family home or a duplex. There are no existing structures on the site. Based on desirability in the area, potential development on the site could include a single-family home with an attached ADU.

As a result of the small lot size, the assumed affordably is limited to above moderate-income households. Without property owner interest in developing affordable housing on the site, it is unrealistic to assume otherwise. Should the property owner express interest in developing affordable units, the site will be reconsidered for feasibility in developing affordable units. Despite the small size of the site, the City has completed several successful housing developments on small lots (recent projects include Catalina Lofts, The Sandbox, and 1745 Hickory Street).

While the MU-P Zoning District allows nonresidential uses, the City has seen an uptick in residential developments and projects in the MU-P zone. Examples of recent developments and current projects in the MU-P zone are included in Tables C-5 and C-6, including the South of Tioga project, which is anticipated to develop a total of 356 residential units. Additionally, the City has increased the density bonus for residential development to 250 percent (81 dwelling units per acre), which is anticipated to increase residential development in the MU-P zone (Program 1.C, see Chapter 2)

Table C-19 Site #8 Description

<table>
<tr><th colspan="2">Site Description</th><th>Site Image & Capacity Calculation</th></tr>
<tr><td>Address</td><td>445 Orange Ave</td><td rowspan="9"> 
</td></tr>
<tr><td>APN</td><td>011-238-021-000</td></tr>
<tr><td>By-Right with 20% Affordable</td><td>N/A</td></tr>
<tr><td>Size of Site</td><td>0.045 acres</td></tr>
<tr><td>Zoning</td><td>MU-P</td></tr>
<tr><td>General Plan</td><td>MU-D</td></tr>
<tr><td>Allowable Density</td><td>81 du/ac</td></tr>
<tr><td>RHNA Affordability</td><td>Very low-income: 1 (ADU)
Above moderate-income: 1</td></tr>
<tr><td>Existing Use</td><td>Vacant</td></tr>
<tr><td>Infrastructure Availability</td><td>Yes, no constraints</td><td rowspan="2">Realistic Capacity utilizing factors =

(0.045 X 81) (.90) (.95) (.95) = 2 units
67% of max density</td></tr>
<tr><td>Environmental Constraints</td><td>None known.</td></tr>
</table>

SOURCE: City of Sand City

Table C-20 Site #8 Capacity Assumptions

Site Description	Adjustment	Reasoning
Land use controls and site improvements	90%	For net acreage due to challenging site geometry, on-site improvements, and utility easement needs.
Realistic capacity of the site	40%	Based on feasibility to develop single-family on small lot. Limited to above moderate affordability due to small lot size and lack of expressed owner interest to develop affordable units.
Typical densities	95%	Future projects in Sand City are more likely to be built out close to maximum density due to lot sizes, limited developable sites, and very high demand for new units.
Infrastructure availability	No adjustment	Not applicable, no constraints
Environmental Constraints	No adjustment	No known site constraint

SOURCE: City of Sand City

C.5 Additional Opportunities for Residential Development and Affordable Housing

Accessory Dwelling Units (ADUs and Junior ADUs)

The number of accessory dwelling units constructed in Sand City 2019-2023 averaged less than one (1) per year. Only one (1) ADU was constructed in the eight years for the 5th Cycle. ADU construction is not a viable option for most of the small single-family lots with existing structures that envelop most of the available footprint. JADUs may be encouraged through development of the East Dunes single-family neighborhood, and a new program to incentivize ADU construction within commercial sites to enable greater flexibility than existing state regulations (see Program 1.K in Chapter 2).

Based on past development trends, ADU programs and incentives may lead to at least a doubling of ADU construction in the next eight-year cycle, for a total of two (2) ADU/JADUs. However, coupled with recent interest in Sand City, the City believes that within the eight-year planning cycle the development of ADUs will exceed current projections. The City is utilizing a conservative projection of two ADUs to be counted toward the RHNA.

The Association of Bay Area Governments (ABAG) conducted an analysis of ADU affordability and concluded approximately 30 percent of ADUs are affordable to very low-income households, 30 percent affordable to low-income households, 30 percent affordable to moderate-income households, and 10 percent affordable to above-moderate income households.[4] Due to the proximity of Sand City to the ABAG region, these affordability assumptions are suitable to use for Sand City's ADU projects in the Site Inventory. The Sites Inventory assumes Sand City will produce two (2) very low- and one (1) low ADU, for a total of three (3).

[4] ABAG. Using ADUs to satisfy RHNA Technical Memo. https://abag.ca.gov/sites/default/files/documents/2022-03/ADUs-ProjectionsMemo-final.pdf

Multi-Family Development

Property owners of The Independent, Phase 1, are proposing an expansion of the number of residential units from 64 to 71 for a total of seven (7) new units. The property owner is currently preparing an application for the additional residential units proposed on the ground floor, which would replace vacant commercial space.

Prohousing Community Designation

As part of the 2019-20 Budget Act, AB 101 enacted the Prohousing Designation Program. This program enables the California Department of Housing and Community Development (HCD) to designate jurisdictions throughout the state as Prohousing when they demonstrate policies and planning that accelerate the production of housing. The benefit to jurisdictions receiving the Prohousing designation includes being given preference and, in some cases, additional points, when participating in various state funded programs including the Affordable Housing and Sustainable Communities (AHSC), and Infill Infrastructure Grant (IIG) programs.

Sand City is in the process of applying to gain Prohousing Designation from HCD concurrent with the preparation and certification of its 6th Cycle Housing Element. Sand City's housing sites inventory is over 150 percent of RHNA, which furthers its Prohousing application.

C.6 AFFH Analysis of Sites

Per Assembly Bill (AB) 686, housing elements must analyze the location of lower-income sites in relation to areas of high opportunity, and in instances where lower-income sites are located in lower resource areas and/or segregated concentrated areas of poverty, cities must incorporate policies and programs to remediate those conditions. For example, implementing place-based strategies to create opportunity in areas of disinvestment such as, investments in enhanced infrastructure, services, schools, jobs, and other community needs. The following serves as a complete AFFH analysis of potential sites for new housing developments for the next eight-year planning cycle.

Due to Sand City's extremely small population size, capturing data reflective of the city's demographics has presented challenges. Housing and Community Development's (HCD) AFFH Data Viewer tool reports data at either the census tract or block group level, both of which report data that extends significantly beyond the population of Sand City. Therefore, place level data reported by the U.S. Census Bureau in ACS 5-year estimates appears to provide the most accurate estimates for household characteristics in Sand City. Both sets of data were analyzed and compared for differences in this report.

Tables C-22 through C-30 and Figures C-13 through C-22 show the distribution of projected units by income category of the following indicators compared to citywide patterns to understand how the projected locations of units will affirmatively further fair housing: TCAC/HCD opportunity

areas, predominant population, median income, poverty rates, female-headed households, disability rates, overcrowding, and cost burden. The following sites inventory discussion includes an analysis of the number of projected units by income category, total RHNA capacity, and city acreage by income category to further assess the potential impacts of the sites inventory to affirmatively further fair housing.

The City has a total RHNA of 260 units for the 2023-2031 period. Sand City has adequate sites to accommodate housing development at 194 percent of the RHNA. The site inventory provides a total capacity for 505 units and opportunities for the development of a variety of housing types suitable for a range of households and income levels. Of this, 141 units are to be accommodated through vacant and underutilized sites, second phase development, and ADUs; pipeline projects comprise 364 units. In accordance with State law, all of the sites in the inventory are considered to be zoned appropriately to facilitate housing affordable to lower-income households.

Please note: several of the City's sites in the inventory list are comprised of multiple parcels (referred to as APNs (Assessor's Parcel Numbers). Each site is shown with a separate dot symbol on Figures C-12 through C-21.

Overview

Table C-21 illustrates factors that were considered when selecting sites to accommodate lower income households according to RHNA goals. Further details of AFFH site selection consideration are found within this section.

Table C-21 Projects/Sites Selected to Accommodate Lower Income RHNA Consideration Factors

Lower Income Sites	Proximity to Transit	Access To High-Performing Schools and Jobs	Access to Amenities (Parks, Services)	Access to Health Care and Grocery Stores	Available Infra-structure	Environmental Mitigation Not Likely Necessary	Development Streamlining Process in Effect
Catalina Lofts*	x	x	x	x	x	x	
South of Tioga R1 and R2*	x	x	x	x	x	x	x
Site #1	x	x	x	x	x	x	
Site #2	x	x	x	x	x	x	
Site #3	x	x	x	x	x	x	

SOURCE: City of Sand City
NOTE: *Catalina Lofts and South of Tioga Parcels R1 and R2 are included as pipeline projects contributing to the 6th cycle RHNA.

Table C-22 AFFH Indicators Table

Assessment of Fair Housing Indicators														
		Realistic Capacity				Access to Opportunity		Segregation/Integration					Disproportionate Housing Needs	
Site Number	APN	VLI	LI	MI	AM	Poverty Level[1]	TCAC/HUD Opportunity Area[2]	Median HH Income[3]	Predominant Race[4]	Diversity Index[5]	Female Headed HH[6]	Disabled[7]	Cost Burdened Renters[8]	Overcrowded HH[9]
Salvation Army														
1	011-186-020-000	5				10.8%	Moderate	$60,682	Non-Hispanic White	88.8	9.3%	11.6%	74.4%	8.7%
City of Sand City Art Park														
2	011-196-023-000	3	3											
	011-196-020-000	3	3											
	011-196-015-000	3	1											
The Independent, Phase 2														
3	011-232-027-000	2	2											
	011-232-022-000	2	2											
	011-232-021-000	2	2											
	011-236-027-000	38	23	30										
	011-236-029-000	2	2											
Underutilized														
4	011-243-004-000				2									
5	011-237-001-000				1									
Vacant														
6	011-238-012-000				3									
7	011-238-011-000				3									
8 (1 VL ADU)	011-238-021-000				1									

Assessment of Fair Housing Indicators														
		Realistic Capacity				Access to Opportunity		Segregation/Integration					Disproportionate Housing Needs	
Site Number	APN	VLI	LI	MI	AM	Poverty Level[1]	TCAC/HUD Opportunity Area[2]	Median HH Income[3]	Predominant Race[4]	Diversity Index[5]	Female Headed HH[6]	Disabled[7]	Cost Burdened Renters[8]	Overcrowded HH[9]
Pipeline Projects														
9	011-231-001-000				8									
10	011-601-001-000				125									
11	011-601-002-000	9	7	26	189									
ADUs														
	N/A	1	1											

SOURCE: City of Sand City; U.S. Census ACS 5-Year Estimates, place level data; HCD AFFH Data Viewer; CTCAC/HCD Opportunity Area Maps
NOTES: VLI = very low-income; LI = low-income; MI = moderate-income; AM = above moderate-income; HH = household
1 US Census ACS 5-Year Estimate, 2021, Table S1701; place level data
2 CTCAC/HCD Opportunity Area Maps, 2023; census tract level data
3 US Census ACS 5-Year Estimate, 2021, Table DP03; place level data
4 US Census ACS 5-Year Estimate, 2021, Table B03002; place level data
5 HCD AFFH Data Viewer, ESRI, Diversity Index, 2023, census tract level data
6 US Census ACS 5-Year Estimate, 2021, Table B11001; place level data
7 US Census ACS 5-Year Estimate, 2021, Table S1810; place level data
8 US Census ACS 5-Year Estimate, 2021, Table DP04; place level data
9 US Census ACS 5-Year Estimate, 2021, Table S2501; place level data

Transit in Sand City

Two major transit stops overlap in Sand City to make all sites within the West End within a half-mile walk to 15-minute interval bus options. Pedestrian improvements are underway to improve sidewalk and pedestrian and bicycle access to the bus stops and among city amenities.

School Access in Sand City

Sand City students are within the boundaries of the Monterey Peninsula Unified School District. Intra-district school transfers are available for any family with access to the School District, so that opportunities may fit families' needs. Additionally, charter schools such as the International School of Monterey, Chartwell, and Learning for Life are available to Sand City residents.

Sand City Amenities

Multiple popular commercial shopping opportunities existing within the City of Sand City. The City currently has an Art Park, which is host to many community events, a City Park next to City Hall, and a City Park within the South of Tioga development project. Additionally, the beach is a well-used and loved amenity. The City is applying for grants to improve coastal access and trails as discussed in Chapter 5.

Sand City Health Care and Grocery Stores

Although there are no health care resources within the City boundary for Sand City, neighboring cities such as Seaside and Monterey, have ample health services available within a short distance. Multiple popular commercial shopping opportunities and grocers exist in Sand City.

Available Infrastructure

Sites #1-3 are anticipated to accommodate lower-income households, both of which have available infrastructure including dry utilities and water capacity. Program 2.B is included in this housing element to ensure priority service is granted for developments that include housing units affordable to lower-income (see Chapter 2). The City will be utilizing its desalination plant water entitlements to satisfy the RHNA.

Environmental Mitigation

While many areas in Sand City were designated for industrial uses, none of the identified housing opportunity sites had previous or existing uses that left a legacy of contaminants (I.e.: dry cleaning, production of coal, coke, tar, dry fertilizers, gelatine, animal glue, turpentine, matches, or paint; processing of nitrating cotton or other materials; magnesium foundry; reduction, refining, smelting or alloying of metals; refining petroleum products; distillation of wood or bones; or tanning of raw or salted hides of skins). Identified housing opportunity sites are located in light industrial areas where common uses included plumbers, electricians, etc.

Environmental mitigation is not necessary for the housing opportunity sites selected to accommodate the RHNA. There are no other conditions that pose a constraint to the development of sites identified in the site inventory.

Development Streamlining

The South of Tioga Parcel R2 pipeline project would be streamlined for development review because it was used in the 5th Cycle, and would therefore be ministerial according to Objective Design Standards.

Potential Effect on Access to Opportunity

TCAC/HCD Opportunity Areas

The TCAC/HCD Opportunity Areas are categorized by census tracts into high, moderate, or low-resource areas based on a composite score of economic, education, and environmental factors that have the ability to perpetuate poverty and segregation. These factors include: school proficiency, median income, median housing prices, and environmental pollution. Please note: TCAC Opportunity Area data is analyzed at the census tract level. While Sand City is within Census Tract 140, this tract also includes the City of Seaside, which may impact data accuracy.

Most of Monterey County is identified as low resource, especially areas along the U.S. 101 corridor. Moderate resource areas are seen in the northwest areas surrounding Monterey Bay, and the highest resource areas are seen in the City of Monterey and areas south along the coast.

Table C-23 reports the census tracts for which housing opportunity sites are located and the associated TCAC/HCD opportunity area domain scores. As shown in Table C-23, Sand City is comprised of only moderate resource areas. Opportunity areas within Census Tract 140 rank lowest in the environmental (0.10) and economic (0.19) domains. A low economic domain score may be an indicator of high rates of poverty, low levels of adult education, lack of employment opportunities, low proximity to jobs, and low median home values. Additionally, a low environmental domain score may be an indicator of high levels of pollution burden. Each domain is individually analyzed further in the following section.

Table C-23 TCAC/HCD Opportunity Area Domains, 2023

Census Tract	Economic Domain	Education Domain	Environmental Domain	Composite Index	Opportunity Designation
140	0.19	0.66	0.10	3.0	Moderate Resource

SOURCE: TCAC/HCD Opportunity Map, 2023; City of Sand City

Table C-24 reports the distribution of housing opportunity units at each income level according to their designated resource area. As shown in Table C-24, all anticipated housing opportunity units are planned to be accommodated in moderate resource areas. Of the anticipated housing opportunity units, approximately 117 are low-, 56 are moderate-, and 332 are above moderate-income.

Table C-24 Site Inventory Unit Count by TCAC/HCD Opportunity Area, 2023

Income Group	Moderate Resource	Percent
Very Low-Income	71	14%
Low Income	46	9%
Moderate-Income	56	11%
Above Moderate-Income	332	66%
Total	505	100%

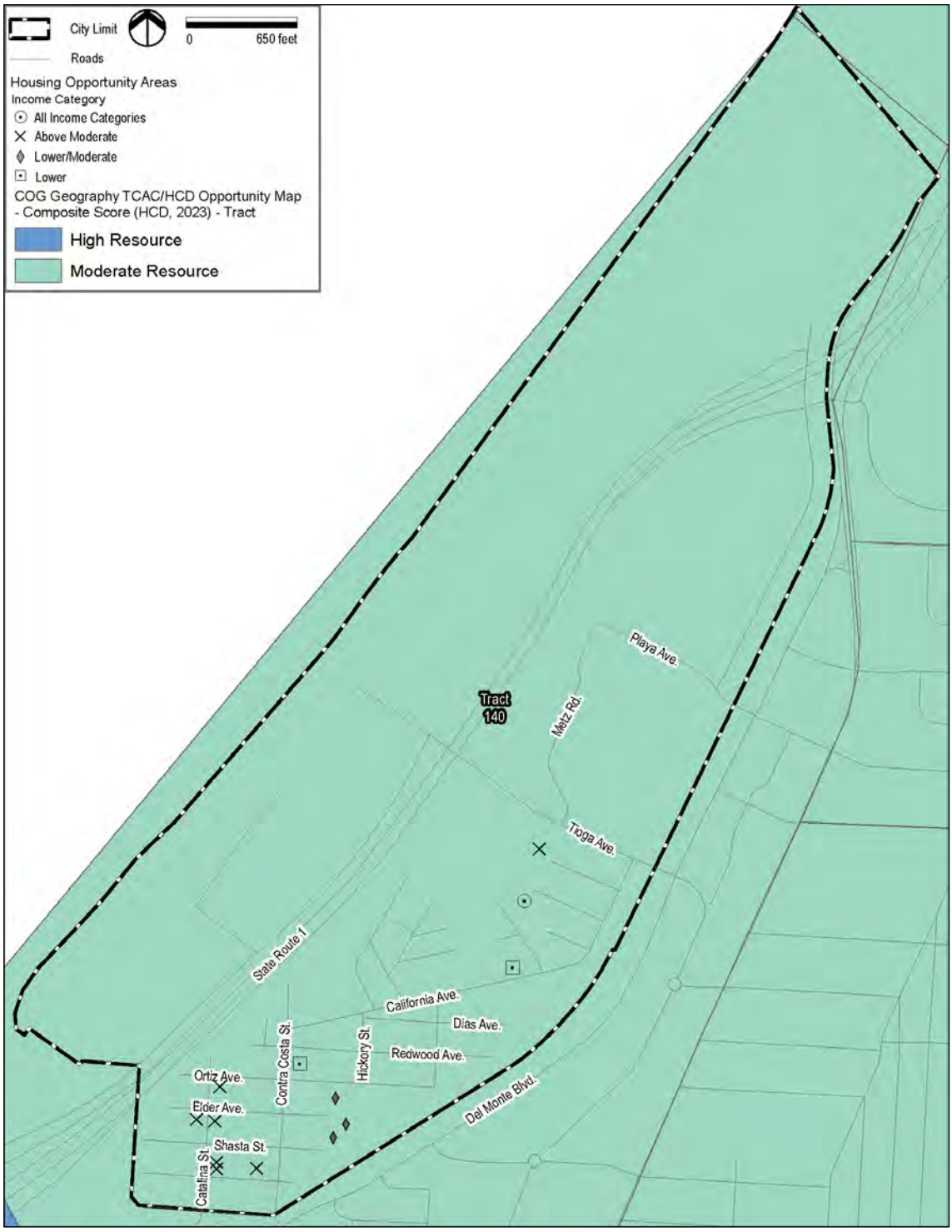
SOURCE: TCAC/HCD Opportunity Areas Map, 2023; City of Sand City

Figure C-13 illustrates TCAC Opportunity Areas in relation to identified housing opportunity sites. The locations of sites for each income category were chosen to facilitate the development of mixed-income neighborhoods and to increase the availability of affordable housing in proximity to transit, retail, and other services. Reliable public transit access and the option to walk or bike are imperative for low-income residents and/or persons with disabilities to connect to employment opportunities. As discussed in Appendix A – Housing Needs and Fair Housing Report, Sand City residents have a high level of access to transit[5] and a high walkability score[6].

Appendix A also details the jobs to housing imbalance that the city experiences, which comes as a result of the city's past serving the Monterey Peninsula as the industrial hub. The City's land use and zoning patterns were developed to accommodate industrial and manufacturing industries, producing few and scattered residential land uses. The City is now working to reverse the mass of industrial and manufacturing land uses in the city, and introducing more residential focused land uses. Land uses located north of Tioga Avenue are primarily zoned for commercial uses and habitat preservation. Whereas, land uses south of Tioga Avenue are primarily zoned to accommodate a mix of uses including residential. The City has begun extensive planning to develop the southern area of the city, including the *2019 Sand City Vibrancy Plan*; *2021 Sand City Sustainable Transportation Plan*; and the *2023 Sand City West End Parking Plan*. Each of these plans have contributed to promoting the development of residential units in the City's West End and South of Tioga districts.

[5] https://alltransit.cnt.org/fact-sheet/?mapR=248,-121.8600225,36.627557464943905,12.864450190921145,place,2244
[6] https://www.walkscore.com/score/sand-city-ca

Figure C-13 Sites Inventory Analysis by TCAC/HCD Opportunity Areas, 2023



SOURCE: HCD AFFH Data Viewer, census tract level data; City of Sand City

As shown in Figure C-13, all anticipated housing opportunity units are located in the City's West End and South of Tioga Districts. Between these two regions, a mix of residential units are anticipated to accommodate both lower and above moderate-income households. Therefore, there is no isolation of the RHNA according to income group and location. The distribution of units is intended to increase the level of residential opportunity in an area of the City that has a high level of access to transit, public services, is in close proximity to jobs, and is highly walkable. Increasing the supply of housing affordable to a range of income categories is intended to provide an opportunity for lower-income households to obtain adequate and affordable housing in the city.

To ensure that adequate infrastructure and resources are provided in areas of new housing development, Program 2.A is included in the Housing Element (see Chapter 2). This program monitors the implementation of the City's five-year Capital Improvement Program and budgeting revenues to improve streets, sidewalks, storm drainage, wastewater and water lines within the West End District. Approximately 28 percent of the new housing opportunity sites are anticipated within the West End District and will benefit from the infrastructure improvements.

The South of Tioga District has recently undergone significant infrastructure improvements, including accessible potable water, stormwater, sewer lines, streets and sidewalks. Approximately 72 percent of the new housing opportunity sites are anticipated within the South of Tioga District. The City will receive ownership of the streets and associated improvements by Summer 2024.

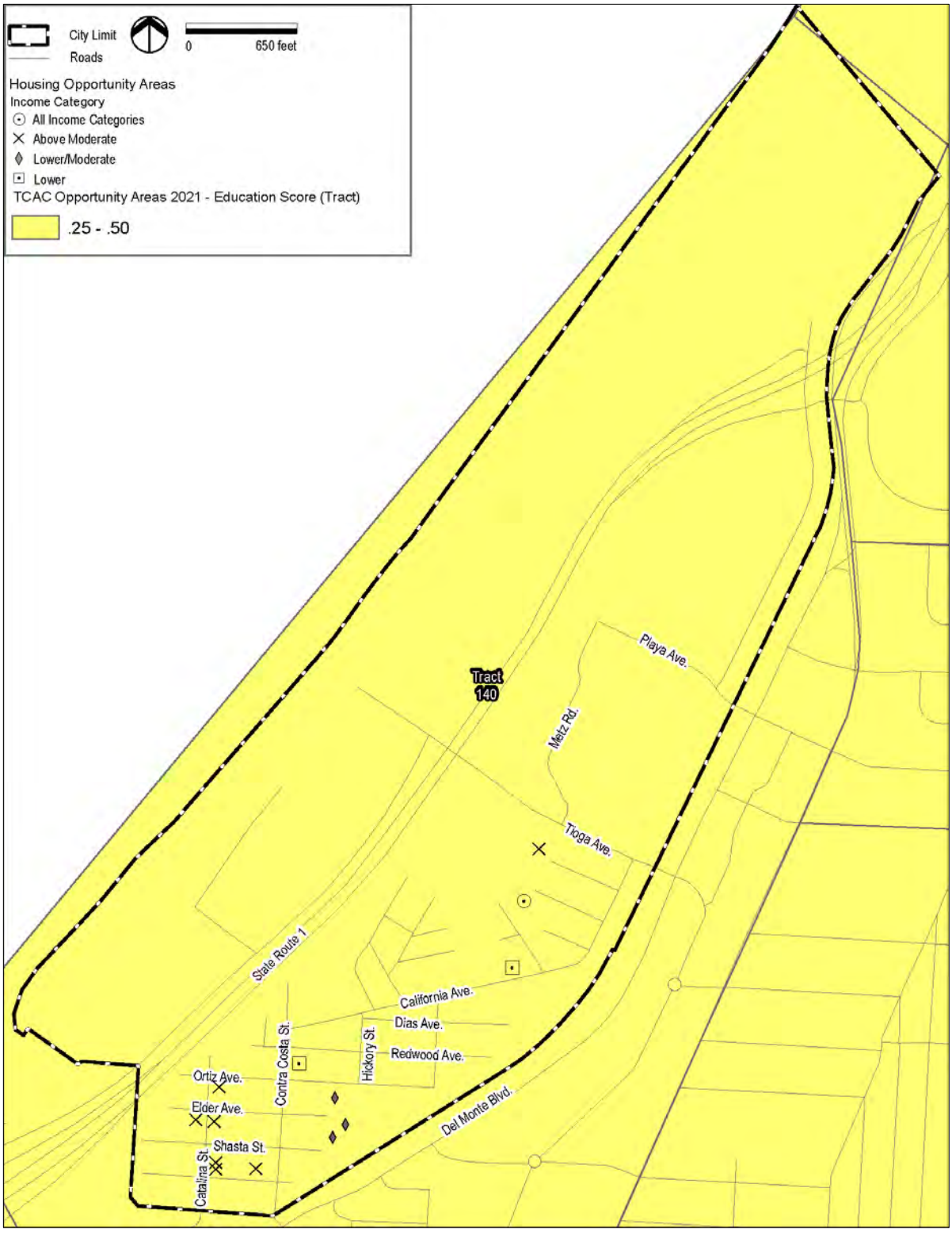
Educational Opportunities, Economic Mobility, and Environmental Health

As discussed at length in Appendix A, Sand City, Census Tract 140, scores moderately in the educational, economic, and environmental domains that comprise TCAC/HCD opportunity area designations. Also previously stated, Census Tract 140 includes the cities of Sand City and Seaside, which may impact data accuracy.

Education

The TCAC/HCD Opportunity Area Education score is based on math proficiency, reading proficiency, high school graduation rates, and the student poverty rate. As shown in Table C-23, the educational domain score for Sand City is 0.66, indicating moderate educational outcomes. According to the AFFH Data Viewer, there is no geographic variation in educational opportunity in Sand City, meaning residents across the city experience similar access to educational opportunity (Figure C-14).

Figure C-14 Sites Inventory Analysis by TCAC/HCD Education Domain, 2021



SOURCE: HCD AFFH Data Viewer, census tract level; City of Sand City

Sand City is served by the Monterey Peninsula Unified School District (MPUSD). There are no school facilities in Sand City, therefore all students must travel outside of the city to local schools within the district. However, the neighboring Cities of Seaside and Monterey have school facilities for elementary, middle, and high school students, which may accommodate students of Sand City. According to the Monterey Peninsula Unified School District (MPUSD), graduation rates for 2022 were 94.6 percent among all students in the district, which is higher than the statewide average (87.4 percent) and the County average (86.2 percent).

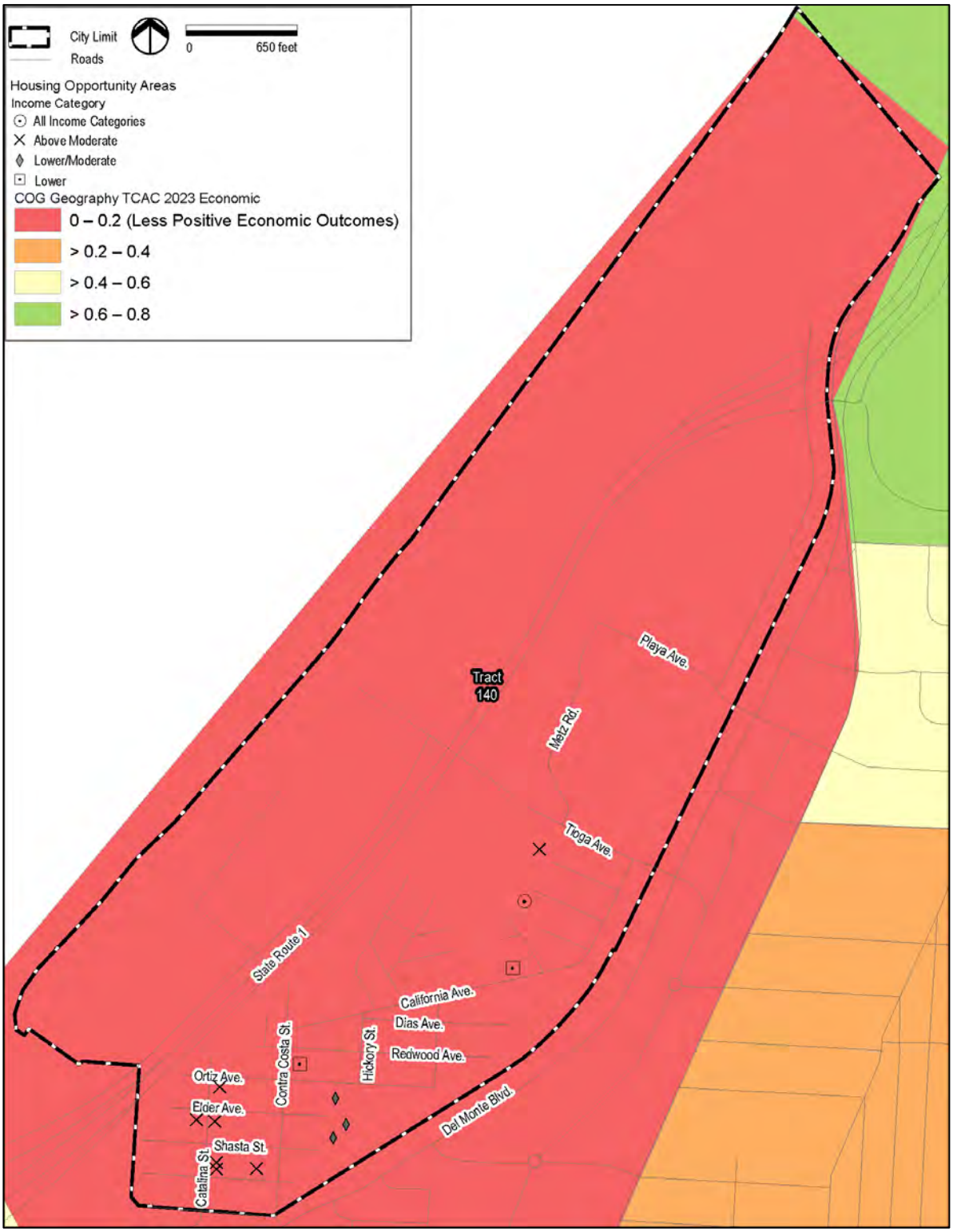
As shown in Figure C-14, all anticipated housing opportunity units are located in the City's West End and South of Tioga districts. Between these regions, a mix of residential units are anticipated to accommodate both lower and above moderate-income households. Therefore, there is no isolation of the RHNA according to income group and location. As later discussed, approximately 10.8 percent of households in the city live below the poverty line.

Based on the MPUSD reported graduation rates, the city's poverty status is the likely factor impacting is TCAC educational score. To specifically address the needs of students that are experiencing poverty in Sand City, the City will meet bi-annually with MPUSD to determine what, if any, outside factors impede school performance that can be alleviated, such as stable housing opportunities, childcare opportunities for working parent(s)/guardian(s), and/or other factors. The City has included Program 3.N to establish and monitor these actions (see Chapter 2). The City is committed to improving housing stability for extremely low-income households and households with children, including increasing housing opportunity for extremely low-income households. The City has developed a suite of programs to facilitate the construction of housing affordable to lower-income households and support lower-income households through continued education (Programs 1.A, 1.B, 1.C, 1.D, 1.G; 1.J, 1.K, 1.L, 1.M, 1.N, 1.O, 1.P, 1.Q; 1.S; 3.B, 3.C, 3.D, 3.E, 3.F, 3.G, 3.H, 3.I, 3.J, 3.K, see Chapter 2).

Economic

The TCAC/HCD Opportunity Area Economic score is based on poverty, adult education, employment, proximity to jobs, and median home value. As shown in Table C-23, the economic domain score for Sand City is 0.19, indicating low economic mobility. According to the AFFH Data Viewer, there is no geographic variation in economic opportunity, meaning residents across the city experience similar access to economic opportunity such as, public resources, education, employment, proximity to jobs, median home values, and overall neighborhood characteristics (Figure C-15).

Figure C-15 Sites Inventory Analysis by TCAC/HCD Economic Domain, 2023



SOURCE: HCD AFFH Data Viewer, census tract level data; City of Sand City

As shown in Figure C-15, all anticipated housing opportunity units are located in the city's West End and South of Tioga districts. Between these regions, a mix of residential units are anticipated to accommodate both lower and above moderate-income households. Therefore, there is no isolation of the RHNA according to income group and location. The City's intentional distribution of new residential units in the West End and South of Tioga districts, is anticipated to cultivate a mix of uses, both residential and commercial, to provide local employees housing opportunities. Increasing residential opportunities in the city will reduce impacts contributing to a lack of economic mobility such as, proximity to jobs, median home values, and overall neighborhood characteristics by reducing the gap between supply and demand for affordable housing.

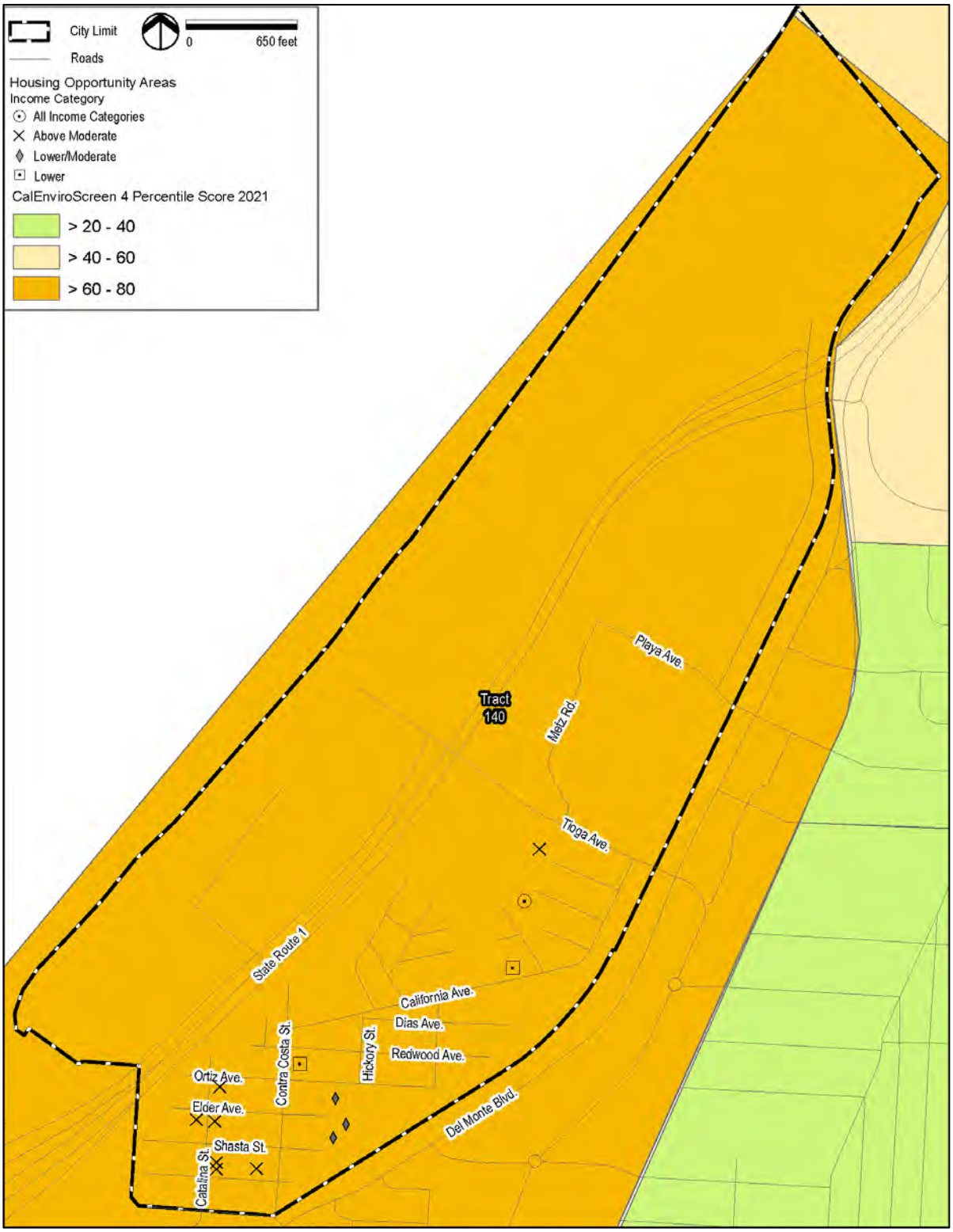
Environmental

The TCAC/HCD Opportunity Areas Environmental scores are based on the CalEnviroScreen 4.0 indicators, which identify areas disproportionately vulnerable to pollution sources such as ozone, PM2.5, diesel PM, pesticides, toxic release, traffic, cleanup sites, groundwater threats, hazardous waste, impaired water bodies, and solid waste sites.

As shown in Table C-23, Sand City has a low environmental domain score of 0.10, indicating a high level of pollution burden in the city. As shown in Figure C-16, Sand City's environmental score is within the 60-80 percentile range, indicating residents are more likely to have health problems resulting from poor environmental conditions. According to the AFFH Data Viewer, there is no geographic variation in economic opportunity, meaning residents across the city experience similar exposure to pollution sources.

As previously mentioned, Sand City has historically served the Monterey Peninsula as the industrial hub. This likely impacts the city's environmental domain score. Over the last decade, the city's industrial activity has primarily converted to commercial and light industrial uses. None of the housing opportunity sites are located on parcels where a legacy of contaminants exists. The City's General Plan includes policies regulating the location of sites that would include storage or use of hazardous materials and policies designed to protect local water quality. Additionally, the City has included Program 3.M to facilitate site cleanup for areas where land uses are anticipated to transition from industrial to mixed and residential uses in the future (see Chapter 2). This program establishes City commitments to working with property owners and developers in seeking funding opportunities and providing technical assistance on funding applications for brownfield remediation.

Figure C-16 Sites Inventory Analysis by CalEnviroScreen 4.0, 2021



SOURCE: HCD AFFH Data Viewer, census tract level data; City of Sand City

Due to Sand City's extremely small population size and lack of local data, it is difficult to definitively determine the accuracy of the TCAC designation. Overall, residents across the city experience similar access to educational opportunities, economic mobility, and levels of pollution burden. Therefore, the distribution of housing opportunity sites and units at each affordability level will not create a discrepancy in access or perpetuate existing barriers to access. Rather, the increase in housing supply is intended to create more balanced and positive living patterns in Sand City. The City has developed a suite of programs to facilitate the construction of housing affordable to lower-income households, and to support lower-income and special needs households. All policies and programs are detailed in Chapter 2.

Potential Effect on Patterns of Integration and Segregation

Racial Diversity

According to ACS 2021 5-year estimates, non-Hispanic White residents comprise the largest racial group in Sand City (43.1 percent of population), followed by Hispanic/Latino (32.4 percent), Some Other Race (12 percent), Black or African American (5.7 percent), Asian/Pacific Islander (3.4 percent), and American Indian or Alaska Native populations (3.1 percent).

As previously stated, Sand City is located within Census Tract 140, Block Group 1. However, data reported for Block Group 1 includes a population of approximately 1,428, whereas place level data reports Sand City includes a population of 348. Therefore, the extremely small population size of Sand City presents challenges to interpreting data. When analyzing predominant populations in Sand City, there appears to be no geographic variation at the census tract or block group level, non-Hispanic White residents makeup the majority across the city. However, due to Sand City's extremely small population size and lack of local data, it is difficult to definitively determine if concentrations of minority populations exist within the city.

Table C-25 reports the distribution of units at each income level by the Diversity Index score according to block group data, developed by ESRI in 2023, and the percent of non-Hispanic White population present according to place level data.[7] The Diversity Index represents the likelihood that two people, chosen at random from the same area, belong to different race or ethnic groups.

[7] The Bureau of the Census defines a place as a concentration of population; a place may or may not have legally prescribed limits, powers, or functions. This concentration of population must have a name, be locally recognized, and not be part of any other place. https://www2.census.gov/geo/pdfs/reference/GARM/Ch9GARM.pdf. Data reported for Sand City uses "place" data as this appears to be the most accurate data reported for the city.

Table C-25 Site Inventory Unit Count by Diversity Index and Percent Non-Hispanic White Population, 2023

Income Group	Diversity Score 88.8 Non-Hispanic White Population 43%	Percent
Very Low-Income	71	14%
Low Income	46	9%
Moderate-Income	56	11%
Above Moderate-Income	332	66%
Total	505	100%

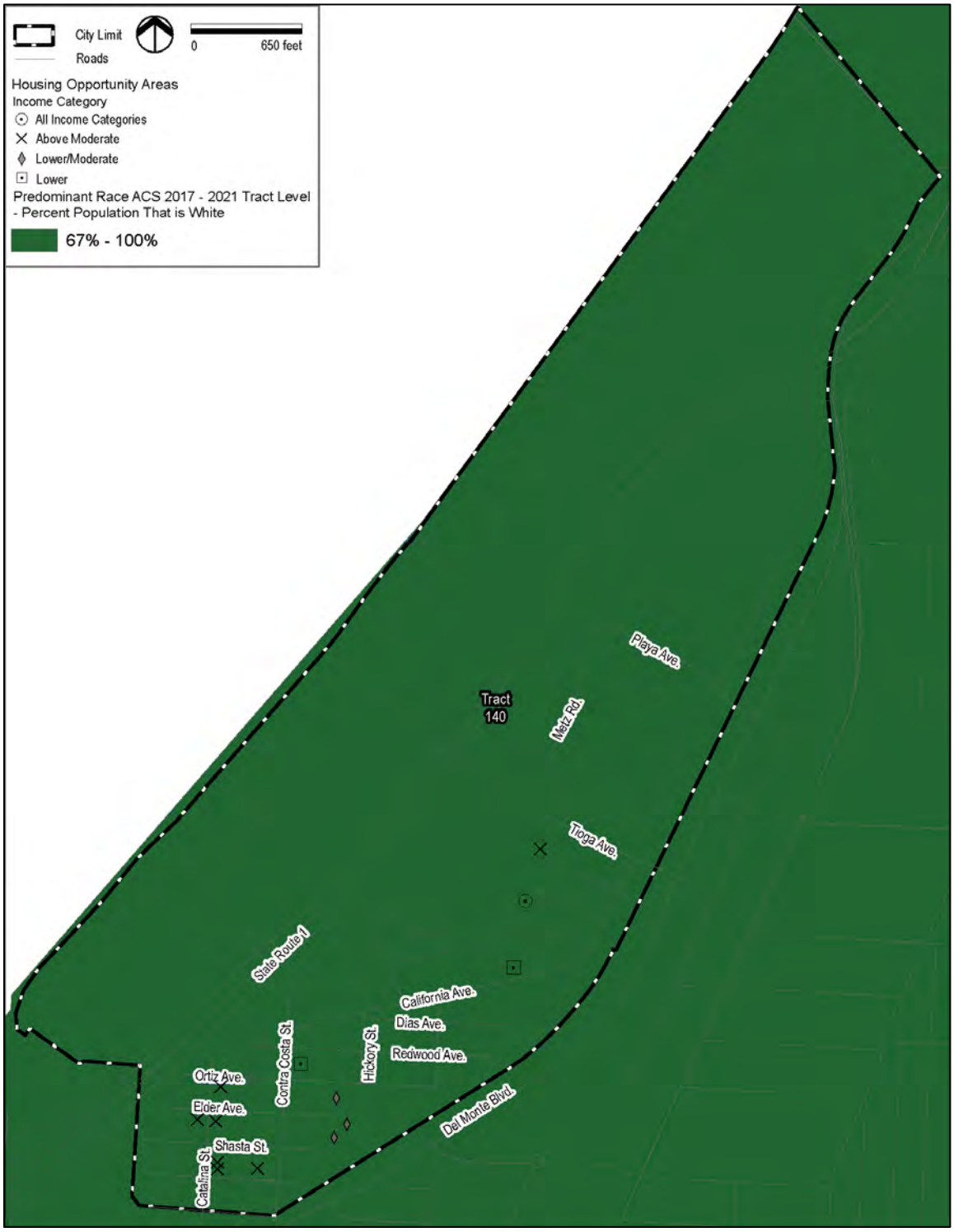
SOURCE: HCD AFFH Data Viewer, 2023; U.S. Census Bureau, ACS 5-Year Estimate 2021, Table B03002, Place level data

According to the Diversity Index, diversity in Sand City is high. As shown in Table C-25, Census Tract 140 has a Diversity Index score of 88.8, indicating that there is a probability of approximately 88.8 percent, that two people randomly chosen from Sand City would belong to different race or ethnic groups. Due to the difference in data reported at the block group level and place level, the Diversity Index is a not a reliable method of determining the level of diversity in Sand City. It should be understood, that based on ACS 5-year estimates using place level data, Sand City has a moderate level of diversity with only a slightly higher proportion of non-Hispanic White residents compared to Hispanic/Latino residents.

As shown in Table C-25, Sand City is anticipated to accommodate 117 lower-income, 56 moderate-income, and 332 above moderate-income housing opportunity units. Figure C-17 shows the distribution of anticipated housing opportunity units at each income level according to predominant population.

As shown in Figure C-17, all anticipated housing opportunity units are located in the city's West End and South of Tioga districts. Between these regions, a mix of residential units are anticipated to accommodate both lower and above moderate-income households. Therefore, there is no isolation of the RHNA according to income group and location. The distribution of units is intended to increase the level of diversity in the area. Increasing the supply of housing affordable to a range of income categories is intended to provide an opportunity for lower-income households to obtain adequate and affordable housing in the city.

Figure C-17 Sites Inventory Analysis by Predominant Population, 2021



SOURCE: HCD AFFH Data Viewer, census tract level data; City of Sand City

The City's historic land use and zoning has primarily enabled the development of industrial and commercial facilities, which coupled with limited available land, coastal zoning, and many sensitive and protected habitats, has posed barriers to the development of residential structures over the last two decades. However, the combined effect of State mandates and local ordinances has weakened the impacts of such barriers. For example, State density bonuses and ADU laws have expanded, developer incentives have increased, the City has increased allowable densities in the MU-P District, and the development review process has been streamlined. These actions are facilitating the development of affordable residential units in a largely built out post-industrial community that is evolving into a more culturally inclusive and residential landscape.

To support households in need of assistance, the City has partnered with several service organizations in the region to connect residents with the appropriate assistance (I.e., transitional and supportive housing, employment, accessible transit, etc.). Specific service providers for special needs groups are listed in Appendix A. Additionally, the City coordinates with the County and State to provide fair housing resources to ensure that all residents are aware of the processes to file a complaint, receive counseling on housing and employment, and mediate landlord/tenant disputes. These efforts to affirmatively further fair housing for all ages, races, and ethnicities are rooted in enabling a variety of housing types for a range of households to secure housing in Sand City.

To further enable the development of affordable residential units, the City has established a suite of programs to ensure land use and zoning regulations support a variety of housing types; assistive services are identified for income-restricted and special needs households; and the review process is streamlined for multifamily housing projects. These programs include, Programs 1.A, 1.B, 1.C, 1.D, 1.G; 1.J, 1.K, 1.L, 1.M, 1.N, 1.O, 1.P, 1.Q; 1.S; 3.B, 3.C, 3.D, 3.E, 3.F, 3.G, 3.H, 3.I, 3.J, 3.K, see Chapter 2).

Median Household Income

According to the AFFH Data Viewer, the median household income in Sand City at the census tract level is less than $55,000 and coincides with a moderate rate of poverty ranging from 20 to 30 percent. The Data Viewer reports no geographic variation at the census level tract. However, 2021 ACS 5-year estimates report the median household income for Sand City at the place level is $60,682 and the level of poverty is 10.8 percent. Again, due to the extremely small population size of Sand City, and the AFFH Data Viewer use of census tract level data, the Data Viewer tool does not present an accurate report for Sand City.

Table C-26 reports the distribution of housing opportunity sites by income category according to median household income and poverty status. As shown in Table C-26, Sand City is anticipated to accommodate 117 lower-income, 56 moderate-income, and 332 above moderate-income

housing opportunity units. According to 2021 ACS 5-year estimates, all units will be located in areas with a low level of poverty (10.8 percent) and a median household income of approximately $60,682.

Table C-26 Site Inventory Unit Count by Median Household Income and Poverty Status, 2021

Income Group	Poverty Level 10.8% Median Household Income $60,682	Percent
Very Low-Income	71	14%
Low Income	46	9%
Moderate-Income	56	11%
Above Moderate-Income	332	66%
Total	505	100%

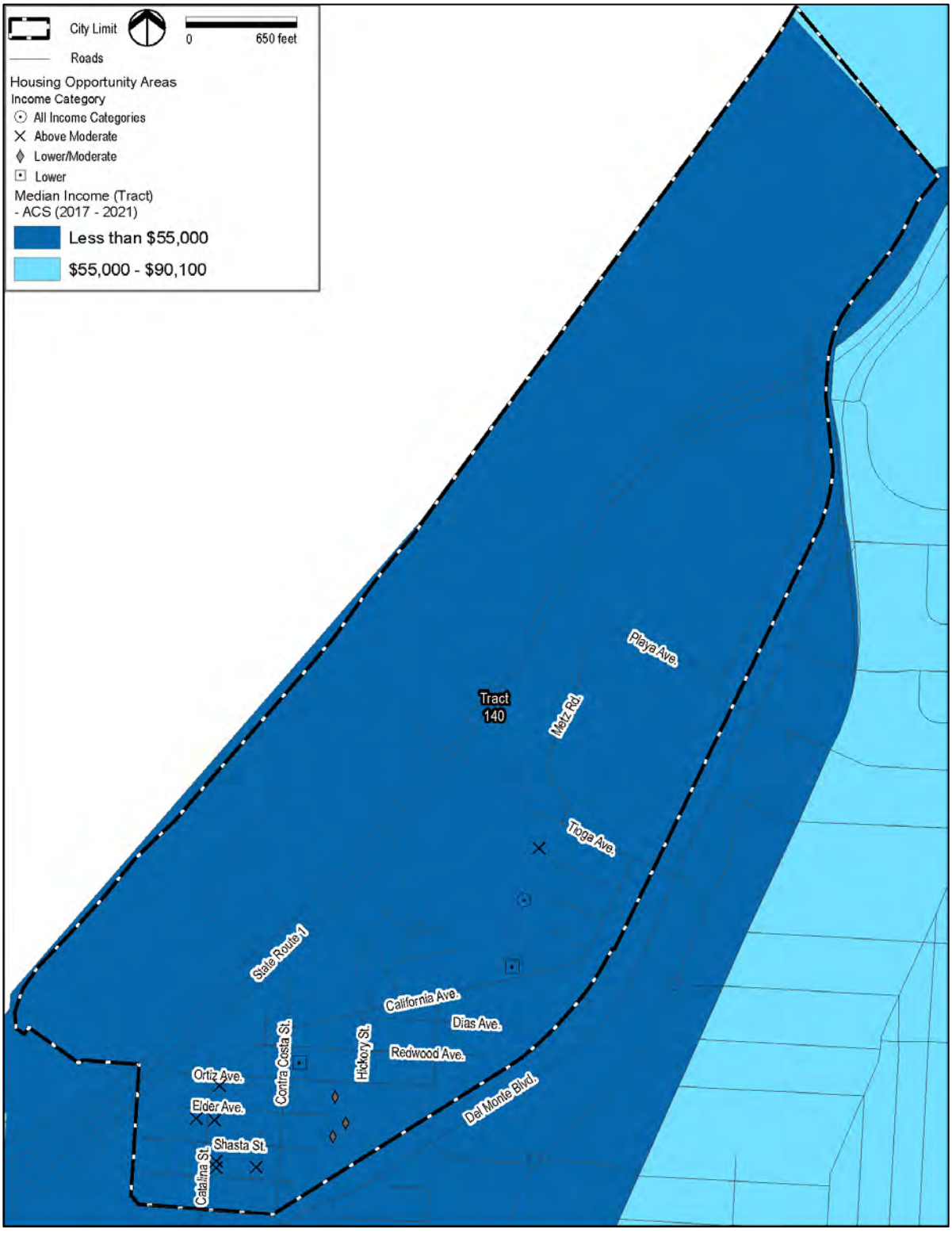
SOURCE: U.S. Census Bureau ACS 5-Year Estimate, 2021, Table S1701, Place level data; City of Sand City

Figure C-18 and Figure C-19 illustrate the distribution of anticipated housing opportunity units at each income level according to median household income and poverty status, respectively. As shown in Figures C-18 and C-19, all anticipated housing opportunity units are located in the city's West End and South of Tioga Districts, where the reported median income is approximately $60,682 and poverty levels are approximately 10.8 percent.

In the West End District, between Catalina and Shasta Street, there are sites anticipated to accommodate only above moderate-income units. This is a result of the many small lots located in this area, which render the development of affordable units unfeasible. Due to the abundance of small sites in the city, the City is currently undergoing a proforma to determine the financial feasibility of sites. The proforma results have not been finalized, but preliminary findings have informed the Sites Inventory. Also, within the West End District, between Contra Costa and Hickory Street, there are sites anticipated to accommodate lower and moderate-income units. Just north of California Avenue, in the South of Tioga District, all income categories are anticipated through the South of Tioga mixed-use development.

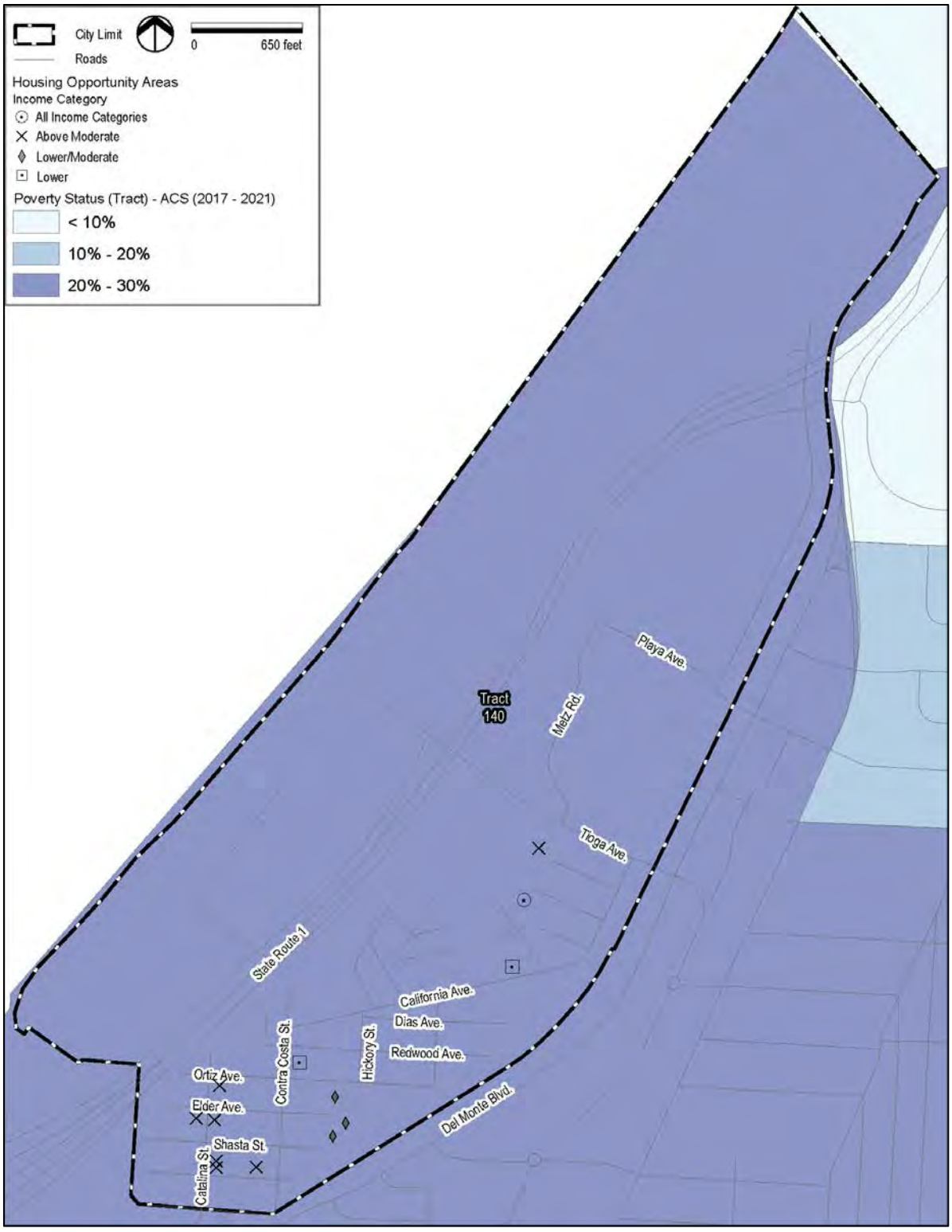
Between the West End and South of Tioga Districts, a mix of residential units are anticipated to accommodate both lower and above moderate-income households. Therefore, there is no isolation of the RHNA according to income group and location. The distribution of units is intended to prevent income based segregated living patterns, while also alleviating existing affordability pressures for lower-income households. Generally, increasing the housing supply in the city will provide increased opportunities for local employees to obtain housing in the city.

Figure C-18 Sites Inventory Analysis by Median Income, 2021



SOURCE: HCD AFFH Data Viewer, census tract level data; City of Sand city

Figure C-19 Sites Inventory Analysis by Poverty Status, 2021



SOURCE: HCD AFFH Data Viewer, census tract level data; City of Sand City

To prevent future segregated living patterns, the City identified housing opportunity sites within the West End and South of Tioga Districts that can accommodate a mix of housing types and affordability levels. Development is anticipated to occur through utilization of lot consolidation, high density mixed-use residential development, and the construction of duplexes/townhomes. To facilitate the development of residential units, the City has committed to amending its Municipal Code to enable higher residential densities (enabling 81 dwelling units per acre in the MU-P Zone, Program 1.C, see Chapter 2); continues to work with non-profit developers to determine the feasibility of sites throughout the city; and identified city-owned sites for the development of affordable residential units.

Female-Headed Single-Parent Households

According to 2021 ACS data, female-headed households comprise 9.3 percent of all households in Sand City. Table C-27 reports the distribution of anticipated housing opportunity units at each income level according to the concentrations of single-parent families with a female-headed household. This data is reported at the place level using 2021 ACS 5-year estimates. As discussed in Appendix A – Housing Needs and Fair Housing Report, Sand City has a lower percentage of female-headed households than Monterey County and nearby jurisdictions.

As shown in Table C-27, Sand City is anticipated to accommodate 117 lower-income, 56 moderate-income, and 332 above moderate-income housing opportunity units. According to 2021 ACS 5-year estimates, all anticipated housing opportunity units will be located in moderate resource areas with a low level of poverty (10.8 percent); a median household income of approximately $60,682; and approximately 9.3 percent of households are female-headed.

Table C-27 Sites Inventory Unit Count by Female-Headed Households, 2021

Income Group	Female-Headed Households 9.3%	Percent
Very Low-Income	71	14%
Low Income	46	9%
Moderate-Income	56	11%
Above Moderate-Income	332	66%
Total	505	100%

SOURCE: U.S. Census Bureau ACS 5-Year Estimate, 2021, Table B11001, place level data; City of Sand City

The City identified housing opportunity sites within the West End and South of Tioga Districts that can accommodate a mix of housing types and affordability levels. Development is anticipated to occur through utilization of lot consolidation, high density mixed-use residential development, and the construction of duplexes/townhomes. The distribution of lower-income

units throughout the city is intended to mitigate current and future concentrations of female-headed households. Additionally, increasing housing supply in the city is expected to mitigate the overpayment, housing scarcity, and displacement that lower-income persons and single-parent households are susceptible to. Increasing housing supply will be coupled with programs to incentivize the development of affordable housing for lower-income and special needs households (Programs 2.A, 2.C, 3.A, 3.B, 3.F, 3.G, see Chapter 2).

Due to a lack of available mapping data, a map illustrating female-headed households across Sand City is not provided.

Population with a Disability

According to 2021 ACS data, approximately 11.6 percent of Sand City's population live with at least one disability. Table C-28 shows the distribution of anticipated housing opportunity units at each income level according to the population with a disability.

According to the AFFH Data Viewer, the population living with a disability in Sand City at the census tract level ranges between 10 and 20 percent. The Data Viewer reports no geographic variation at the census level tract.

As shown in Table C-28, Sand City is anticipated to accommodate 117 lower-income, 56 moderate-income, and 332 above moderate-income housing opportunity units. According to 2021 ACS 5-year estimates, all anticipated housing opportunity units will be located in moderate resource areas with a low level of poverty (10.8 percent); a median household income of approximately $60,682; approximately 9.3 percent of households are female-headed; and approximately 11.6 percent of the population have a disability.

Table C-28 Sites Inventory Unit Count by Population with a Disability, 2021

Income Group	Population with a Disability 11.6%	Percent
Very Low-Income	71	14%
Low Income	46	9%
Moderate-Income	56	11%
Above Moderate-Income	332	66%
Total	505	100%

SOURCE: U.S. Census Bureau ACS 5-Year Estimate, 2021, Table S1810, place level data; City of Sand City

Figure C-20 illustrates the distribution of anticipated housing opportunity units at each income level according to the population with a disability. As shown in Figure C-20, all anticipated housing opportunity units are located in the City's West End and South of Tioga Districts, where approximately 11.6 percent of the population has a disability.

Between the West End and South of Tioga Districts, a mix of residential units are anticipated to accommodate both lower and above moderate-income households. Therefore, there is no isolation of the RHNA according to income group and location. The distribution of units is intended to meet existing housing needs, while also mitigating concentrations of residents living with a disability. Increasing the supply of housing affordable to a range of income categories is expected to mitigate the overpayment, housing scarcity, and displacement that lower-income persons with disabilities are susceptible to.

To address barriers to obtaining accessible and affordable housing for residents/households living with a disability, the City has included Program 3.C, which commits the City to revising procedures for reasonable accommodation, as well as marketing the efforts of local nonprofit agencies that provide direct housing assistance to senior and disabled individuals (see Chapter 2). Additionally, the City included Program 1.L, which establishes the adoption of a Universal Design ordinance to accommodate people living with a disability (see Chapter 2).

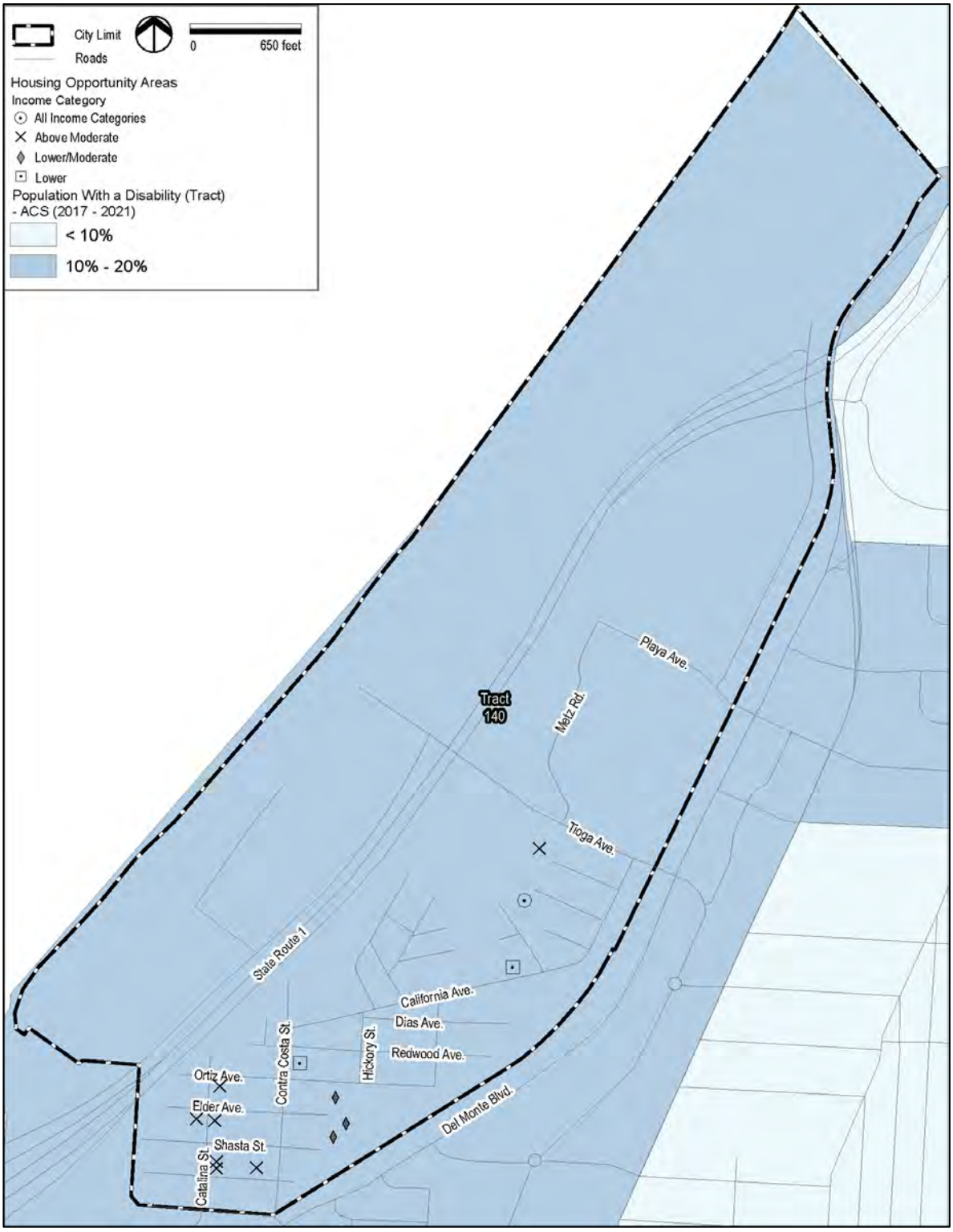
Potential Effect on Disproportionate Housing Needs & Displacement Risk

Overcrowding

Overcrowding is defined as a household with more than one occupant per room excluding bathrooms and kitchens. Units with more than 1.5 persons per room are considered severely overcrowded. Table C-29 shows the distribution of housing opportunity units at each income level according to overcrowding.

According to the AFFH Data Viewer, the percentage of overcrowded households in Sand City at the census tract level ranges between 5 to 10 percent. The Data Viewer reports no geographic variation at the census level tract. According to 2021 ACS 5-year estimates reported at the place level, approximately 8.7 percent of households in Sand City experience some level of overcrowded living conditions. As discussed in Appendix A – Housing Needs and Fair Housing Report, the level of overcrowding in Sand City is lower than Monterey County and neighboring Seaside.

Figure C-20 Sites Inventory Analysis by Population with a Disability, 2021



SOURCE: HCD AFFH Data Viewer, census tract level data; City of Sand City

Table C-29 Sites Inventory Unit Count by Overcrowding, 2021

Income Group	Overcrowded Households 8.7%	Percent
Very Low-Income	71	14%
Low Income	46	9%
Moderate-Income	56	11%
Above Moderate-Income	332	66%
Total	505	100%

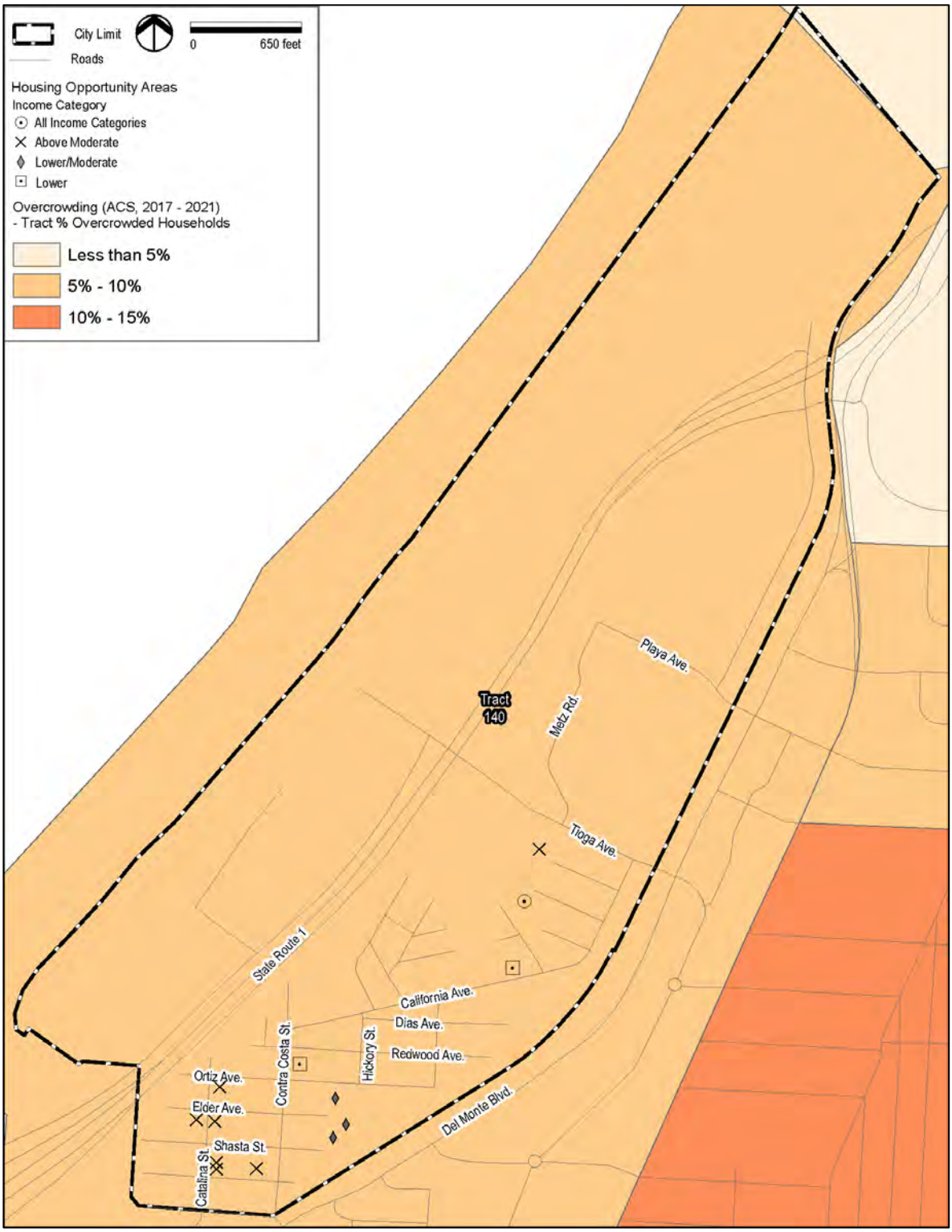
SOURCE: U.S. Census Bureau ACS 5-Year Estimates, 2021, Table S2501, place level data; City of Sand City

As shown in Table C-29, Sand City is anticipated to accommodate 117 lower-income, 56 moderate-income, and 332 above moderate-income housing opportunity units. According to 2021 ACS 5-year estimates, all anticipated housing opportunity units will be located in moderate resource areas where there is a low level of poverty (10.8 percent); a median household income of approximately $60,682; approximately 9.3 percent of households are female-headed; approximately 11.6 percent of the population have a disability; and approximately 8.7 percent of households experience overcrowding.

Figure C-21 illustrates the distribution of housing opportunity units at each income level according to overcrowding. As shown in Figure C-21, all anticipated housing opportunity units are located in the City's West End and South of Tioga Districts, where approximately 8.7 percent of households experience overcrowding.

Between the West End and South of Tioga Districts, a mix of residential units are anticipated to accommodate both lower and above moderate-income households. Therefore, there is no isolation of the RHNA according to income group and location. The distribution of housing opportunity units is anticipated to reduce overcrowding by increasing housing supply in the city. A total of 117 lower-income units are anticipated in Sand City to meet the existing need for affordable residential units and mitigate future concentrations of household overcrowding. The City has developed a suite of programs to facilitate the development of a variety of housing types for all income levels (Programs 1.K, 1.M, 3.B, 3.C, 3.D, 3.E, 3.F, 3.G, 3.J, 3.K, see Chapter 2).

Figure C-21 Sites Inventory Analysis by Overcrowding, 2021



SOURCE: HCD AFFH Data Viewer, census tract level; City of Sand City

Cost Burden & Displacement Risk

Cost burden is measured as households spending more than 30 percent of their gross income including utilities for housing. Consistent with the region, households throughout Sand City are overpaying for housing due to rapidly increasing market conditions that outpace wage increases.

According to the AFFH Data Viewer, the percentage of cost burdened households in Sand City at the census tract level ranges between 60 to 80 percent. The Data Viewer reports no geographic variation at the census level tract. According to 2021 ACS 5-year estimates reported at the place level, approximately 74.4 percent of renter households in Sand City are cost burdened. As discussed in Appendix A – Housing Needs and Fair Housing Report, Sand City has higher rates of renter cost burden than Monterey County and nearby jurisdictions.

Table C-30 shows the distribution of housing opportunity units at each income level according to the percentage of cost burdened renter households. As shown in Table C-30, Sand City is anticipated to accommodate 117 lower-income, 56 moderate-income, and 332 above moderate-income housing opportunity units. According to 2021 ACS 5-year estimates, all anticipated housing opportunity units will be located in moderate resource areas where there is a low level of poverty (10.8 percent); a median household income of approximately $60,682; approximately 9.3 percent of households are female-headed; approximately 11.6 percent of the population have a disability; approximately 8.7 percent of households experience overcrowding; and 74.4 percent of renter households experience cost burden.

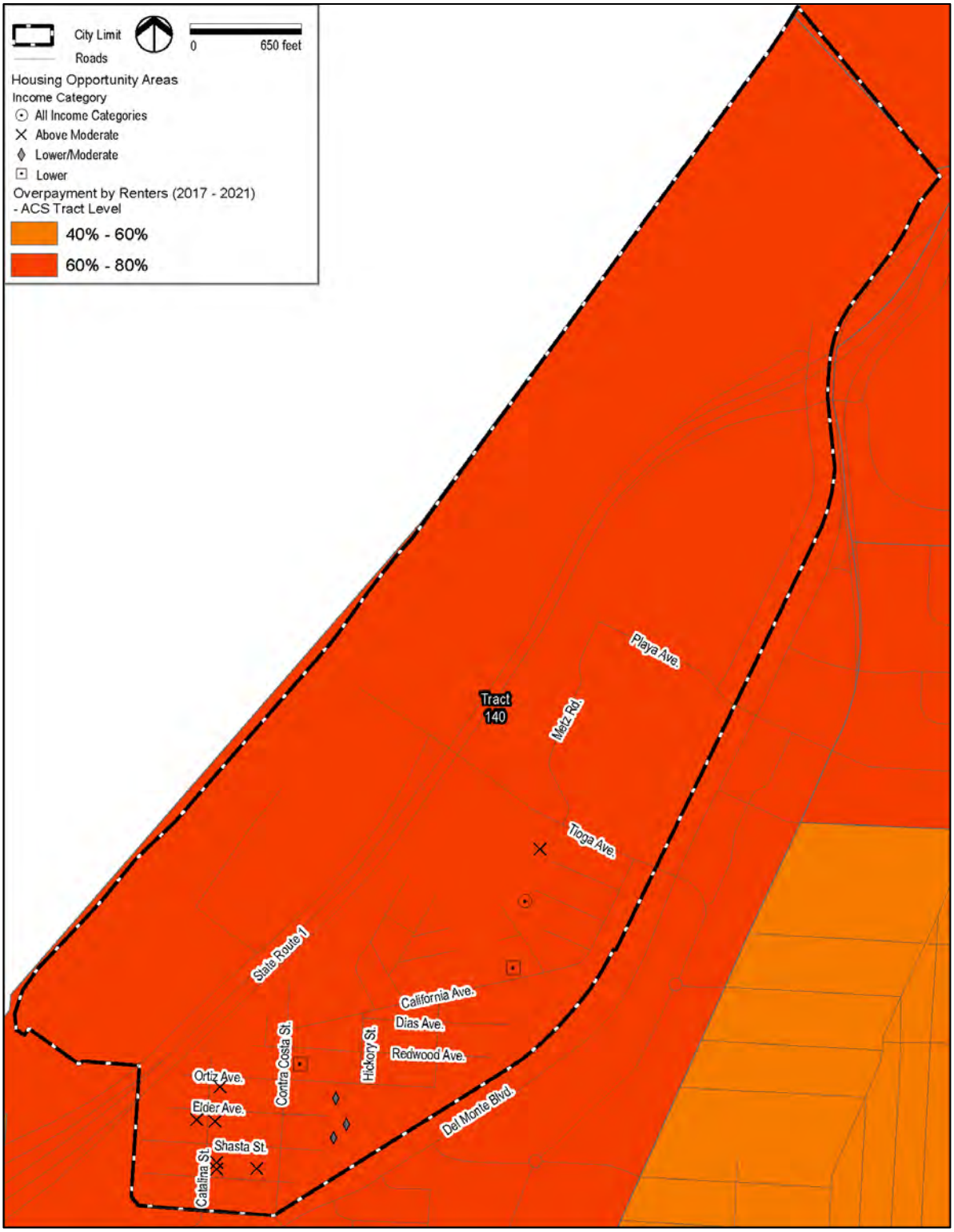
Table C-30 Site Inventory Unit Count by Cost Burdened Renter Households, 2021

Income Group	Cost Burdened Renter Households 74.4%	Percent
Very Low-Income	71	14%
Low Income	46	9%
Moderate-Income	56	11%
Above Moderate-Income	332	66%
Total	505	100%

SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2021, Table DP04, place level data; City of Sand City

Figure C-22 illustrates the distribution of housing opportunity units at each income level according to the percentage of cost burdened renter households. As shown in Figure C-22, all anticipated housing opportunity units are located in the City's West End and South of Tioga Districts, where approximately 74.4 percent of renter households experience cost burden.

Figure C-22 Sites Inventory Analysis by Cost Burdened Renter Households, 2021



SOURCE: HCD AFFH Data Viewer, census tract level data; City of Sand City

Between the West End and South of Tioga Districts, a mix of residential units are anticipated to accommodate both lower and above moderate-income households. Therefore, there is no isolation of the RHNA according to income group and location. The distribution of housing units is intended to alleviate existing conditions of cost burden among renter households by increasing the supply of affordable housing in areas where it is needed most, while also acting as a mitigation measure against segregated living patterns based on income. The City intends the housing site inventory distribution to encourage a balanced environment for future housing development. To ensure that available land and underutilized sites maximize their development potential, the City is undergoing a proforma to determine the feasibility of identified sites in the city. The proforma has not been finalized, but preliminary findings have guided assumptions for sites identified in the Sites Inventory.

To address barriers to obtaining affordable housing for lower-income and special needs households, the City has developed a suite of programs to assist and support lower-income households through continued education of fair housing law and resources (Programs 3.A, 3.B, 3.C, 3.D, 3.E, 3.F, 3.G, 3.H, 3.I, 3.J, 3.K, 4.B, 4.C, 5.A, 5.B, see Chapter 2).

Summary of AFFH Analysis of Sites

Over the last two decades, the City has worked to reshape the land use and zoning designations that historically enabled the development of a predominantly industrial and commercial city. The City continues to work with developers to determine where affordable residential development is most feasible and how to maximize the limited available land. Efforts on behalf of the City also include analyzing the City's Municipal Code to identify governmental constraints that may pose barriers to the development of affordable residential development.

Generally, Sand City is designated a moderate resource area with a moderate level of diversity, low levels of poverty, and predominantly comprised of non-Hispanic White households. There are no RCAAs or R/ECAPS in Sand City. The median household income is $60,682. Household overcrowding is 8.7 percent and cost burden among renter households is 74.4 percent. The percentage of residents living with a disability is 11.6 percent and female headed-households comprise a total of 9.3 percent of all households in Sand City.

The selected housing opportunity sites were determined to be the most developable for the eight-year planning cycle and include second phase development to provide high density affordable housing; city-owned sites intended for affordable artist housing; mission-based sites to provide transitional and supportive housing; and above-market rate housing on underutilized small lots that are inadequate to provide affordable housing.

The sites are distributed throughout the City's West End and South of Tioga Districts, where current land use designations and zoning permit residential uses. The City has developed several plans over the last five years to support residential development in these districts including the *2019 Sand City Vibrancy Plan*; *2021 Sand City Sustainable Transportation Plan*; and the *2023 Sand City West End Parking Plan*. Each of these plans have contributed to promoting the development of residential units in the City's West End and South of Tioga Districts. Residential development within the districts is anticipated to mitigate segregated patterns of development and increase opportunities through the integration of housing units at all affordability levels.

Overall, Sand City's small geographical nature has not enabled the concentration of or variation in unequal housing opportunity. Rather, the city's historical past has lent itself to the development of industrial and commercial space, rather than residential development. In an effort to facilitate residential development that is inclusive and caters to the needs of Sand City residents, the City is prioritizing working with developers and non-profits to develop new affordable housing. The City is committed to the programs listed in Table C-31, to support a diversity of housing types.

Table C-31 Programmatic Actions Related to Projected Housing Types

Housing Type	Programmatic Action
Multi-family Residential The City commits to continuing the development of the South of Tioga with multi-family residential, including affordable units.	Program 1.A Develop the "South of Tioga" area with Multi-Family Residential
Density Bonus The City commits to amending the Zoning Ordinance to align with new State Density Bonus Laws, of which the City is going beyond and increasing the density above current State law thresholds to encourage maximizing the use of property for residential units.	Program 1.B Amend the City's Zoning Ordinance to align with new State Density Bonus laws and include 10 percent density bonus
Affordable Housing The City commits to creating an overlay that supersedes requirements of underlying zoning districts within the West End. The City's goal is to encourage the development of market-rate and affordable housing in multi-family, mixed-use, and planned unit development through the overlay with little discretionary review/requirements.	Program 1.C West End Housing Diversity Overlay
Higher Density The City commits to setting minimum densities of 20 du/ac to encourage a higher multi-family unit yield and to allow housing development projects up to 85 feet by-right.	Program 1.D Minimum Density 20 Dwelling Units per Acre for Selected Sites
SB 9 The City commits to codifying SB 9 regulations to facilitate new construction.	Program 1.I California Housing Opportunity and More Efficiency (HOME) Act

SOURCE: City of Sand City

For in-depth details of the programs listed above and additional programs intended to facilitate the construction of housing, see Chapter 2 of the Housing Element.

C.7 Summary and Conclusions

Sand City is committed to the process of gaining a Prohousing designation from HCD, concurrent with the preparation and certification of its 6th Cycle Housing Element. Part of that effort includes an effort to maintain a housing sites inventory that enables capacity for at least a minimum of 150 percent of RHNA.

The vacant, underutilized sites, and pipeline projects identified in this report are sufficient to accommodate approximately 194 percent of the Sand City's Regional Housing Needs Allocation for the 6th Cycle planning period. This "cushion" is highly recommended because of the state's no net loss policy, which precludes jurisdictions from approving development that results in an overall housing site deficit. The "cushion" essentially provides a degree of flexibility for developers and policy makers as they make development decisions.

Several efforts and programs have been activated in support of greater housing production in Sand City. Leadership, staff (both contracted and direct hires) are motivated to encourage a range of affordable housing to be constructed within this next eight years. The public does not oppose this planned doubling of the population, and outreach efforts will continue to support local participation in determining how the community may evolve to become an inclusive home to many more individuals and families.

Review of Previous Housing Element

D

APPENDIX

Table of Contents

APPENDIX D REVIEW OF PREVIOUS HOUSING ELEMENT D-1

D.1 Introduction D-1

D.2 Effectiveness of the Element D-1

D.3 Progress in Implementation D-4

D.4 Summary D-13

Tables

Table D-1 Overview of Adopted Programs D-6

Table D-2 Housing Units Produced, 2015-2023 ..... D-12

Appendix D
Review of Previous Housing Element

D.1 Introduction

In order to effectively plan for the future, it is important to reflect back on the goals of the previous Housing Element and to identify those areas where progress was made and those areas where continued effort is needed. State Housing Element guidelines require communities to evaluate their previous Housing Element according to the following criteria:

- Effectiveness of the Element;
- Progress in Implementation; and
- Appropriateness in Goals, Objectives and Policies.

The City's 5th Cycle Housing Element has conditional certification status. The areas HCD identified for further information, the East Dunes and the South of Tioga planning areas, are addressed below in more detail.

D.2 Effectiveness of the Element

The City's 2015 Housing Element identified the following goals:

- Goal 4.1: Provide adequate sites with sufficient infrastructure as needed to meet the City's regional housing needs allocation;
- Goal 4.2: Support the development of affordable housing, especially housing for very low-, low- and moderate-income households;
- Goal 4.3: Preserve existing housing units in neighborhoods appropriate for continued residential use;
- Goal 4.4: Support the development of housing for special needs households;
- Goal 4.5: Ensure that all persons have equal access to housing opportunities; and
- Goal 4.6: Promote energy and water conservation measures in both existing and new residential construction.

In order to achieve these goals, the 2015 Housing Element listed a series of policies and actions. The policies covered a range of actions, including: development of mixed-use projects with high-density housing, including in the "South of Tioga" area; rezoning of the East Dunes Area for housing affordable to very low- and low-income households; granting sewer and water priority to affordable housing projects; identification of a sites suitable for an emergency homeless shelter; providing adequate sites to enable construction of new housing units, including units affordable to lower-income households; and amending the City's zoning code to comply with new State housing law regarding transitional and supportive housing, SROs, reasonable accommodations, and density bonus. The 2015 policies and programs complied with State Housing Law guidelines in effect at the time. Because the City's conditional status focused on the programs related to the South of Tioga and East Dunes areas, both areas are discussed in more detail below.

Develop the "South of Tioga" Area with a Mixed-Use Project

Program 4.1.1.A focused on consolidated in parcels and rezoning at least 3 acres to R-3, reserved for high density, multi-family housing with a density of up to 43 units per acre. To date, the area was rezoned MU-P Planned Mixed-Use, parcels were consolidated, and infrastructure improvements are underway.

Background

The South of Tioga project originated as a result of the Request for Qualifications (RFQ) put out by the former Sand City Redevelopment Agency (the "RDA") where after that Redevelopment Agency in 2001 signed an Exclusive Negotiation Agreement (the "ENA") with the Applicant to redevelop the South of Tioga Planning District to mitigate ongoing conditions of blight and provide economic stimulus for the City; and though the City's RDA has since been dissolved by the State of California, the property acquisition by the Applicant and development strategies that commenced under the ENA had continued until submission of the Applicant's land entitlement application packet to the City in 2017.

The project proponent acquired 39 of 41 parcels within the project area, which are to be merged to crate six new larger parcels (consistent with Sand City Housing Element Programs 4.1.1.A and 4.1.1.B). The merged parcels require the City to abandon multiple inadequate width street rights-of-way and realignment of one (1) existing road and creation of one (1) new road.

The two new residential parcels of the South of Tioga Project, established by project design, lot consolidation, and Vesting Tentative Map approval are Parcels R1 and R2. Parcel R1 consists of 1.78 acres approved for 125 dwelling units (a density of 70.2 du/ac). Parcel R2 consists of 3.70 acres, approved for 231 dwelling units (a density of 62.4 du/ac). These densities far exceed the maximum 43 dwelling units per acre allowed under the City's R3 (high density residential) zoning. The properties were subsequently rezoned to Mixed-Use zoning which allows exponentially increasing housing density bonuses for ever larger consolidated lots and building sites, maxing out at 81du/ac.

Rezoned MU-P Planned Mixed-Use

Housing Element Program 4.1.1 states "Ensure that land is zoned at residential densities appropriate to meet the regional housing need." Furthermore, Policy 4.1.1.A of that Program is titled "Develop the South of Tioga" area with a Mixed Use Project. This program targeted development of at least 200 dwelling units within South of Tioga. The recent vesting tentative map approval for the South of Tioga Area granted up to 356 dwelling units; which will include 52 affordable rental housing units secured under a deed restriction for 55-years (commencing upon issuance of a certificate of occupancy upon completion of construction) comprised of 9 Very-Low, 7 Low, 18 Moderate and 18 Workforce. These 52 affordable housing units exceed the 5th Cycle Housing Element's (Program 4.1.1.A) required 16 units. This was accomplished through the increased unit density discretionarily allowed under the MU-P zoning. The R3 zoning would allow only 235 units and would not have fallen 121 units short of accomplishing the residential density of 356 total units, (all of which meet the default density of 20 units per acre, and 52 of which are deed-restricted affordable units).

Constraints Overcome

Development constraints in the South of Tioga area included the cost of extensive site demolition, replacement of all utility infrastructure in the area, and the establishment of land for habitat restoration/conservation to accommodate U.S. Fish and Wildlife and the California Department of Fish and Wildlife requirements. These constraints placed an extreme financial burden upon any developer that, in effect, severely limited the types of development economical viable for this area. These constraints required higher residential density and a commercial component for this project to "pencil out". Without economic viability for a developer, there would be no project, resulting in no housing or affordable units at all.

The mixed use zoning does not preclude a development from being 100 percent residential. A project may be 100 percent residential, 100 percent commercial, or any combination. The intent of the City's mixed-use zoning is to create a "mixed-use" neighborhood/community, and is not focused on mixed use properties. This should satisfy Gov. Code 65583.2(h) in regards to "...a city or county may accommodate all of the very low and low-income housing need on sites designated for mixed uses if those sites allow 100 percent residential use, and require that residential use occupy 50 percent of the total floor area of a mixed-use project." The mixed use zoning does allow "By right" transitional and supportive housing wherever any residential use has already been discretionarily allowed. Multi-family residential does require a conditional use permit; however, the allowable density is only limited by a project's site area and ability to provide sufficient tenant parking. In the South of Tioga area, Parcel R2 will be 100% residential (with appurtenant uses such as parking and open space) with 231 units. Parcel R1 will be residential on all floors with 125 units; but may include a commercial rooftop restaurant.

The timespan from initial application submittal to City Council action approving the vesting tentative map was 13 ½ months (April 20, 2017 to June 5, 2018), including preparation of an EIR. This demonstrates the efficiency with which the City processes complicated development applications, ensuring that additional levels of non-discretionary approval do not unduly extend approval times or burden developers.

Outreach Ongoing

To date, demolition of the existing building has occurred and construction of infrastructure, streets, sewers, sidewalks is underway. The City and contracted planning staff area actively working with the current property owner and reaching out to residential developers, including those that focus on affordable housing. Additionally, the 6th Cycle Housing Element includes a program to reconsider the existing Development Agreement to increase the number of units in order to make the project financially viable.

Rezone Acreage in East Dunes Areas

Program 4.1.1.c Rezone Acreage in East Dunes Area focused on assisting a master developer to process and rezone 15 acres in the East Dunes Area. The aim of the rezoning was to require development of up to at least 20 units per acre with a minimum of 16 units per site for affordable housing for Very Low- and Low-Income residents.

The City rezoned the East Dunes area from C-2 and C-3 to R-3 residential during the 5th Cycle period; however, this area's constraints, similar to the South of Tioga area include fragmented ownership, lack of infrastructure and the presence of environmentally sensitive habitat. The City learned many lessons from the South of Tioga area and is taking a pragmatic and measured approach to development in this area.

Habitat Management Plan

In order to facilitate development of this area, portions of which contain environmentally sensitive habitat that must be considered and addressed, the 6th Cycle Housing Element includes a program to initiate a Habitat Management Plan to address current regulatory requirements that are lengthy and complex.

D.3 Progress in Implementation

To assess the City's progress in implementing the 2015 Housing Element, the following key areas were reviewed:

- Adopted Programs;
- Production of Housing;

- Preservation of "At Risk" Units; and
- Rehabilitation of Existing Units.

Each of these areas is discussed in detail below.

Overview of Adopted Programs

Table D-1, Overview of Adopted Programs, identifies all of the actions the City committed to in the 2015 Housing Element. The table also includes a description of the progress that was made during the 2015–2023 planning period.

Production of Housing

The 2015 Housing Element identified a Regional Housing Needs Allocation of 55 housing units in Sand City between January 1, 2015 and June 30, 2023. The RHNA was divided into the following income categories:

- 13 units affordable to extremely low- and very low-income households;
- 9 units affordable to low-income households;
- 10 units affordable to moderate-income households; and
- 23 units affordable to above moderate-income households.

Table D-1 Overview of Adopted Programs

Program Number	Programs/Actions [The text provided in this column is a synopsis only; for complete program language please refer to the 2015 Housing Element]	Achievements/Effectiveness	Continue/ Modify/ Delete
Goal 4.1: Provide Adequate Sites with Sufficient Infrastructure as Needed to Meet the City's Regional Housing Needs Allocation			
Program 4.1.1.A	Develop the "South of Tioga" Area with a Mixed-Use Project Consolidate parcels and rezone at least 3 acres to R-3, reserved for high density, multi-family housing with a density of up to 43 units per acre	The South of Tioga area was rezoned to mixed-use, MU-P, not R3, and allows mixed-use multi-family development at increased densities. Parcels were also assembled and consolidated to facilitate multi-family development with an affordable unit component. Planning entitlements are complete with the exception of design review. Gaining entitlements was complex, given parcel assembly and the presence of environmentally sensitive species and involved many outside agencies, The owner is actively seeking a housing developer to construct over 350 new predominantly multi-family housing units. A conditional use permit and associated design review is required once a housing developer is secured. City staff time was dedicated to this complicated project over the course of the 5th Cycle and construction is anticipated during the 6th Cycle. The site is currently in the process of being graded and site improvements are under construction.	Modify
Program 4.1.1.B	Mixed-Use and Planned Unit Development Monitor the production of units in mixed-use and planned unit development areas; reduce on-site property standards	In 2017, the City amended mixed-use zoning to allow for greater densities for larger sites and higher building heights if criteria are met (i.e., must obtain airport district approval; must be on top of parking structure). Development is discretionary to City Council. The South of Tioga project was the first major development project to benefit from these modifications. In order to encourage more redevelopment in the MU-P zoning district the densities will be increased.	Modify
Program 4.1.1.C	Rezone Acreage in East Dunes Area Assist a master developer in processing the rezoning of 15 acres in the East Dunes area; rezoning of this area will require development up to at least 20 units per acre with a minimum of 16 units per site for affordable housing for very low- and low-income residents.	The City rezoned the East Dunes area from C-2 and C-3 to R-3 residential. In order to further develop this area, portions of which contain environmentally sensitive habitat that must be considered and addressed, the City will initiate a Habitat Management Plan to address current regulatory requirements that are lengthy and complex.	Delete; modified to develop Habitat Management Plan

Program Number	Programs/Actions [The text provided in this column is a synopsis only; for complete program language please refer to the 2015 Housing Element]	Achievements/Effectiveness	Continue/ Modify/ Delete
Program 4.1.2.A	Capital Improvements Program Continue to implement its Master Facilities Plan and continue budgeting revenues into the capital improvement budget to improve streets, sidewalks, drainage, and water lines within the West End area	A draft CIP update was presented to City Council in January 2023. The City is currently working on multiple projects for the improvement of street sidewalks and drainage. Grants have been secured for capital improvements for Contra Costa Street and Catalina Street including, stormwater improvements, integrated sidewalks, intersection crosswalks (ADA improvements included), landscaping, and impervious pavements ($1.2M & $900+K). The aforementioned improvement areas will benefit residents of the Catalina Lofts Project and East Dunes area.	Continue
Program 4.1.3.A	Adequate Land Inventory Continue to provide an inventory of land at appropriate zoning designations that will accommodate the Regional Housing Need.	The City has maintained and continues to maintain an inventory of available land for housing.	Continue
Program 4.1.3.B	Second Dwelling Unit Program Revise standards in the R-2 and R-3 zone to permit manufactured homes equally with single family homes	The City has amended the R-2 and R-3 zoning district standards three (3) times to promote this program. In order to further promote ADU and JADU development the City will modify the program to better promote the ADU program and will refer low income property owners to Habitat for Humanity Monterey Bay's ADU financing program for low income households.	Modify to integrate State ADU laws and JADU Program.
Program 4.1.3.C	Small Lots/Sites and Mixed-Use Program Facilitate lot consolidations; offer the following incentives: Allow affordable projects to exceed the maximum height limits; Reduce setbacks; Reduce parking requirements; Prohibiting water and sewer providers from denying service; and Offsetting fees and fast-tracking of project application reviews.	One of the issues impeding multi-family development is the preponderance of small lots in the which reflect the City's light industrial history. The City's 2017 zoning amendment to allow Mixed-Use zoning has encouraged lot consolidations. The South of Tioga project has taken advantage of the zoning changes, of which half of all lots were acquired and consolidated by the developer during 5th Cycle. The City will continue to facilitate lot consolidation in an effort to create lots between 0.5 and 10 acres which is considered by HCD an optimum parcel size for developments with affordable units.	Continue
Program 4.1.3.D	Consistency with Employee Housing Act Update the Zoning Code to be consistent with the Employee Housing Act, which requires employee housing to be permitted by-right, in single-family zones for six persons or fewer, and in all zones that allow agricultural uses with no more than 12 units or 36 beds.	The City adopted Ordinance 16-05 and complies with the Employee Housing Act.	Delete

Program Number	Programs/Actions [The text provided in this column is a synopsis only; for complete program language please refer to the 2015 Housing Element]	Achievements/Effectiveness	Continue/ Modify/ Delete
Goal 4.2: Support the Development of Affordable Housing, Especially Housing for Very Low-, Low- and Moderate-Income Households			
Program 4.2.1.A	Water and Sewer Providers Grant water and sewer priority to affordable housing projects	The City partners with the Seaside County Sanitation District for sewer management and Monterey One Water for permitting and fee collection. Sand City is one of the few cities on the Monterey Peninsula that has available water to allocate to new housing units. The allocation of water from the City's Desal Facility is discretionary by City Council and the City will develop a water policy to guide allocations with a priority for affordable housing units. No housing projects have been denied water since the Desal project began in 2011.	Continue
Program 4.2.2.A	State and Federal Housing Programs and Funding Assess the possibility of implementing a Community Revitalization Authority	The City currently has a CDBG grant for upgrading Calabrese East Park to improve ADA accessibility features and a PLHA grant to acquire and rehabilitate affordable rental housing. The City's HOME funds are not active due to lack of residential interest. The City has worked with the County to get property owners access to solar. The City will modify the program to affirmatively market and increase participation, particularly with HOME funds.	Modify to increase program participation.
Goal 4.3: Preserve Existing Housing Units in Neighborhoods Appropriate for Continued Residential Use			
Program 4.3.1.A	Conservation of Existing Units Provide written marketing information describing the resources available to community groups and organizations that represent lower-income households	The City has not provided online marketing information to date due to resource constraints. However, this information is addressed through the City's municipal code and through Code Enforcement measures which take an education first approach. In order to increase outreach the program will be modified to include efforts and resources to provide materials proactively outside a Code Enforcement environment.	Modify
Program 4.3.2.A	Housing Conservation and Preservation Program Direct public funding resources to the conservation of existing housing units where continued residential use is appropriate. The City will provide written marking information describing resources available to community groups and organizations that represent lower-income households.	The City's outreach to date was limited due to resource and staffing constraints. In order to more proactively reach low-income households that would benefit from repair and/or rehabilitation the program will be modified to preparing materials to distribute to community groups and organizations, including the Salvation Army Day Center, that represent lower-income households. The City was recently awarded a Permanent Local Housing Allocation Program grant to be used for acquisition and rehabilitation of affordable units and the City will affirmatively market the program.	Modify

Program Number	Programs/Actions [The text provided in this column is a synopsis only; for complete program language please refer to the 2015 Housing Element]	Achievements/Effectiveness	Continue/ Modify/ Delete
Goal 4.4: Support the Development of Housing for Special Needs Households			
Program 4.4.1.A	Support the County of Monterey's Homeless Continuum of Care Plan Support housing opportunities for homeless individuals and families	The, City's Public Facilities zoning code language has been updated to address building and/or providing housing for homeless persons. The program will be improved by including information on the City's housing web page with links to County programs and contacts; distributing flyers at local events; and supporting and partnering with the Salvation Army Day Center.	Modify
Program 4.4.1.B	Homeless: Support for Day Facility Support the provision of services at the day facility for homeless individuals	The Salvation Army Day Center continues to operate under a conditional use permit and owns the property. This facility provides support for between 70-100 homeless and at-risk families daily. Presently, the City does not conduct an annual review on conditional use permits unless a complaint is reported (i.e., conditional use permit does not allow overnight sleeping, but does allow the provision of office support, laundry facilities, mailing services, vaccinations, etc.) The property owner has indicated a desire to build transitional housing to supplement the day center facility. The City will initiate a zoning code amendment to allow additional related activities to support skills development and basic needs as well as allowing transitional housing.	Modify
Program 4.4.1.C	Elderly and Disabled: Support and Marketing of Countywide Programs Support and market the efforts of local nonprofit agencies that provide direct housing assistance to elderly and disabled individuals	The city will continue to support County programs that direct housing assistance to senior and disabled residents. In order to increase outreach the City will engage in a wider variety of outreach efforts. Additionally, the City will prioritize pro-housing developments that include units for seniors and disabled residents.	Modify
Program 4.4.1.D	Remove Constraints to Housing Development and Encourage Accessible Housing for Persons with Disabilities Remove constraints for disabled persons seeking reasonable accommodations for accessible housing	The number of accessible housing units constructed was limited. In order to facilitate the construction of accessible units, the City is working to incorporate an Objective Design Standards program in tandem with a Universal Design amendment to the City's Building Code. the city continues to have the lowest fees on the Monterey Peninsula, minimizes public hearing continuance, and implemented a Sustainable Transportation Plan that addresses ADA accessibility within the City.	Modify.
Program 4.4.1.E	Identify Methods to Support Homeless Services and Shelters [no action identified by the program]	The City amended the Public Facilities (non-coastal only) Zoning District to allow for a homeless shelter as a permitted use. Since 1989, the City has been a member of a Service Agreement with Community Human Services (CHS). CHS provides mental health, substance abuse and homeless services	Modify to allow additional areas such as parking lot near City Hall or Desal

Program Number	Programs/Actions [The text provided in this column is a synopsis only; for complete program language please refer to the 2015 Housing Element]	Achievements/Effectiveness	Continue/ Modify/ Delete
		to Monterey County residents. Additionally, the City donates funds annually to the Salvation Army Day Center. The City includes a line item for donations in the Annual Budget.	Plant; propose new program to amend zoning
Program 4.4.1.F	Ensure the Availability of Appropriate Sites for Emergency Shelters per Senate Bill 2 Reserve enough land so that an emergency shelter large enough to meet the City's need (15 beds) can be constructed at the desalination plant site; outside the Coastal Zone, the City will rezone the remainder of the water treatment plant parcel to CZ-PF to provide more area for emergency shelter facilities.	The City amended the Public Facilities (non-coastal only) Zoning District to allow for a homeless shelter as a permitted use. The existing Salvation Army Day Center includes case workers that among other services including providing rent relief funds and funds for utilities and transportation, also refers clients to their emergency shelter and transitional housing facility in the adjacent City of Seaside. The City will continue to support this facility. In the event of an emergency the Day Center has functioned as an emergency shelter during times of urgent need.	Continue
Program 4.4.1.G	Amend the City's Zoning Ordinance to Comply with Statutory Requirements for Transitional and Supportive Housing Update Zoning Ordinance to include definitions of transitional and supportive housing; allow both housing types as a permitted use subject to the same restrictions on other residential uses contained in the same type of structure	The City incorporated transitional supportive housing in 2016, which is considered a permitted use for mixed-use and residential zones. Ordinance 16-05	Delete
Program 4.4.1.H	Amend the City's Zoning Ordinance to Comply with Statutory Requirements for Single-Room Occupancy Residences Update Zoning Ordinance to allow SROs by conditional use permit in an overlay district in the West End district; prioritize funding and/or offer financial incentives or regulatory concessions to encourage the development of SROs	The City adopted Single-Room Occupancies as a conditional use in 2016.	Delete
Program 4.4.1.I	Develop a Reasonable Accommodation Process for Persons with Disabilities Develop and formalize a general process and specific guidelines for reasonable accommodation of persons with physical and developmental disabilities; make information available through postings and pamphlets at the City's planning counter and on the City's website	The City has a formalized process for accommodation of persons with disabilities per S.18.78.060. In an effort to better reach residents that may not be aware of the process, the City will enhance outreach efforts by and affirmatively marketing to people with disabilities.	Modify to include additional outreach methods.

Program Number	Programs/Actions [The text provided in this column is a synopsis only; for complete program language please refer to the 2015 Housing Element]	Achievements/Effectiveness	Continue/ Modify/ Delete
Program 4.4.1.J	Amend the City's Zoning Ordinance to Accommodate for the City's Homeless Shelter and Supportive Housing Needs Amend the Zoning Ordinance to remove the 2-bed limit in the Public Facilities zoning district to accommodate for more homeless persons in emergency shelters; add definition of supportive housing and allow supportive housing by-right.	The City amended the Zoning Ordinance to remove 2-bed limit in the Public Facilities Zoning District, added the definition of supportive housing and enabled the use to be By Right. Ordinance 16-05.	Delete
Program 4.4.1.K	Amend the City's Zoning Ordinance to Increase the City's Density Bonus/Incentive Amend Density Bonus section 18.59 of the Zoning Ordinance to comply with AB 2222	The City amended the Zoning Ordinance in 2016 to comply with AB 1866 and AB 2222. Ordinance 16-05. The City will amend the ordinances to reflect current state law.	Modify.
Goal 4.5: Ensure That All Persons Have Equal Access to Housing Opportunities			
Program 4.5.1.A	Fair Housing Services and Information Support and promote the services of organizations that provide fair housing programs; market the availability of services through written material available at City Hall and on the City's website	The City continues to market Fair Housing Services and provide information. The City will enhance outreach efforts by including posting locations; online presence improvement by City Clerk; working with local nonprofits like the Salvation Army; staff booths at City events and issue a Council proclamation at a public Council meeting.	Modify
Goal 4.6: Promote Energy and Water Conservation Measures in Both Existing and New Residential Construction			
Program 4.6.1.A	Energy Conservation Opportunities Enforce Title 24 and California Green Building Standards Code and evaluate utilizing the following: • California Multi-Family New Homes • Energy Efficiency for Multi-Family Properties • New Solar Home Partnership • Home Energy Renovation Opportunity Program	The City adopted the 2022 California Building Code and new construction reflects the highest energy standards available to date. The City will continue to promote optimum lot and building configuration for the use of solar energy systems.	Continue - Update per new program availability
Program 4.6.1.B	Support Solar Energy Opportunities Through Design Review Use the design review process to promote optimum lot and building configuration for solar orientation and use of solar energy systems	The City continues to promote solar orientation and use of solar energy during the design review process	Modify

SOURCE: City of Sand City

Table D-2, Housing Units Produced, 2015-2023 provides a summary of housing units produced in the City from 2015-2023. During the 2015–2023 planning period, seven (7) new units were added to the City's housing stock, achieving approximately 13 percent of the City's RHNA. This indicates that residential growth was slower than anticipated, which may be in part due to the COVID pandemic, the cost of land, small lot pattern, predominance of light industrial and retail uses, an unclear planning permitting process and the overall lack of interest for new housing development in Sand City amongst the development community. All units produced were affordable to households with above-moderate incomes.

Table D-2 Housing Units Produced, 2015-2023

Affordability	New Construction Need	Housing Units Produced	Percent Achieved
Very Low	13	0	0.0%
Low	9	0	0.0%
Moderate	10	0	10.0%
Above Moderate	23	7	30.4%
Total	55	7	13.0%

SOURCE: HCD Annual Progress Report Dashboard (as of November 1, 2022).

Preservation of "At Risk" Units

According to the 2015 Housing Element, there was no affordable project at risk of converting to market rate within the eight-year planning period (2015–2023). Appendix A identifies various options that are available to the City to preserve units and the City will continue to focus efforts on building more affordable units and promoting the use of Housing Choice Vouchers to address preservation of "at risk" units.

Rehabilitation of Existing Units

The 2015 Housing Element identified an objective of rehabilitating a total of 10 units in the 2015–2023 planning period. HCD's Annual Progress Report Dashboard reported no rehabilitated units in Sand City for the period 2018 through 2021; however, the City issued building permits for electrical, plumbing and reroof maintenance items during this period.

D.4 Summary

Like many communities, the City of Sand City experienced less development than expected in its 2015–2023 planning period. Of the 55 units it identified in the City's Regional Housing Needs Allocation, the City permitted seven (7) units (approximately 13 percent), all of them for above moderate-income households; however, the City was diligently pursing planning entitlements in the complex South of Tioga planning area during this time which will enable the development of over 350 housing units during the Housing Element 6th Cycle. This area was rezoned to MU-P which includes a local density bonus, many smaller parcels were consolidated over time and permits with outside regulatory agencies related to environmentally sensitive habitat took more time than anticipated to obtain; however, this area is poised to develop in the 6th Cycle.

The City is quite small size and has limited staffing capacity which also played a role in the lack of new units constructed during this planning cycle. The City has hired a consulting firm to increase staff and planning permit entitlement capacity.

Additionally, the City has not historically been associated with residential uses or neighborhoods and the City's small lot light industrial development pattern combined with environmentally sensitive habitat made attracting residential development challenging.

The goals, objectives, and policies identified in the 2015 Housing Element were appropriate for the 2015-2023 timeframe because they complied with the program requirements mandated by State law at the time. Nonetheless, a great deal has changed in the intervening years, including attention from the Office of the Governor of California. The 6th Cycle Housing Element will be revised to address new state mandates and to position Sand City to meets its housing obligations.

This side intentionally left blank.

Outreach and Public Participation

APPENDIX

E

Table of Contents

APPENDIX E OUTREACH AND PUBLIC PARTICIPATION E-1

E.1 Introduction E-1

E.2 List of Contacted Organizations E-1

E.3 City Contact List E-4

E.4 Tribal Consultation E-4

E.5 Additional Outreach E-7

E.6 Property Owner Interest Forms E-7

Attachment

Attachment A Property Owner Interest Forms

Appendix E
Outreach and Public Participation

E.1 Introduction

This appendix provides the names of organizations, tribal units, and other stakeholders that were contacted during the preparation of Sand City's 6th Cycle Housing Element. In addition to these contacts, the City created a dedicated housing element update webpage which can be found at http://www.sandcity.org/government/city-departments/planning-department/6th-cycle-housing-element-update. This website provides a portal to all of the housing-element-related public engagement activities that were available to members of the public during the update process. This includes information on housing element basics, site surveys, an SB-9 survey, and materials from community workshops.

E.2 List of Contacted Organizations

This section provides contact information for organizations and agencies in the Monterey Bay Area that were contacted during housing element preparation.

Organizations and Agencies

- Association of Monterey Bay Area Governments
  2458- Silver Cloud Court
  Monterey, CA 93940
  info@ambag.org
  (831) 883-3750

- Housing Authority of the County of Monterey
  123 Rico Street
  Salinas, CA 93907
  (831) 775-5000

- Monterey County Department of Social Services
  1000 South Main Street
  Salinas, CA 93901
  (831) 755-4448

- Catholic Charities Dioceses of Monterey
  922 Hilby Avenue, Suite C.
  Seaside, CA 93955
  Monterey Peninsula (831) 393-3110
  Salinas Valley (831) 422-0602

- United Way Monterey County
  232 Monterey Street
  Suite 200
  Salinas, CA 93901
  (831) 372-8026

- CHISPA, Inc.
  295 Main St. #100
  Salinas, CA 93901
  (831) 757-6251

- Mid-Peninsula Housing Coalition
  303 Vintage Park Drive
  Suite 250
  Foster City, CA 94404
  (650) 356-2900
  info@midpen-housing.org

- Habitat for Humanity Monterey Bay
  108 Magnolia Street
  Santa Cruz, CA 95062
  (831) 469-4663
  www.habitatmontereybay.com

- ECHO Fair Housing Services
  580 Pacific Street
  Monterey, CA 93940
  (831) 566-0824
  https://www.echofairhousing.org/fair-housing-services.html

- Central Coast Center for Independent Living
  318 Cayuga Street
  Suite 208
  Salinas, CA 93901
  (831) 757-2968
  https://www.cccil.org/

- Center for Community Advocacy
  22 West Gabilan Street
  Salinas, CA 93901
  (831) 753-2324
  https://cca-viva.org/

- The Salvation Army Good Samaritan Day Center
  800 Scott St.
  Sand City, California 93955; and
  Transitional Housing Center
  1491 Contra Costa
  Seaside, California 93955
  (831) 899-4911
  https://montereypeninsula.salvationarmy.org/

- Hope Services
  1144 Fremont Blvd.,
  Suite D
  Seaside, CA 93955
  (831) 393-1575
  https://www.hopeservices.org/

- Coalition of Homeless Service Providers
  1942 Fremont Boulevard
  Seaside, CA 93955
  (831) 883-3080
  https://chsp.org/

- Monterey County Stand Down for Homeless Veterans
  https://www.montereystanddown.org/

- Diocese of Monterey
  425 Church Street
  Monterey, CA 93940
  (831) 373-4345
  https://dioceseofmonterey.org/

E.3 City Contact List

This section provides contact information for City officials that were contacted during housing element preparation.

Elected and Appointed Officials

City Council

- Mary Ann Carbone, Mayor;
- Jerry Blackwelder, Vice Mayor;
- Marilee Diaz, Councilmember;
- Gregory Hawthorne, Councilmember; and
- Elizabeth Sofer.

City Staff

- Vibeke Norgaard, City Manager;
- Zane Mortenson, Interim City Planner;
- Kerry Lindstrom, City Clerk;
- Mark Parker, Public Works Supervisor; and
- Leon Gomez, City Engineer.

E.4 Tribal Consultation

This section provides contact information for tribal consultation that were contacted during housing element preparation.

- Amah Mutsun Tribal Band
  Valentin Lopez, Chairperson
  P.O. Box 5272 Galt, CA, 95632
  Phone: (916) 743-5833
  vlopez@amahmutsun.org

- Amah Mutsun Tribal Band of Mission San Juan Bautista
  Irenne Zwierlein, Chairperson
  789 Canada Road Woodside, CA, 94062
  Phone: (650) 851-7489
  Fax: (650) 332-1526
  amahmutsuntribal@gmail.com

- Costanoan Rumsen Carmel Tribe
  Tony Cerda, Chairperson
  244 E. 1st Street
  Pomona, CA 91766
  Phone: (909) 629-6081
  rumsen@aol.com

- Esselen Tribe of Monterey County
  Tom Little Bear Nason, Chairman
  P.O. Box 95
  Carmel Valley, CA 93924
  Phone: (831) 659-2153
  tribalchairman@esselentribe.org

- Esselen Tribe of Monterey County
  Susan Morley, Cultural Resources
  3059 Bostick Avenue
  Marina, CA 93933
  Phone: (831) 262-2300
  Cultural-resouces@esselentribe.org

- Indian Canyon Mutsun Band of Costanoan
  Ann Marie Sayers, Chairperson
  P.O. Box 28 Hollister, CA, 95024
  Phone: (831) 637-4238
  ams@indiancanyon.org

- Indian Canyon Mutsun Band of Costanoan
  Kanyon Sayers-Roods, MLD
  1615 Pearson Court
  San Jose, CA 95122

Phone (408) 673-0626
kanyon@kanyonkonsulting.com

- Ohlone/Costanoan-Esselen Nation
  Louise Miranda-Ramirez, Chairperson
  P.O. Box 1301
  Monterey, CA 93942
  Phone (408) 629-5189
  Ramirez.louise@yahoo.com

- Ohlone/ Costanoan-Esselen Nation
  Christanne Arias, Vice Chairperson
  519 Viejo Gabriel
  Soledad, CA 93960
  Phone (831) 235-4590

- Wuksache Indian Tribe. Eshom Valley Band
  Kenneth Woodrow, Chairperson
  1179 Rock Haven Ct.
  Salinas, CA 93906
  Phone (831) 443-9702
  Kwood8934@aol.com

- Kakoon Ta Ruk Band of Ohlone-Costanoan Indians of the Big Sur Rancheria
  Isaac Bojorquez, Chairman
  P.O. Box 8355
  Woodland, CA 95776
  Phone (916) 572-8036
  chairman@kakoontaruk.org

- Rumsen Am:a Tur:ataj Ohlone
  Dee Dee Ybarra, Chairperson
  14671 Farmington Street
  Hesperia, CA 92345
  Phone (760) 403-1756
  rumsenama@gmail.com

E.5 Additional Outreach

- Website: "https://www.sandcity.org/government/city-departments/planning-department/2023-2031-housing-element-update-2-0". The website includes frequently asked questions, a link to the stakeholder survey, and the public review draft. Information continues to be posted on this website;
- February 21, 2023 – City Council Meeting to provide an introduction to the 6th Cycle Housing Element process;
- May 5, 2023 – The Public Review Draft was posted to the Housing Element website for a 30-day public review and comment period;
- May 5, 2023 – Public Outreach event at the Night Market in Sand City, with an emphasis on informing community members about the Public Review Draft and 30-day public review and comment period and gathering a stakeholder list;
- May 16, 2023 – City Council Meeting to discuss Public Review Draft and accept verbal comments;
- June 14, 2023 and August 17, 2023 – Stakeholder Outreach with Major John Bennet of the Salvation Army Day Center to discuss transitional housing in Sand City;
- August 4, 2023 – Email sent to stakeholders to encourage them to take the stakeholder survey;
- August 15, 2023 – City Council Hearing to receive guidance on the HCD Initial Draft;
- August 25-26, 2023 – Public outreach event at the West End Celebration in Sand City, with an emphasis on collecting stakeholder surveys gathering a stakeholder list; and
- February 8, 2024 – Design Review Committee Meeting announcement of the seven-day public review period for the Revised Draft Housing Element.

E.6 Property Owner Interest Forms

The following property owner interest letters were received via email just after the 30-day public comment period. The full letters are attached under Attachment A.

1. Major John Bennett, letter dated June 21, 2023;
2. Christopher Barlow, property owner interest form submitted May 30, 2023; and
3. PK Diffenbaugh, letter dated June 27, 2023.

This side intentionally left blank.

Property Owner Interest Forms

A

ATTACHMENT

MONTEREY PENINSULA CORPS

William Booth
Founder

Brian Peddle
General

Commissioner Kenneth Hodder
Territorial Commander

Major Darren Norton
Major Mary Norton
Divisional Leaders

Major John Bennett
Major Judy Bennett
Corps Officers

Captain Matthew Morrow
Captain Charleen Morrow
Associate Corps Officers

Advisory Board
Judy Proud – Chair
Robert Jensen – Vice Chair
Cynthia Healy - Treasurer
Elizabeth Heston - Secretary

Morley Brown | Life Member
Julie Bullas
Doug Coates
Vera Coleman
Jackie Craghead
Wayne Downey
Ted Elisee
Ramsin Ganji
Frederica Jones
John Laughton
Douglas Lee
John Laughton
Devin McGilloway
Daniel Silverie III
Christine Sinnott
Florence Snyder-Speck
Brenda Thomas
Yvonne Thomas
Amy Treadwell
Ruthie Watts
Ron Weitzman
Kennedy White

June 16, 2023

RECEIVED
JUN 21 2023
CITY OF SAND CITY

Sand City, City Hall
Mayor Mary Ann Carbone
1 Pendergrass Way
Sand City, CA 93955

Dear Mayor Carbone:

The Salvation Army understands that Sand City is currently working on the 6th Cycle Housing Update for 2023 -2031. We would like it to be noted that The Salvation Army is interested in possibly converting our rental units of 801A and 801B California Avenue Sand City, 93955 into Transitional Housing units.

If you have any questions or concerns, please contact me.

Thank you!

John Bennett, Major
The Salvation Army Monterey Peninsula
1491 Contra Costa St. Seaside, CA. 93955
Office: (831)899-4911 | Cell: (808)352-3800
Email: john.bennett@usw.salvationarmy.org

Property Owner Interest Form: Sand City Housing Element Update

Please scroll down to fill out the form.



Introduction and Purpose

Sand City is preparing the 6th Cycle Housing Element update and wants to hear from property owners who may be interested in future housing development. For most residential property owners, this could be adding an Accessory Dwelling Unit (ADU) or Junior ADU. For commercial property owners, this could range from converting underutilized space to new housing units to construction of a new building.

The information you provide here is not meant to be a formal commitment, but an opportunity to express potential interest. The City may contact you for further information. As you fill out the form below, please read the questions carefully as well as the descriptions below the question. Some of the questions are more technical in nature, and you are welcome to respond with "unsure" to any of these questions.

If you received a letter from the City about your property, please let us know whether you'd like to opt out of this process if you do not want to consider development of your property in the near future.

If you did not receive a letter from the City about your property, you can skip this question and click "Next".

- ○ I received a letter from the City and I would like to OPT OUT of this process. I do not want my property to be considered for future housing development.
- ◉ I received a letter from the City and I would like to OPT IN to this process. I am interested in future housing development on my property.
- ○ I received a letter from the City and I am unsure if I'd like to participate in this process. I would like more information.
- ○ Other: _____

Basic Information about your Property

Please fill out this section only if you are interested in exploring opportunities to add housing units to your site.
If you received a letter from the City and would like to "opt out" of the process, you may skip this section and submit the form.

Property Owner contact information. *

Full name and preferred method of contact (email address or phone number).

Property Representative contact information.

If different than above, provide the representative's full name and preferred method of contact (email address or phone number).

Property Location and Assessor Parcel Number (APN), if known. *

600 Ortiz Avenue, Sand City CA

Property Size (acres or square feet), if known.

2.5 acres

1. What type of housing would you like to develop? *

Please check all that apply.

- [ ] Lot split through the SB 9 process
- [x] Accessory Dwelling Unit (ADU)
- [ ] Junior Accessory Dwelling Unit (JADU)
- [ ] Single Family Home
- [ ] Duplex, Triplex, or Fourplex
- [x] Multi-Family Housing (5+ units)
- [ ] Unsure
- [ ] Other: _____

2. How many (additional) housing units would you like to develop on this property? *

at least ten (10) additional housing units

3. Did you purchase Malpaso Water with plans to construct new housing? *

- ( ) Yes
- (•) No
- ( ) Not sure

4. Do you believe a rezone is necessary to construct the number of housing units you'd like to develop on this property? *

- ( ) Yes
- ( ) No
- (•) Maybe
- ( ) Unsure
- ( ) Other: _____

5. What existing development is present on the property (check all that apply)? *

- [ ] Vacant
- [ ] Single Family Home
- [x] Multi-Family Units
- [x] Commercial
- [ ] Office
- [ ] Unsure
- [ ] Other: _____

Click the "Submit" button below to complete the form.

This content is neither created nor endorsed by Google.

Google Forms

Monterey Peninsula Unified School District

PK Diffenbaugh, Superintendent
700 Pacific Street, Monterey, CA 93940
Phone: 831.645.1204 Fax: 831.649.4175

June 27, 2023

Re: Housing element program for ministerial permitting of employer-sponsored housing

Dear Planning Director:

The Monterey Peninsula Unified School District (MPUSD) depends on highly qualified and diverse staff in order to meet our educational mission. One of the key constraints to attracting and retaining staff is Monterey County's critical housing shortage and high cost of living. In order to be a proactive part of the solution to our housing crisis, MPUSD is interested in building housing for our employees on underutilized District owned property. I write to propose a program to make production of employer-sponsored housing more feasible on District owned property.

As you update your General Plan Housing Element for the 6th Cycle RHNA, state law requires you to review and mitigate governmental constraints to housing production. A critical governmental constraint is the uncertainty, delay, and expense of obtaining entitlements to build housing.

To address this constraint, the District proposes the adoption of a policy and a program for streamlined ministerial permitting of employer-sponsored housing. Modeled after existing law AB 2295 (which was enacted in 2022 and becomes fully effective on January 1, 2024) and SB 35, the program would be implemented by an ordinance providing ministerial approval of multi-family infill housing that meets objective development and design review standards. This housing would be offered first to our employees, then to public agency employees, and then to members of the public in accordance with existing law. The program would not apply to environmentally sensitive sites or sites with existing affordable housing or historic buildings.

Our proposal is set out in the sample language for a policy and program that could be incorporated into your forthcoming Housing Element update.

Ministerial permitting of infill housing through a well-defined, streamlined process would enable local educational agencies to make significant investments in housing to ensure the continued vitality of our educational program, our employees, and the community at large.

We welcome the opportunity to discuss our proposal with you and address your questions.

Sincerely,

PK Diffenbaugh
Superintendent

Attachment: Proposed Employer-Sponsored Housing Policy and Program

Proposed Housing Element Policy

The City shall provide streamlined ministerial permitting for workforce housing on sites owned by a local education agency.

Proposed Implementing Program

The City shall enact an ordinance to provide for ministerial permitting of housing development projects on sites owned by a local education agency.

Qualifying projects: Projects shall meet the following qualifications:

- The project shall meet all requirements of AB 2295, including but not limited to:
  - The project is on an infill site as defined by AB 2295;
  - The project qualifies as an allowable use under AB 2295;
  - The project meets the density and height standards applicable under AB 2295; and
  - The project meets other objective development standards applicable under AB 2295.
- The project shall not be sited on habitat for endangered, rare or threatened species; farmland of statewide and local importance; wetlands; earthquake/ seismic hazard zones; federal, state, and local preserved lands, NCCP and HCP plan areas, and conservation easements; riparian areas; Department of Toxic Substances Control (DTSC) facilities and sites; landslide hazard, flood plains and, floodways; and wildfire hazard as determined by the Department of Forestry and Fire Protection.
- The project does not require demolition of deed-restricted affordable units, rent-controlled units, or historic structures on a national, state, or local register and will not use a mobilehome site.
- The project does not require subdivision.

Application: The City shall notify a sponsoring employer within 60 days of submission whether or not an application meets objective zoning standards. Absent such notice, applications shall be deemed to meet objective zoning standards.

Design Review: The City shall notify a sponsoring local education agency within 90 days of submission whether or not an application meets objective design review standards. Absent such notice, applications shall be deemed to meet objective design review standards.

Expiration: Approvals shall expire within 3 years unless vertical construction is in progress. A one-year extension may be granted if the employer sponsor demonstrates significant progress such as applying for a building permit.

Stakeholder Survey

F

APPENDIX

Table of Contents

APPENDIX F STAKEHOLDER SURVEY F-1

F.1 Stakeholder Survey F-1

Attachment

Attachment A Public Outreach Flyer

Appendix F
Stakeholder Survey

F.1 Stakeholder Survey

The Housing Element Stakeholder Survey was posted on May 5, 2023 and will remain open through September 30, 2023, or throughout the entire HCD Initial draft comment period, whichever is longer. The survey provides residents, business owners, visitors, and people working in Sand City with an opportunity to share their input on what housing needs exist in Sand City and allows community members to share ideas on how Sand City can achieve its Regional Housing Needs Allocation (RHNA). The survey consisted of 32 questions designed to inform the City of what demographics exist in the City, what the affordable housing needs are, and how the 6th Cycle Housing Element can best meet these housing needs. The survey also helped the City understand what factors are contributing to housing inequities within the City. The survey was available online at the Sand City Housing Element page.

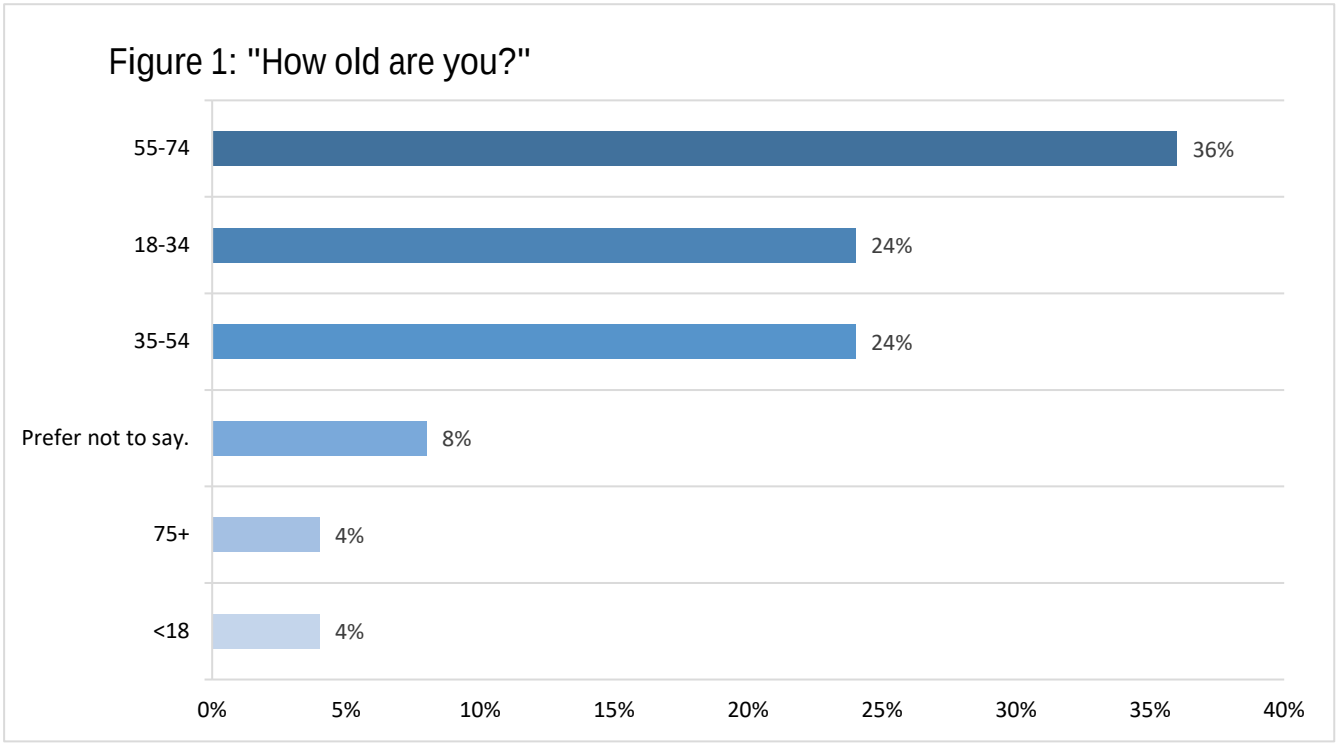
Sand City conducted two public outreach events in which the public were informed about the survey and were encouraged to take it. The first event was Sand City's Night Market on May 5, 2023. The second event was Sand City's Annual West End Celebration on August 26, 2023 and August 27, 2023. During both events, EMC Planning Group staffed a booth which provided information about the 6th Cycle Housing Element and handed out flyers with a QR code to the survey. A total of 24 survey responses were received as of August 29, 2023.

Online Survey Results

Respondent Demographics

As shown in **Figure 1** below, survey respondents ages range from less than 18 years old to 75 years and older. The fewest survey responses were collected from respondents who were less than 18 years old (4 percent) and from respondents who were 75 years or older (4 percent). The majority of the survey responses collected were from respondents ages 55-74 (36 percent). Twenty-four percent of respondents were aged 18-34 and 35-54. These results indicate a representation of all ages in the survey responses.

Of the respondents, 54 percent identified as non-Hispanic White and 25 percent of respondents identified as having an annual household income between $75,000-$100,000 and $100,001-$200,000. Seventeen percent of survey respondents preferred not to disclose their annual income. In general, the respondents represent a mix of ages, ethnicities, and incomes, as shown in **Figures 1 through 3** below.


Figure 1: "How old are you?"
55-74
36%
18-34
24%
35-54
24%
Prefer not to say.
8%
75+
4%
<18
4%
0%
5%
10%
15%
20%
25%
30%
35%
40%

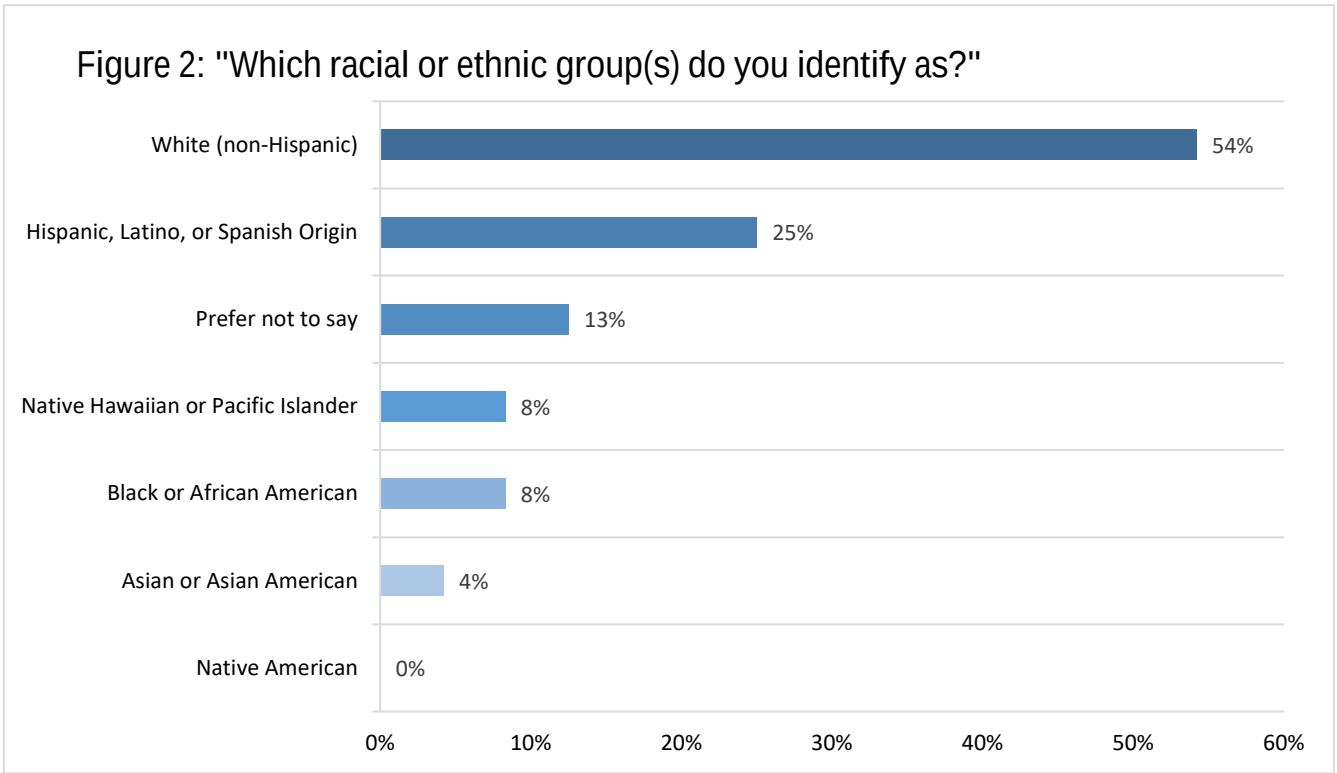

Figure 2: "Which racial or ethnic group(s) do you identify as?"
White (non-Hispanic)
54%
Hispanic, Latino, or Spanish Origin
25%
Prefer not to say
13%
Native Hawaiian or Pacific Islander
8%
Black or African American
8%
Asian or Asian American
4%
Native American
0%
0%
10%
20%
30%
40%
50%
60%

Figure 3: "What is your annual household income?"

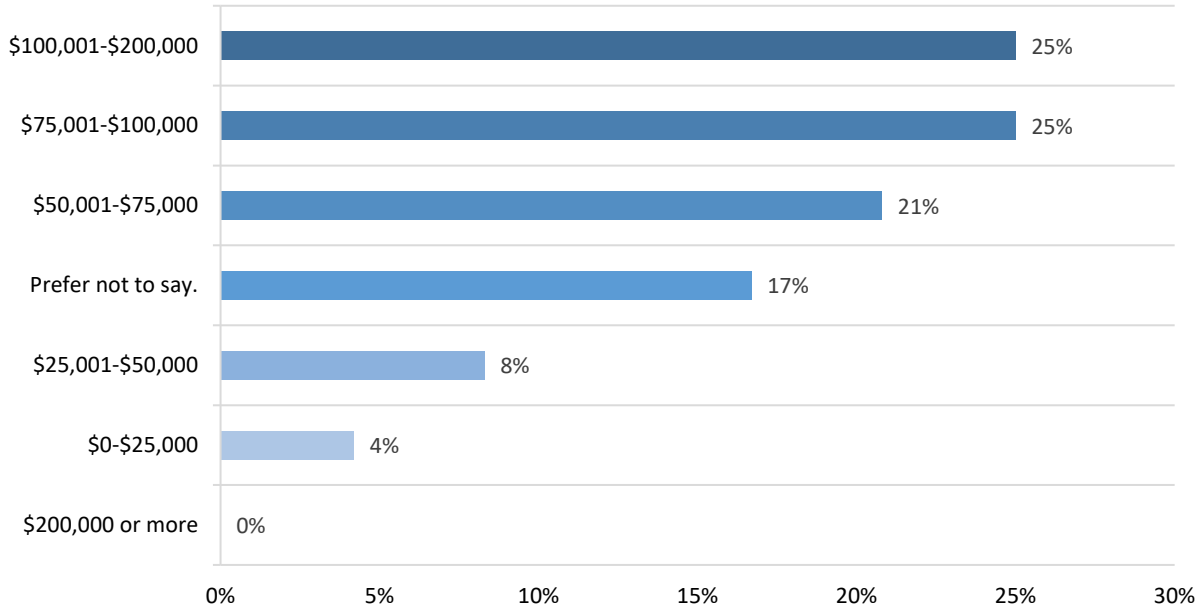


Figure 4: "Do you identify with any of the following?"

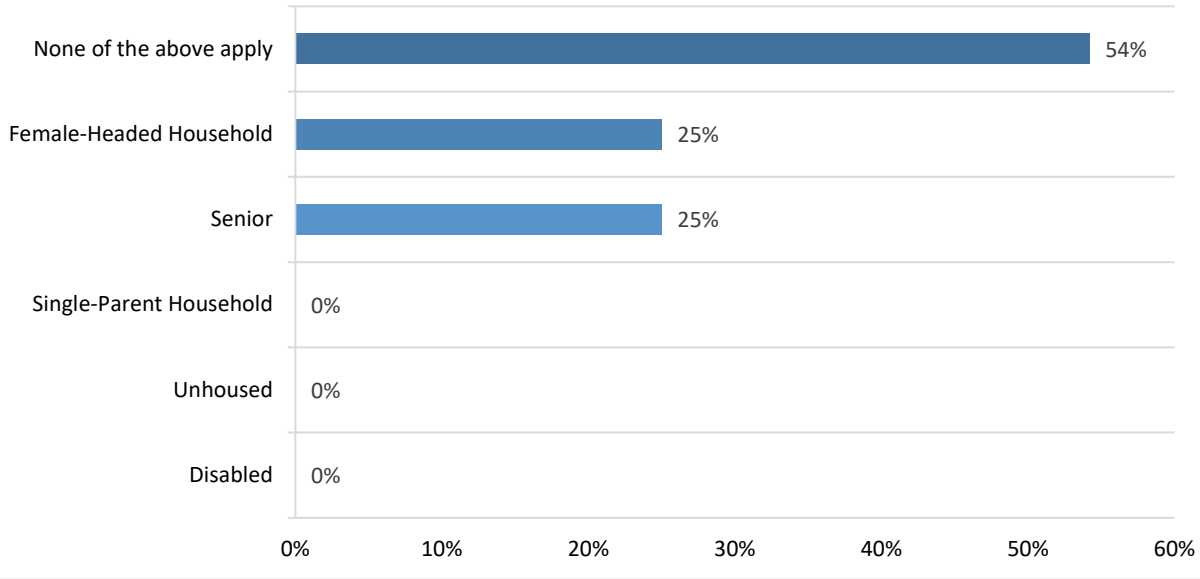
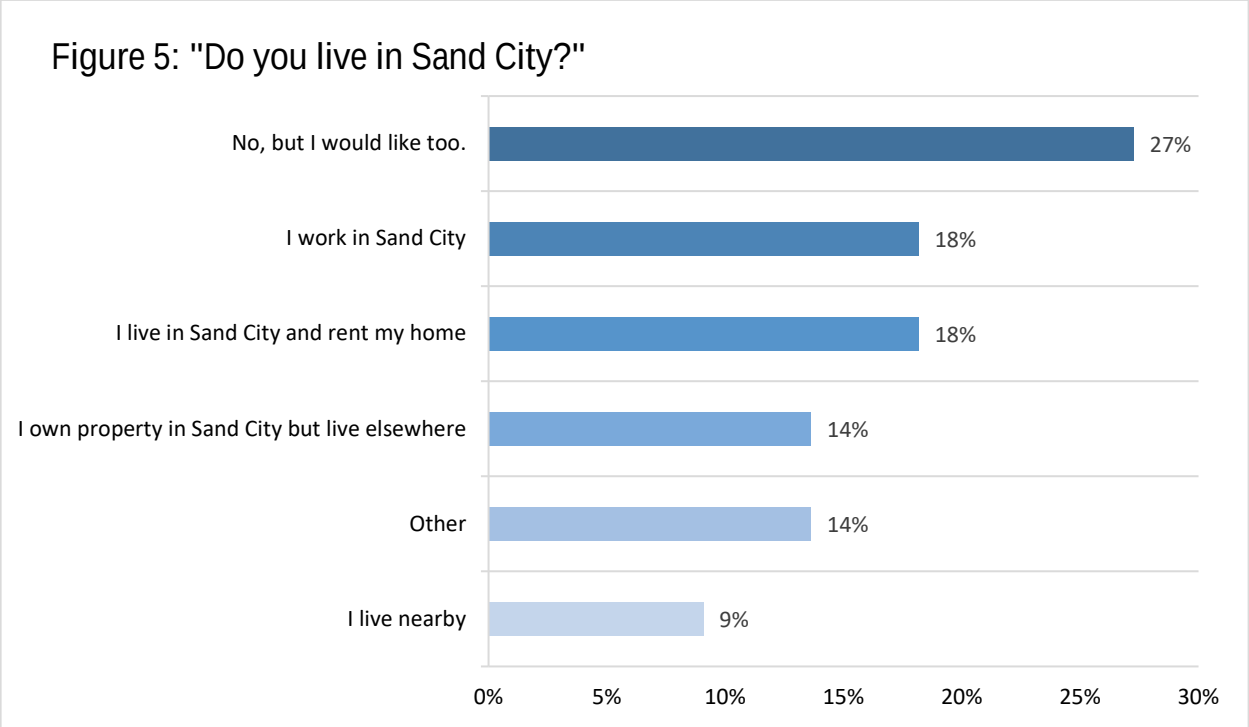
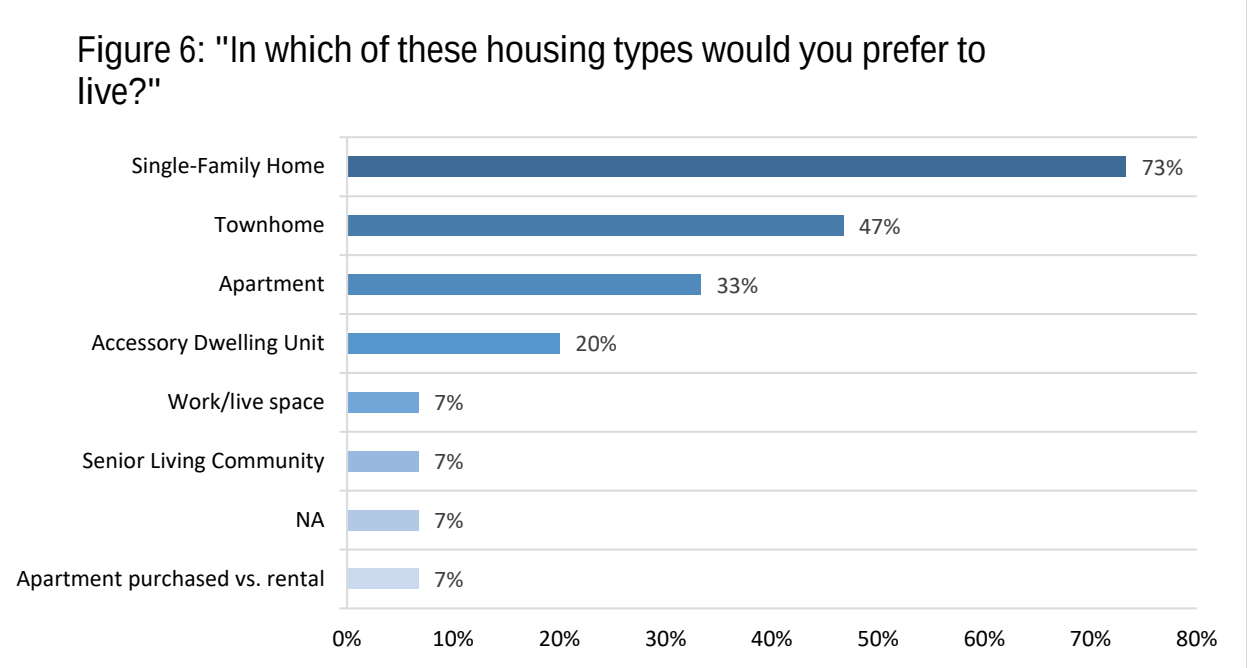


Figure 5 below demonstrates that the majority of the survey respondents do not currently live in Sand City but would like too. Eighteen percent of respondents work in Sand City and 18 percent rent in Sand City.





In **Figure 6** above survey respondents were asked to identify which housing types they would prefer to live in, of which approximately 73 percent identified single-family homes, 47 percent identified townhomes, and 33 percent identified apartments. The responses also indicate community member interest in living in accessory dwelling units, live-work spaces, and senior living communities.

Figure 7: "What factors prevent you from being able to live in Sand City? Select all that apply"

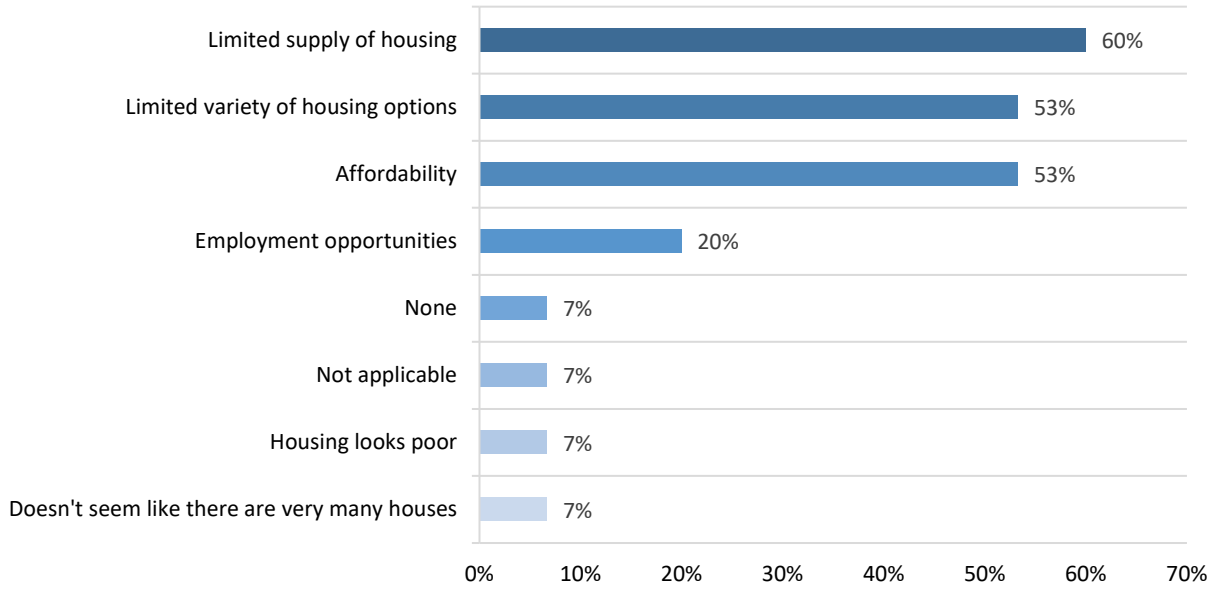
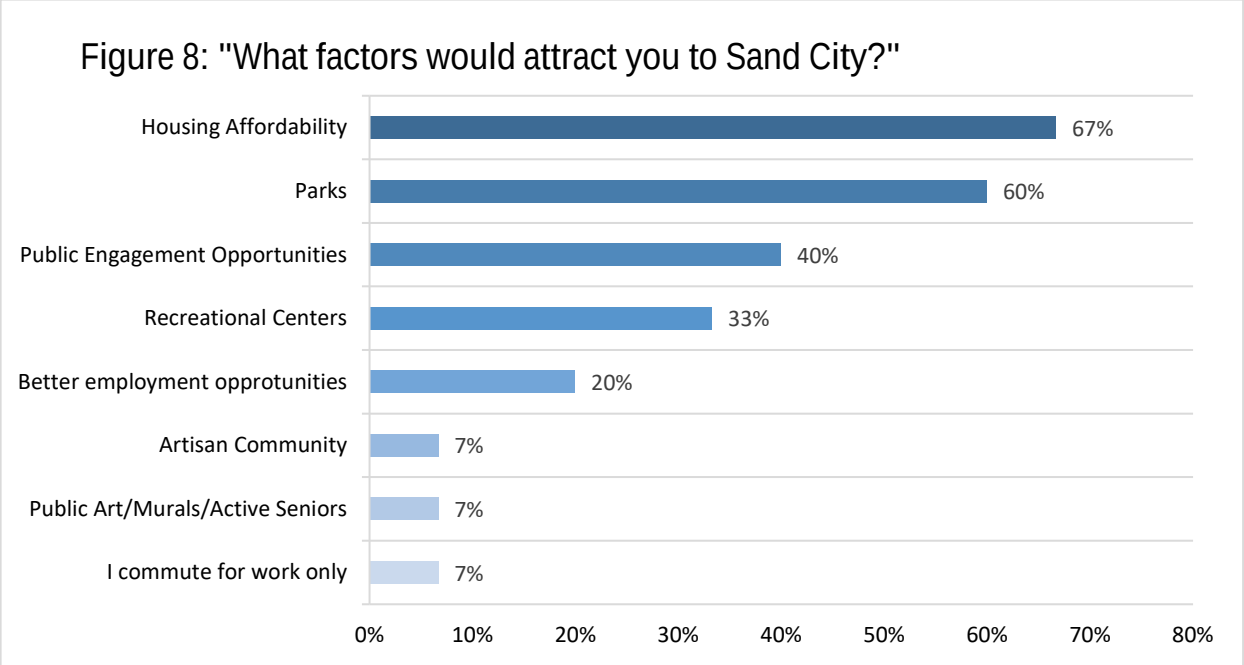


Figure 7 demonstrates the majority of respondents identify limited housing supply (60 percent), limited variety of housing options (53 percent) and affordability (53 percent) as the main barriers to living in Sand City.

Benefits of Living in Sand City

Survey respondents were asked what factors would attract them to live in Sand City. The majority of respondents identify housing affordability (67 percent), parks (60 percent), and public engagement opportunities (40 percent). Respondents also recognized the artisan community as a reason they would like to live in Sand City.



Respondents were asked, "How would living in Sand City would benefit you?" The following responses were received:

- Being closer beach access, being able to walk, bike or skate to the beach.
- Close to the beach - close to work
- It is so BEAUTIFUL here!
- It's close to work that's a great time saver
- Better my commute
- I live here
- Better quality of life
- Amazing environment
- It would be nice to be near the beach
- Expecting to downsize with aging. Sand City has accessible public transportation, convenient access to hiking/beach/bike trails, includes affordable shopping center with essentials.
- I know several artist friends who would like to live in Sand City.
- Could live where I work.

Common responses include: living closer to the beach and living closer to work.

AFFH Resources

Respondents were asked, 'What do you see contributing to homelessness in the Monterey Peninsula?" The following three responses were received:

- People need mental health facilities available to them. They also need housing and rehabilitation. It is a nation wide problem, but it is often pushed aside because we are a "touristy area". Funny how you do not see many homeless on the beaches when it is car week or during the At&t pro-am.
- Increased rents and shortages
- Affordability – just received $450 per month rent increase

Respondents were asked, "What do you expect from your city or county regarding homelessness/housing?" The following three responses were received:

- Bunk houses could be made somewhere that they could spend a night, for maybe 20$\night, but it would have to have rules, like no drugs or alcohol allowed. This type of place would be great, but Sand City does not have the space for it. The powers that be have chosen, instead to build a hotel and more unaffordable apartments. Unaffordable to people that work in Sand City or Monterey. No place in our area is "affordable". This is why people are homeless or cannot move to Monterey or Sand City areas. It is sad that city councils and our governor turn a blind eye to the housing problem that exists. Instead, more required housing is now being put on all counties. This does nothing to fix the problem.
- Sand City Housing Authority formation.
- The City to understand the helplessness when landlords refuse to honor agreements especially as it relates to limited income housing.

Respondents were asked, "What affordable housing resources do you believe should be either promoted or created in Sand City?" The following three responses were received:

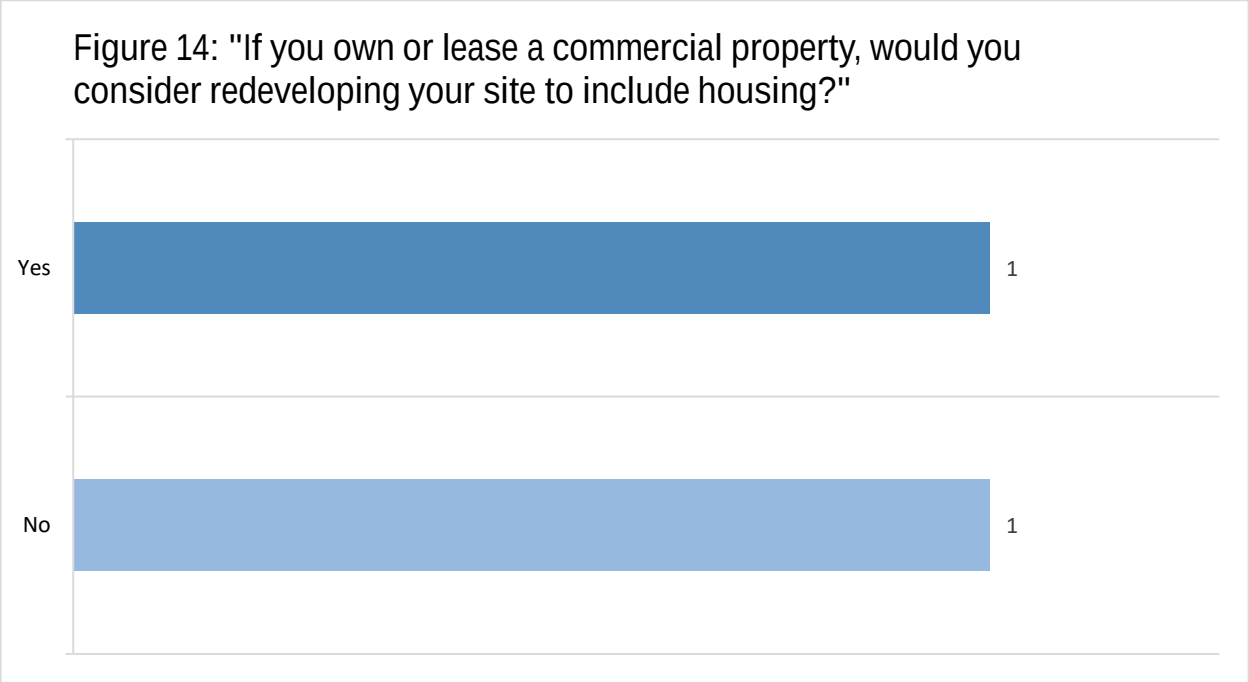
- Long term rental database
- Unknown
- Multi language speakers such as Spanish

Respondents were asked, "What are the best ways to provide work-live space for artists?" The following response was received:

- They can't make a living and afford to live in Monterey area

Property Owner Re-development Interest

A series of questions were asked to commercial property owners in Sand City to help the City better understand property owner interest in redeveloping their commercial spaces to include residential. Two responses were received on **Figure 14** below.



The commercial property owners were asked, "If you own or lease a commercial property, what would it take for you to consider integrating a housing unit into your property, such as an accessory dwelling unit?" The following two responses were received:

- Cooperation from the planning department
- Doesn't make sense at this time

Discussion of Results

Responses were received from a variety of age ranges, ethnicities, and income levels. The majority of respondents want to live in Sand City but don't currently. This indicates responses from a group who is diverse and may be facing barriers to finding housing in Sand City.

Although respondents indicated their preferred housing type is a single-family dwelling, respondents did indicate the need for more diverse housing types. Some respondents identified interest in living in townhomes, apartments, accessory dwelling units, live/work units, and senior housing. The 6th Cycle Housing Element includes programs to increase these housing types. Program 1.A (Develop the "South of Tioga" area with Multi-Family Residential) will support the approval of a large multi-family housing project and Program 1.C (West End Housing Diversity Overlay) will enable more multi-family unit development by allowing multi-family residential as a permitted use in the MU-P

zoning district and will allow for higher density than is currently allowed in the MU-P district. The City will incentive construction of JADUs and ADUs (Program 1.K) by allowing ministerial approval consistent with state law and promoting construction through community outreach and a dedicated ADU/JADU website. Program 3.G (Artist Live/Work Housing) is Sand City's commitment to continue to support the artist community in the City by exploring development of the City-owned Art Park to provide affordable artist live/work units.

When asked what factors prevent respondents from being able to live in Sand City, the most common selected responses out of the provided options were: 1) limited supply of housing, 2) limited variety of housing options, and 3) affordability.

Number one will be addressed by:

- Program 1.A (Develop the "South of Tioga" area with Multi-Family Residential); and
- Program 1.C (West End Housing Diversity Overlay) which will encourage high-density housing.

Number two will be addressed by:

- Program 1.A (Develop the "South of Tioga" area with Multi-Family Residential);
- Program 1.C (West End Housing Diversity Overlay);
- Program 1.K (Accessory Dwelling Unit (ADU) and Junior Accessory Dwelling Unit (JADU) Program);
- Program 3.G (Artist Live/Work Housing); and
- Program 1.M ("Missing Middle" Housing).

Number three will be addressed by:

- Program 3.G (Artist Live/Work Housing);
- Program 1.N (Small Sites Lot Consolidation);
- Program 1.R (Prepare Checklist and Procedures for SB35); and
- Program 3.F (Affordable Housing Services for Extremely Low- and Other-Income Restricted Residents).

When asked what respondents expect from the City or County regarding homelessness/housing, three responses were received. One response recommends bunk-houses for 20$/night. Program 3.B (Homeless and Extremely Low Income: Support for Day Center Facility and transitional housing) is Sand City's commitment to work with the Salvation Army to continue to provide and expand services for homeless and extremely low-income families and individuals. When asked what affordable housing resources respondents believe should be promoted or created in Sand City, three responses were received. One respondent recommended a long-term rental database. Program 5.A (Fair Housing Services and Information) will expand dissemination of fair housing information.

Respondents were asked a few questions about the benefits of living in Sand City. When asked what factors would attract you to Sand City, out of the options provided, the majority of respondents selected housing affordability and parks. Some respondents left "free responses". These free responses include respondents' attraction to the artisan community and the public art/murals/active seniors. Respondents were also asked how living in Sand City would benefit them. Out of the free responses received, themes include ability to live close to the beach, ability to walk to the beach, and being closer to work. Other responses include accessible public transportation and artists who desire to live in Sand City. It is clear that Sand City's vibrant artist community is one of the reasons people are interested in living in Sand City. Sand City seeks to support this need by committing to explore artist live/work unit opportunities on City-owned land.

Lastly, commercial property owners were asked a few questions about their interest in redeveloping their properties to include residential. Of the two responses received, one respondent was interested and one was not.

Public Outreach Flyer

A
Attachment

KNOW A PROPERTY OWNER INTERESTED IN HOUSING DEVELOPMENT?

Property owners can actively participate in the 6th Cycle Housing Element by adding an Accessory Dwelling Unit (ADU) or undergoing an SB 9 lot split to make way for new housing.

If you're interested, fill out the Property Owner Interest form online via the QR code below



STAY CONNECTED

The Initial Public Draft Housing Element is available for 30 days of public comment through Monday, June 5.

Scan the QR code to access the draft!



WHY DOES MY PARTICIPATION MATTER?

The State of California has declared a 'housing supply crisis' and holds all local communities accountable for a portion of the housing need, regardless of available land capacity. Your participation is essential to creating a plan that represents Sand City's core values while meeting regional and state-mandated housing goals. Local power resides in discovering how Sand City will meet these state requirements.

As part of the Housing Element Update, we are asking the community to provide input regarding housing priorities and challenges. Participation from our residents is vital to ensure our community's values are identified and articulated in the Housing Element and the City's approach provides the best fit.

2023–2031 Housing Element

SAND CITY



KEY PHASES OF THE HOUSING ELEMENT

- State forecasts regional housing needs considering jobs, costs to buy/rent, and overcrowding.
- AMBAG (Association of Monterey Bay Area Governments) allocates housing for each jurisdiction, known as the Regional Housing Needs Allocation (RHNA).
- Local governments develop new policies, programs, and land uses to address current and future housing needs.
- Local governments draft a housing plan, known as the housing element, to meet the assigned RHNA.



STAKEHOLDER SURVEY

Help the City gain a better understanding of the community and any possible barriers to residing in Sand City. Take a quick survey to inform the process! Scan the QR code.



WHAT IS A HOUSING ELEMENT?

A Housing Element is a local plan for creating new homes and meeting the housing needs for all members of a community. Housing Elements lay the foundation for housing policies for the next decade to ensure every Californian has a place to call home.

Without a Housing Element that is compliant with State law, cities are at risk of legal repercussion, losing funding opportunities, and forfeiting control of where new housing is developed.

HOW MANY UNITS DO WE NEED?

Sand City is responsible for 260 new housing units for the 6th Cycle.

AFFIRMATIVELY FURTHERING FAIR HOUSING

Per AB 686, all jurisdictions are required to affirmatively further fair housing through the implementation of programs and policies, including a Fair Housing Assessment within the housing element.

Housing plans must protect people against discrimination for housing opportunities and ensure that new homes are being located fairly so all residents have access to good schools, jobs, and transportation opportunities.

Community participation is integral to this process of finding an inclusive path forward.



DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT
2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov

December 21, 2023

Vibeke Norgaard, City Manager
City of Sand City
1 Pendergrass Way
Sand City, CA 93955

Dear Vibeke Norgaard:

RE: City of Sand City's 6th Cycle (2023-2031) Draft Housing Element

Thank you for submitting the City of Sand City's (City) draft housing element received for review on September 27, 2023. Pursuant to Government Code section 65585, the California Department of Housing and Community Development (HCD) is reporting the results of its review. Our review was facilitated by a conversation, with you, Anastazia Aziz, Kylie Pope, and Michael Groves on November 29, 2023. In addition, HCD considered comments from LandWatch and David Kellogg pursuant to Government Code section 65585, subdivision (c).

The draft element addresses many statutory requirements; however, revisions will be necessary to comply with State Housing Element Law (Gov. Code, § 65580 et seq). The enclosed Appendix describes the revisions needed to comply with State Housing Element Law.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate. Please be aware, any revisions to the element must be posted on the local government's website and to email a link to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting to HCD.

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 Affordable Housing and Sustainable Communities program, 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: https://www.opr.ca.gov/planning/general-plan/guidelines.html.

HCD appreciates the effort and cooperation provided during the review. We are committed to assisting the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Mao Lee, of our staff, at Mao.Lee@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager

Enclosure

APPENDIX
CITY OF SAND CITY

The following changes are necessary to bring the City's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on HCD's website at https://www.hcd.ca.gov/planning-and-community-development/hcd-memos. Among other resources, the housing element section contains HCD's latest technical assistance tool, *Building Blocks for Effective Housing Elements (Building Blocks),* available at https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks and includes the Government Code addressing State Housing Element Law and other resources.

A. Review and Revision

Review the previous element to evaluate the appropriateness, effectiveness, and progress in implementation, and reflect the results of this review in the revised element. (Gov. Code, § 65588 (a) and (b).)

As part of the evaluation of programs in the past cycle, the element must also provide an explanation of the effectiveness of goals, policies, and related actions in meeting the housing needs of special needs populations (e.g., elderly, persons with disabilities, large households, female-headed households, farmworkers, and persons experiencing homelessness). Programs should be revised as appropriate to reflect the results of this evaluation.

B. Housing Needs, Resources, and Constraints

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).)*

   Outreach: The element describes outreach efforts for the broader housing element, but it should also incorporate outreach relative to affirmatively furthering fair housing (AFFH). This outreach is particularly important to informing fair housing issues, contributing factors and appropriate goals and actions. Outreach should consider a variety of methods to gather input on the various components of the assessment of fair housing (e.g., segregation and integration, disparities in access to opportunity, disproportionate housing needs) and may utilize information from the 2020 Analysis of Impediments to Fair Housing Choice.

   Assessment of Fair Housing: The element includes some data and analysis regarding different patterns for various socio-economic characteristics in Appendix A. However, a

complete analysis should include data and maps on all fair housing components and analyze this data for patterns and trends at the local and regional level including disparities in access to opportunity (environmental, transportation) at the local level and access to opportunity (economic, education, environmental, transportation), Racially/Ethnically Concentrated Areas of Poverty (R/ECAP) and Racially Concentrated Areas of Affluence (RCAA), and disproportionate housing needs (displacement and substandard housing conditions) at the regional level. In addition to evaluating trends and patterns, the element should analyze coincidences with other components of the assessment of fair housing. Lastly, the assessment should be complemented by local data and knowledge and other relevant factors and add or modify goals and actions as appropriate.

Identified Sites and AFFH: The element does not address this requirement. The analysis must identify whether sites improve or exacerbate conditions and whether sites are isolated by income group. A full analysis should address the income categories of identified sites with respect to location, the number of sites and units by all income groups and how that affects the existing patterns for all components of the assessment of fair housing (e.g., segregation and integration, access to opportunity). The element should also discuss whether the distribution of sites improves or exacerbates conditions. If sites exacerbate conditions, the element should identify further program actions that will be taken to promote equitable quality of life throughout the community (e.g., anti-displacement and place-based community revitalization strategies). In particular, the element indicates that a majority of the housing need for lower-income households is concentrated in the South of Tioga R2 parcel. The element should discuss whether this strategy potentially isolates a significant number of the housing need for lower-income households and include actions as appropriate, such as additional zoning for a variety of housing choices.

Local Data and Knowledge: The element includes a general discussion of local data and knowledge and other relevant factors (pp. A-84-85) but must include local data, knowledge, and other relevant factors to discuss and analyze any unique attributes about the City related to fair housing issues. The element should complement federal, state, and regional data with local data and knowledge where appropriate to capture emerging trends and issues, including utilizing knowledge from local and regional advocates and service providers, City staff, and related local and county planning documents.

2. *Include an analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition. (Gov. Code, § 65583, subd. (a)(2).)*

   Overpayment: The element must quantify the number of lower-income households overpaying for housing by tenure (i.e., renter and owner). While the element provided percentages for these factors, percentages without a baseline figure do not document the scope of the potential housing needs.

Housing Conditions: The element identifies the age of the housing stock and notes that less than five percent of structures are in need of rehabilitation (p. A-73). However, the element must still include an estimate of the number of units in need of rehabilitation and replacement. In addition, the element should clarify whether estimates were obtained from a recent windshield survey or sampling, a code enforcement agency, or information from knowledgeable builders/developers, including nonprofit housing developers or organizations.

3. *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).)*

   Progress in Meeting the Regional Housing Need Allocation (RHNA): The element relies on pipeline projects to meet its RHNA . Specifically, the element appears to identify 74 units that are either under construction or have been constructed (p. C-26) but must also demonstrate the affordability of these units. Specifically, the element must assign these units to the various income groups based on actual or anticipated sales price or rent level of the units or other mechanisms ensuring affordability (e.g., deed-restrictions) and demonstrate their availability in the planning period.

   Further, based on the information provided in the analysis, it appears that the South of Tioga parcels (Sites #1 and #2) should be classified as a pipeline project. To count these units as progress towards RHNA, the element must demonstrate these units are expected to be constructed during the planning period. To demonstrate the availability of units within the planning period, the element could analyze infrastructure schedules, the City's past completion rates on pipeline projects, outreach with project developers, and should describe any expiration dates on entitlements, anticipated timelines for final approvals, and any remaining steps for projects to receive final entitlements. This is particularly important given that this project was identified to accommodate the RHNA during the last planning period but has not yet been constructed. Programs should be added or revised based on the outcomes of a complete analysis.

   Realistic Capacity: While the element provides assumptions of buildout for sites included in the inventory, it must also provide support for these assumptions. For example, the element should demonstrate what specific trends, factors, and other evidence led to the assumptions. The estimate of the number of units for each site must be adjusted as necessary, based on land use controls and site improvements, typical densities of existing or approved residential developments at a similar affordability level in that jurisdiction, and on the current or planned availability and accessibility of sufficient water, sewer, and dry utilities.

In addition, the City is utilizing an overlay with sites that appear with zoning that allow 100 percent nonresidential uses. The element should include analysis based on factors such as development trends, performance standards, or other relevant factors and account for the likelihood of 100 percent nonresidential uses in the calculation of residential capacity. For example, the element could analyze all development activity in these nonresidential zones, how often residential development occurs, and adjust residential capacity calculations, policies, and programs accordingly. For more information, see the *Building Blocks* at: https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/analysis-sites-and-zoning.

Suitability of Nonvacant Sites: While the element includes some analysis in Appendix C demonstrating the potential redevelopment of nonvacant sites, additional information is required to address this finding. Specifically, the description of existing uses should be sufficiently detailed to facilitate an analysis demonstrating the potential for additional development in the planning period. In addition, the element needs to also analyze the extent that existing uses may impede additional residential development. For example, the element includes sites such as Art Park and the Salvation Army Good Samaritan Center. The element can summarize past experiences converting existing uses to higher density residential development, include current market demand for the existing use, provide analysis of existing leases or contracts that would perpetuate the existing use or prevent additional residential development and include current information on development trends and market conditions in the City and relate those trends to the sites identified. The element could also consider indicators such as age and condition of the existing structure expressed developer interest, low improvement to land value ratio, and other factors.

Small Sites: The element identifies Sites #3 (Salvation Army Good Samaritan Center) and #4 (Art Park) at less than a half-acre (pp. C-6; C-13-14). Sites smaller than a half-acre in size are deemed inadequate to accommodate housing for lower-income households unless it is demonstrated, with sufficient evidence, that sites are suitable to accommodate housing for lower-income households. While the element includes some discussion on lot consolidation, it should also provide specific examples with the densities, affordability, and if applicable, circumstances leading to lot consolidation or subdivision. The element should relate these examples to the sites identified to accommodate the RHNA for lower-income households to demonstrate that these sites can adequately accommodate the City's lower-income housing need. Programs should be revised accordingly based on the outcomes of a complete analysis.

Infrastructure: The element (p. B-42) states that the City has 197.886 acre-feet of water entitlements and 23.163 acre-feet of water allocations available. However, the element states that the City needs 32 acre-feet of water supply to meet the RHNA. The element should clarify whether water entitlements are being used to satisfy a portion or all of the RHNA by distinguishing how the water is allocated to projects. Further, while the element includes Program 2.B (Water and Sewer Providers and City Water Distribution Policy), it must also be revised to include discrete timelines for implementation throughout the planning period. Finally, the element must include programs to address sewer infrastructure capacity such as pursuing

funding and other opportunities to secure and expand additional sewer capacity in the East Dunes area.

Environmental Constraints: While the element generally describes potential environmental constraints (pp. B-44-45; C-28), it must still describe any other known environmental or other conditions that could impact housing development on identified sites in the planning period (e.g., shape, contamination, easements, conditions, compatibility).

Electronic Sites Inventory: For your information, pursuant to Government Code section 65583.3, the City must submit an electronic sites inventory with its adopted housing element. The City must utilize standards, forms, and definitions adopted by HCD. Please see HCD's housing element webpage at https://www.hcd.ca.gov/planning-and-community-development/housing-elements for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance.

Zoning for a Variety of Housing Types:

- *Emergency Shelters:* The element indicates that emergency shelters are conditionally permitted in the Public Facilities (PF) zone. However, the element must identify a zone to permit emergency shelters without discretionary action. In addition, the element must also describe and analyze the development standards of the PF zone and analyze proximity to transportation and services for these sites, hazardous conditions, and any conditions inappropriate for human habitability. Further, the element should also describe how emergency shelter parking requirements are consistent with AB139/Government Code section 65583, subdivision (a)(4)(A), which requires only sufficient parking to accommodate all staff working in the emergency shelter, provided that the standards do not require more parking for emergency shelters than other residential or commercial uses within the same zone or include a program to comply with this requirement. Lastly, the element must describe how it complies with the requirements of Assembly Bill 2339 (2022). Among other changes, this amendment to Government Code section 65583, subdivision (a)(4) expands the definition of "emergency shelters," specifying the type of zoning designations that must be identified to allow emergency shelters as a permitted use without a conditional use or discretionary permit and demonstrate the appropriateness of sites to accommodate emergency shelters. The element must add or modify programs to demonstrate compliance with these requirements within one year of adoption.

- *Supportive and Transitional Housing:* The element notes that supportive and transitional housing are permitted in the R-1, R-2, R-3, and MU-P zones (pg. B-14). However, the analysis should be revised to indicate whether transitional and supportive housing are allowed in all other zones that allow for residential uses (e.g., CZ R-2, R-3, CZ VS R-2, CZ MU-P, CZ-EDA, PF zones, etc.). The element should clarify whether the City permits these types of housing as a residential use and only subject to those restrictions that apply to other residential dwellings

of the same type in the same zone pursuant to Government Code section 65583 (a)(5). Further, supportive housing shall be a use by-right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses pursuant to Government Code section 65651. The element must demonstrate compliance with these requirements and include programs as appropriate.

- *Low Barrier Navigation Center (LBNCs):* The element includes Program 3.E (Low Barrier Navigation Center) to add a definition for LBNCs in the Zoning Code and allow them in the PF zoning district (p. 2-21). For your information, LBNCs shall be a use by-right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses pursuant to Government Code section 65660. Program 3.E should be modified to demonstrate compliance with this requirement.

- *Employee Housing:* The element must demonstrate zoning is consistent with the Employee Housing Act (Health and Safety Code, § 17000 et seq.) or add or modify programs. Specifically, section 17021.5 requires employee housing for six or fewer employees to be treated as a single-family structure and permitted in the same manner as other dwellings of the same type in the same zone. Section 17021.6 requires employee housing consisting of no more than 12 units or 36 beds to be permitted in the same manner as other agricultural uses in the same zone. For additional information and sample analysis, see the *Building Blocks* at https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/farmworkers.

- *Multifamily Housing:* Multifamily housing in Multifamily zones is subject to conditional use permits. The element should include specific analysis of this requirement as a constraint and revise or add program(s) as necessary.

- *Mobilehomes/Manufactured Housing:* Manufactured homes that are built on a permanent foundation must be allowed in the same manner and in the same zones as conventional or stick-built structures. Specifically, manufactured homes on a permanent structure should only be subject to the same development standards that a conventional single-family residential dwelling would be subject to. The element indicates manufactured housing is conditionally permitted in the R-2 and R-3 zones (p. B-19), which appears inconsistent with state law. The element must demonstrate consistency with this requirement or add or modify programs as appropriate.

- *Accessory Dwelling Units (ADUs):* The element should clearly identify whether the City is counting ADUs toward the RHNA. The element states ADU programs and incentives may lead to at least two ADU units but in other areas, identifies no ADUs are counted toward the RHNA. The element should reconcile this information and accurately indicate how many ADUs are being projected for the planning period. In addition, the element must demonstrate the anticipated

affordability of ADUs based on actual or anticipated rents or other mechanisms ensuring affordability (e.g., deed restrictions). For example, the element may utilize a rent survey or other information from the County that examines rents and ADU affordability in the region. Lastly, a cursory review of the City's ADU ordinance by HCD discovered areas which appear to be inconsistent with State ADU Law. As a result, the element should add or modify a program to update the City's ADU ordinance to comply with state law with discrete timing (e.g., 6 months). HCD will provide a complete listing of ADU noncompliance issues under a separate cover.

4. *An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures... (Gov. Code, § 65583, subd. (a)(5).)*

   Land Use Controls: While the element includes a discussion of land use controls in Appendix B, it must still identify and analyze all relevant land use controls' impacts as potential constraints on a variety of housing types. The analysis should analyze land use controls independently and cumulatively with other land use controls. The analysis should specifically address requirements related to open space and minimum lot coverage requirements. The analysis should address any impacts on cost, supply, housing choice, affordability, timing, approval certainty, and ability to achieve maximum densities, and add or modify programs to address identified constraints.

   Processing and Permit Procedures: The element should address public comments received regarding Programs 1.G (Objective Design Standards) and 1.P (Clarify Permit Processing). The element should also address public comments on this revised draft submittal and discuss compliance with the Permit Streamlining Act and intersections with CEQA and timing requirements, including streamlining determinations and add or modify programs as appropriate.

   Growth Ordinances: The element includes a discussion of the City's short-term rental ordinance (p. B-24), but should also clarify and where applicable, analyze any other locally adopted ordinances that directly impact the cost and supply or residential development (e.g., inclusionary requirements, growth controls).

   Zoning and Fees Transparency: The element should clarify its compliance with new transparency requirements for posting fees and all zoning and development standards and add program(s) to address these requirements as necessary.

   Codes and Enforcement: The element provides an overview of the building code implementation in Sand City but should also identify any local amendments to the building code and analyze impacts on the cost and supply of housing. The element must also analyze how municipal codes are enforced (e.g., proactive versus reactive

enforcement, typical citations, resources) and add programs as necessary to address any identified constraints.

Constraints on Housing for Persons with Disabilities:

- *Definition of a Family/Household:* Zoning should implement a barrier-free definition of family. The element must identify and analyze the City's definition of family as a potential constraint on housing for persons with disabilities and include programs as appropriate.

- *Group Homes:* The element includes minimal analysis on group homes (p. B-14) and should clarify how the City's zoning code regulates various types of housing for persons with disabilities. Examples include residential care facilities, group homes, and sober living homes for six or fewer persons or seven or more persons. Zoning code regulations that isolate and regulate various types of housing for persons with disabilities based on the number of people and other factors may pose a constraint on housing choice for persons with disabilities. The element should include specific analysis of these and any other constraints for impacts on housing for persons with disabilities and add or modify programs as appropriate.

- *Reasonable Accommodation:* The element briefly describes its reasonable accommodation procedures (p. B-21). However, the element should also describe the process and decision-making criteria such as approval findings and analyze any potential constraints on housing for persons with disabilities.

5. *Analyze any special housing needs such as elderly; persons with disabilities, including a developmental disability; large families; farmworkers; families with female heads of households; and families and persons in need of emergency shelter. (Gov. Code, § 65583, subd. (a)(7).)*

   Special Needs Households: While the element includes some data, a general discussion of housing challenges faced by special needs households, and proposed programs, it must still quantify the number of female-headed households in the City. In addition, the element must provide an analysis of the existing needs and resources for each special needs group. For example, the element should discuss the existing resources to meet housing needs (availability of shelter beds, number of large units, number of deed-restricted units, community services, etc.,) and an assessment of gaps in resources. Local officials, special needs service providers or County social and health service providers may be able to assist with information to complete the analysis. The element may need to add or revise policies and programs based on the outcomes of a complete analysis.

C. Housing Programs

1. *Include a program which sets forth a schedule of actions during the planning period, each with a timeline for implementation, which may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element. (Gov. Code, § 65583, subd. (c).)*

   To have a beneficial impact in the planning period and address the goals of the housing element, programs must be revised with definite timelines, and be evaluated to ensure meaningful and specific actions and objectives. Programs should contain timelines for implementation, updated to reflect current conditions and circumstances. Programs should also contain quantified metrics and milestones. Additionally, all programs should be evaluated to ensure meaningful and specific actions and objectives. Programs containing unclear language (e.g., "evaluate"; "consider"; "encourage"; etc.) or vague commitments should be amended to include more specific and measurable actions. For example, Program 1.Q (Contracted Permit Review and Processing) describes the City's recent efforts to expedite review of multi-family housing applications but provides no further information on the ongoing progress or implementation outcomes anticipated by June 2024. As another example, Program 4.C (Encourage Transportation Demand Management Strategies) commits the City to actions including the reduction of minimum parking standards but should be revised to include specific timeframes for completion of the described actions.

2. *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 completed pursuant to paragraph (3) of subdivision (a) without rezoning, and to comply with the requirements of Government Code section 65584.09. Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. (*Gov. Code, § *65583, subd. (c)(1).)*

   As noted in Finding B3, the element does not include a complete site analysis, therefore, the adequacy of sites and zoning were 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 and zoning available to encourage a variety of housing types. In addition, the element should be revised as follows:

   - *City-Owned Sites:* The element includes Program 3.I (Surplus Local Land for Affordable Housing) but should commit to numerical objectives consistent with

assumptions in the sites inventory and a specific commitment to a schedule of actions to facilitate development in the planning period, including alternative actions completed by a specified date (e.g., by 2028) if the sites will likely not develop in the planning period. Actions should include discrete timing for outreach with developers, issuing requests for proposals, incentives, assisting with funding and entitlements, and issuing building permits.

- *Sites Identified in Prior Planning Periods:* The element includes Program 1.C (West End Housing Diversity Overlay) and commits the City to by-right approval for housing developments with five or more units that include 15 percent or more of its units affordable to lower-income households. If utilizing this program to make prior identified sites available or address a shortfall of capacity to accommodate the lower-income RHNA, the Program should be revised to fully align with Government Code sections 65583, subdivision (c)(1) or 65583.2, subdivision (c), including removing requirements related to a minimum of five units.

3. *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. The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities. (Gov. Code, § 65583, subd. (c)(3).)*

   As noted in Findings B4, the element requires a complete analysis of potential governmental constraints. Depending upon the results of that analysis, the City may need to add or revise programs and address and remove or mitigate any identified constraints.

4. *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).)*

   Goals, Priorities, Metrics, and Milestones: As noted in Finding B1, the element must be revised to add or modify goals and actions based on the outcomes of a complete analysis. Currently, the City's AFFH actions are mostly limited to outreach and marketing activities. Goals and actions must specifically respond to the analysis and to the identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends. Actions must have specific commitment, metrics, and milestones as appropriate and must address housing mobility enhancement, new housing choices and affordability in high opportunity areas, place-based strategies for community preservation and revitalization, and displacement protection.

D. Quantified Objectives

Establish the number of housing units, by income level, that can be constructed, rehabilitated, and conserved over a five-year time frame. (Gov. Code, § 65583, subd. (b)(1 & 2).)

The element provides a summary of quantified objectives (pg. 2-3). However, the element must include quantified objectives for the number of housing units that will be conserved or preserved during the planning period. Conservation objectives may include the variety of strategies employed by the City to promote tenant stability, code enforcement and repair programs that conserve the housing stock, and the preservation of units at-risk of conversion to market rate.

E. Public Participation

Local governments shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the Housing Element, and the element shall describe this effort. (Gov. Code, § 65583, subd.(c)(9).)

While the element includes a general summary of the public participation process (Appendices E and F), it must also demonstrate diligent efforts were made to involve all economic segments of the community in the development of the housing element The element should be revised to discuss outreach to lower-income and special needs groups during the public participation efforts. For example, the element could describe participation in community workshops and if translation services were provided. In addition, while the element references the inclusion of a “Public Comment Report,” no such report was found. The element should summarize public comments and describe how they were considered and incorporated into the element.

F. Consistency with General Plan

The Housing Element shall describe the means by which consistency will be achieved with other general plan elements and community goals. (Gov. Code, § 65583, subd. (c)(7).)

While the element describes how General Plan consistency will be achieved (pgs. 1-9-10; 2-8-9), it must also identify how it will be maintained during the planning period. For example, to maintain internal consistency, the element could modify Program 1.E (Update the General Plan) to conduct an internal consistency review of the general plan as part of the annual general plan implementation report required by Government Code section 65400. The annual report can also assist future updates of the housing element.

G. Coastal Zone and Replacement Requirements

Coastal localities shall document the number of low- and moderate-income units converted or demolished, and the number of replacement units provided. (Gov. Code, § 65588, subd. (d).)

The element does not address this statutory requirement. To determine whether the City's affordable housing stock in the coastal zone is being protected and provided as required by Government Code section 65588, the element must be revised to include the following:

1. The number of new housing units approved for construction within the coastal zone since January 1982.

2. The number of housing units for persons and families of low- and moderate-income required to be provided in new housing developments either within the coastal zone or within three miles.

3. The number of existing residential dwelling units occupied by low- and moderate-income households either within the coastal zone or three miles of the coastal zone that have been authorized to be demolished or converted since January 1982.

4. The number of residential dwelling units for low- and moderate-income households that have been required for replacement.

Sand City 6th Cycle Draft 2 Preliminary Review

Received: 2/28/2024

Date of Prior Review: 12/21/2023

Check-in meeting with HCD: April 12, 2024

Previous Letter Finding	Page #	Prelim Review	Notes and Discussion	Revisions
Review and Revise				
As part of the evaluation of programs in the past cycle, the element must also provide an explanation of the effectiveness of goals, policies, and related actions in meeting the housing needs of special needs populations (e.g., elderly, persons with disabilities, large households, female-headed households, farmworkers, and persons experiencing homelessness). Programs should be revised as appropriate to reflect the results of this evaluation.	A-50 App D	~/No	While difficult to measure, should generally discuss outcomes and whether programs were effective and make appropriate adjustments	Page A-53 through A-55 Discussion of 5th cycle programs related to special needs groups has been included.
Affirmatively Furthering Fair Housing				
Outreach: The element describes outreach efforts for the broader housing element, but it should also incorporate outreach relative to affirmatively furthering fair housing (AFFH). This outreach is particularly important to informing fair housing issues, contributing factors and appropriate goals and actions. Outreach should consider a variety of methods to gather input on the various components of the assessment of fair housing (e.g., segregation and integration, disparities in access to opportunity, disproportionate housing needs) and may utilize information from the 2020 Analysis of Impediments to Fair Housing Choice.	1-10-A-106-	~/Yes		
Assessment of Fair Housing: The element includes some data and analysis regarding different patterns for various socio-economic characteristics in Appendix A. However, a City of Sand City's complete analysis should include data and maps on	A-14-	~/Yes	See local data and knowledge below	

all fair housing components and analyze this data for patterns and trends at the local and regional level including: disparities in access to opportunity (environmental, transportation) at the local level and access to opportunity (economic, education, environmental, transportation), Racially/Ethnically Concentrated Areas of Poverty (R/ECAP) and Racially Concentrated Areas of Affluence (RCAA), and disproportionate housing needs (displacement and substandard housing conditions) at the regional level. In addition to evaluating trends and patterns, the element should analyze coincidences with other components of the assessment of fair housing. Lastly, the assessment should be complemented by local data and knowledge and other relevant factors and add or modify goals and actions as appropriate.				
Identified Sites and AFFH: The element does not address this requirement. The analysis must identify whether sites improve or exacerbate conditions and whether sites are isolated by income group. A full analysis should address the income categories of identified sites with respect to location, the number of sites and units by all income groups and how that affects the existing patterns for all components of the assessment of fair housing (e.g., segregation and integration, access to opportunity). The element should also discuss whether the distribution of sites improves or exacerbates conditions. If sites exacerbate conditions, the element should identify further program actions that will be taken to promote equitable quality of life throughout the community (e.g., anti-displacement and place-based community revitalization strategies). In particular, the element indicates that a majority of the housing need for lower-income households is concentrated in the South of Tioga R2 parcel. The element should discuss whether this strategy potentially isolates a significant number of the housing need for lower-income households and include actions as	C-38-C-2-(364 of pdf)	~/Yes		

appropriate, such as additional zoning for a variety of housing choices.				
Local Data and Knowledge: The element includes a general discussion of local data and knowledge and other relevant factors (p. A-84-85) but must include local data, knowledge, and other relevant factors to discuss and analyze any unique attributes about the City related to fair housing issues. The element should complement federal, state, and regional data with local data and knowledge where appropriate to capture emerging trends and issues, including utilizing knowledge from local and regional advocates and service providers, City staff, and related local and county planning documents.	1-11-A-112-	~/No	Add local data and knowledge and other relevant factors, especially given census tracts and data? See HCD sample local data and knowledge guide	Race: Page A-15 Disability: Page A-65 Familial Status: Page A-33 Income: Page A-39 and A-40 Overcrowding: Page A-47 and A-48 Homelessness: A-77 Economic Opportunity: Page A-82 and A-83 Educational Opportunity: Page A-86 and A-87 Environmental Opportunity: Page A-88 Transit: Page A-96 and A-97 Displacement: Page A-107 and A-108 Housing Conditions: Page A-110 and A-111 Fair Housing Outreach Capacity: Page A-121 Fair Housing Enforcement: Page A-116 through A-121 Compliance with Fair Housing Laws: Page A-121 through A-123 Contributing Factors: Page A-125 through A-128 Identified Sites and AFFH: Page C-71 through C-103
Housing Needs Assessment				
Overpayment: The element must quantify the number of lower-income households overpaying for housing by tenure (i.e., renter and owner). While the element provided percentages for these factors, percentages without a baseline figure do not document the scope of the potential housing needs.	A-44-	~/Yes		
Housing Conditions: The element identifies the age of the housing stock and notes that less than five percent of structures are in need of rehabilitation (p. A-73). However, the element must	A-99	Yes		

still include an estimate of the number of units in need of rehabilitation and replacement. In addition, the element should clarify whether estimates were obtained from a recent windshield survey or sampling, a code enforcement agency, or information from knowledgeable builders/developers, including nonprofit housing developers or organizations.				

Sites Inventory				
Progress in Meeting the Regional Housing Need Allocation (RHNA): The element relies on pipeline projects to meet its RHNA. Specifically, the element appears to identify 74 units that are either under construction or have been constructed (p. C-26) but must also demonstrate the affordability of these units. Specifically, the element must assign these units to the various income groups based on actual or anticipated sales price or rent level of the units or other mechanisms ensuring affordability (e.g., deed-restrictions) and demonstrate their availability in the planning period.	C-10-C-23-	No	South Tioga: Affordability? How? DA? Barriers to development in the planning period? Program to monitor?	Page C-21 Language was revised to change “enable” to “required a minimum of.” Footnotes were also added to direct reader to Table C-6 to see affordability categories of units.
Progress in Meeting the Regional Housing Need Allocation (RHNA) (Cont.): Further, based on the information provided in the analysis, it appears that the South of Tioga parcels (Sites #1 and #2) should be classified as a pipeline project. To count these units as progress towards RHNA, the element must demonstrate these units are expected to be constructed during the planning period. To demonstrate the availability of units within the planning period, the element could analyze infrastructure schedules, the City’s past completion rates on pipeline projects, outreach with project developers, and should describe any expiration dates on entitlements, anticipated timelines for final approvals, and any remaining steps for projects to receive final entitlements. This is particularly important given that this project was identified to accommodate the RHNA during the last planning period but has not yet been constructed. Programs should be added or revised based on the outcomes of a complete analysis.	C-10-C-23-	No	See above	Page C-22 Statements were added to clarify that infrastructure improvements are nearly complete for the South of Tioga project, and that there are no constraints to preclude development. The City is preparing to accept the improvements with an estimated timeline of Summer 2024.
Realistic Capacity: While the element provides assumptions of buildout for sites included in the inventory, it must also provide support for these assumptions. For example, the element should demonstrate what specific trends, factors, and other evidence led to the assumptions. The estimate of the number of units for each site must be	C-14-C-23-C-26	~/Yes		

adjusted as necessary, based on land use controls and site improvements, typical densities of existing or approved residential developments at a similar affordability level in that jurisdiction, and on the current or planned availability and accessibility of sufficient water, sewer, and dry utilities.				
Realistic Capacity (Cont.): In addition, the City is utilizing an overlay with sites that appear with zoning that allow 100 percent nonresidential uses. The element should include analysis based on factors such as development trends, performance standards, or other relevant factors and account for the likelihood of 100 percent nonresidential uses in the calculation of residential capacity. For example, the element could analyze all development activity in these nonresidential zones, how often residential development occurs, and adjust residential capacity calculations, policies, and programs accordingly.	C-14-	~/?	Should discuss recent trends of all developments in the mixed-use zones – any recent 100% non-residential development in the utilized zones?	Page C-11 Statement has been added clarifying the City has not received any proposals for 100 percent non-residential projects in the MU-P Zone.
Suitability of Nonvacant Sites: While the element includes some analysis in Appendix C demonstrating the potential redevelopment of nonvacant sites, additional information is required to address this finding. Specifically, the description of existing uses should be sufficiently detailed to facilitate an analysis demonstrating the potential for additional development in the planning period. In addition, the element needs to also analyze the extent that existing uses may impede additional residential development. For example, the element includes sites such as Art Park and the Salvation Army Good Samaritan Center. The element can summarize past experiences converting existing uses to higher density residential development, include current market demand for the existing use, provide analysis of existing leases or contracts that would perpetuate the existing use or prevent additional residential development and include current information on development trends and market conditions in the City and relate those trends to the sites identified. The element could also consider indicators such as age and condition of the existing structure expressed developer interest, low improvement to land value ratio, and other factors.	C-2- C-20-	Yes		

Small Sites: The element identifies Sites #3 (Salvation Army Good Samaritan Center) and #4 (Art Park) at less than a half-acre (pp. C-6; C-13-14). Sites smaller than a half-acre in size are deemed inadequate to accommodate housing for lower-income households unless it is demonstrated, with sufficient evidence, that sites are suitable to accommodate housing for lower-income households. While the element includes some discussion on lot consolidation, it should also provide specific examples with the densities, affordability, and if applicable, circumstances leading to lot consolidation or subdivision. The element should relate these examples to the sites identified to accommodate the RHNA for lower-income households to demonstrate that these sites can adequately accommodate the City's lower-income housing need. Programs should be revised accordingly based on the outcomes of a complete analysis.	C-6-C-14-	Yes		
Infrastructure: The element (p. B-42) states that the City has 197.886 acre-feet of water entitlements and 23.163 acre-feet of water allocations available. However, the element states that the City needs 32 acre-feet of water supply to meet the RHNA. The element should clarify whether water entitlements are being used to satisfy a portion or all of the RHNA by distinguishing how the water is allocated to projects. Further, while the element includes Program 2.B (Water and Sewer Providers and City Water Distribution Policy), it must also be revised to include discrete timelines for implementation throughout the planning period. Finally, the element must include programs to address sewer infrastructure capacity such as pursuing funding and other opportunities to secure and expand additional sewer capacity in the East Dunes area.	2-11 2-18 B-56-C-19-C-4 (366 pdf)	~/No	Programs 1.H, 2.B Add discrete timing to programs (e.g., at least every other year, three times in the planning period)	Page 2-11 Program 1.H was revised to include discrete timing for pursuing funding and other opportunities to secure and expand additional sewer capacity in the East Dunes area.
Environmental Constraints: While the element generally describes potential environmental constraints (pp. B-44-45; C-28), it must still describe any other known environmental **or other conditions** that could impact housing development on identified sites in the planning period (e.g.,	2-28 B-59-C-4 (366 pdf)	~/No /?	Program. 3.M – add discrete timing Other constraints?	Page 2-32 Program 3.M was revised to include discrete timing. Page C-74

shape, contamination, easements, conditions, compatibility).				Statement was added clarifying there are no environmental or other conditions that pose a constraint to development of sites identified in the sites inventory.
Electronic Sites Inventory: For your information, pursuant to Government Code section 65583.3, the City must submit an electronic sites inventory with its adopted housing element. The City must utilize standards, forms, and definitions adopted by HCD. Please see HCD's housing element webpage at https://www.hcd.ca.gov/planning-and-community-development/housing-elements for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance.		FYI	Submitted 9/27/2023; submit with adopted if any changes	
Zoning for a Variety of Housing Types				
Emergency Shelters: The element indicates that emergency shelters are conditionally permitted in the Public Facilities (PF) zone. However, the element must identify a zone to permit emergency shelters without discretionary action. In addition, the element must also describe and analyze the development standards of the PF zone and analyze proximity to transportation and services for these sites, hazardous conditions, and any conditions inappropriate for human habitability. Further, the element should also describe how emergency shelter parking requirements are consistent with AB139/Government Code section 65583, subdivision (a)(4)(A), which requires only sufficient parking to accommodate all staff working in the emergency shelter, provided that the standards do not require more parking for emergency shelters than other residential or commercial uses within the same zone or include a program to comply with this requirement. Lastly, the element must describe how it complies with the requirements of Assembly Bill 2339 (2022). Among other changes, this amendment to Government Code section 65583, subdivision (a)(4) expands the definition of "emergency shelters," specifying the type of zoning designations that must be identified to allow emergency shelters as a permitted use without a conditional use or	2-23-B-23-	No/?	Program 3.D Bed limit of 2? Address bed limit as a constraint and adjust capacity analysis to demonstrate capacity for at least one shelter (e.g., 15 beds), including addressing adjacency to treatment plant as unfit for human habitation	Page B-21 Analysis was added to address the bed limit constraint and Program 3.D was augmented to include a Municipal Code amendment to remove the bed limit (page 2-24). Page B-21 Analysis of PF Zone development standards is provided. No constraints to development. Capacity analysis is provided estimating that a shelter could be constructed on a 5,475 square foot city-owned parking lot to provide a maximum of 27 beds.

discretionary permit and demonstrate the appropriateness of sites to accommodate emergency shelters. The element must add or modify programs to demonstrate compliance with these requirements within one year of adoption.				
Supportive and Transitional Housing: The element notes that supportive and transitional housing are permitted in the R-1, R-2, R-3, and MU-P zones (pg. B-14). However, the analysis should be revised to indicate whether transitional and supportive housing are allowed in all other zones that allow for residential uses (e.g., CZ R-2, R-3, CZ VS R-2, CZ MU-P, CZ-EDA, PF zones, etc.). The element should clarify whether the City permits these types of housing as a residential use and only subject to those restrictions that apply to other residential dwellings of the same type in the same zone pursuant to Government Code section 65583 (a)(5). Further, supportive housing shall be a use by-right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses pursuant to Government Code section 65651. The element must demonstrate compliance with these requirements and include programs as appropriate.	2-17 B-22-	No	Program 1.S Program 1.S should commit to permit transitional and supportive in all zones allowing residential uses and only subject to requirements of other residential uses of the same type in the same zone	Page 2-17 Program 1.S was revised to include an amendment to the Municipal Code to permit transitional and supportive housing in all zones allowing residential uses and only subject to the requirements of other residential uses of the same type in the same zone (R-1, R-2, R-3, PUD, MU-P, PF, CZ R-2, CZ R-3, CZ VS R-2, CZ MU-P, CZ-EDA) pursuant to Government Code section 65583(a)(5).
Low Barrier Navigation Center (LBNCs): The element includes Program 3.E (Low Barrier Navigation Center) to add a definition for LBNCs in the Zoning Code and allow them in the PF zoning district (p. 2-21). For your information, LBNCs shall be a use by-right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses pursuant to Government Code section 65660. Program 3.E should be modified to demonstrate compliance with this requirement.	2-17 B-26-	Yes	Program 1.S	
Employee Housing: The element must demonstrate zoning is consistent with the Employee Housing Act (Health and Safety Code, § 17000 et seq.) or add or modify programs. Specifically, section 17021.5 requires employee housing for six or fewer employees to be treated as a single-family structure and permitted in the same manner as other dwellings of the same type in the same zone. Section 17021.6 requires employee housing consisting of	2-17 2-28	Yes	Program 1.S Program 3.J	

no more than 12 units or 36 beds to be permitted in the same manner as other agricultural uses in the same zone. For additional information and sample analysis, see the Building Blocks at https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/farmworkers.				
Multifamily Housing: Multifamily housing in Multifamily zones is subject to conditional use permits. The element should include specific analysis of this requirement as a constraint and revise or add program(s) as necessary.	2-17 B-14 B-7-	Yes	Program 1.S	
Mobilehomes/Manufactured Housing: Manufactured homes that are built on a permanent foundation must be allowed in the same manner and in the same zones as conventional or stick-built structures. Specifically, manufactured homes on a permanent structure should only be subject to the same development standards that a conventional single-family residential dwelling would be subject to. The element indicates manufactured housing is conditionally permitted in the R-2 and R-3 zones (p. B-19), which appears inconsistent with state law. The element must demonstrate consistency with this requirement or add or modify programs as appropriate.	2-17 B-19	Yes	Program 1.S	
Accessory Dwelling Units (ADUs): The element should clearly identify whether the City is counting ADUs toward the RHNA. The element states ADU programs and incentives may lead to at least two ADU units but in other areas, identifies no ADUs are counted toward the RHNA. The element should reconcile this information and accurately indicate how many ADUs are being projected for the planning period. In addition, the element must demonstrate the anticipated affordability of ADUs based on actual or anticipated rents or other mechanisms ensuring affordability (e.g., deed restrictions). For example, the element may utilize a rent survey or other information from the County that examines rents and ADU affordability in the region. Lastly, a cursory review of the City's ADU ordinance by HCD discovered areas which appear to be inconsistent with State ADU Law. As a result, the element should add or modify a program to update the City's ADU ordinance to comply with state law with discrete timing	2-16 B-18- C-37 C-3 C-13 C-49-	Yes	Program 1.K Tables C-3 & C-4	

(e.g., 6 months). HCD will provide a complete listing of ADU noncompliance issues under a separate cover.				
Governmental Constraints				
Land Use Controls: While the element includes a discussion of land use controls in Appendix B, it must still identify and analyze all relevant land use controls' impacts as potential constraints on a variety of housing types. The analysis should analyze land use controls independently and cumulatively with other land use controls. The analysis should specifically address requirements related to open space and minimum lot coverage requirements. The analysis should address any impacts on cost, supply, housing choice, affordability, timing, approval certainty, and ability to achieve maximum densities, and add or modify programs to address identified constraints.	B-8-	~	Table B-2 Add analysis to support conclusions regarding lot coverage, especially considering heights in zones allowing multifamily uses	Page 2-18 Program 1.S was revised to include an amendment to the Municipal Code to increase height standards for residential development in the R-3 Zone to permit a maximum of 40 feet (four stories). Page B-5 Appendix B was revised to include analysis of R-3 height standards and references Program 1.S to amend the Municipal Code to permit four stories.
Processing and Permit Procedures: The element should address public comments received regarding Programs 1.G (Objective Design Standards) and 1.P (Clarify Permit Processing). The element should also address public comments on this revised draft submittal and discuss compliance with the Permit Streamlining Act and intersections with CEQA and timing requirements, including streamlining determinations and add or modify programs as appropriate.	2-9 2-16 B-11-	?	Programs 1.G, 1.P and 1.S Does the City make determinations of CEQA exemption and streamlining within 30 days of a complete application? How are LandWatch 6/23/2023 comments addressed?	Page B-12 and B-13 Appendix B was revised to include a statement clarifying that the City makes a determination of CEQA streamlining or exemption within 30 days of receiving a complete application. Comments received from LandWatch are recorded in the May 5 – June 4, 2023 Public Comment Report. Responses to comments were provided, and some revisions were made to the draft. Please see the Public Comment Report pages 2-3 through 2-7 for an outline of revisions made in response to LandWatch comments.
Growth Ordinances: The element includes a discussion of the City's short-term rental ordinance (p. B-24), but should also clarify and where applicable, analyze any other locally adopted ordinances that directly impact the cost and	B-33	Yes		

supply or residential development (e.g., inclusionary requirements, growth controls).				
Zoning and Fees Transparency: The element should clarify its compliance with new transparency requirements for posting fees and all zoning and development standards and add program(s) to address these requirements as necessary.	B-43	Yes		
Codes and Enforcement: The element provides an overview of the building code implementation in Sand City but should also identify any local amendments to the building code and analyze impacts on the cost and supply of housing. The element must also analyze how municipal codes are enforced (e.g., proactive versus reactive enforcement, typical citations, resources) and add programs as necessary to address any identified constraints.	B-37	Yes		
Definition of a Family/Household: Zoning should implement a barrier-free definition of family. The element must identify and analyze the City's definition of family as a potential constraint on housing for persons with disabilities and include programs as appropriate.	2-29 B-33	Yes	Program 3.K	
Group Homes: The element includes minimal analysis on group homes (p. B-14) and should clarify how the City's zoning code regulates various types of housing for persons with disabilities. Examples include residential care facilities, group homes, and sober living homes for six or fewer persons or seven or more persons. Zoning code regulations that isolate and regulate various types of housing for persons with disabilities based on the number of people and other factors may pose a constraint on housing choice for persons with disabilities. The element should include specific analysis of these and any other constraints for impacts on housing for persons with disabilities and add or modify programs as appropriate.	2-27 B-21-	No	Program 3.K Program 3.K should commit the City will amend zoning and procedures to allow 7+ (regardless of licensing) in all zones allowing residential uses. The City will replace the CUP requirement with a site development	Page 2-30 Program 3.K was revised to include amendments to the Municipal Code to amend zoning and permitting procedures to allow 7+ (regardless of licensing) in all zones allowing residential uses, and replace the CUP requirement with a site development permit and permit similar to other uses of the same type in the same zone.

			permit and permit similar to other uses of the same type in the same zone.	
Reasonable Accommodation: The element briefly describes its reasonable accommodation procedures (p. B-21). However, the element should also describe the process and decision-making criteria such as approval findings and analyze any potential constraints on housing for persons with disabilities.	2-29- B-31-	Y/?	Program 3.L Can keep the administrative or financial burden	Page 2-31 Program 3.L was revised to **only remove** the following reasonable accommodation finding "result in a "significant impact on surrounding uses." The finding related to administrative or financial burden will remain.
Special Needs				
Special Needs Households: While the element includes some data, a general discussion of housing challenges faced by special needs households, and proposed programs, it must still quantify the number of female-headed households in the City. In addition, the element must provide an analysis of the existing needs and resources for each special needs group. For example, the element should discuss the existing resources to meet housing needs (availability of shelter beds, number of large units, number of deed-restricted units, community services, etc.,) and an assessment of gaps in resources. Local officials, special needs service providers or County social and health service providers may be able to assist with information to complete the analysis. The element may need to add or revise policies and programs based on the outcomes of a complete analysis.	A-49- A-62-	~/No	Resources? Programs? Gaps? Magnitude?	ELI households: Page A-58 Seniors: Page A-60 and A-61 Persons with disabilities: Page A-66 Large households: Page A-67 and A-68 Single-parent households: Page A-70 and A-71 Farmworkers: Page A-74 Persons experiencing homelessness: Page A-77 and A-78
Housing Programs: Beneficial Impact				
To have a beneficial impact in the planning period and address the goals of the housing element, programs must be revised with definite timelines, and be evaluated to ensure meaningful and specific actions and objectives.	2-4-	~/Yes		

Programs should contain timelines for implementation, updated to reflect current conditions and circumstances. Programs should also contain quantified metrics and milestones. Additionally, all programs should be evaluated to ensure meaningful and specific actions and objectives. Programs containing unclear language (e.g., “evaluate”; “consider”; “encourage”; etc.) or vague commitments should be amended to include more specific and measurable actions. For example, Program 1.Q (Contracted Permit Review and Processing) describes the City’s recent efforts to expedite review of multi-family housing applications but provides no further information on the ongoing progress or implementation outcomes anticipated by June 2024. As another example, Program 4.C (Encourage Transportation Demand Management Strategies) commits the City to actions including the reduction of minimum parking standards but should be revised to include specific timeframes for completion of the described actions.				
Housing Programs: Adequate Sites				
As noted in Finding B3, the element does not include a complete site analysis, therefore, the adequacy of sites and zoning were 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 and zoning available to encourage a variety of housing types. In addition, the element should be revised as follows:		TBD	Depends on complete analysis	
City-Owned Sites: The element includes Program 3.I (Surplus Local Land for Affordable Housing) but should commit to numerical objectives consistent with assumptions in the sites inventory and a specific commitment to a schedule of actions to facilitate development in the planning period, including alternative actions completed by a specified date (e.g., by 2028) if the sites will likely not develop in the planning period. Actions should include discrete timing for outreach with developers, issuing requests for proposals, incentives, assisting with funding and entitlements, and issuing building permits.	2-26-C-7-C-16-	No/?	Program 3.I Add alternative actions by a specified date Add permit without discretionary action (prior identified site)? MU-P without discretionary action on Site 2?	Page 2-28 and 2-29 Program 3.I was revised to include by-right requirements for the site, which was previously identified in the 5th cycle. Additionally, alternative actions were added to the program for monitoring during the planning period. Page C-42

				The discussion for Site #2 was revised to include by-right requirements and references Program 3.I.
Sites Identified in Prior Planning Periods: The element includes Program 1.C (West End Housing Diversity Overlay) and commits the City to by-right approval for housing developments with five or more units that include 15 percent or more of its units affordable to lower-income households. If utilizing this program to make prior identified sites available or address a shortfall of capacity to accommodate the lower-income RHNA, the Program should be revised to fully align with Government Code sections 65583, subdivision (c)(1) or 65583.2, subdivision (c), including removing requirements related to a minimum of five units.	2-26 C-13	Yes	Program 1.C Only applies to Site 2 (Art Park - City owned site) that will be 100% affordable – see above for by right requirements	

Housing Programs: Constraints				
As noted in Findings B4, the element requires a complete analysis of potential governmental constraints. Depending upon the results of that analysis, the City may need to add or revise programs and address and remove or mitigate any identified constraints.		TBD	Depends on complete analysis	
Housing Programs: Affirmatively Furthering Fair Housing				
<u>Goals, Priorities, Metrics, and Milestones:</u> As noted in Finding B1, the element must be revised to add or modify goals and actions based on the outcomes of a complete analysis. Currently, the City's AFFH actions are mostly limited to outreach and marketing activities. Goals and actions must specifically respond to the analysis and to the identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends. Actions must have specific commitment, metrics, and milestones as appropriate and must address housing mobility enhancement, new housing choices and affordability in high opportunity areas, place-based strategies for community preservation and revitalization, and displacement protection.	A-114 2-5-	TBD/ ?	Depends on complete analysis Metrics and geographic targeting added?	
Quantified Objectives				
The element provides a summary of quantified objectives (pg. 2-3). However, the element must include quantified objectives for the number of housing units that will be conserved or preserved during the planning period. Conservation objectives may include the variety of strategies employed by the City to promote tenant stability, code enforcement and repair programs that conserve the housing stock, and the preservation of units at-risk of conversion to market rate.	2-3	Yes	Table 2-1	
Public participation				
While the element includes a general summary of the public participation process (Appendices E and F), it must also demonstrate diligent efforts were made to involve all	1-11-App D	~/No	Should employ additional methods moving forward	The City is conducting targeted stakeholder interviews during the 7-day

economic segments of the community in the development of the housing element The element should be revised to discuss outreach to lower-income and special needs groups during the public participation efforts. For example, the element could describe participation in community workshops and if translation services were provided. In addition, while the element references the inclusion of a "Public Comment Report," no such report was found. The element should summarize public comments and describe how they were considered and incorporated into the element.				public review period with community stakeholders.
Consistency with General Plan				
While the element describes how General Plan consistency will be achieved (pgs. 1-9-10; 2-8-9), it must also identify how it will be maintained during the planning period. For example, to maintain internal consistency, the element could modify Program 1.E (Update the General Plan) to conduct an internal consistency review of the general plan as part of the annual general plan implementation report required by Government Code section 65400. The annual report can also assist future updates of the housing element.	1-10 2-9 2-28	Yes	Program 1.E	
Coastal Zone				
The element does not address this statutory requirement. To determine whether the City's affordable housing stock in the coastal zone is being protected and provided as required by Government Code section 65588, the element must be revised to include the following: 1. The number of new housing units approved for construction within the coastal zone since January 1982. 2. The number of housing units for persons and families of low- and moderate-income required to be provided in new housing developments either within the coastal zone or within three miles. 3. The number of existing residential dwelling units occupied by low- and moderate-income households either within the	B-5-	No/?	Data? Revisions to address finding? Between 1978 - 1982	Page B-2 and B-3 The findings have been addressed.

coastal zone or three miles of the coastal zone that have been authorized to be demolished or converted since January 1982. 4. The number of residential dwelling units for low- and moderate-income households that have been required for replacement.				
Other Revisions				
Program 3.M – site remediation	2-30	No	Add discrete timing	Page 2-32
SB 35 and SB 330 processing	2-16 2-20 B-19-	Yes	Programs 1.R and 2.D	
50% nonvacant	C-16-	N/A	Sites 1, 2 and 3 are vacant and greater than 50% of lower-income RHNA	
Prohousing designation	2-4- C-50	N/A		
Other				
Document availability		Yes		
Rezone timing		?	Lower-income RHNA shortfall? Prior identified site (Site 2)?	
50% nonvacant resolution	C-16-	N/A	Sites 1, 2 and 3 are vacant and greater than 50% of lower-income RHNA	
Electronic sites inventory		FYI	Submitted 9/27/2023; submit with adopted if any changes	
AB 2339	2-23 B-23-	No/?	Bed limit? Address bed limit as a constraint and adjust capacity analysis to demonstrate	Pages B-21 and 2-24

			capacity for at least one shelter (e.g., 15 beds), including addressing adjacency to treatment plant as unfit for human habitation	
Overlay				
Site 1 – MU-P rezone	2-21	Yes		
Anti-displacement program edits based on May 5, 2024 meeting between ML, PM, AA, KP				Program 5.A page 2-35

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT
2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov

May 24, 2024

Vibeke Norgaard, City Manager
City of Sand City
1 Pendergrass Way
Sand City, CA 93955

Dear Vibeke Norgaard:

RE: City of Sand City's 6th Cycle (2023-2031) Revised Draft Housing Element

Thank you for submitting the City of Sand City's (City) revised draft housing element received for review on May 20, 2024. Pursuant to Government Code section 65585, the California Department of Housing and Community Development (HCD) is reporting the results of its review.

The revised draft element meets the statutory requirements that were described in HCD's December 21, 2023 review. The housing element will substantially comply with State Housing Element Law (Gov. Code, § 65580 et seq) when it is adopted, submitted to, and approved by HCD, in accordance with Government Code section 65585.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate. Please be aware, any revisions to the element must be posted on the local government's website and to email a link to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting to HCD.

For your information, 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 adopted versions of the element must also submit the electronic version of the sites inventory.

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, Affordable Housing and Sustainable Communities programs, and the 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: https://www.opr.ca.gov/planning/general-plan/guidelines.html.

HCD appreciates the hard work and commitment you and your staff provided in the preparation of the City's housing element and looks forward to receiving the City's adopted housing element. If HCD can provide assistance, please contact Mao Lee, of our staff, at Mao.Lee@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager