



EMC PLANNING GROUP INC.  
A LAND USE PLANNING & DESIGN FIRM

# 6<sup>th</sup> Cycle Housing Element Update

*Joint Sand City Council and Successor Agency of  
The Redevelopment Agency*

**May 16, 2023**

# Purpose

- Understand Council and Planning Commission's role in the 6<sup>th</sup> Cycle Housing Element
  - Public Draft available for review online
  - June HCD Draft to reflect comments
- Next steps
- **Provide feedback and questions to consultants**

# Agenda

1. Housing Element Overview
2. Leading with Equity
3. Housing Needs Overview
4. Site Inventory
5. Project Schedule and Next Steps
6. Public Engagement Process

# Welcome

- Association of Monterey Bay Area Governments
- Housing Authority of the County of Monterey
- Monterey County Department of Social Services
- Catholic Charities Dioceses of Monterey
- United Way Monterey County
- CHISPA, Inc
- Mid-Peninsula Housing Coalition
- LandWatch
- Mid-Peninsula Housing Coalition
- ECHO Fair Housing Services
- Central Coast Center for Independent Living
- Center for Community Advocacy
- The Salvation Army Good Samaritan Center
- Hope Services
- Coalition of Homeless Service Providers
- Monterey County Stand Down for Homeless Veterans
- Diocese of Monterey
- Habitat for Humanity Monterey Bay



# 1. Housing Element Overview



# What is a Housing Element?

- A plan for the housing needed in a community:
  - **Required by state law** and guided by target numbers
  - Updated **every 8 years**
  - Sand City doesn't build housing but **creates the programs** and policies to incentivize where it should go and how many units could be at each site



# Key Components of Housing Element

- **Analysis** of Housing Needs
- **Evaluation** of Constraints
- **Identification** of Sites to meet RHNA
- **Housing Plan** with Goals, Policies, Programs and Quantified Objectives
- Special focus on **Affirmatively Furthering Fair Housing** (AB 686) and Public Engagement



## 2. Leading with Equity



# Importance of AB 686

## New legislation **AB 686:** **Affirmatively Furthering Fair Housing (AFFH)**

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.



# To affirmatively further fair housing:

1. Public agencies must examine existing and future policies, plans, programs, rules, practices, and related activities and *create meaningful actions and proactive changes to promote more inclusive communities.*
2. An essential component of California's 6<sup>th</sup> Cycle Housing Element update is to *facilitate deliberate action* to explicitly address, combat, and relieve disparities resulting from past patterns of segregation.

[https://www.hcd.ca.gov/community-development/affh/docs/affh\\_document\\_final\\_4-27-2021.pdf](https://www.hcd.ca.gov/community-development/affh/docs/affh_document_final_4-27-2021.pdf)



# Assessment of Sand City Key Fair Housing Issues

## ★ Significantly lower proportions of racial and ethnic minorities compared to Monterey County and the AMBAG region

- Contributing Factors:
  - Lack of Diverse Housing Stock
  - Lack of Affordable Housing

## ★ Lack of Affordable Housing for Special Needs groups

- Contributing Factor:
  - Low Availability of Diverse Housing Stock
  - Lack of Affordable Housing suitable for Individuals with Disabilities
  - Lack of Transitional and Supportive Housing/Emergency Shelters

## ★ Disproportionate Housing Needs

- Contributing Factor:
  - Cost Burden (high for renters)
  - Overcrowding (high for renters)



# Contributing Factors: *Big Picture*

## Lack of:

- Diverse Housing Stock
- Affordable Housing
- Accessible Units for Individuals with Disabilities
- Transitional and Supportive Housing/Emergency Shelters

## High Level of:

- Cost Burdened Individuals
- Overcrowding



# Looking Forward: Key Programs and Policies

Pro-Housing

Missing Middle

Rehab of Existing Units

Water and Sewer Infrastructure

Transitional Housing and Emergency Shelters



# Pro-Housing Designation

## What is it?

- Last year as part of the 2019-20 Budget Act, AB 101 enacted the Pro-housing 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*.

## Benefit:

- Preference and, in some cases, additional points, when participating in *various state funded programs* and grant opportunities.



# Sand City's Score for Prohousing Designation:

**Prohousing Eligibility**

**Minimum Score Required:**

**30 points**

**Sand City's Current Score**

**Including New Housing Policies & Programs:**

**33 points**



# Pro-Housing Programs in Sand City

**1.1.A**– Develop the “South of Tioga” area with a Mixed-use project

**1.1.B**– Mixed-Use and Planned (MU-P) Unit Development

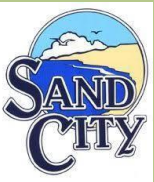
**1.1.C**– Update the General Plan

**1.1.D**– Adequate Land Inventory

**1.1.E**– Accessory Dwelling Unit (ADU) and Junior (JADU) + Program

**1.1.F**– Amend the City’s Zoning Ordinance to align with new Density bonus State law and increase the City’s Density Bonus/Incentive by 10%

**1.2.A**– Small Sites Lot Consolidation and Mixed-use Program





# Pro-Housing Programs in Sand City

**1.2.B–** R-3 Zoning District amendments

**1.2.C–** Update Design Guidelines

**1.2.D–** Habitat Management Plan

**1.2.E–** West End Parking Plan

**1.3.A–** “Missing Middle” Housing

**1.4.A–** Update iWorq Permit Database

**1.4.B–** Clarify permit processing

**1.4.C–** Contract out permit review and establish one single point of contact



# Pro-Housing Programs in Sand City

**2.1.A**– Capital Improvement Program

**2.2.A**– Water and Sewer Providers and City Water Distribution Policy

**3.1.F**– Affordable Housing Services for Extremely Low - Income and Other Income - Restricted Residents

**5.1.A**– Fair Housing Services and Information

**5.2.A**– State and Federal Housing Programs and Funding





## 3. Housing Needs Overview

# Demographics: Who lives in Sand City?

## Race & Ethnicity

- 58% Non-Hispanic White
- 30% Hispanic or Latino
- 5% Black or African American

## Age Characteristics

Majority of population are younger-middle aged persons

- 19% aged 25-34
- **26% aged 35-54**
- 16% aged 55-64

## Persons with a Disability

- 12% of the population
- 85% are aged 18-64

## Household Type

- **Single-person households makeup 48%**
- Married-couple family households makeup 32%

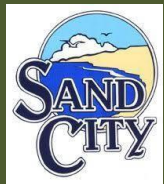
## Housing Tenure

- **Renter households makeup 83%**
- Owner households makeup 17%

## Household Income

### Sand City AMI:

- 41% of households are Above Moderate-Income earners (greater than 100% AMI)
- 10% of households are Moderate-Income earners (80-100% AMI)
- **48% of households are Lower-Income earners (50-80% AMI)**
- 14% of households are Extremely Low-Income earners (<30% AMI)



# Housing Characteristics

**Overcrowding: a household with more than one occupant per room excluding bathrooms and kitchens; Severe overcrowding includes units with more than 1.5 persons per room.**

- 10% of households experience overcrowding of some kind; 4% severe overcrowding
- 7% of renter households experience overcrowding; 5% experience severe overcrowding
- Owner households experience no overcrowding

**Cost Burden: households spending more than 30% of gross income on housing; Severe cost burden is measured as households spending more than 50%.**

- **34% of households are cost burdened; 21% severely cost burdened**
- **38% of renter households are cost burdened; 25% severely cost burdened**
- 15% of owner households are cost burdened; zero severely cost burdened

## Housing Type

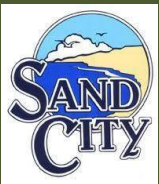
- **63% Multifamily**
- 35% Single-family detached

## Housing Growth

- 60% increase in housing unit estimates between 2010-2019

## Housing Permits Issued 2015-2021

- **6 Above Moderate-Income Units total**



# Housing Affordability

Jurisdiction	Median Home Value				Percent Change 2019-2022
	2019	2020	2021	2022	
Monterey County	\$561,490	\$632,834	\$735,469	\$778,164	39%
<b>Sand City</b>	<b>\$550,015</b>	<b>\$616,786</b>	<b>\$690,126</b>	<b>\$729,055</b>	<b>33%</b>
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%

**Median Home Value Comparison**

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.

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

**Average Rent By Number of Bedrooms**

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





### **3. Regional Housing Needs Allocation (RHNA)**

# What is RHNA?

## Regional Housing Needs Allocation

- A **target number for homes needed** assigned to Monterey Bay Area region by California Department of Housing and Community (HCD)
- Association of Monterey Bay Area Governments (**AMBAG**) assigns **specific RHNAs** to each county and municipality





# RHNA for 6<sup>th</sup> Cycle Housing Element

## 6<sup>th</sup> Cycle Total RHNA

260

## 5<sup>th</sup> Cycle RHNA

55

## Increase from 5<sup>th</sup> to 6<sup>th</sup> Cycle

472% increase

	Sand City	
Income Group	Units	Percent
Very Low Income (<50% of AMI)	59	22.7%
Low Income (50%-80% of AMI)	39	15%
Moderate Income (80%-120% of AMI)	49	18.8%
Above Moderate Income (>120% of AMI)	113	43.5%
Total	260	100.0%



# Monterey County – Area Median Income

Income Level	1-Person	2-Person	3-Person	4-Person
Extremely Low	\$23,900	\$27,300	\$30,700	\$34,100
Very Low	\$39,800	\$45,500	\$51,200	\$56,850
Low	\$63,700	\$72,800	\$81,900	\$91,000
Moderate	\$75,650	\$86,500	\$97,300	\$108,100
Area Median Income	\$63,050	\$72,800	\$81,900	\$90,100





## 4. Site Inventory

# Can we re-use 4<sup>th</sup> & 5<sup>th</sup> Cycle sites?

- HCD Requirements for re-using sites:

5<sup>th</sup> Cycle Non-Vacant Sites or 4<sup>th</sup> Cycle Vacant Sites

Rezone within three years *to allow residential use by right* housing developments in which at least *20% of the units are affordable* to lower income households.

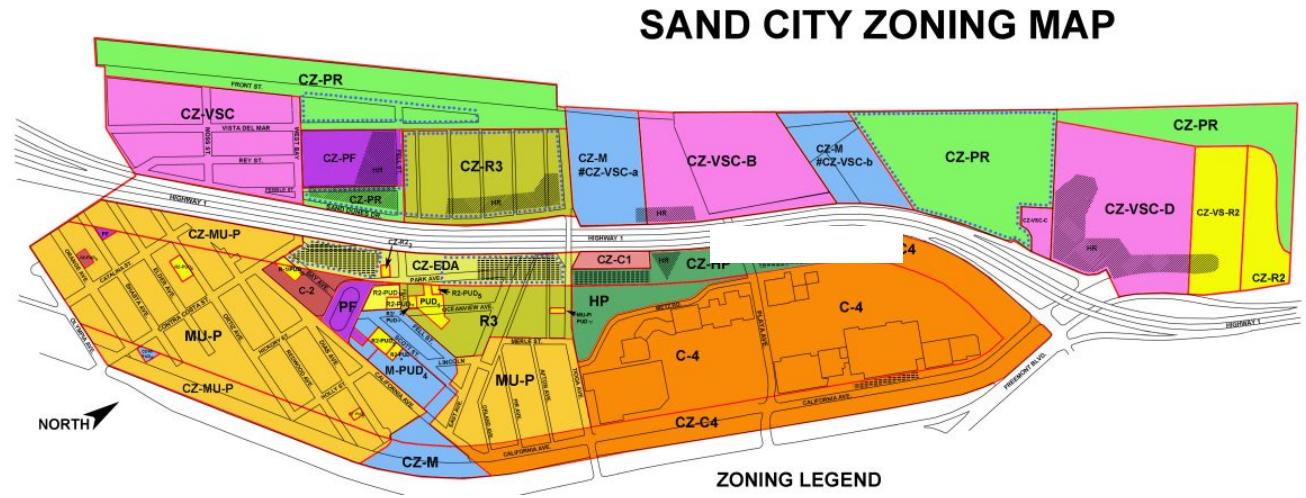
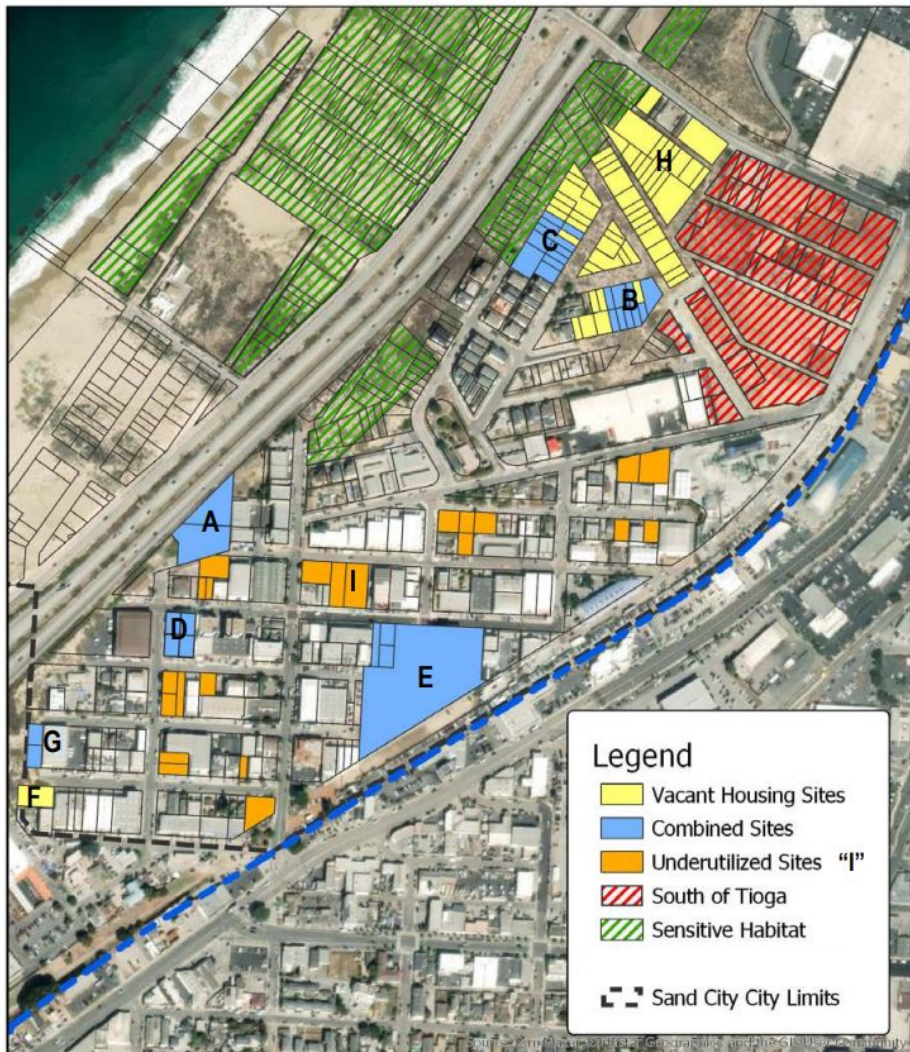
# What is the Biggest Change for sites?

- **Density Bonus for Mixed-Use and Planned Unit Development:**

**Program 1.1.B:** The City will amend the MU-P Zoning District by adding new criteria that grants to MU-P **lots of any size** a 250% density bonus, provided 15% of the units are affordable to lower-income households (consistent with definitions used in the State's density bonus law). (see section 18.13.060.H)



# Site Inventory

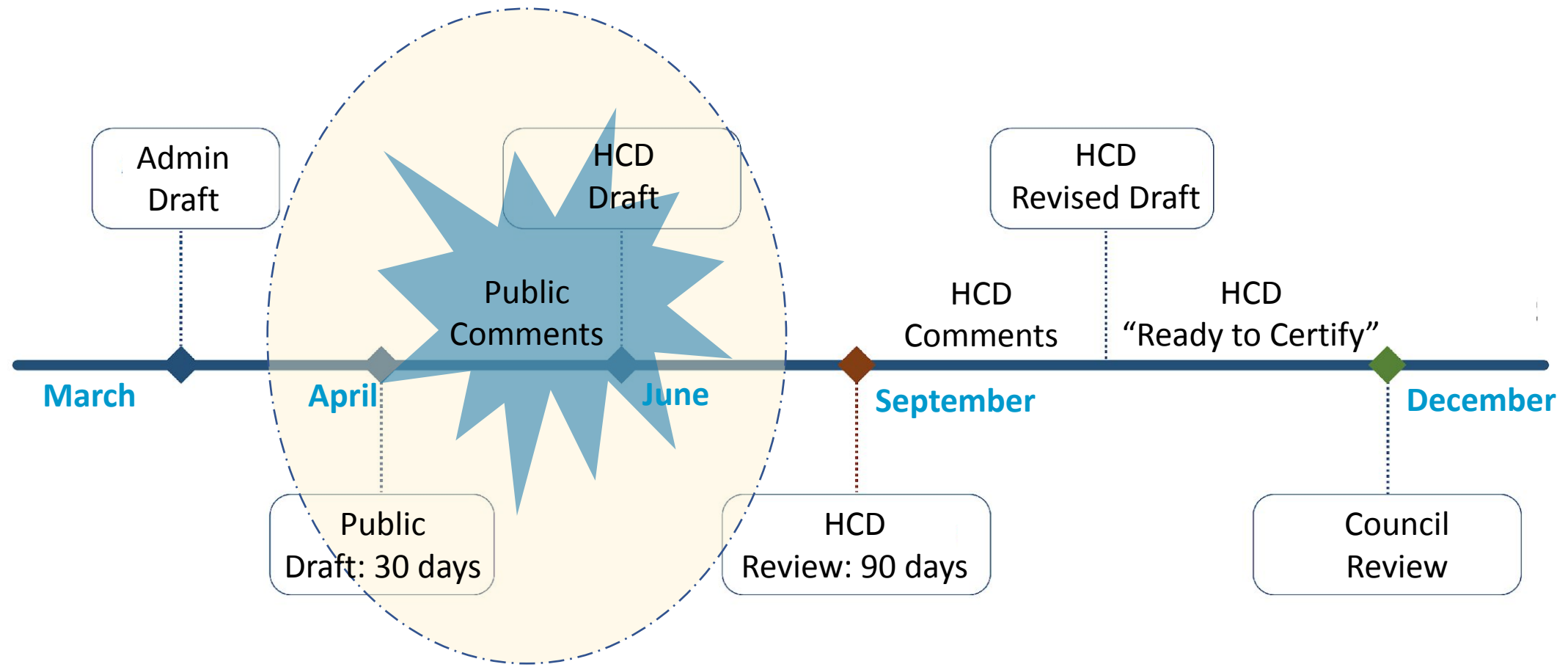






## 5. Project Schedule and Next Steps

# Milestone Schedule





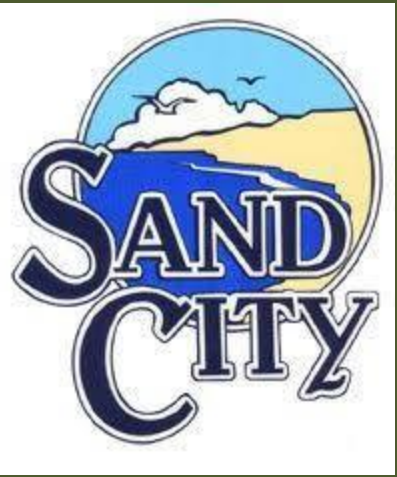
# Next Steps

*This is a powerful time to share your comments!*

- May 5: Public Review Draft published to website
- May 5: Table at the Sand City Night Market to introduce the Draft
- May 5 – June 5: Public Comment Period
- June 5 – June 12: Prepare HCD Draft with Public Comments Incorporated
- June – Aug: HCD 90-day Initial Review
- October 1: Revised HCD Draft
- Oct – Nov: 2<sup>nd</sup> HCD Review
- Dec 19: City Council Consideration

The public is invited to share their comments, concerns, and ideas by emailing a message to [wahl@emcplanning.com](mailto:wahl@emcplanning.com)





## 6. Public Engagement Process

# Discussion Topics

- Can the City support a Prohousing Designation approach to policies?
- Are there ideas for increasing inclusion in our outreach efforts?
- Are there housing issues or concerns that should be addressed?



# Brochure Mailing

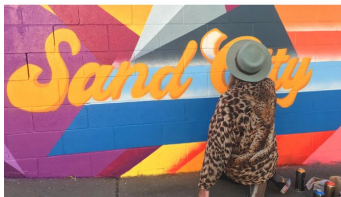
Sent to all Sand City residents and Commercial Property Owners, promoting:

- Dedicated webpage
- Property Owner Interest Form
- Stakeholder Survey
- Release of Initial Public Review Draft and 30-day public comment period

...  
**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.



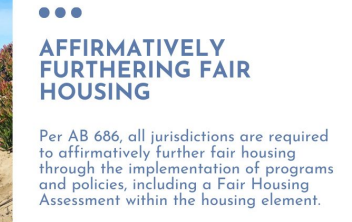
...  
**WHAT IS A HOUSING ELEMENT?**

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.

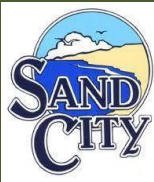


...  
**AFFIRMATIVELY FURTHERING FAIR HOUSING**

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.





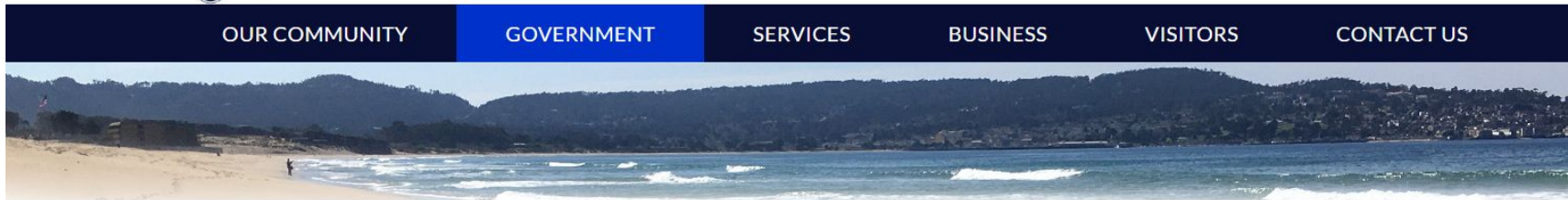
# Housing Element Webpage

sandcity.org/government/city-departments/planning-department/2023-2031-housing-element-update-2-0



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    - 2023-2031 Housing Element Update
    - FAQs: Housing Element Update
    - What If We Don't?
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## 2023-2031 HOUSING ELEMENT UPDATE

Font Size: [+](#) [-](#) [+](#) [Share & Bookmark](#) [Feedback](#) [Print](#)

### Welcome!

The 6th Cycle Housing Element Update (2023-2031) will identify where and how the City will accommodate existing and projected future housing needs. This page will be the center of online activity and residents are encouraged to visit frequently to engage in the process, provide feedback, find key documents, see upcoming meeting dates, and learn other information. It will be updated regularly throughout the Housing Element Update process, which will end in December 2023.

If you have questions about the Housing Element Update, please be sure to read through the [Frequently Asked Questions \(FAQs\)](#) page.

Sand City supports the efforts of the State to address the affordable housing crisis, and is committed to playing our part in achieving our RHNA goal. We're on this housing journey together and we encourage everyone to get involved as we move forward.

### Public Review Draft

As of May 5, 2023, the Sand City Public Review Draft Housing Element is available for a 30-day review and public comment period. Please click the document linked below to review the Public Review Draft Housing Element, and send your comments to [wahl@mcplanning.com](mailto:wahl@mcplanning.com).





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*Thank you.*

# Why do we need a **buffer**?

## ▪ **Housing Element Buffer**

- Not required
- Recommended 15% - 30% by HCD, relative to likelihood of development within an eight-year cycle, specific to affordability projections
- If developed sites do not meet anticipated affordability levels, then a mid-cycle re-identification of capacity will be required