

Sand City
Permanent Local Housing Allocation Program
Plan for 2020-2024

The California Department of Housing and Community Development (HCD) has announced the Permanent Local Housing Allocation (PLHA) program for 2020 - 2024. The PLHA program is funded from moneys deposited in the Building Homes and Jobs Trust Fund in calendar year 2019. The City of Sand City has been allocated a grant amount not to exceed the five-year estimate of \$418,000. On November 15, 2022, the Sand City City Council approved a resolution authorizing the application and adopting a plan for the state of California Department of Housing and Community Development Permanent Local Housing Allocation (PLHA) Program.

Jurisdictions receiving PLHA grant funds are required to have a five-year plan in place to determine how the grant funds will be spent. This five-year plan may or may not need to identify specific projects. However, the Plan must result in expenditure of a portion of the grant funds each year in order to receive the next year's allocation.

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 to include a variety of housing options. In that time, Sand City has also built up an energetic artist community that has vastly contributed towards the City's positive transformation, to include the City sponsored annual West End Celebration art festival and the relatively new annual mural program.

Allocation of Funds

The City of Sand City intends to utilize PLHA program funds to support and create affordable housing to address the community's housing needs. Affordable housing development projects require multiple sources of funding to compile enough financing to be developed. PLHA grant funds will be leveraged with several other monetary sources including Housing Money Market Account (HMMA) funds. These funds will be allocated toward a variety of projects that serve to further Pro-Housing and AFFH efforts.

The City's highest priority in regard to the development of affordable housing is to engage in a public-private partnership in which the City acquires properties for the purpose of creating live/work units/studios within the City's art-focused West End District. Given that Sand City is known as a locale that attracts artists from different backgrounds, allocating housing for the artist-workforce within the City would serve to further foster an environment of community collaboration and engagement.

Consistent with the Sand City Housing Element (2015 edition) and the Sand City Vibrancy Plan (adopted 2019), the City has also proposed other possible projects for which PLHA funds may be used. One aim is to purchase housing units within existing developments to increase the inclusionary and affordable housing stock. This housing would be added to an existing stock of

11 inclusionary units currently within The Independent mixed use development. Additionally, the City will continue to work with developers to include BMR housing as part of residential and/or mixed-use projects.

The chart below estimates the last three years of funding allocation for this five-year funding cycle. The actual annual funding allocation will later be determined by HCD. The chart also shows a 5% allocation for City administration costs that is allowed by PLHA grant requirements.

Sand City PLHA Funding	Total 5 Yr. Allocation	Amount Allocated/Estimated by Funding Year				
		1. 2020-21	2. 2021-22	3. 2022-23	4. 2023-24	5. 2024-25
Allocation	\$ 418,000	\$0	\$0	\$193,333	\$193,333	\$193,333
5% Admin	\$ 20,900	\$0	\$0	\$ 6,966	\$ 6,966	\$ 6,966
95% Project Funding	\$397,100	\$0	\$0	\$132,367	\$132,367	\$132,367
<i>Funding for Years 2-5 Estimated Only</i>						

Investment Priorities

Sand City will prioritize investments that increase the supply of housing for households at or below 60% of area median income, increase assistance to affordable owner-occupied workforce housing and facilitate housing affordability with an emphasis on live/work units/studios. PLHA funding may be used to assist in completing the following activities:

- Private-public partnerships to build live/work units/studios within the West End Planning District on City owned properties.
- Purchase of additional existing market rate units to increase the number of inclusionary affordable units into the current housing stock.
- Implementing the inclusion of inclusionary affordable housing units into future residential and mixed use developments.

Consistency with the Housing Element of the General Plan

As set forth in the Sand City Vibrancy Plan (2019), the aforementioned projects are consistent with the following Housing Element programs:

- Encourage and facilitate refurbishment and reuse of buildings or replacement of older dilapidated buildings to include inclusionary affordable housing.
- Encourage and facilitate further growth of the community’s arts and creative sectors.
- Increase the customer base by encouraging and facilitating the development of inclusionary affordable residential units.
- Establish programs to promote housing affordability.
- Protect artists and small businesses from increased space costs and displacement.