

Initial HCD Draft

6th Cycle Housing Element Update (2023-2031)

City of Sand City

September 26, 2023



Prepared by
EMC Planning Group

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DEVELOPMENT DRAFT

6TH CYCLE HOUSING ELEMENT UPDATE
(2023-2031)
CITY OF SAND CITY

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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: ABAG, 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.

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.

In an act of transparency, this draft Housing Element update is being presented to the community without review or revision from elected officials. Members of the community are 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 is rooted in allowing the community and decision makers alike to have an equal start at developing the 2023-2031 Housing Element.

The City is in the early stages of this Housing Element update process, and acknowledges the timeliness required to complete the Housing Element update by the deadline, as well as the limits of being a very small community that requires local knowledge to provide a comprehensive story of Sand City. As a result, 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.

Within [Appendix A](#) (the Housing Needs and Fair Housing Report) of this Housing Element update, local data is presented and the draft review period is time to gather additional community input. Members of the community may send their experiences or questions via email to Housing@emcplanning.com to help inform this Housing Element.

Public Participation to Affirmatively Furthering Fair Housing

The Sand City public participation program is 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).

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 remains in process.

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.

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 HCD Initial Draft has been amended, as needed, based on the comments received, and the Public Comment Report highlights where changes have been made in the HCD Initial Draft to respond to these comments.

Verbal Comments

A number of verbal comments were received at the Sand City Council meeting on May 16, 2023, and summaries of these comments have been provided in the Public Comment Report (see the Public Comment Report).

Online Stakeholder Survey

An online Stakeholder Survey was posted on May 5, 2023 and will remain 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
- 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.

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	59	1	0
Low	39	2	0
Moderate	49	3	0
Above Moderate	113	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) complicated planning entitlement process which involved working with many outside agencies. The City will continue plans to redevelop the area of town known as SOT as a mixed-use project with a large housing component of 356 units, 15 percent of which are affordable units. The City will expedite design review and building permits for residential uses by contracting with outside firms that specialize in providing municipal planning permit services and processing multi-family residential building permits.

Additionally, 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.

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 at least 355 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 align 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: December 2024

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: December 2024

Funding Source: General Fund

Quantified Objective: Amended zoning ordinance

Performance Metric(s): Number 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.

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 651 units with vacant and underutilized sites, which represents 250% of the RHNA and positions the City as Prohousing eligible.

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 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. The City will develop and adopt objective design standards for multi-family developments.

Implementation Policies: Policy 1.2; 1.4; 3.1; 3.2

Responsible Department: City Staff and Council

Timeframe: June 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.

Implementation Policies: Policy 1.2; 1.3; 1.4; 3.1

Responsible Department: City Staff and Council

Timeframe: June 2028

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 also 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: June 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. The City will 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: June 2024-Develop ADU Guidance, Promote Financing Tool; Update website.
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: June 2025
Funding Source: General Fund; Private Developer; Property Owners
Quantified Objective: 30 units by 2031
Performance Metric(s): Adopted universal design elements

(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: June 2031

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 are between 50 to 150 units and 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: December 2024
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.

Implementation Policies: Policy 1.4; 3.1; 4.1
Responsible Department: Planning Department
Timeframe: June 2024
Funding Source: General Fund
Quantified Objective: 200
Performance Metric(s): Reduced approval Timeframes

(NEW)

Program 1.R Prepare Checklist and Procedures for SB 35

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.

Implementation Policy: Policy 1.4; 3.1; 4.1
Responsible Party: Community Planning and Building Department
Timeframe: December 2024 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)

GOAL H2 PROTECT AFFORDABLE HOUSING AND IMPROVE HOUSING 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 and continue budgeting revenues into the capital improvement budget to improve streets, sidewalks, storm drainage, wastewater and water lines within the West End area.

Implementation Policies: Policy 2.1; 2.2; 3.1

Responsible Department: City Engineer; Planning Department

Timeframe: Ongoing

Funding Source: CDBG; other funds as available and received

Quantified Objective: N/A

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, Statutes 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: Ongoing
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;
- 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.

Implementation Policies: Policy 2.3; 5.1
Responsible Department: Planning and Building Departments
Timeframe: Ongoing
Funding Source: State HOME Funds

Quantified Objective: N/A

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: December 2024

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. The City will initiate a Zoning Code amendment to rezone the property to MU-P Planned Mixed Use Zoning District to allow additional related activities to support skills development and allow transitional housing.

Implementation Policies: Policy 3.1; 5.1

Responsible Department: Planning Department; City Manager

Timeframe: June 2026

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 than 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 prohousing 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;
- Provide materials at City Hall;
- Direct mail information to residents;
- Distribute information at City events like the West End celebration; and
- Work with local nonprofits include the Salvation Army Day Center.

Implementation Policies: Policy 3.1; 5.1

Responsible Department: Planning Department; City Manager

Timeframe: Daily; Ongoing

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 Eliminate Design Permit requirement for 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 homelessness. 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. Where these requirements are not met, the Housing Element must include a program to identify zone(s) where emergency shelters are a permitted use, within one year from the adoption of the Housing Element. Currently, both a design and site permit are required for construction in the PF Public Facilities Zoning district where emergency shelters area

permitted use. 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.

Implementation Policies: Policy 3.1; 3.2
Responsible Department: Planning Department; City Manager
Timeframe: December 2024
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: December 2024
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. 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: December 2024
Funding Source: General Fund
Quantified Objective: N/A
Performance Metric(s): Number of affordable units

(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). Upon conclusion of the surplus land determination process, the City will send notices about available, surplus local public land to all of the following:

- California Department of Housing and Community Development;
- Any local public entity within the jurisdiction where the surplus local land is located; and
- Developers who have notified HCD of their interest in developing affordable housing on surplus local public land.

Prior to agreeing to terms to dispose of surplus property, local agencies (cities, counties, and special districts) the City will send a description of notices of availability sent, and negotiations conducted, in addition to a copy of any restrictions to be recorded against the property, to HCD for review using HCD forms.

Implementation Policies: Policy 3.1; 3.2
Responsible Department: City Manager
Timeframe: December 2026
Funding Source: General Fund
Quantified Objective: N/A
Performance Metric(s): Acres of surplus land

(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.

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. 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

Performance Metric(s): Residential building permit issued

(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, 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;
- Facilitate use of MST by providing information on bus frequency and transit stop locations;
- Reduction of minimum parking standards; and
- Provide secure bicycle and electric Bicycle storage.

Implementation Policies: Policy 4.1; 4.2

Responsible Department: Planning and Building Departments

Timeframe: Ongoing

Funding Source: General Fund

Quantified Objective: 30 units

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.

Implementation Policies: Policy 4.1; 4.2

Responsible Department: Planning and Building Departments

Timeframe: 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: 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;
- 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.

Implementation Policies: Policy 5.1
Responsible Department: City Manager/ Planning Department
Timeframe: 2024-2031
Funding Source: General Fund; CDBG
Quantified Objective: Reduce the number of fair housing complaints
Performance Metric(s): Number 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.

Responsible Body: Planning Department

Funding: General Fund

Quantified Objective: N/A

Time Frame: December 2024

(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)

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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 City⁶ 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 meet 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
<p>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.</p>	<p>Program 1.H: Habitat Management Plan Program 1.C: Increase Housing Diversity</p>
<p>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.</p>	<p>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 Program 1.G: Objective Design Standards</p>
<p>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.</p>	<p>Program 1.E: Update the General Plan</p>
<p>City Fees While Sand City’s building fees are lower than surrounding communities, fees can still pose as an impediment to development.</p>	<p>Program 3.H: Reduced Fees for Affordable Projects</p>
<p>Parking requirements</p>	<p>Program 1.J: Reduce Minimum Parking Standards Program 1.C: Increase Housing Diversity</p>
<p>Emergency Shelters</p>	<p>Program 3.D: Eliminate Design Permit Requirement for Emergency Shelters</p>
<p>Low-barrier Navigation Centers</p>	<p>Program 3.E: Low Barrier Navigation Center</p>
<p>SB 9</p>	<p>Program 1.I: California Housing Opportunity and More Efficiency (HOME) Act</p>

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
<p>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.</p>	<p>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</p>
<p>Limited Land Sand City's size limits areas where new housing can be constructed.</p>	<p>Program 1.C: Increase Housing Diversity – MU-P Zoning District Amendments</p>
<p>Environmental Constraints The presence of special status species and environmentally sensitive habitat areas limit areas available for development within the City.</p>	<p>Program 1.H: Habitat Management Plan</p>
<p>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.</p>	<p>Program 5.C: State and Federal Housing Programs and Funding</p>

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4.0 Vacant and Available Sites

4.1 Introduction

The 6th Cycle Regional Housing Needs Allocation Plan 2023-2031¹ 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 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 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*	TBD	TBD	TBD	TBD	TBD
Remaining RHNA*	TBD	TBD	TBD	TBD	TBD

SOURCE: City of Sand City 2022

*NOTE: This data will be available and calculated prior to final HCD submittal

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	--	1	1	--	--
Total	62	55	50	486	651
RHNA	59	39	49	113	260
Diff	3	15	0	373	391

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 250 percent of the Sand City’s Regional Housing Needs Allocation for the 6th Cycle planning period.

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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. CCCE 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

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Sand City Housing Needs & Fair Housing Report



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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 an 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 obligation² 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).

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

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.

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](https://www.montereycountyweekly.com/news/a-new-group-sets-out-to-explore-the-history-of-racist-housing-covenants-in-monterey-county/)

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.

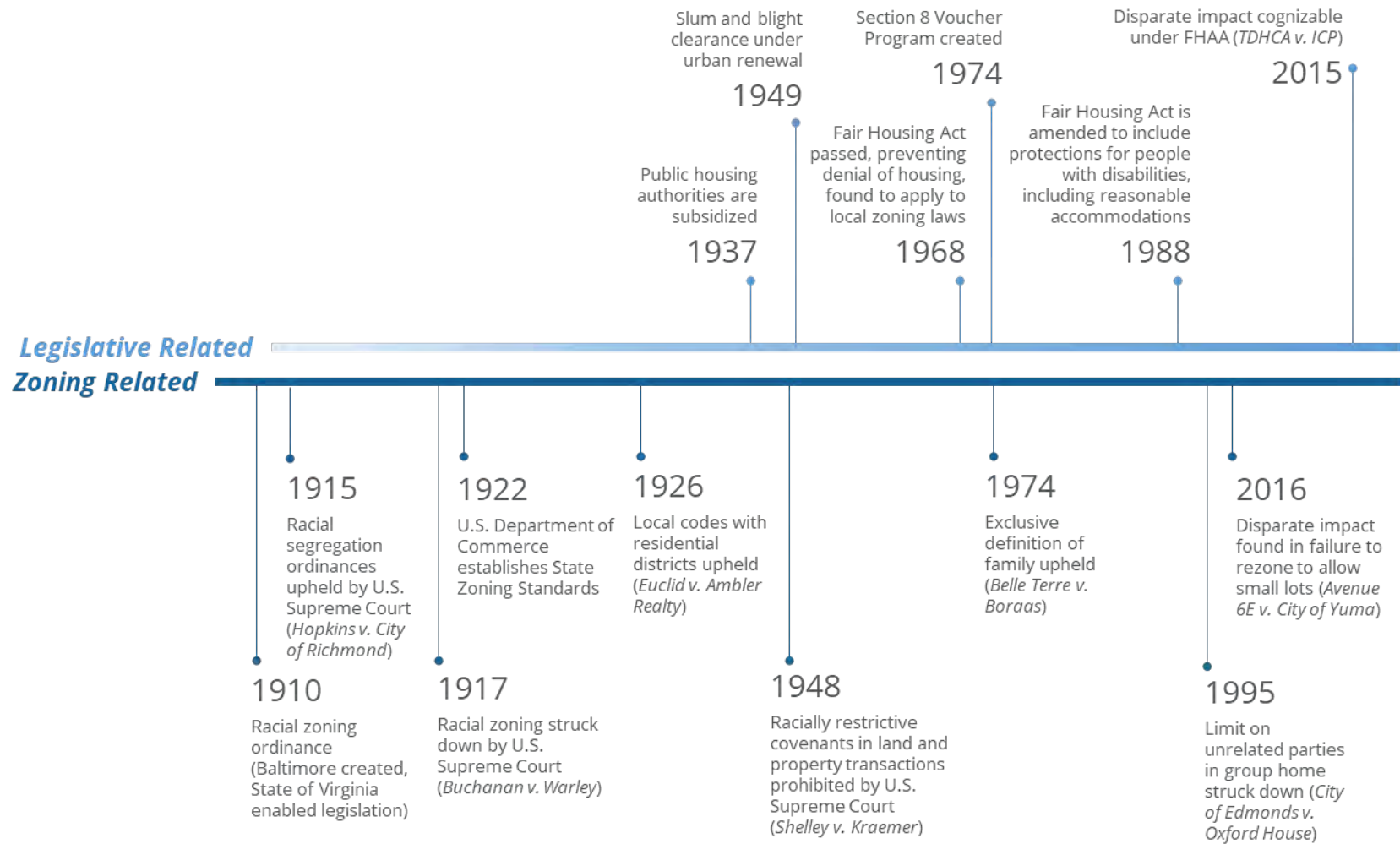
The Federal Fair Housing Act was not enacted until nearly 60 years after the first racial zoning ordinances appeared in U.S. cities. This coincided with a shift away from federal control over low-income housing toward locally-tailored approaches (block grants) and market-oriented choice (Section 8 subsidies)—the 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.

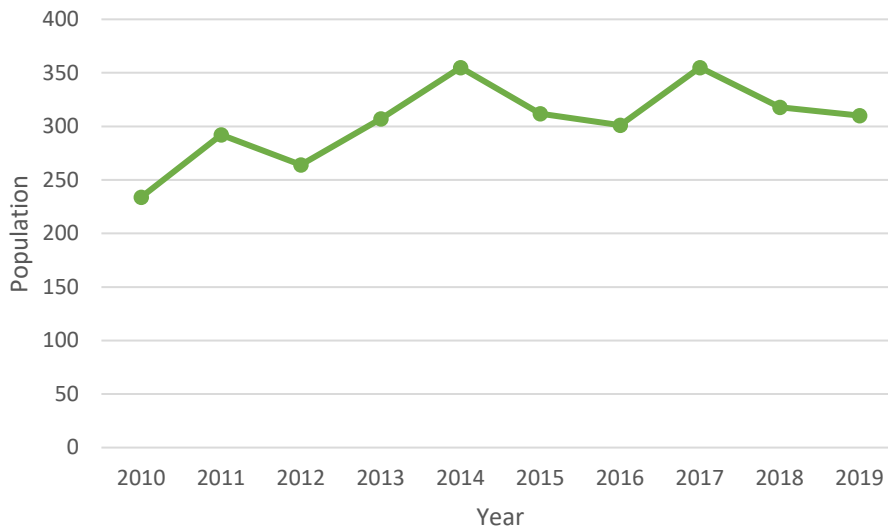
Table A-1 Population Growth by Jurisdiction, 2010-2019

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



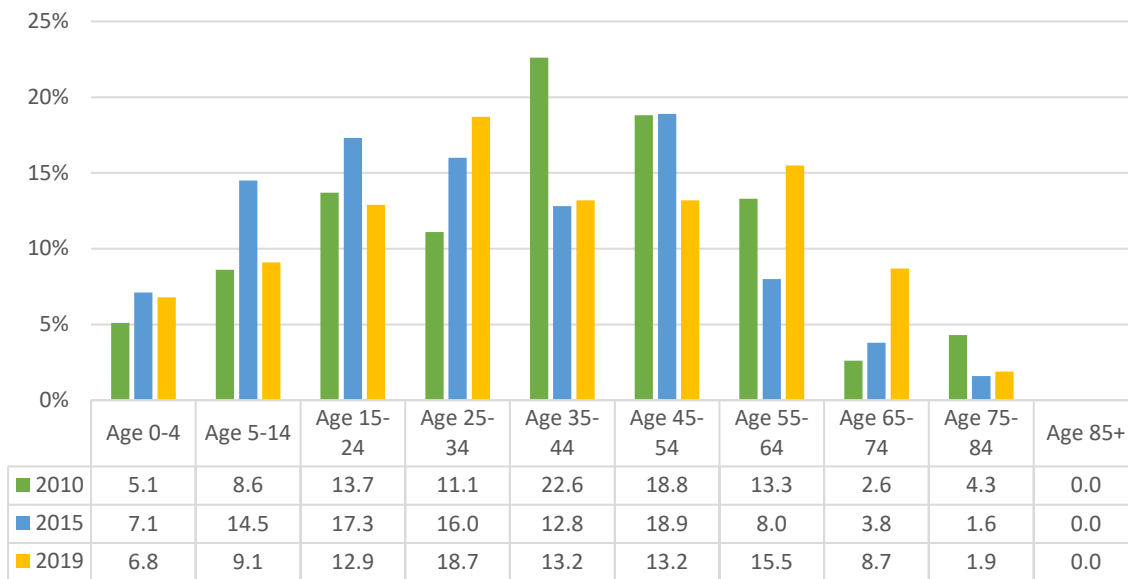
SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2010-2019

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



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

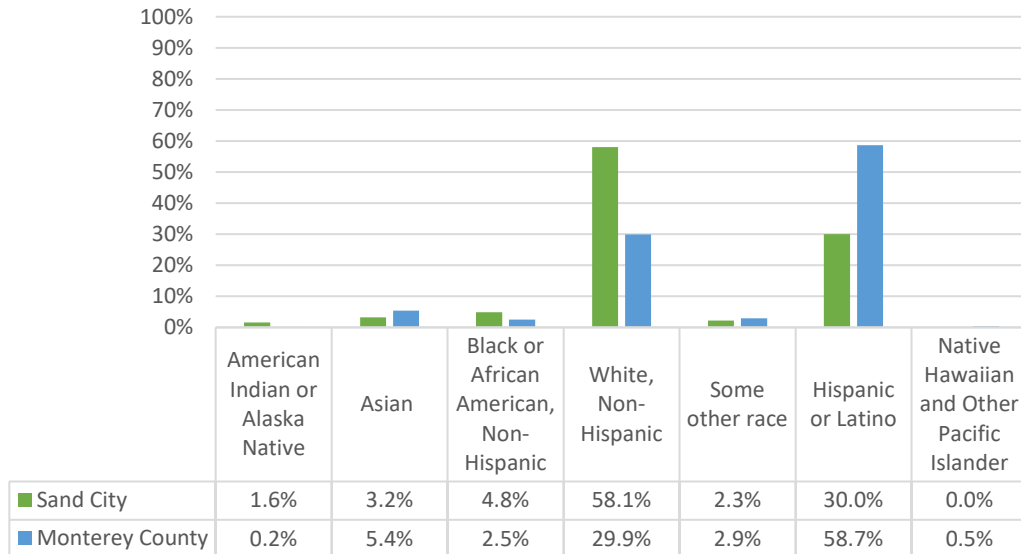
Jurisdiction	Population Age									
	0-4	5-14	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
Monterey County	7.3%	14.8%	14.3%	14.4%	13.0%	11.8%	11.1%	7.7%	3.6%	1.9%
Sand City	6.8%	9.1%	12.9%	18.7%	13.2%	13.2%	15.5%	8.7%	1.9%	0.0%
Del Rey Oaks	5.7%	8.3%	5.7%	12.6%	12.5%	13%	18.9%	15.9%	4.4%	2.9%
Seaside	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



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.

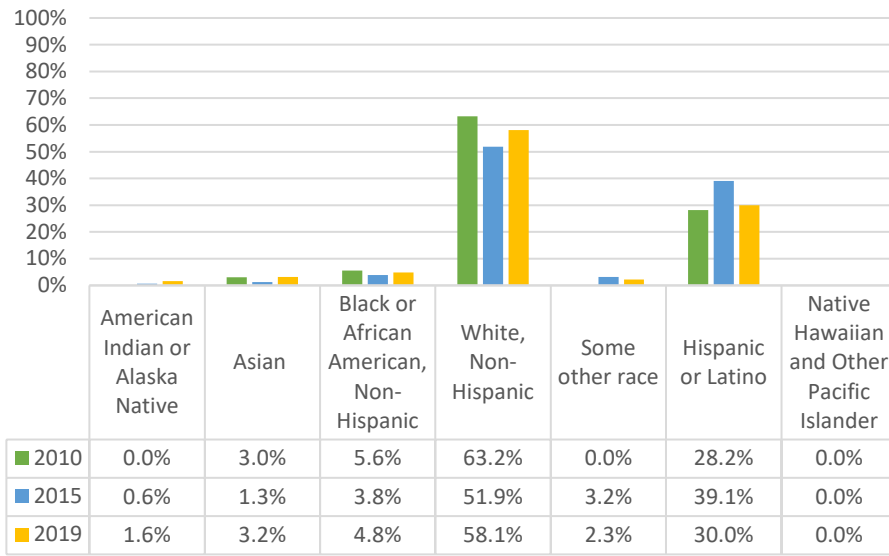
Table A-3 Population by Race by Jurisdiction, 2019

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



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.

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-6 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 mapping⁸, diversity levels in 2023 have remained relatively the same (88.3 percent).

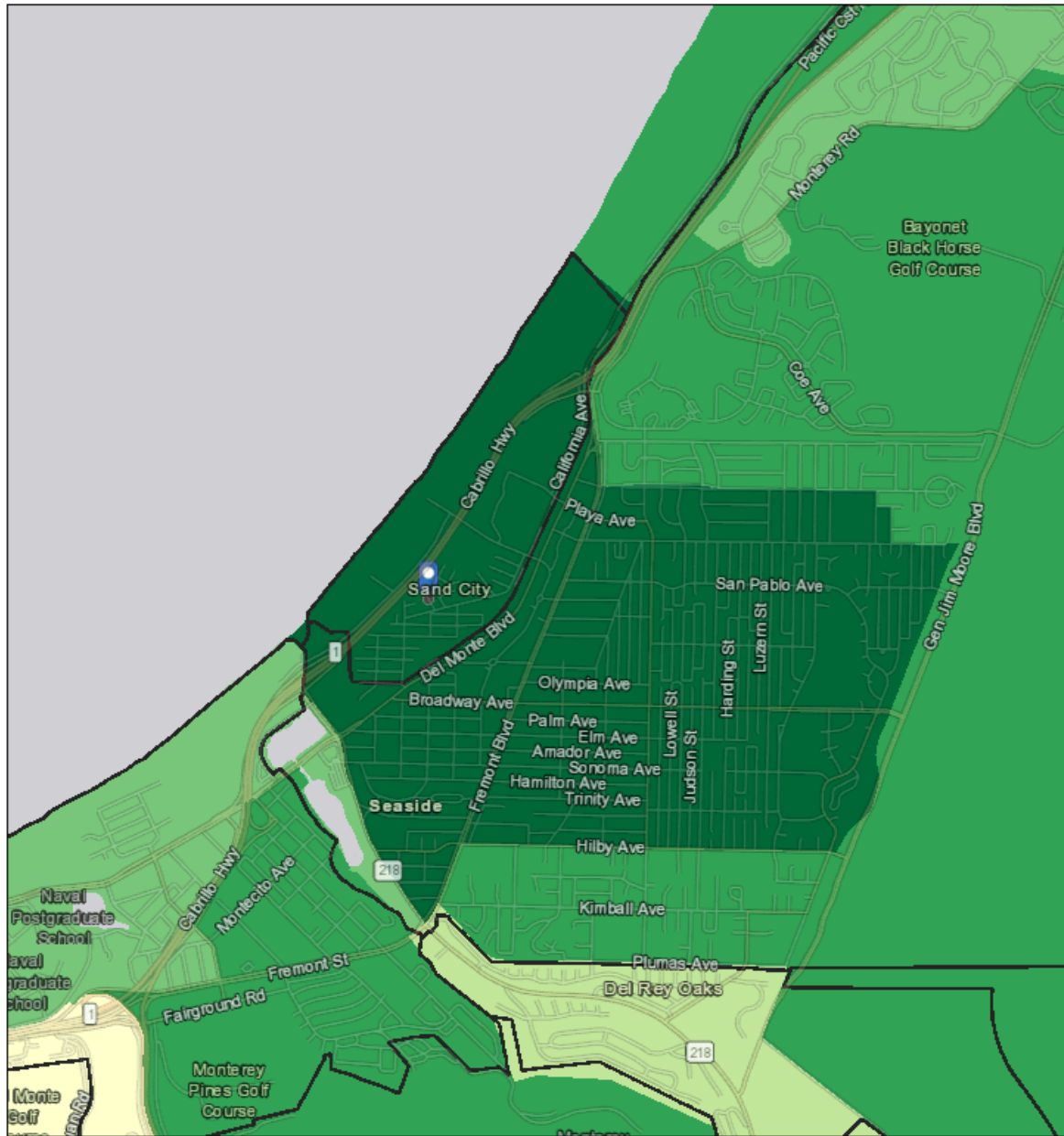
Racially or Ethnically Concentrated Areas of Poverty and Affluence

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

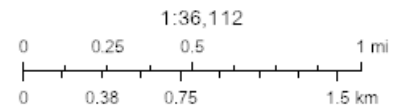
⁸ <https://affh-data-and-mapping-resources-v-2-0-cahcd.hub.arcgis.com/datasets/CAHCD::diversity-index-2018-block-group-/explore?location=36.614050%2C-121.850580%2C15.15>

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-6 Diversity Index, Sand City, 2018



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SOURCE: California Department of Housing and Community Development AFFH Data Viewer

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.

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.

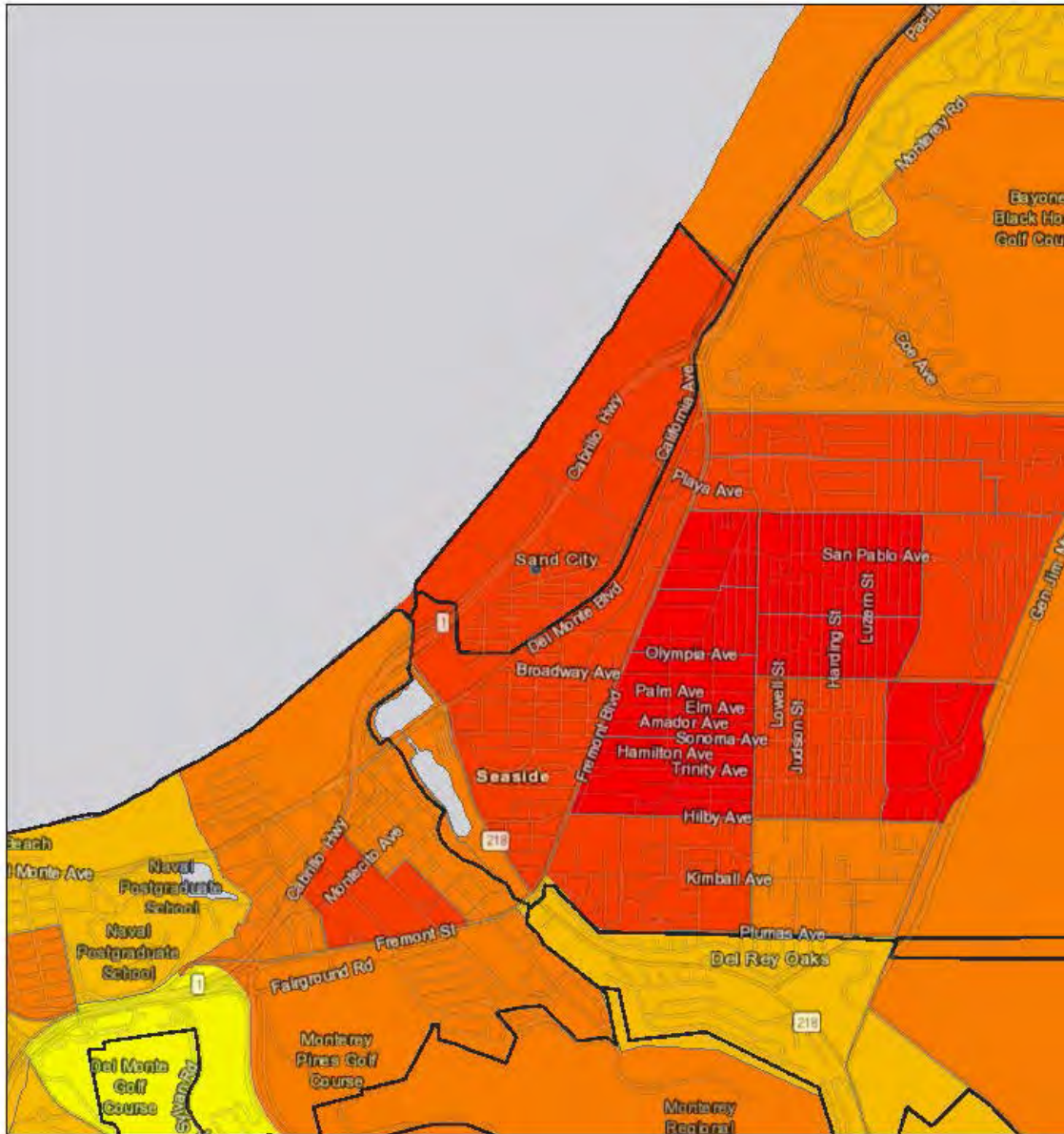
RCAAs

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

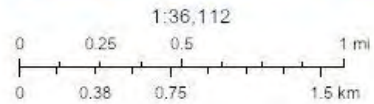
Figure A-7 illustrates the percent of non-White population in Sand City. According to the HCD Data Viewer, Sand City falls within the 60-80 percent non-White category. In contrast, U.S. Census ACS 5-Year 2019 Estimates report Sand City has little diversity with approximately 58 percent White and 30 percent Hispanic households. This discrepancy is likely due to Sand City's extremely small size and analyzing data at different scales.

Figure A-7 Percent Non-White Population, Sand City, 2018



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- City/Town Boundaries
- (R) Racial Demographics (2018) - Block Group
- ≤ 20%
- 21 - 40%
- 41 - 60%
- 61 - 80%
- > 81%



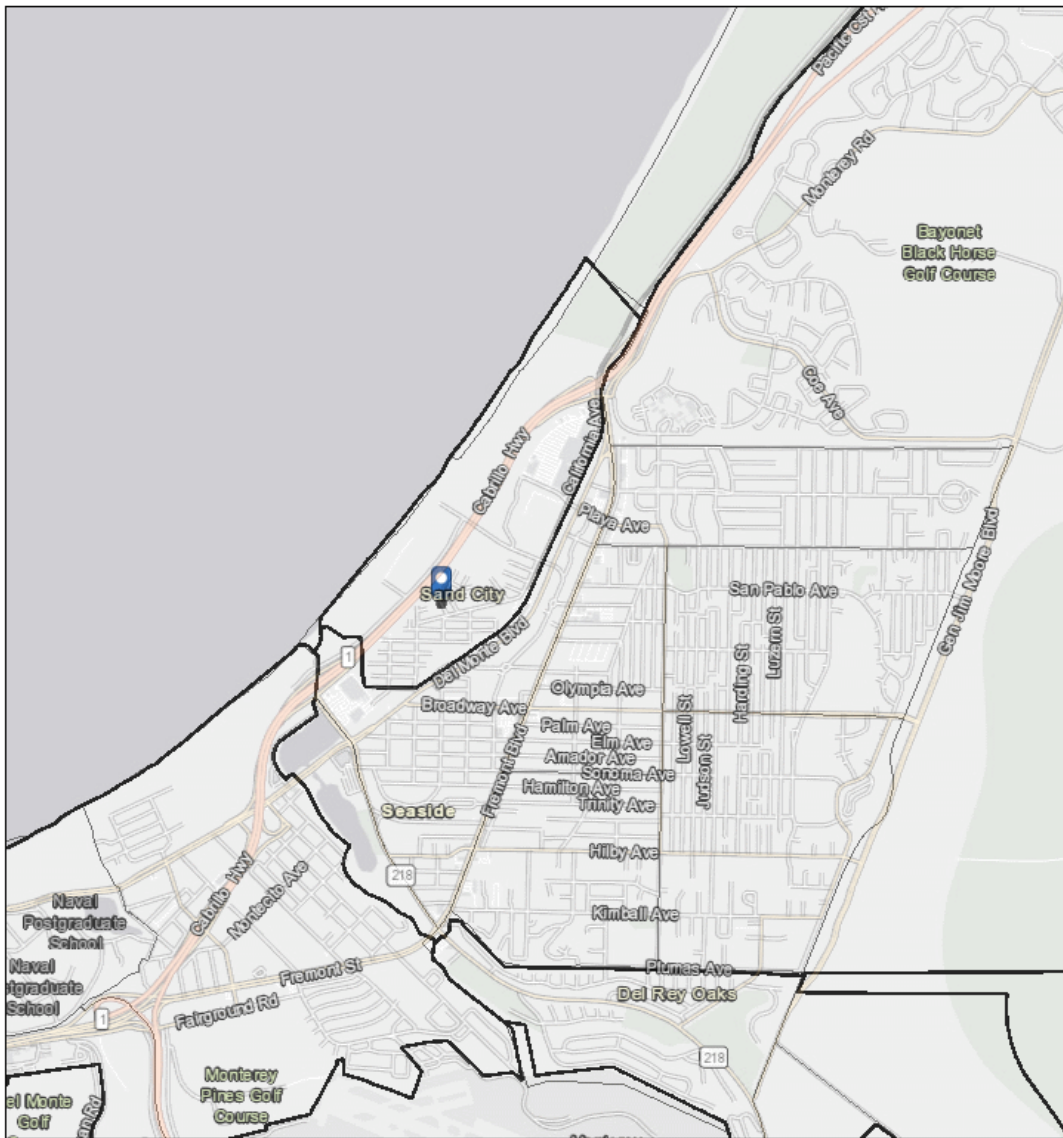
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SOURCE: California Department of Housing and Community Development AFFH Data Viewer

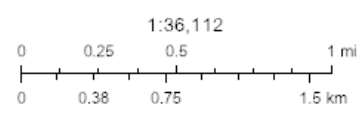
Figure A-8 illustrates R/ECAPs in Sand City illustrating there are no racially and ethnically concentrated area of poverty in the City.

Figure A-8 R/ECAP by Census Tract, Sand City, 2009-2013



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-  City/Town Boundaries
- Current R/ECAP Score
-  1 - R/ECAP
-  0 - Not a R/ECAP



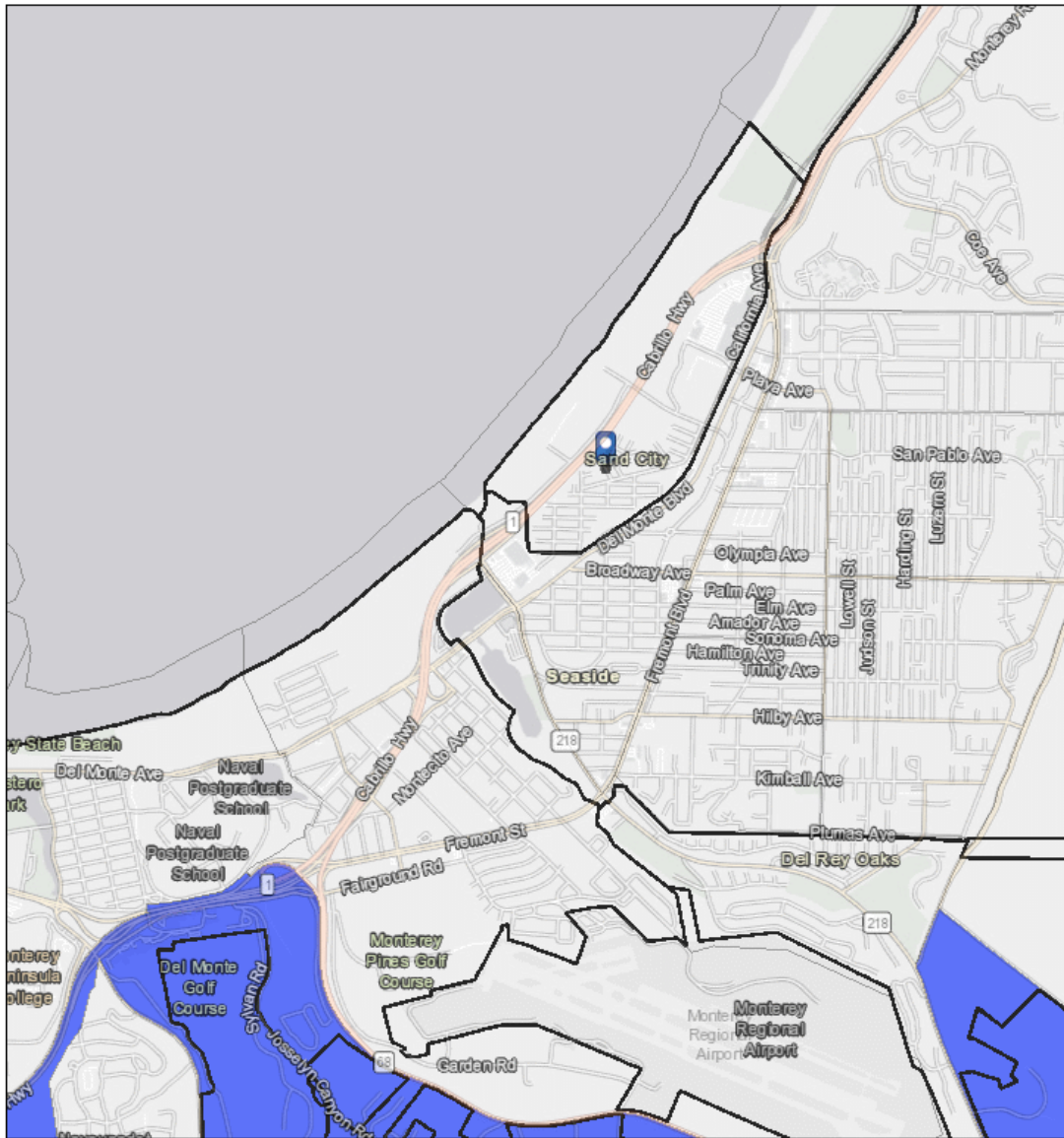
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SOURCE: California Department of Housing and Community Development AFFH Data Viewer

Figure A-9 illustrates RCAAs in Sand City illustrating there are no racially concentrated areas of affluence in the City.

Figure A-9 RCAA by Census Tract, Sand City, 2015-2019



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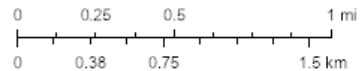
City/Town Boundaries

(R) Racially Concentrated Areas of Affluence "RCAA" (ACS, 2015 -2019) - Tract

0 - Not a RCAA

1 - RCAA

1:36,112



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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, CA HCD

SOURCE: California Department of Housing and Community Development AFFH Data Viewer

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

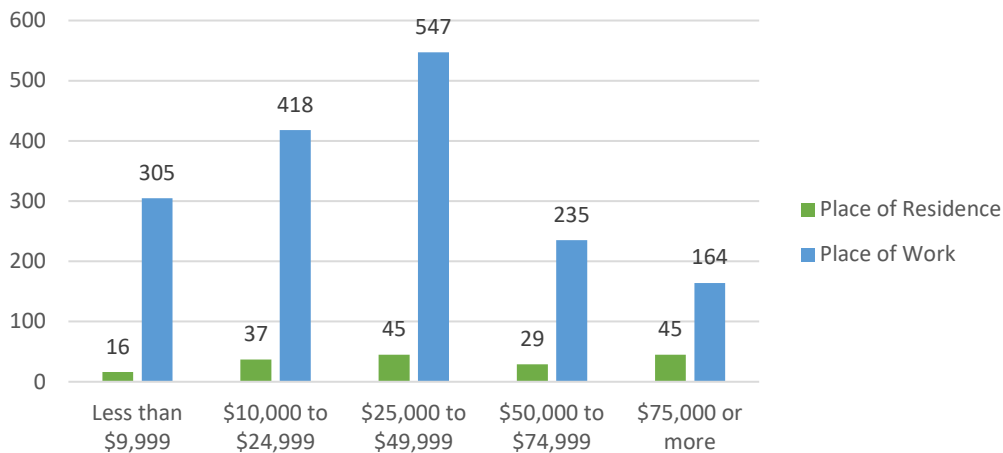
A city houses employed residents who either work in the community where they live or work elsewhere in the region. Conversely, a city may have job sites that employ residents from the same city but more often employ workers commuting from outside of it. Smaller cities will typically have more employed 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-10 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-10 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

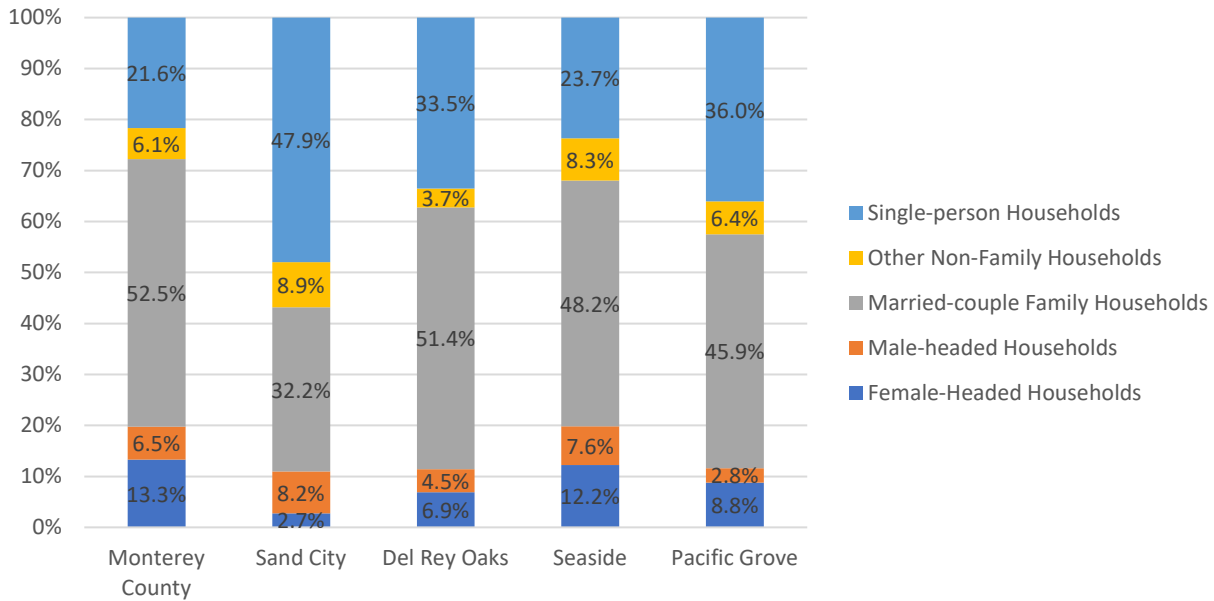
NOTE: *Projected growth values

Household Type and Size

Figure A-11 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

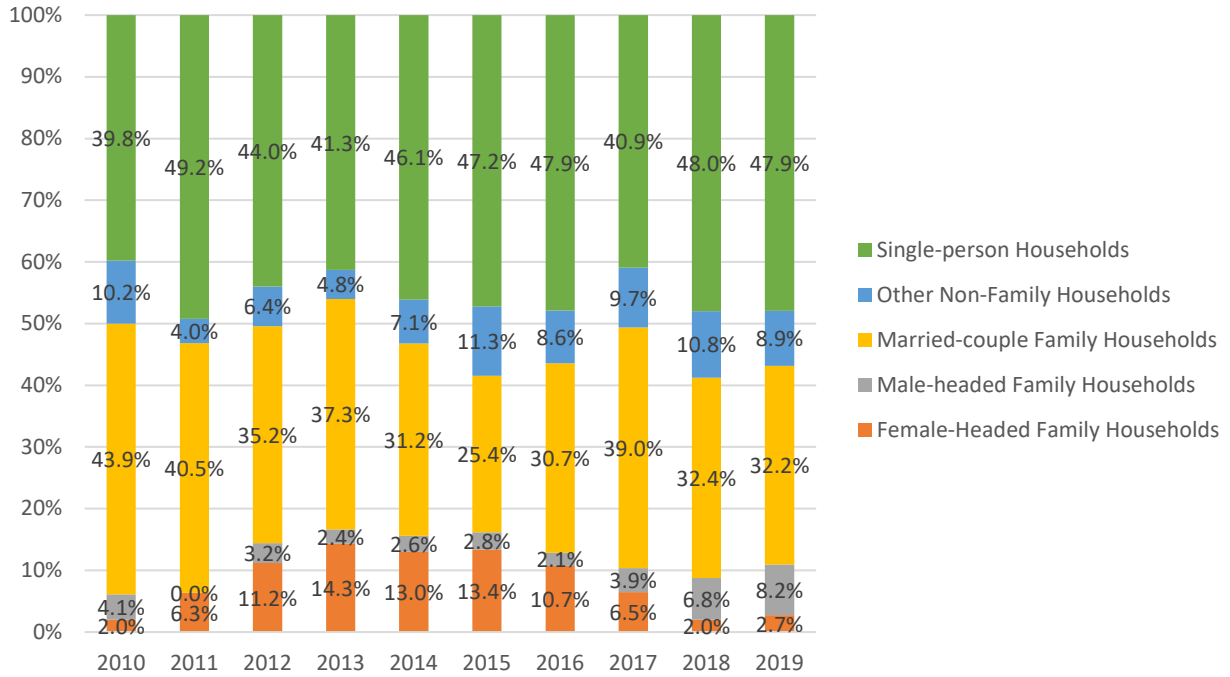
Figure A-11 Household by Type by Jurisdiction, 2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2019

Figure A-12 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-12 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-13 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.

Household Income

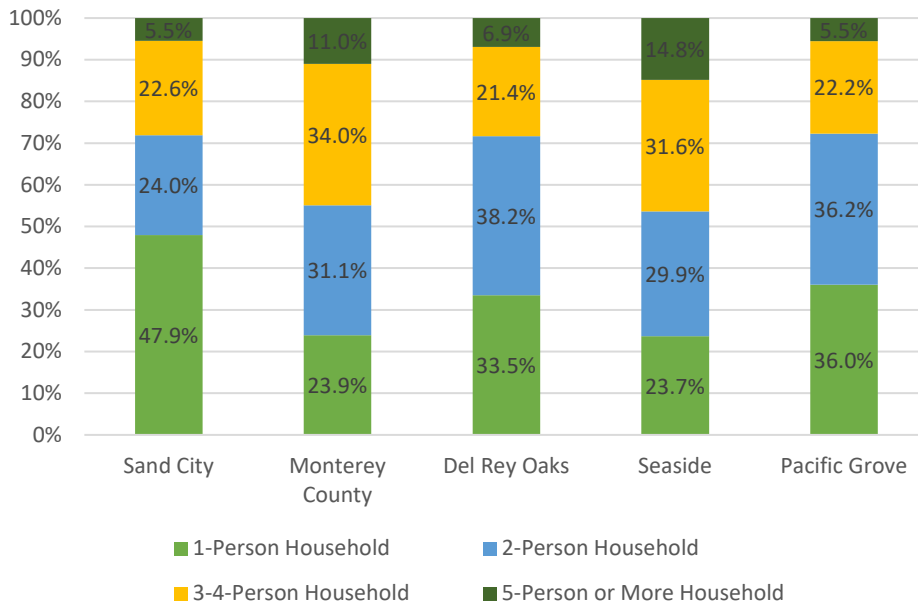
Affordability is a key component in determining the housing needs of a community. Household income determines the ability of a household to purchase or rent a housing unit. However, fluctuating household incomes may result in the need to spend disproportionate amounts of income on housing costs, referred 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.

Figure A-13 Households by Household Size by Jurisdiction, 2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2019

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 make up 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.

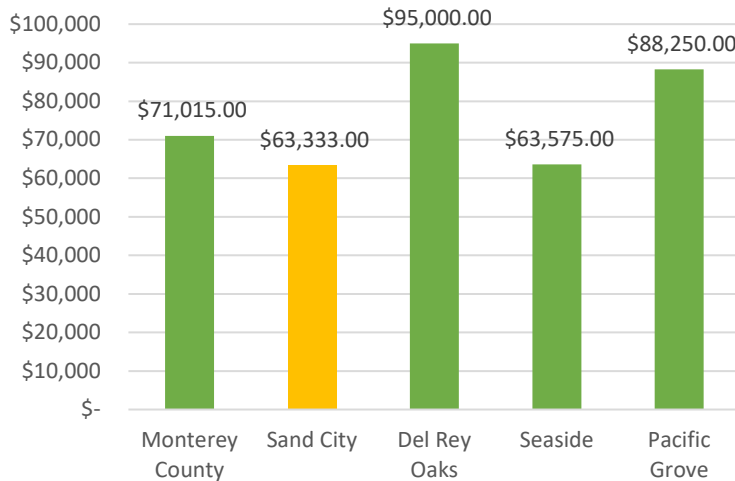
Table A-10 Households by Income Category, Sand City, 2019

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-14 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.

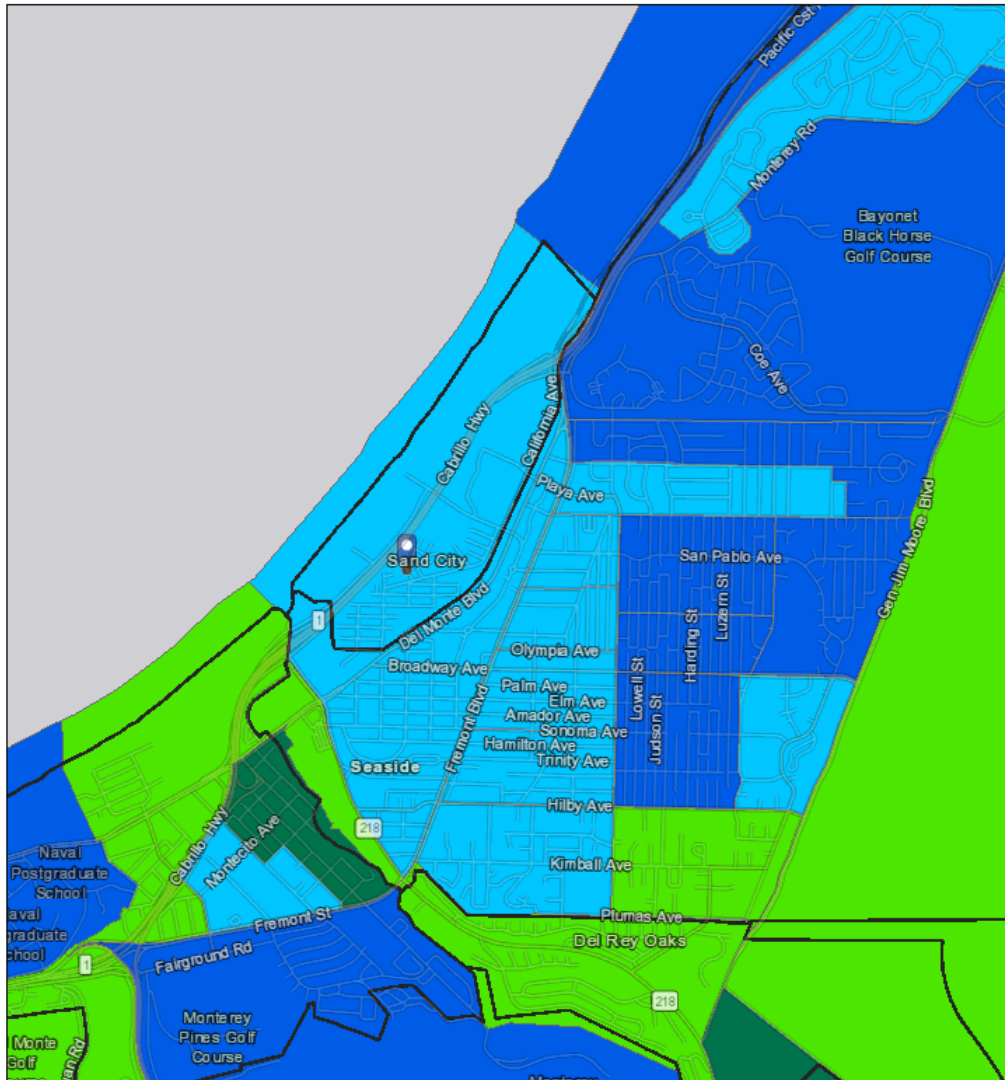
Figure A-14 Median Household Income by Jurisdiction, 2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2019

Figure A-15 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-15 Median Household Income, Sand City, 2015-2019



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City/Town Boundaries

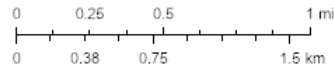
(R) Median Income (ACS, 2015-2019) - Block Group

< \$55,000

< \$87,100 (HCD 2020 State Median Income)

< \$125,000

Greater than \$125,000



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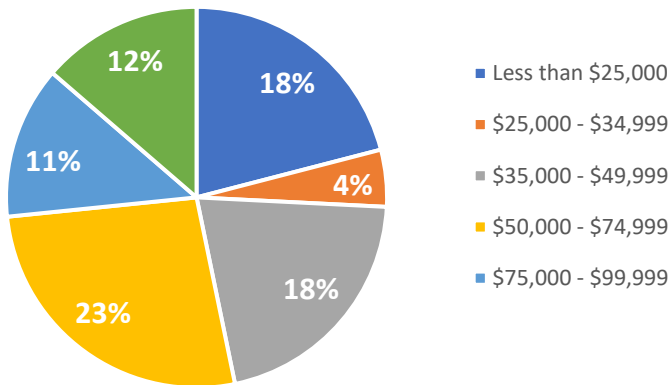
CA HCD

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-16 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.

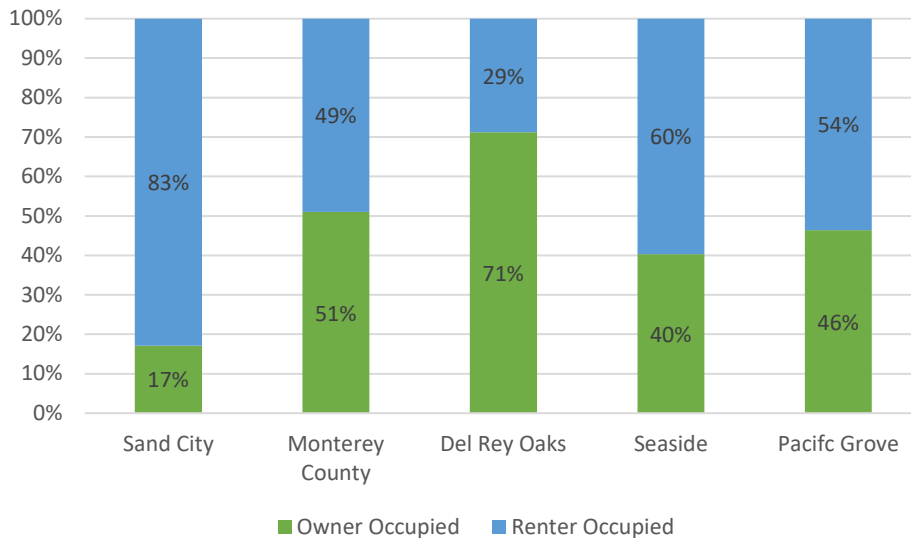
Figure A-16 Income by Category, Sand City, 2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2019

Figure A-17 illustrates housing by tenure in Sand City, the County, and nearby cities. Eighty-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-17 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).

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:

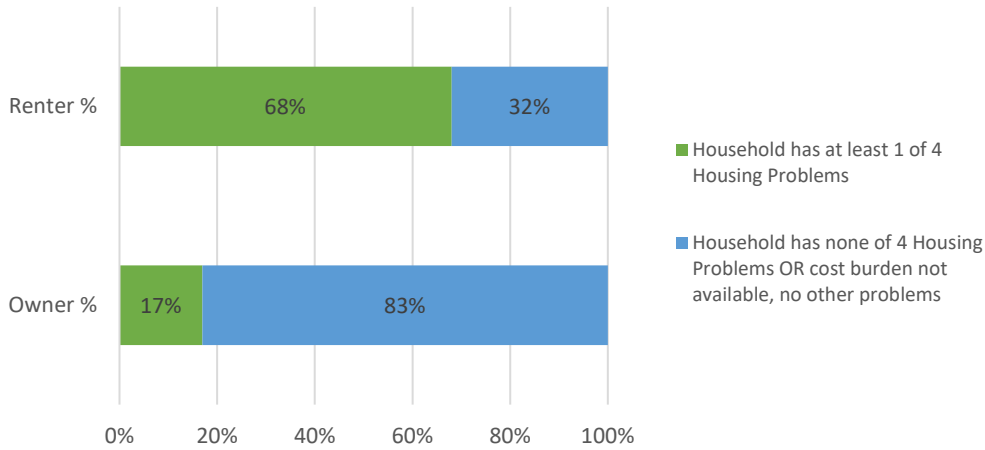
- Incomplete kitchen facilities;
- Incomplete plumbing facilities;
- More than 1.5 persons per room; and
- Cost burden greater than 50 percent.

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.

Figure A-18 and Figure A-19 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.

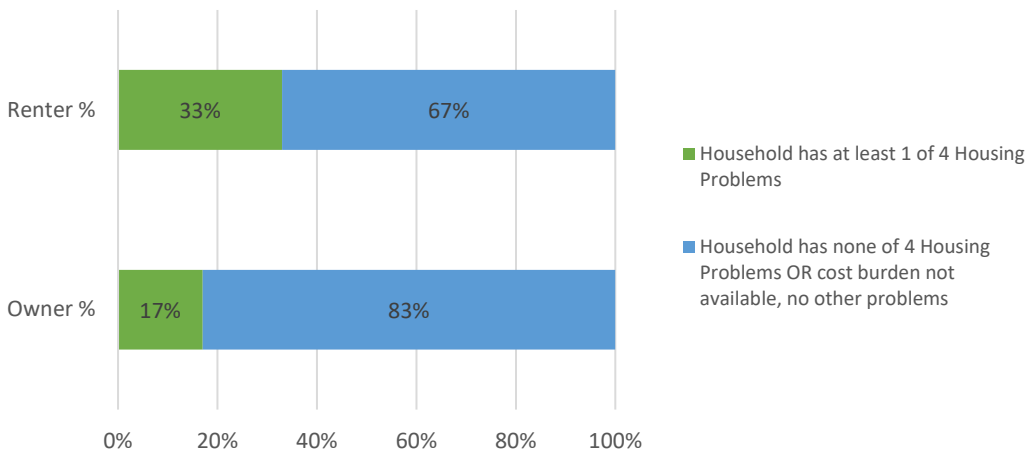
Figure A-18 Housing Problems by Tenure, Sand City, 2015-2019



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-19 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%.

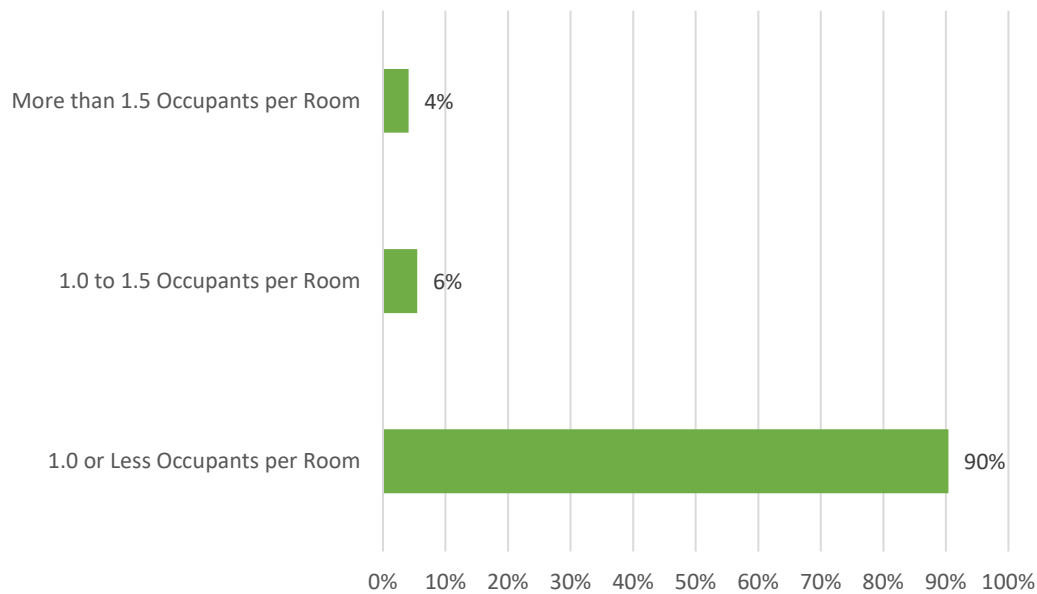
Overcrowding

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-20 illustrates overcrowding by severity in Sand City during 2019. The majority of households in Sand City (90 percent) do not experience overcrowding. Six (6) percent of households in Sand City are overcrowded and 4 percent are severely overcrowded.

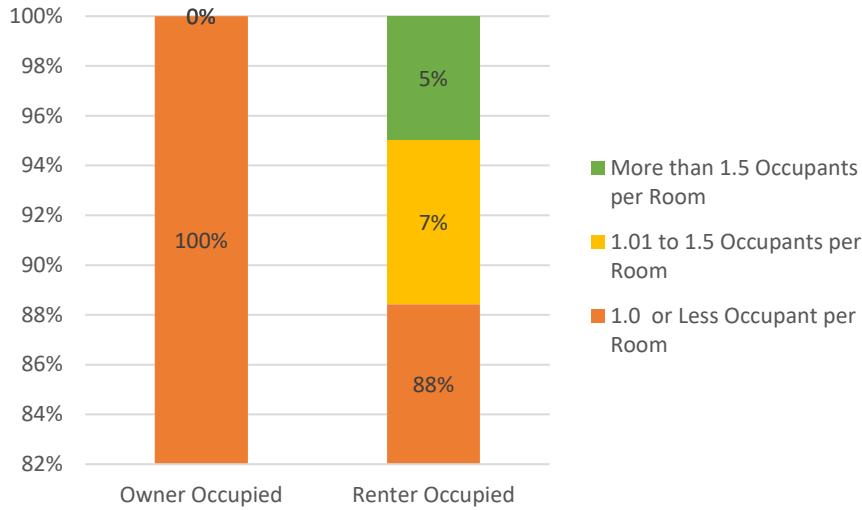
Figure A-20 Overcrowding by Severity, Sand City, 2019



SOURCE: U.S. Census Bureau, 2019

In Sand City, zero owner-occupied households experience overcrowding, while 12 percent of renter-occupied households experience some form of overcrowding (Figure A-21). Of the 12 percent of overcrowding experienced by renters, 5 percent is considered severe (more than 1.5 occupants per room). This is indicative of a lack of affordable housing options that accommodate the needs of Sand City renter households.

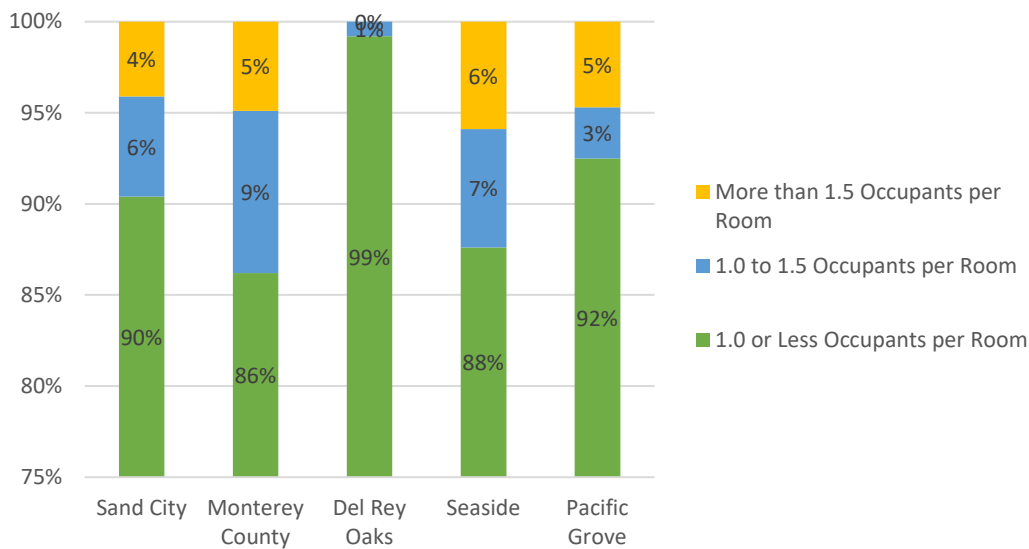
Figure A-21 Overcrowding by Tenure and Severity, Sand City, 2019



SOURCE: U.S. Census Bureau, 2019

Figure A-22 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.

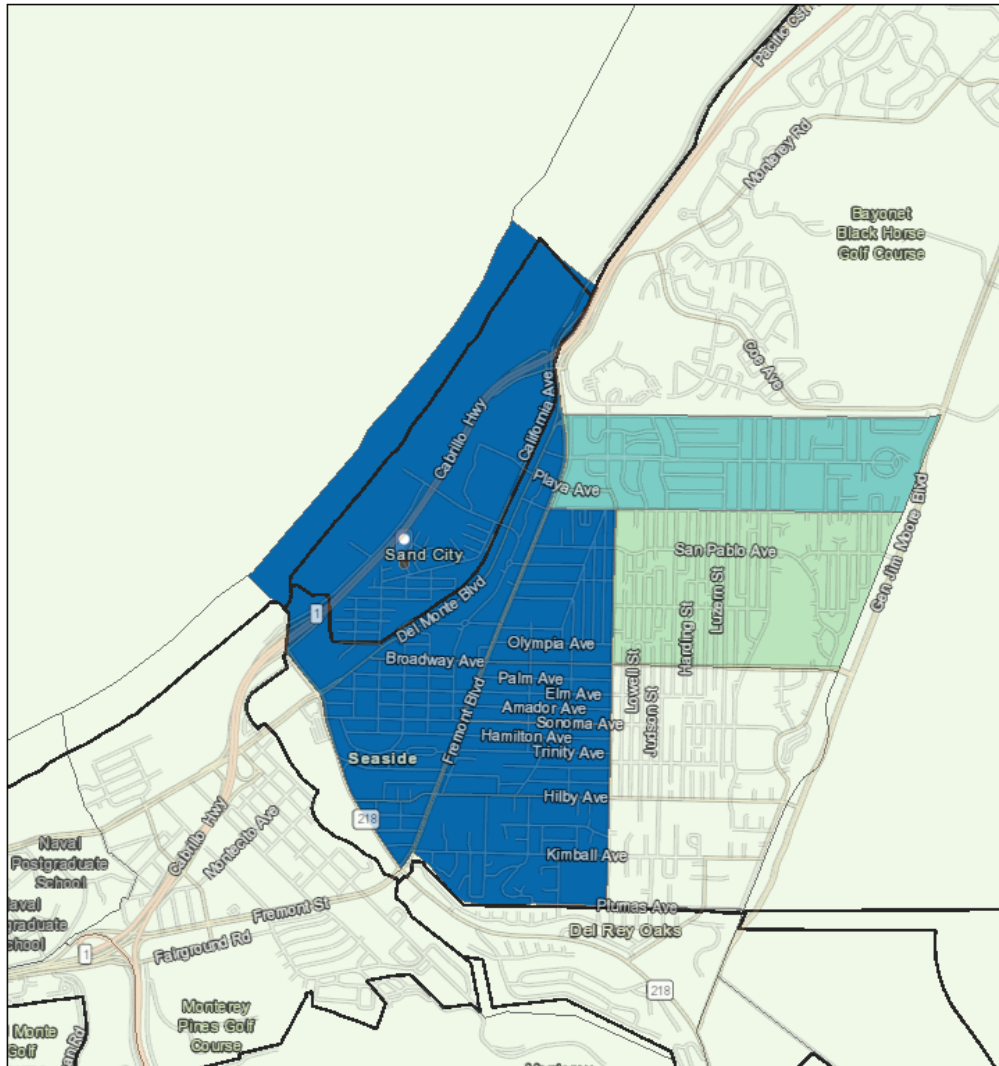
Figure A-22 Overcrowding by Severity by Jurisdiction, 2019



SOURCE: U.S. Census Bureau, 2019

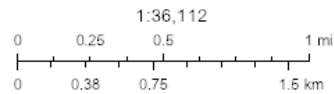
According to the HCD AFFH Data Viewer, Sand City’s households experience no variation in overcrowding based on location, with more than 20 percent of households experiencing overcrowding (Figure A-23). In contrast, U.S. Census ACS 5-Year 2019 Estimates report 10 percent of households in Sand City experience 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.

Figure A-23 Overcrowded Households, Sand City, 2019



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- City/Town Boundaries
- (R) Overcrowded Households (CHHS) - Tract
- ≤ 8.2% (Statewide Average)
- 8.3% - 12%
- 12.01% - 15%
- > 20%



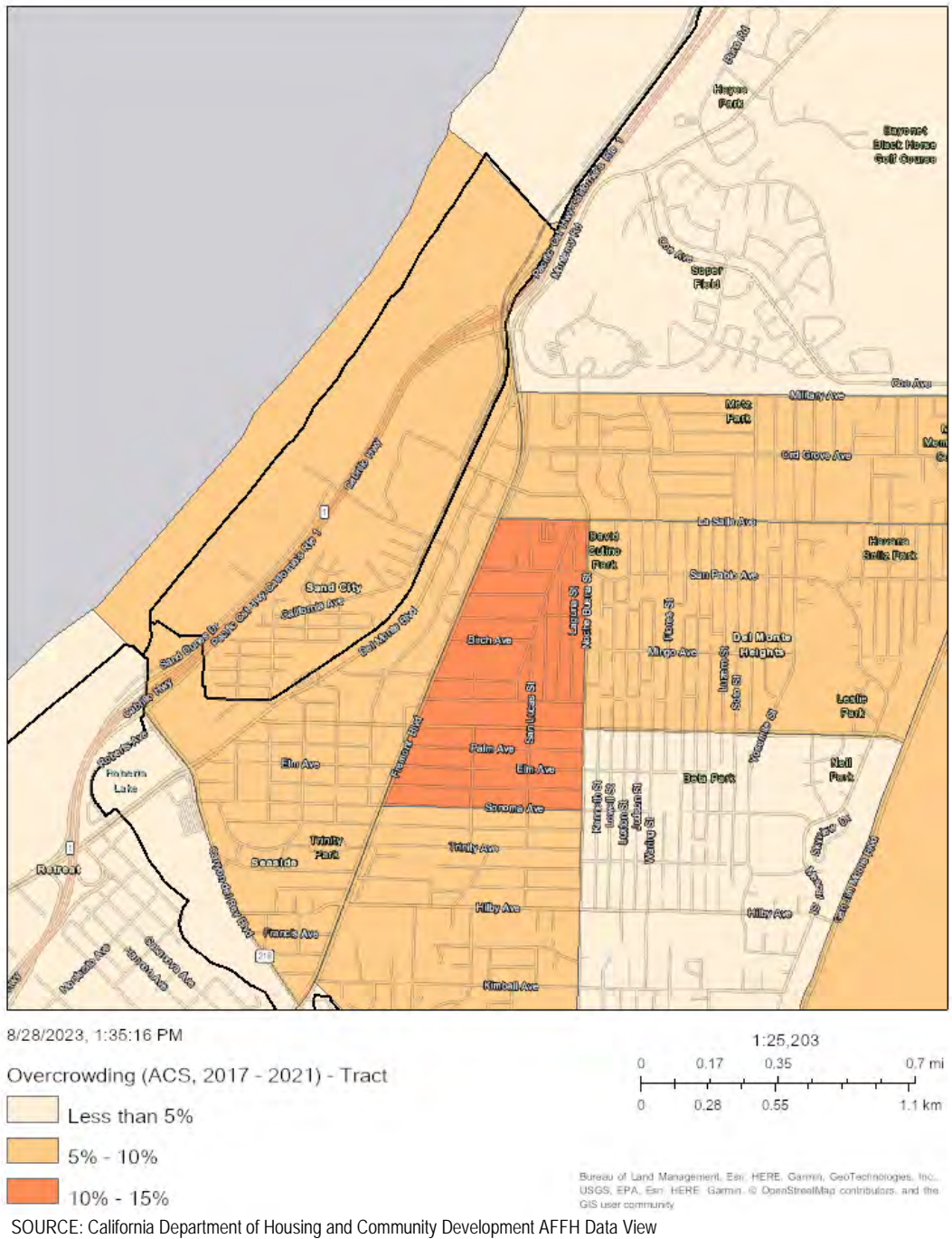
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SOURCE: California Department of Housing and Community Development AFFH Data Viewer

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-24). 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-24 Overcrowded Households, Sand City, 2021



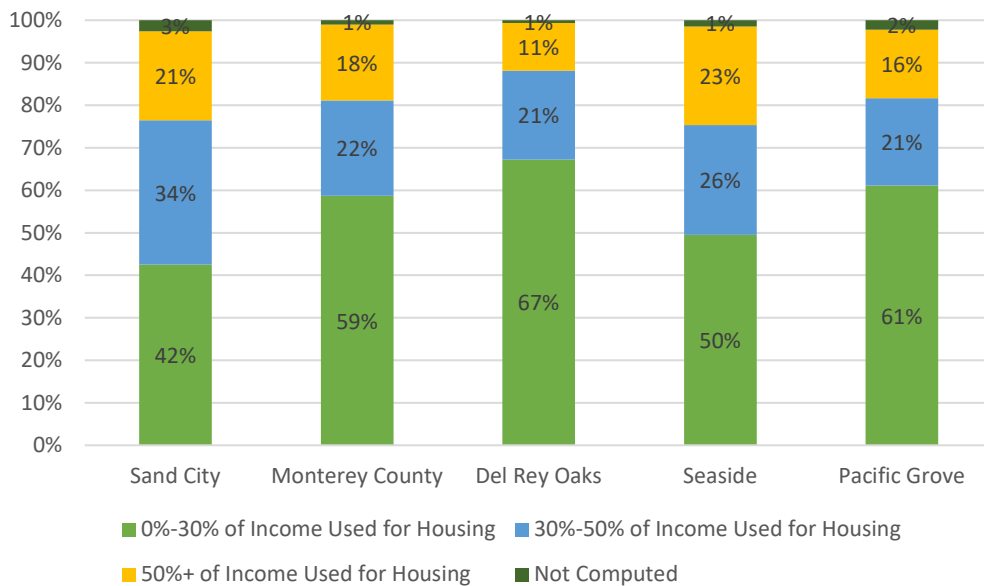
Cost Burden

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-25 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 are cost burdened 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.

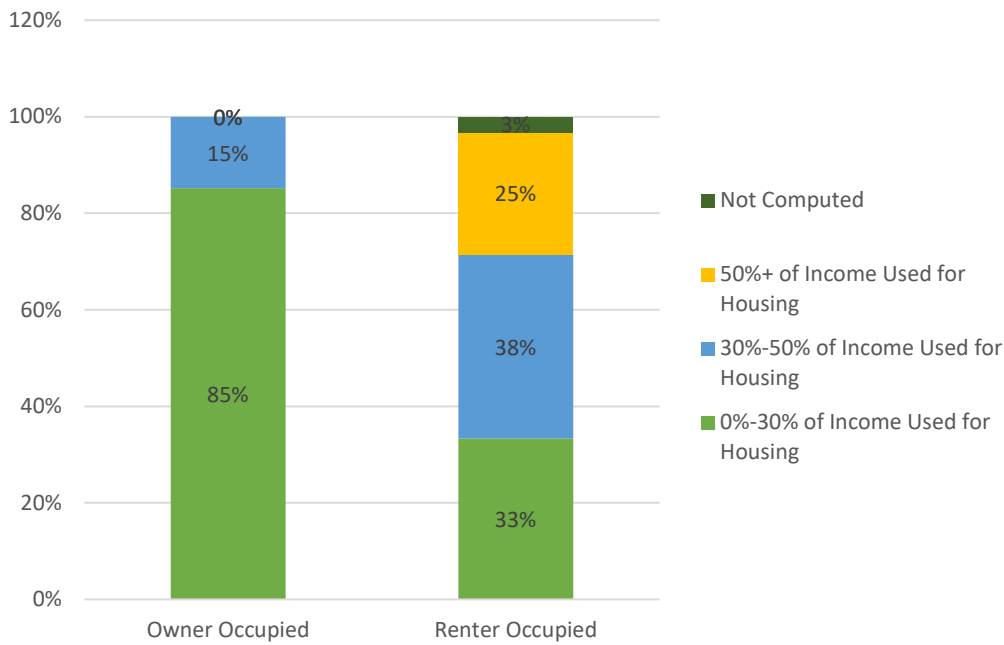
Figure A-25 Cost Burden Severity by Jurisdiction, 2015-2019



SOURCE: U.S. Census Bureau, CHAS Data, 2015-2019

Figure A-26 illustrates cost burden by tenure in Sand City. Renter households experience substantially higher rates of cost burden (38 percent) and severe cost burden (25 percent) than owner households. Owner households experience 15 percent cost burden and no severe cost burden. Figure A-17 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).

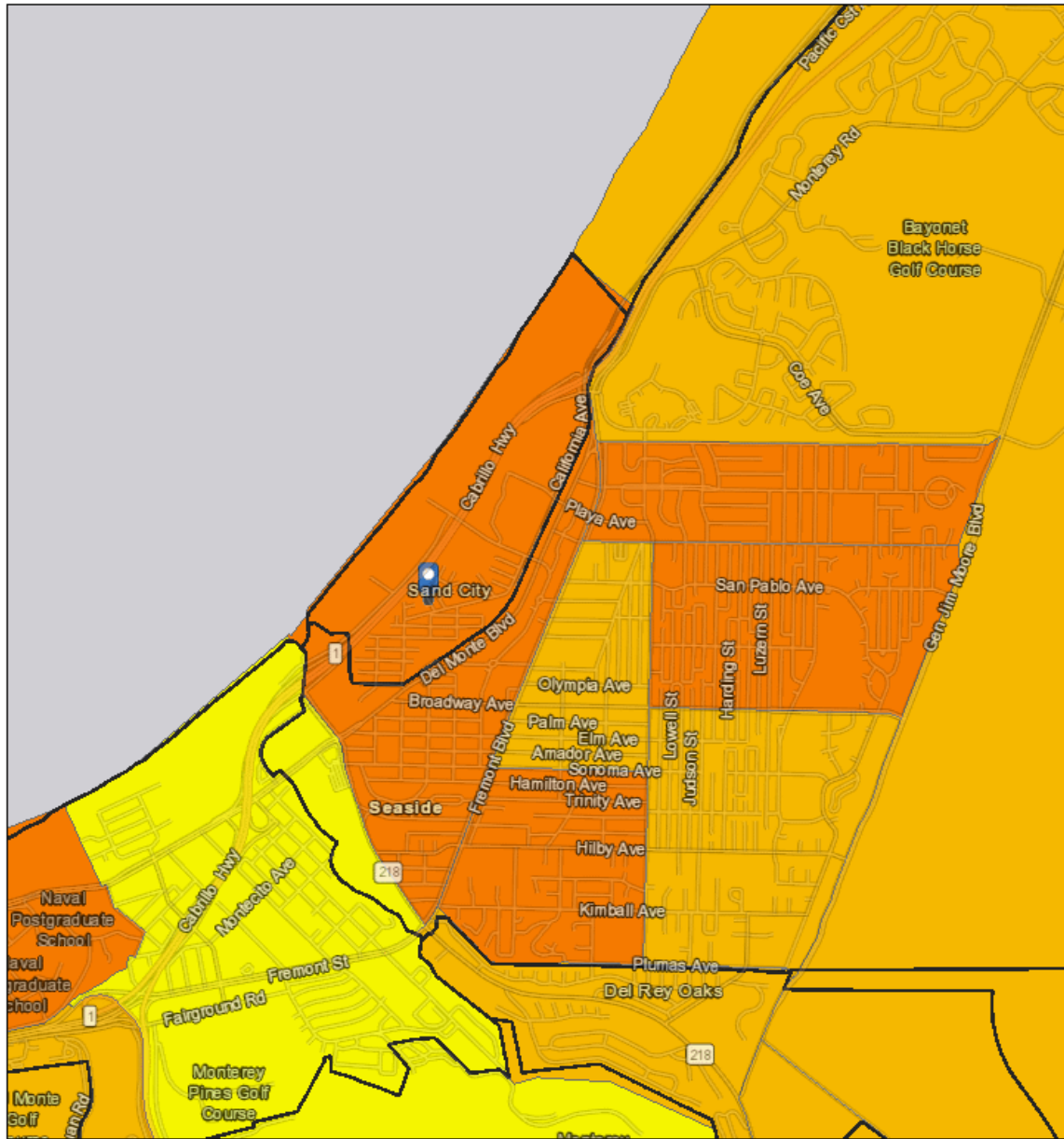
Figure A-26 Cost Burden by Tenure, Sand City, 2015-2019



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-27). 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-27 Cost Burden by Home Owners, Sand City, 2015-2019



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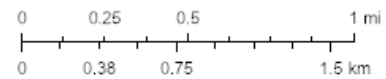
City/Town Boundaries

(R) Overpayment by Home Owners (ACS, 2015 - 2019) - Tract

< 20%

20% - 40%

40% - 60%



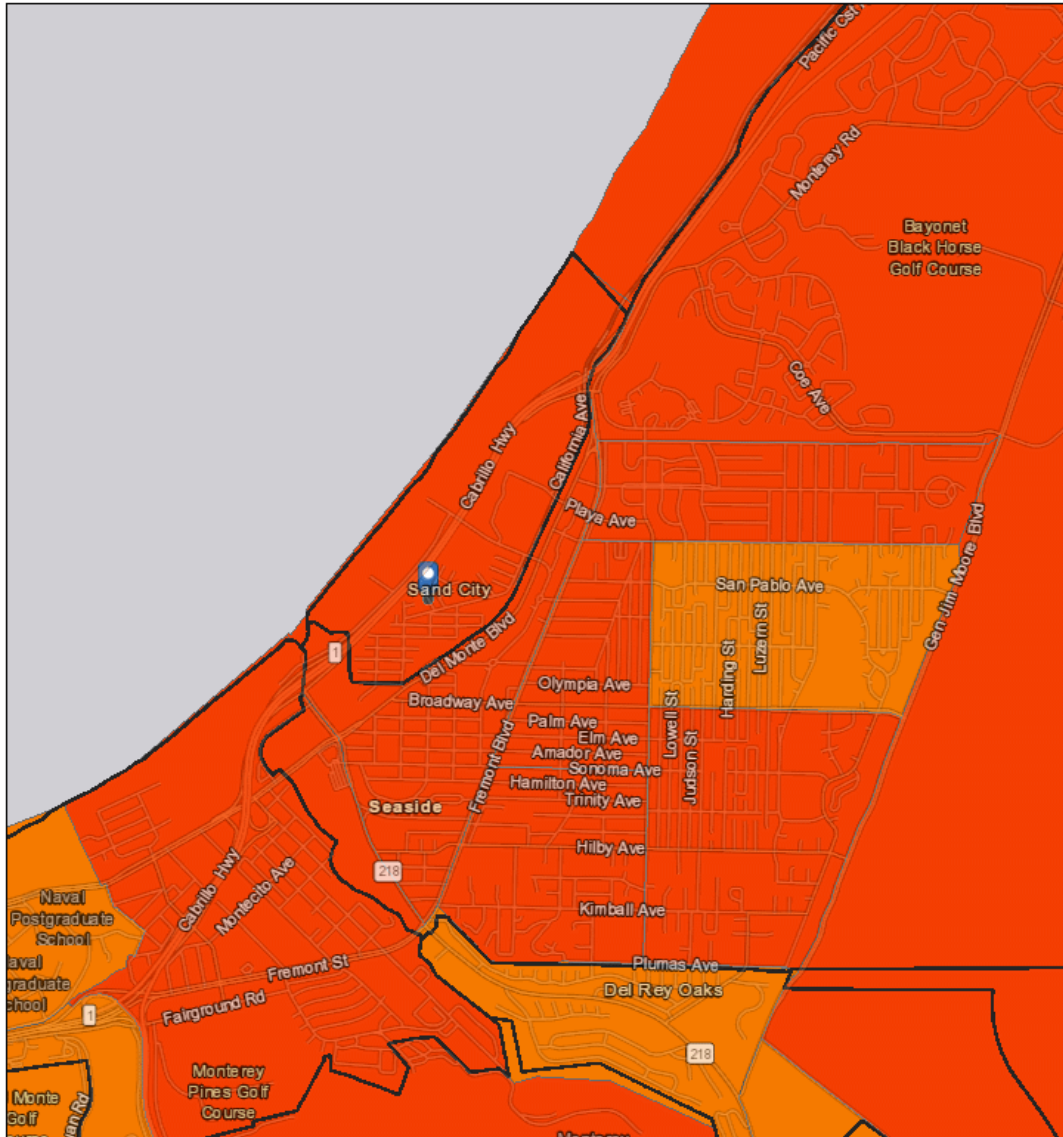
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SOURCE: California Department of Housing and Community Development AFFH Data Viewer

Figure A-28 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-28 Cost Burden by Renter Households, Sand City, 2015-2019



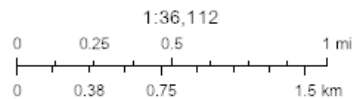
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City/Town Boundaries

(R) Overpayment by Renters (ACS, 2015 - 2019) - Tract

40% - 60%

60% - 80%



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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.

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 or 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.

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%
<i>Extremely Low-income renters</i>	20	14%
<i>Extremely Low-income owners</i>	0	0%
Lower-income households paying more than 50%	28	19%
Extremely Low-income paying more than 50%	20	14%
<i>ELI Renter HH severely cost burdened</i>	20	14%
<i>ELI Owner HH severely cost burdened</i>	0	0%
Lower-income households paying more than 30%	57	39%
Extremely Low-income paying more than 30%	20	14%
<i>ELI Renter HH moderately cost burdened</i>	20	14%
<i>ELI Owner HH moderately cost burdened</i>	0	0%
Lower-income households experiencing 1 of 4 Housing Problems	60	41%
<i>ELI Renter HH experiencing 1 of 4 Housing Problems</i>	20	14%
<i>ELI Owner HH experiencing 1 of 4 Housing Problems</i>	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 necessarily 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.

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.

Data for overcrowding by income level is not available for Sand City. However, because renter-occupied households exclusively experience overcrowding (12 percent; [Figure A-21](#)) 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.

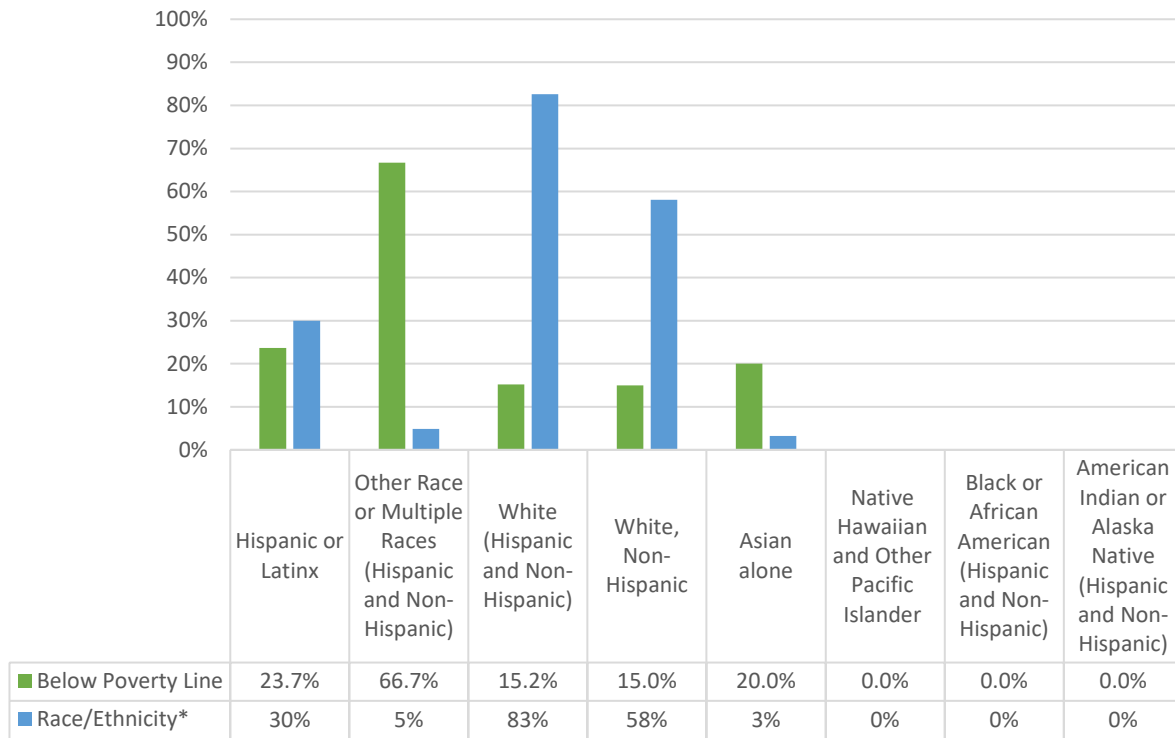
In 2019, approximately 51 persons were identified as living below the poverty line.¹² [Figure A-29](#) illustrates the percent of the population in Sand City living below the poverty line in 2019 by race and ethnicity. Despite being one of the smallest populations in the City, the Other Race or Multiple 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

¹² U.S. Census Bureau ACS 5-Year Estimate 2019, Table S1701

¹³ Meeting with Major John Bennett June 27, 2023 and June 16, 2023 letter.

Figure A-29 Percent Living Below the Poverty Line by Race and Ethnicity, Sand City, 2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019

NOTE: Race/Ethnicity represents percentage of the total population.

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.

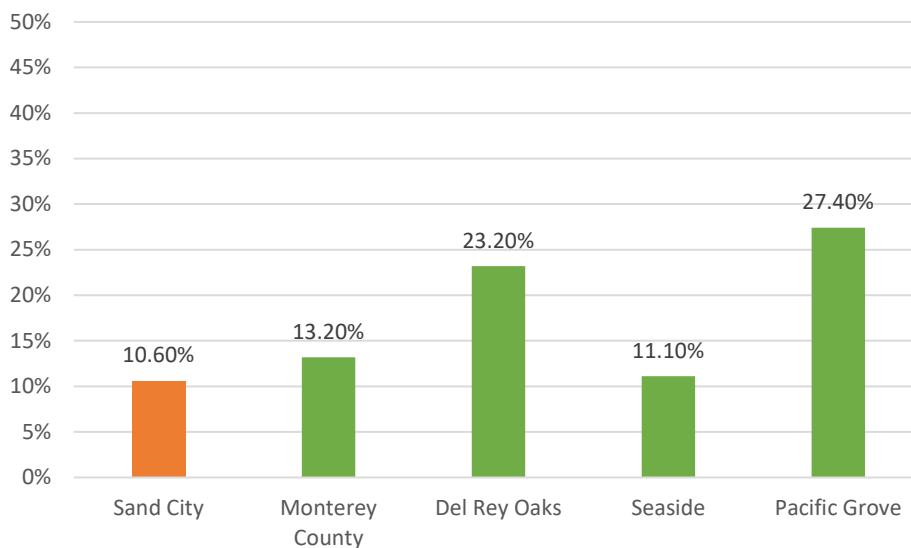
All housing policies and programs can be found in [Chapter 2](#) of the Housing Element.

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-30 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-30 Senior Population by Jurisdiction, 2019

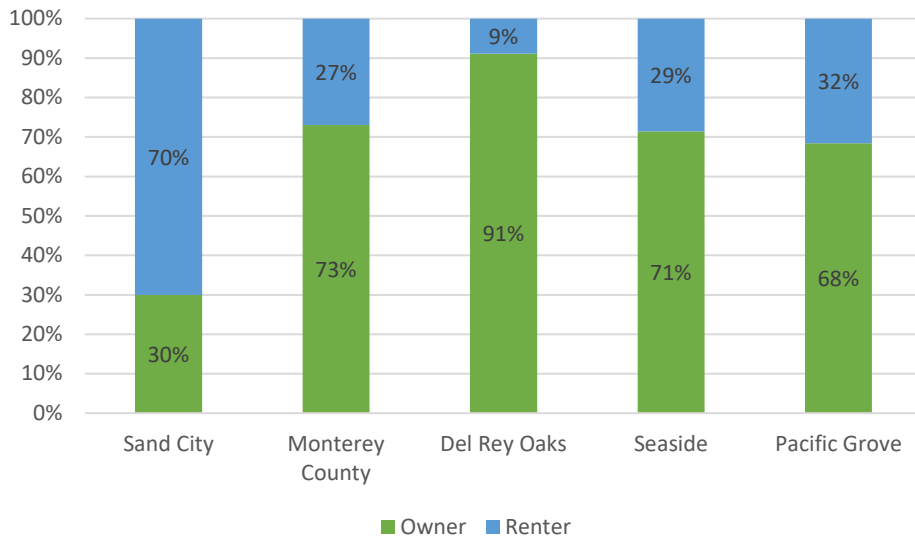


SOURCE: U.S. Census Bureau, 2019

NOTE: Senior population is identified as persons 65 years and older.

Figure A-31 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-31 Senior Households by Tenure by Jurisdiction, 2019

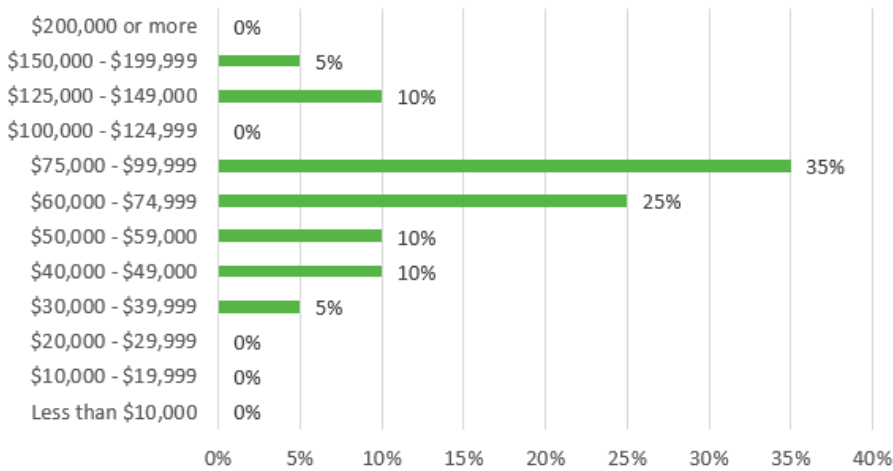


SOURCE: U.S. Census Bureau, 2019

NOTE: Senior population is identified as persons 65 years and older.

Figure A-32 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-32 Senior Household Income, Sand City, 2019



SOURCE: U.S. Census Bureau, 2019

NOTE: Senior population is identified as persons 65 years and older.

People with Disabilities

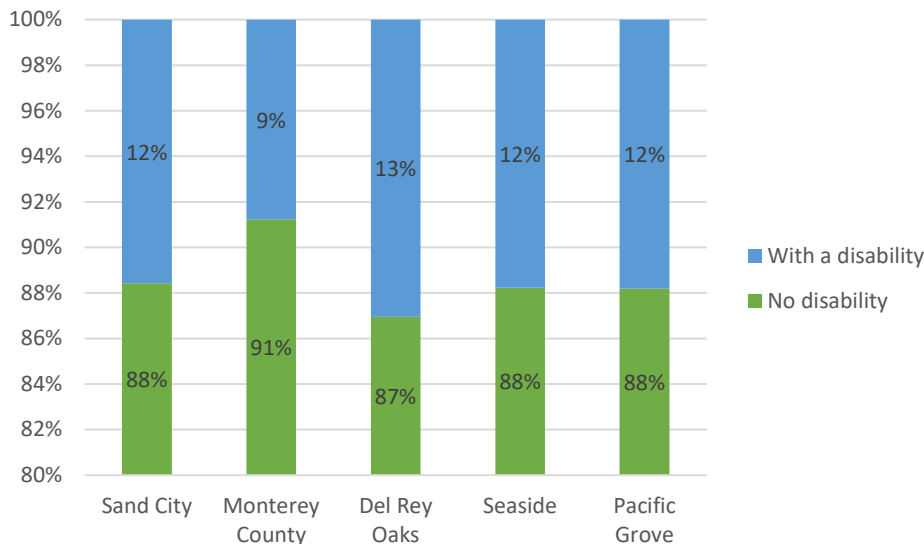
People with disabilities face additional housing challenges. Encompassing a broad group of individuals living with a variety of physical, cognitive and sensory impairments, many people with disabilities live on fixed incomes and are in need of specialized care, yet often rely on family members for assistance 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.

Disability

“**Disability types** include hearing difficulty, vision difficulty, cognitive difficulty, ambulatory difficulty, self-care difficulty, and independent living difficulty.”

Figure A-33 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-33 Population by Disability Status by Jurisdiction, 2021

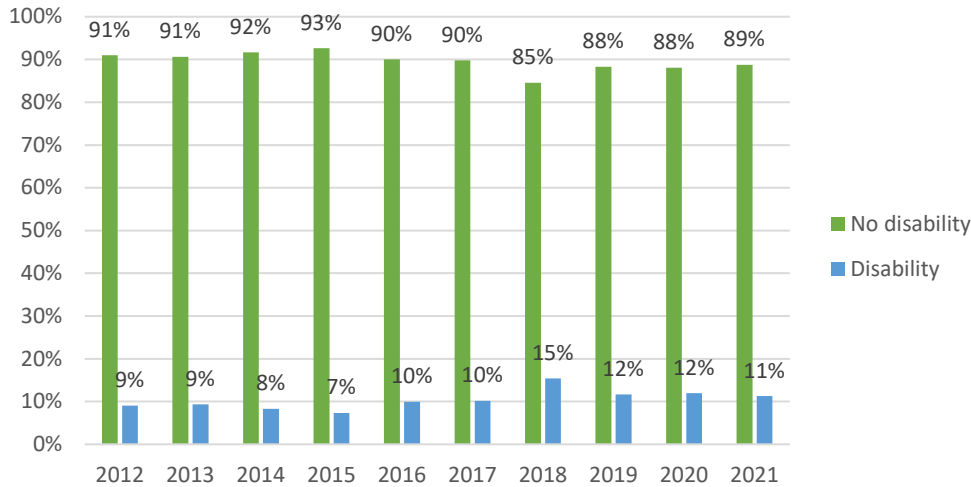


SOURCE: U.S. Census Bureau, 2021

Over the last decade, the population of persons with disabilities has slightly increased in Sand City. Figure A-34 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-34 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.

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.

Table A-16 Population with Developmental Disabilities by Residence, Sand City & Seaside, 2021

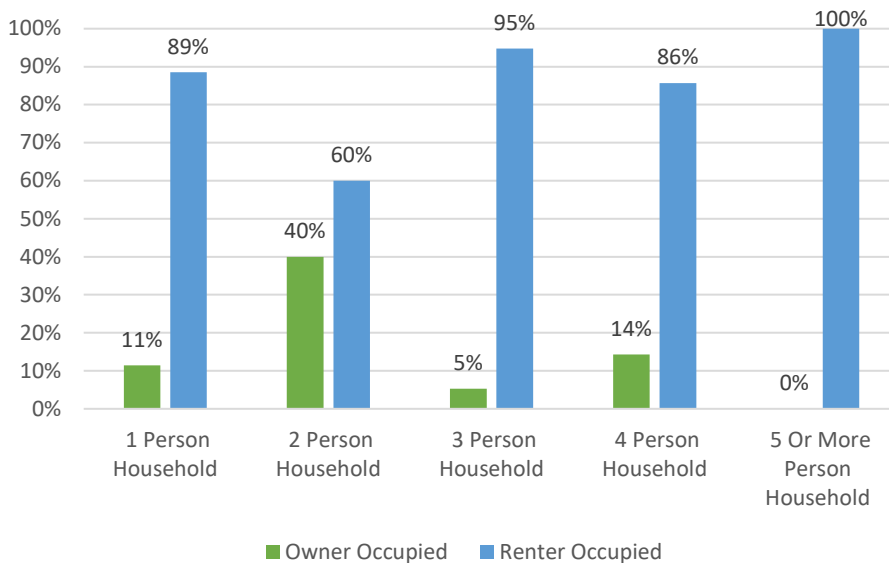
Residence Type	Number
Home of Parent/Family/Guardian	154
Foster/Family Home	<11
Independent/Supported Living	12
Other	<11
Community Care Facility	0
Intermediate Care Facility	0

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.

Figure A-35 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-25), suggests it is likely that large households in Sand City may experience overcrowding and/or overpayment.

Figure A-35 Households by Size and Tenure, Sand City, 2019



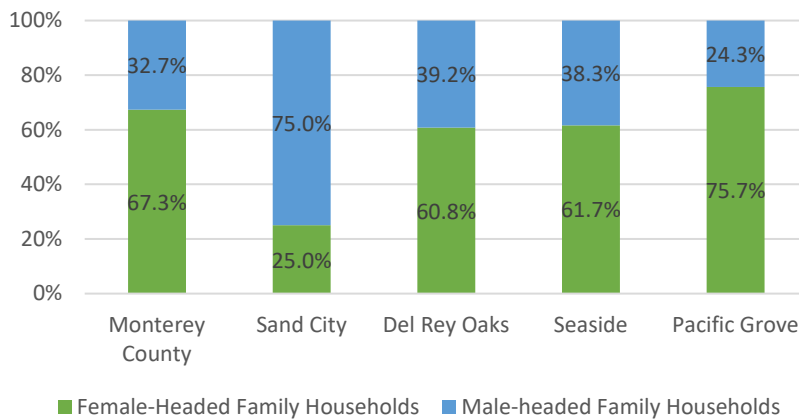
SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019

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, female-headed family households make up 25 percent of single-parent households and male-headed households makeup 75 percent (Figure A-36). Compared to the County and nearby cities, Sand City has significantly less female-headed family households than male-headed family households.

Figure A-36 Single-Parent Households by Jurisdiction, 2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019

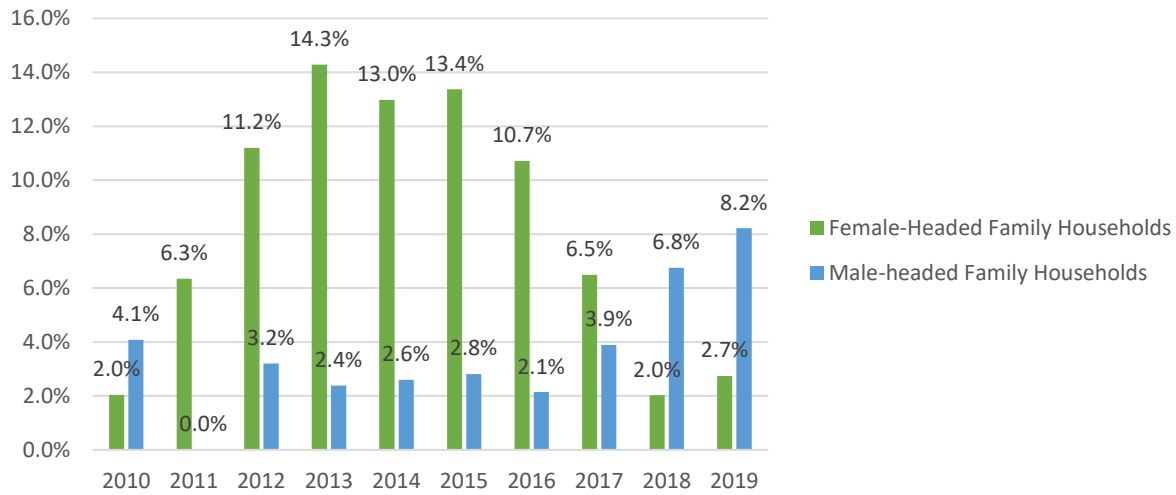
Over the last decade, both female-headed and male-headed family households have increased in Sand City. Figure A-37 illustrates trends in single-parent households in Sand City between 2010-2019.¹⁴ During this period, female-headed households climbed from 2 percent in 2010 to its highest at 14.3 percent 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 season¹⁵.

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

Figure A-37 Trends in Single-Parent Households, Sand City, 2010-2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019

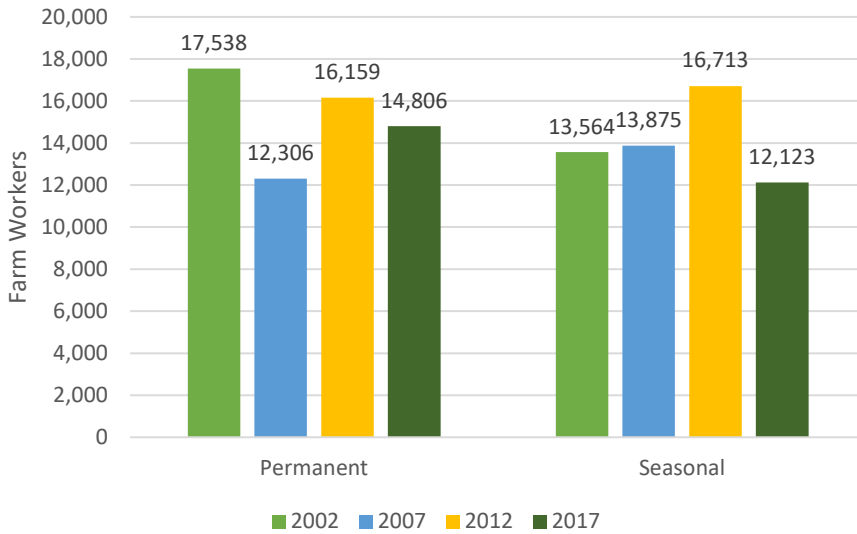
Female-headed households with children may face particular housing challenges, with pervasive gender inequality resulting in lower wages for women. Moreover, the added need for childcare can make finding a home that is affordable more challenging. In 2019, there were two female-headed households with 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.

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-38](#) shows hired farm labor in Monterey County between 2002-2017.

Figure A-38 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).

There are no agriculture uses within Sand City. 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. Farmworker housing, including the key findings of the 2018 California Institute for Rural Studies Farmworker Housing Study and Action Plan for Salinas Valley and Pajaro Valley is discussed in more detail in Appendix B Constraints.

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.

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).

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.

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 HOMEELS-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.

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.

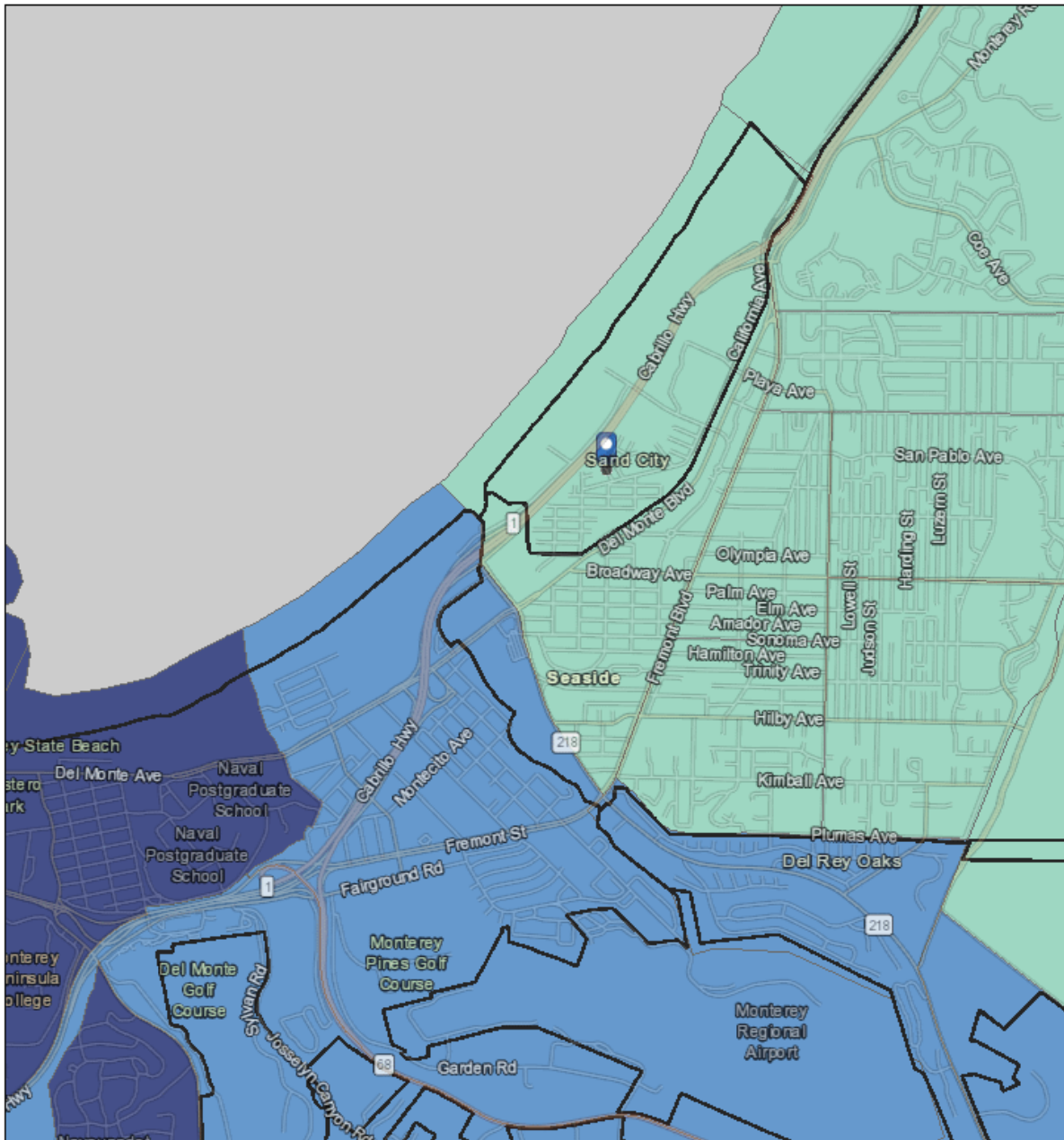
Disparities in Access to Opportunity

As can be seen in [Figure A-39](#), 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.

Economic

TCAC's economic opportunity score is comprised of poverty, adult educational attainment, employment, job proximity, and median home value. According the California Department of Housing and Community Development AFFH Data Viewer, all areas of Sand City have a low economic opportunity score of < 0.25 ([Figure A-40](#)). 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-10](#)).

Figure A-39 TCAC Opportunity Composite Score, Sand City, 2022



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City/Town Boundaries

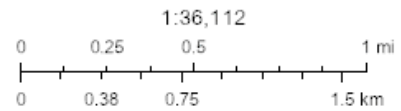
(R) COG Geography TCAC Opportunity Map 2022 - Composite Score (Tract)

Highest Resource

High Resource

Moderate Resource

Missing/Insufficient Data



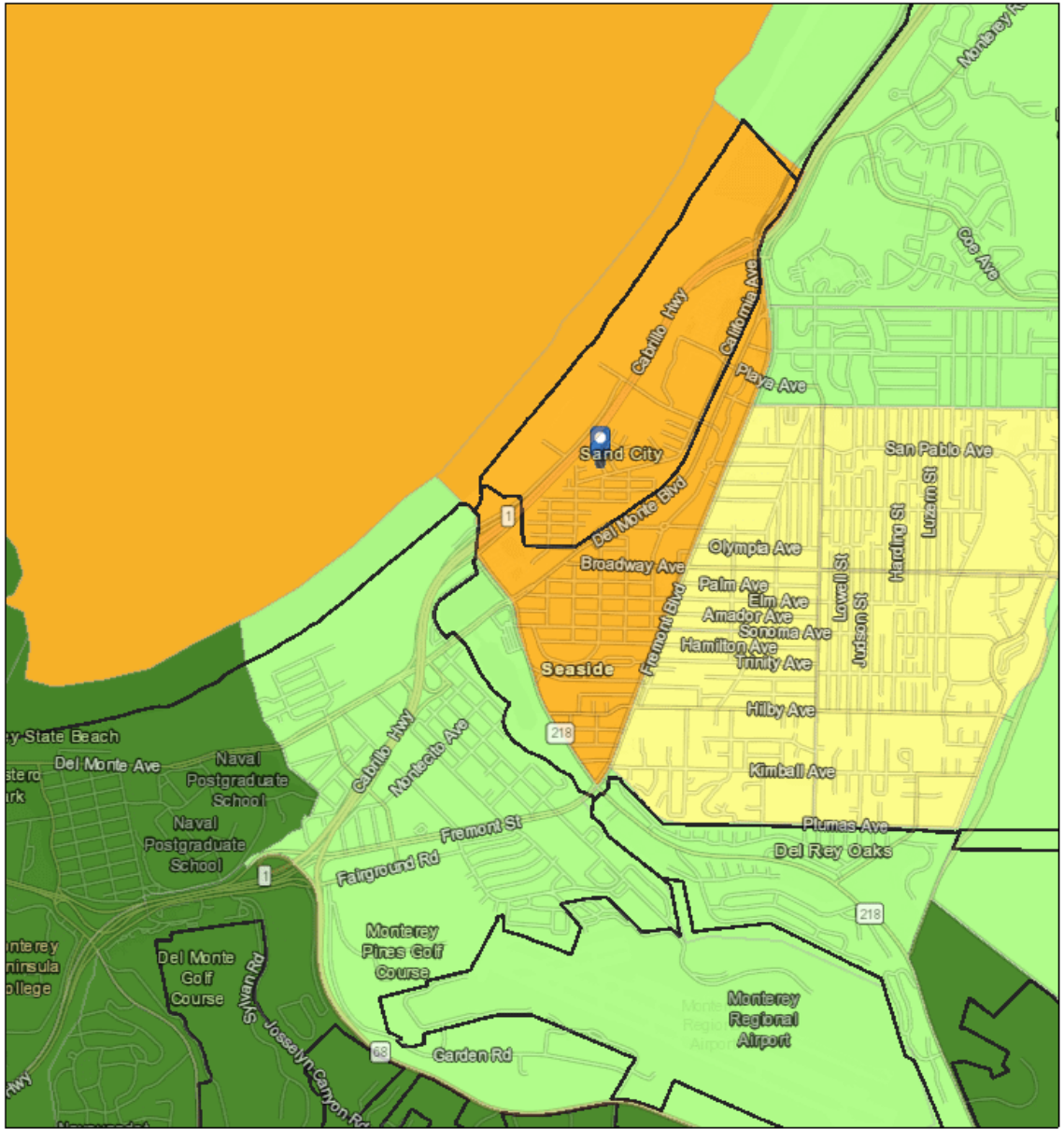
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SOURCE: California Department of Housing and Community Development AFFH Data Viewer

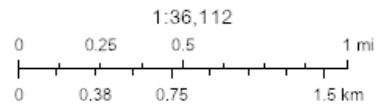
Figure A-40 TCAC Opportunity Economic Score, Sand City, 2022



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(R) COG Geography TCAC Opportunity Map 2022 - Economic Score (Tract)

- < 0.25 (Less Positive Economic Outcomes)
- 0.25 – 0.5
- 0.5 – 0.75
- .75 – 1 (More Positive Economic Outcomes)
- City/Town Boundaries



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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

Education

TCAC's education score is based on math proficiency, reading proficiency, high school graduation rates, and the student poverty rate. Opportunity scores are presented on a scale from zero to one and the higher the number, the more positive the outcomes. According to TCAC's educational opportunity map (Figure A-41), all areas of Sand City score between 0.5 to 0.75 indicating a moderate level of educational outcomes.

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.

Environment

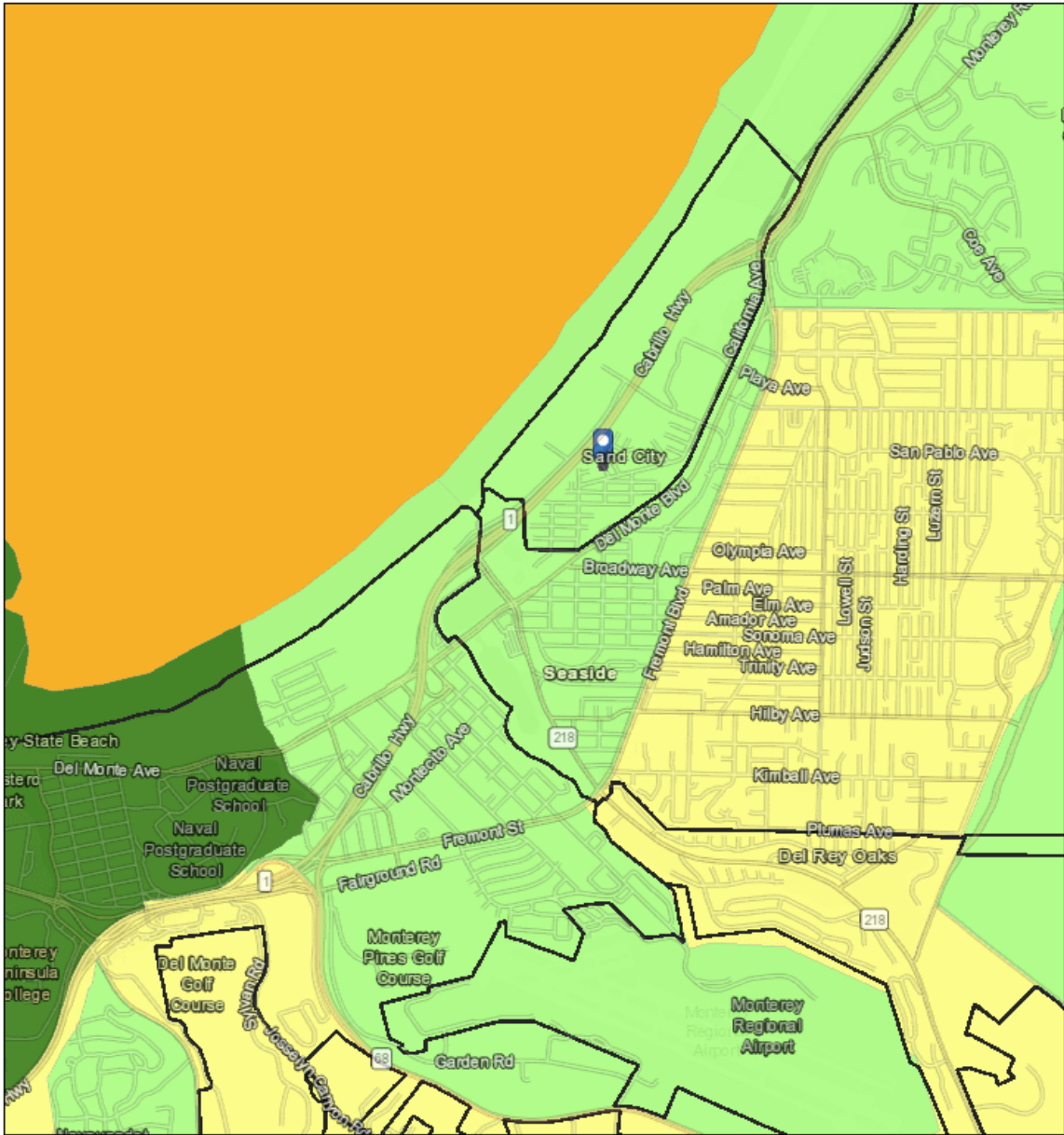
TCAC's opportunity areas environmental scores are based on the CalEnviroScreen 4.0 indicators, which identify areas disproportionately vulnerable to pollution sources such as ozone, PM2.5, diesel PM, pesticides, toxic release, traffic, cleanup sites, groundwater threats, hazardous waste, impaired water bodies, and solid waste sites.

Figure A-42 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. Similarly, the City also scores low (a percentile value of 30.93) on California Healthy Places Index (HPI) developed by the Public Health Alliance of Southern California (PHASC).

The HPI ranks from 0 to 100 from, indicating whether a community has less or more healthy community conditions. The HPI includes 25 community characteristics in eight categories including economic, social, education, transportation, neighborhood, housing, clean environment, and healthcare.¹⁶

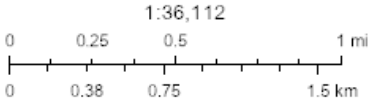
¹⁶ <https://healthyplacesindex.org/about/>

Figure A-41 TCAC Opportunity Education Score, Sand City, 2022



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- City/Town Boundaries
- (R) COG Geography TCAC Opportunity Map 2022 - Education Score (Tract)
- < 0.25 (Less Positive Education Outcomes)
- .25 – 0.5
- 0.5 – 0.75
- .75 – 1 (More Positive Education Outcomes)



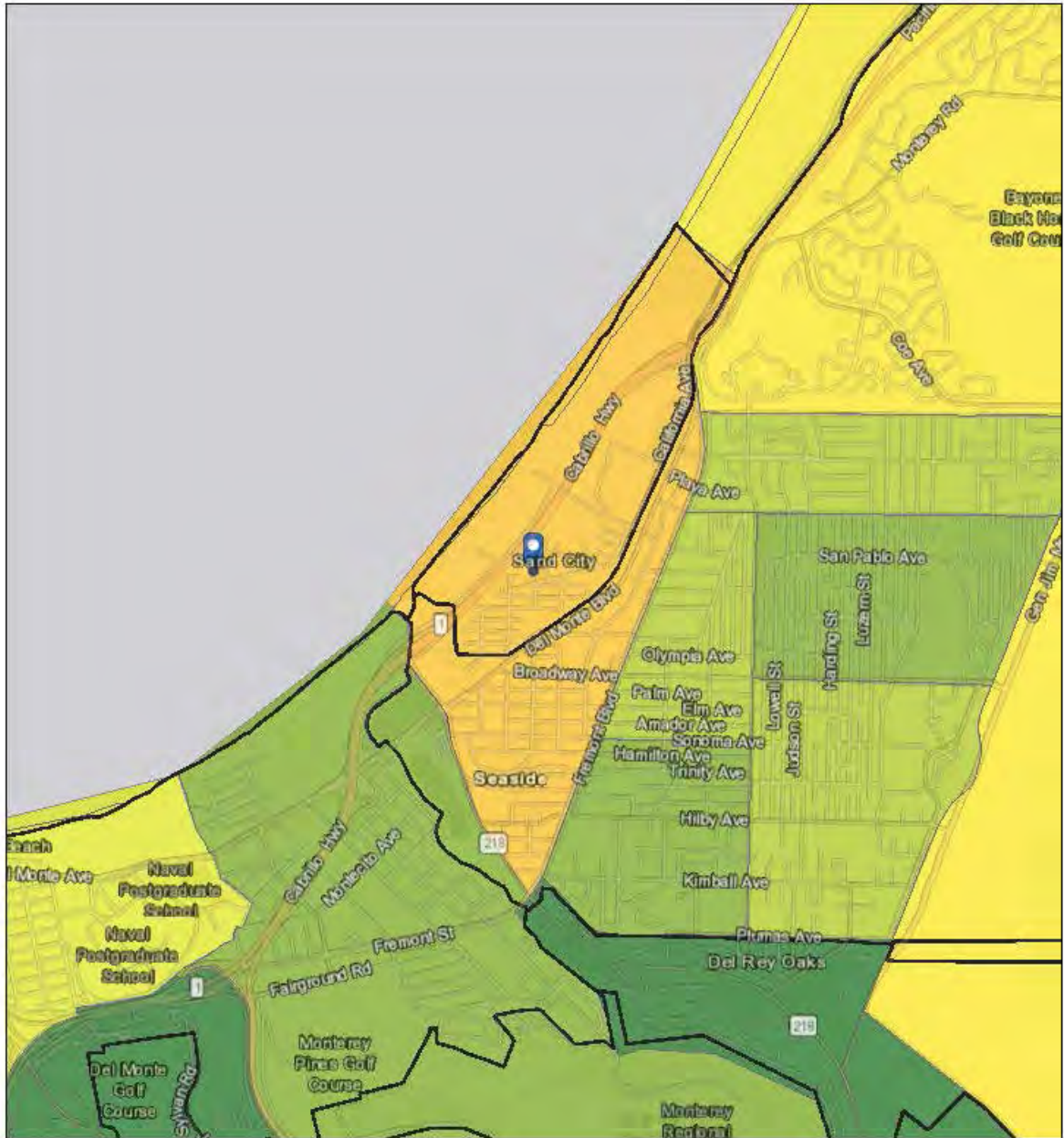
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CA HCD

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SOURCE: California Department of Housing and Community Development AFFH Data Viewer

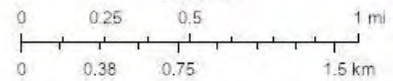
Figure A-42 CalEnviroScreen 4.0, Sand City, 2021



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- City/Town Boundaries
- CalEnviroScreen 4.0 Percentile
- 91 - 100% (Highest Scores)
- 81 - 90%
- 71 - 80%
- 61 - 70%
- 51 - 60%
- 41 - 50%
- 31 - 40%
- 21 - 30%
- 11 - 20%
- 1 - 10% (Lowest Scores)



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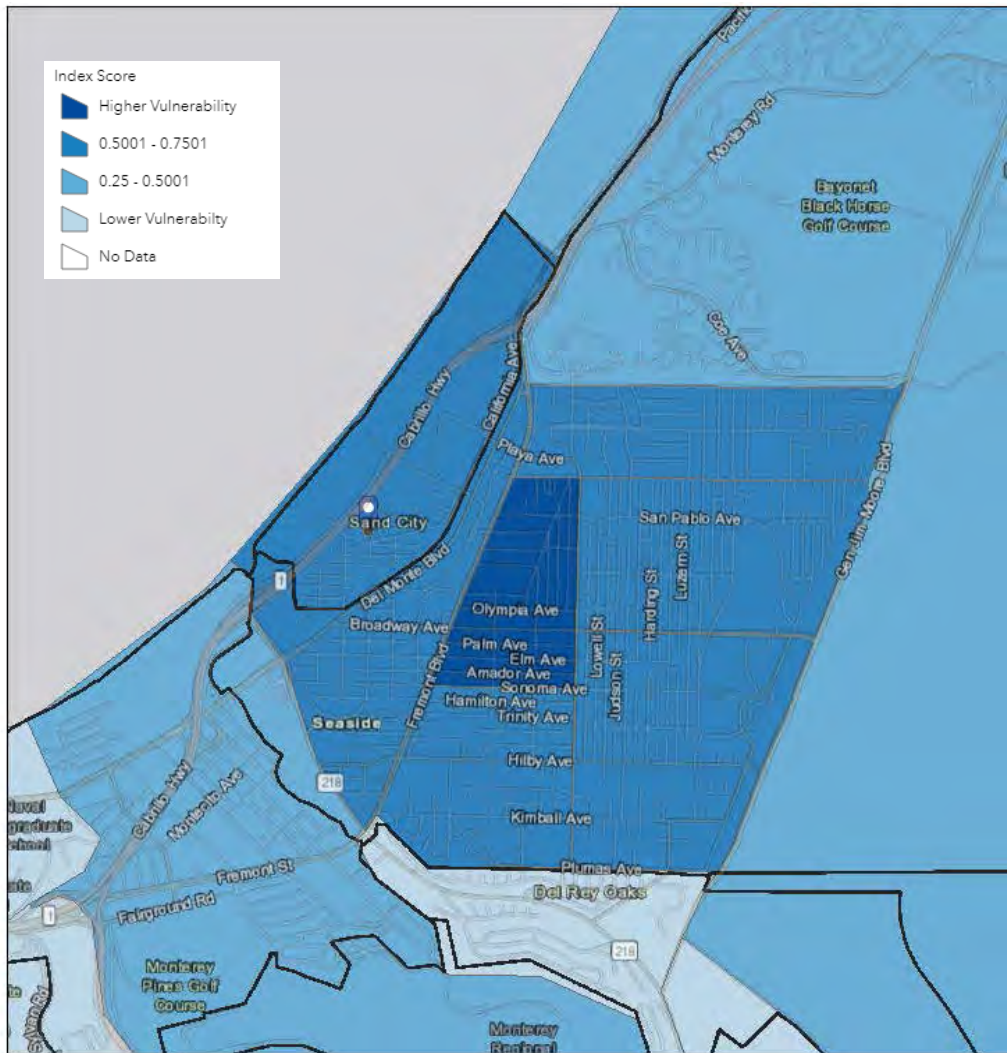
CA HCD

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

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-43).

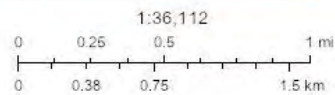
Figure A-43 Social Vulnerability Index by Census Tract, Sand City, 2018



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City/Town Boundaries

(A) Social Vulnerability Index (CDC, 2018) - Tract



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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 Guidance, 2021, page 36.

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.”¹⁷

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

¹⁷ <https://oehha.ca.gov/calenviroscreen/sb535>

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

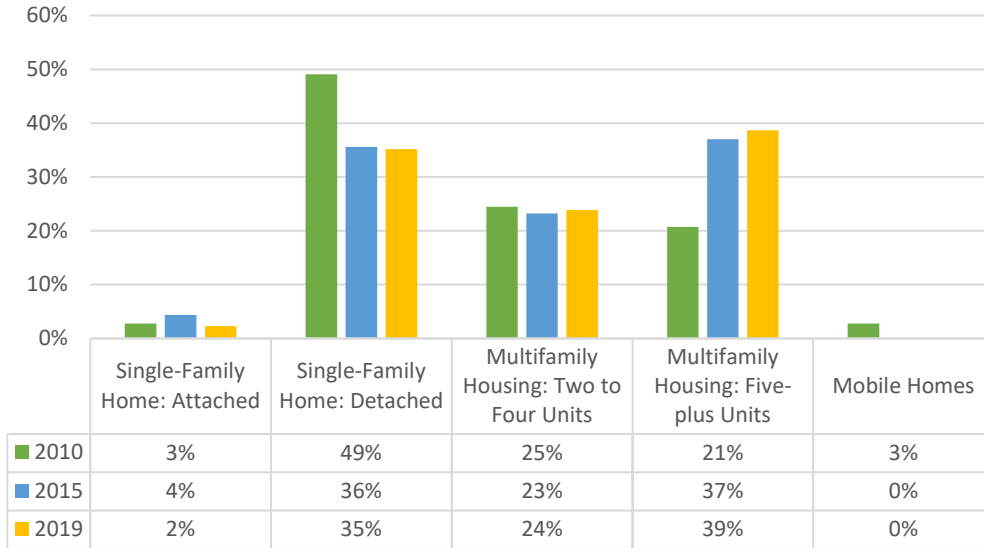
NOTE: Table indicates total housing units.

Figure A-44 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-44 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

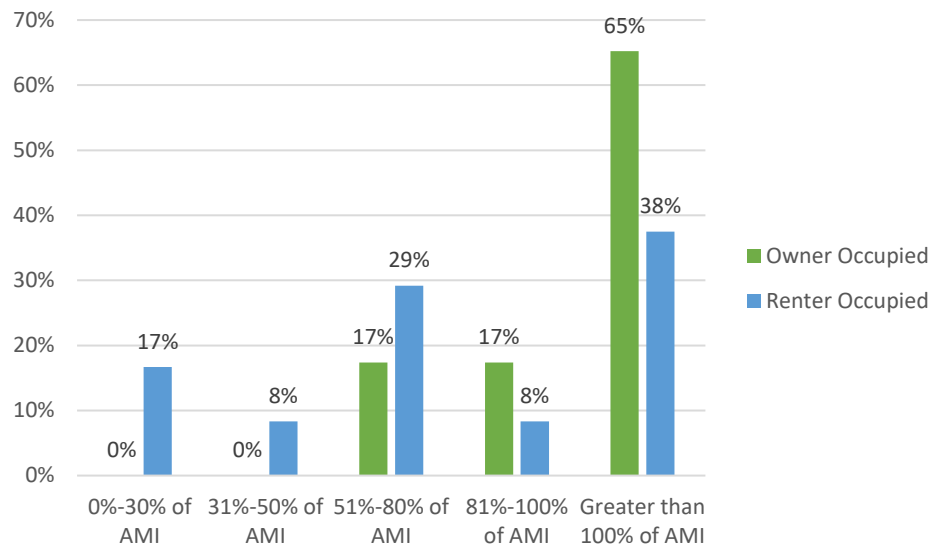
Tenure	Single-Family Detached		Single-Family Attached		Multifamily		Mobile Homes		Total Units
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	
Renter-Occupied	36	30%	1	0.82%	84	69%	0	0%	121
Owner-Occupied	15	60%	3	12%	7	28%	0	0%	25

SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019

NOTE: Table indicates total occupied housing units.

Figure A-45 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-45 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-11). 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.

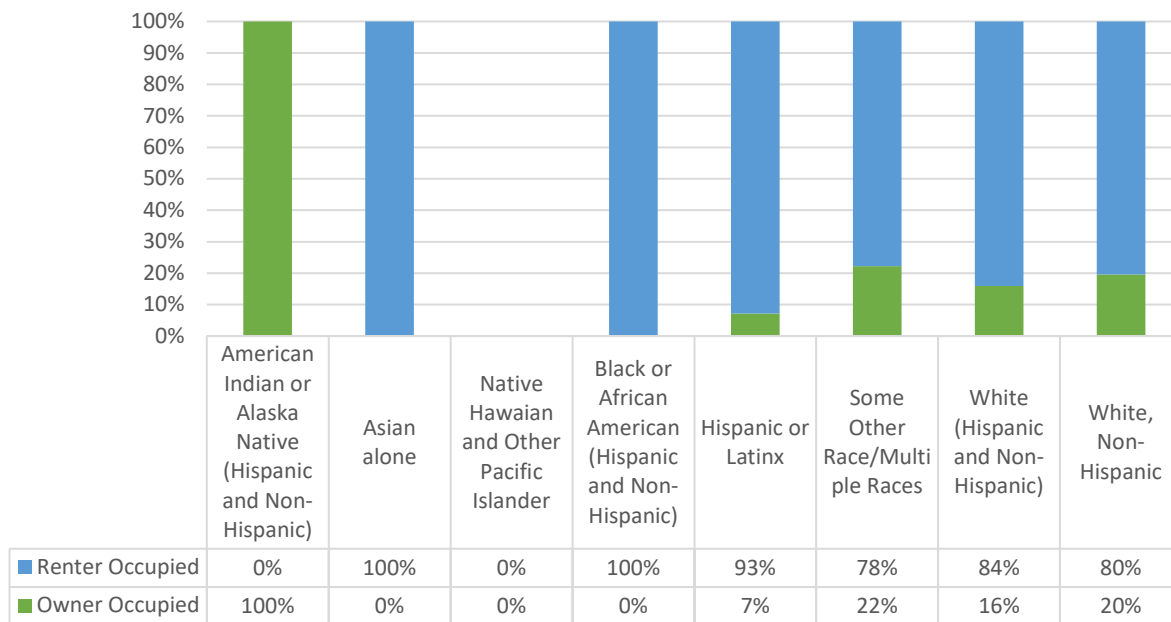
Table A-22 Household Size by Tenure by Jurisdiction, 2019

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-46 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.

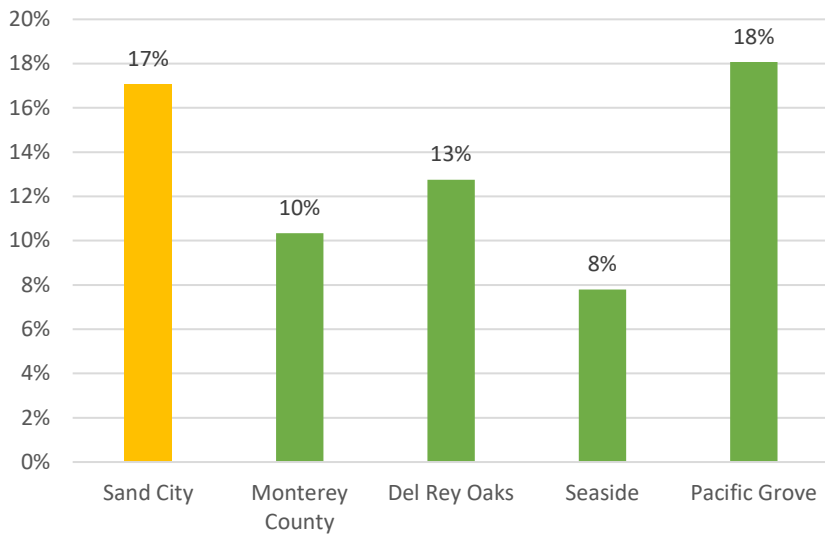
Figure A-46 Household Tenure by Race, Sand City, 2019



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-47). 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-47 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.¹⁸ 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 below market rate rental units (approximately 5% 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

¹⁸ 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.

units at risk of 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

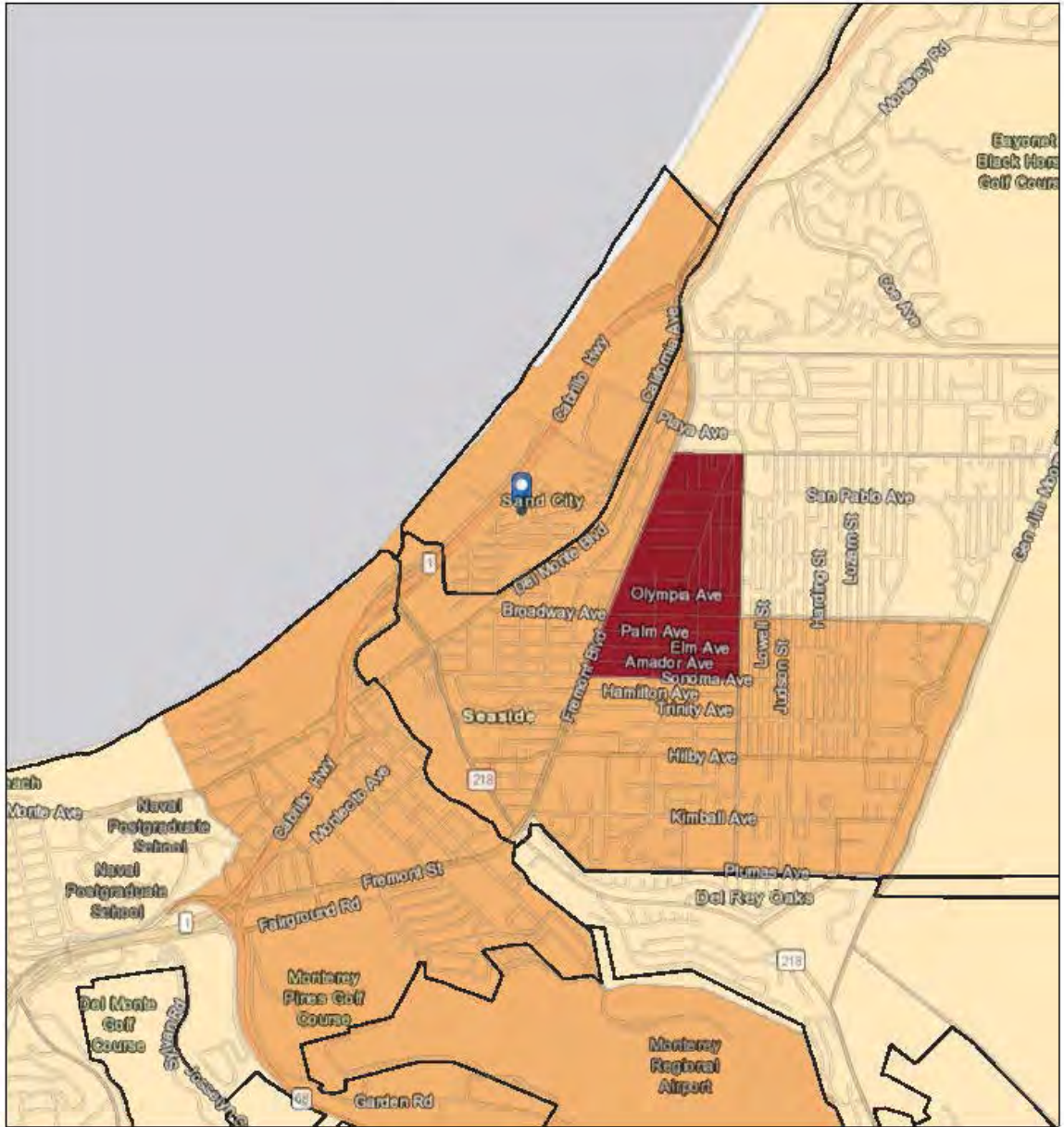
Another option to preserve the affordability of at-risk projects is to provide an incentive package to the owners to maintain the projects as affordable housing. Incentives could include bringing down the interest rate on the remaining loan balance, providing loans for capital improvements, and/or supplementing 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

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.

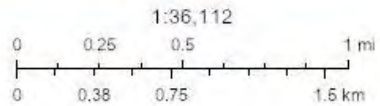
According to the California Department of Housing and Community Development (HCD) AFFH Data Viewer and the Urban Displacement Project 2022 estimates, Sand City renter-occupied households earning between 0-80 percent AMI are at risk of potential displacement or gentrification. [Figure A-48](#) illustrates displacement risk in Sand City.

Figure A-48 Displacement Risk, Sand City, 2022



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- Low Data Quality
- Lower Displacement Risk
- At Risk of Displacement
- 1 Income Group Displacement
- 2 Income Groups Displacement



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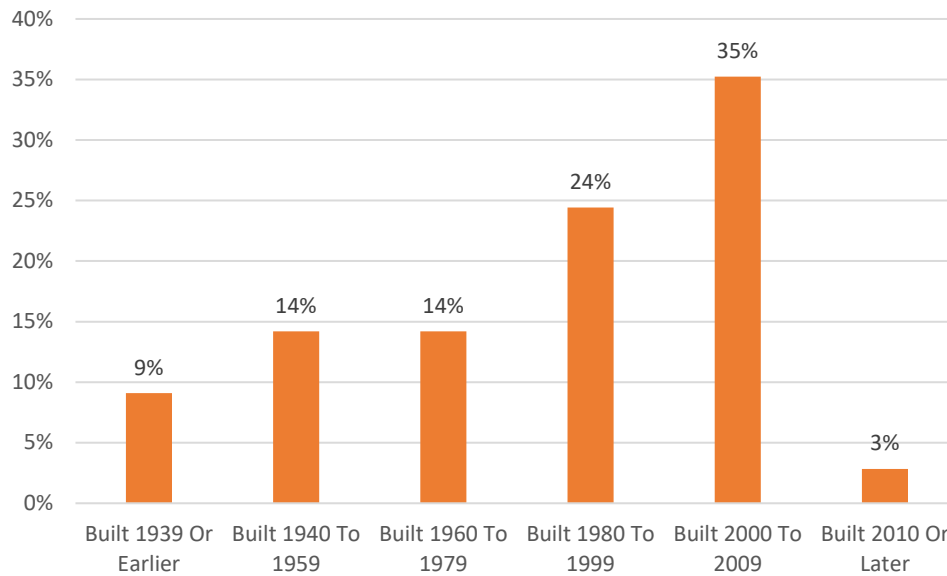
CA HCD

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-49).

Figure A-49 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. This 6th Cycle Housing Element proposes policies and program 2.C to address and facilitate the rehabilitation and preservation of existing housing units.

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,¹⁹ 30-year fixed loan, and a 5 percent down payment.

As mentioned in [Table A-25](#), the median home price in Sand City²⁰ 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).

¹⁹ Interest rate based on December 29, 2022 interest rate according to Freddie Mac Primary Mortgage Market Survey

²⁰ Reported median home values for Sand City are reflective of Seaside median home values due to lack of available data for Sand City.

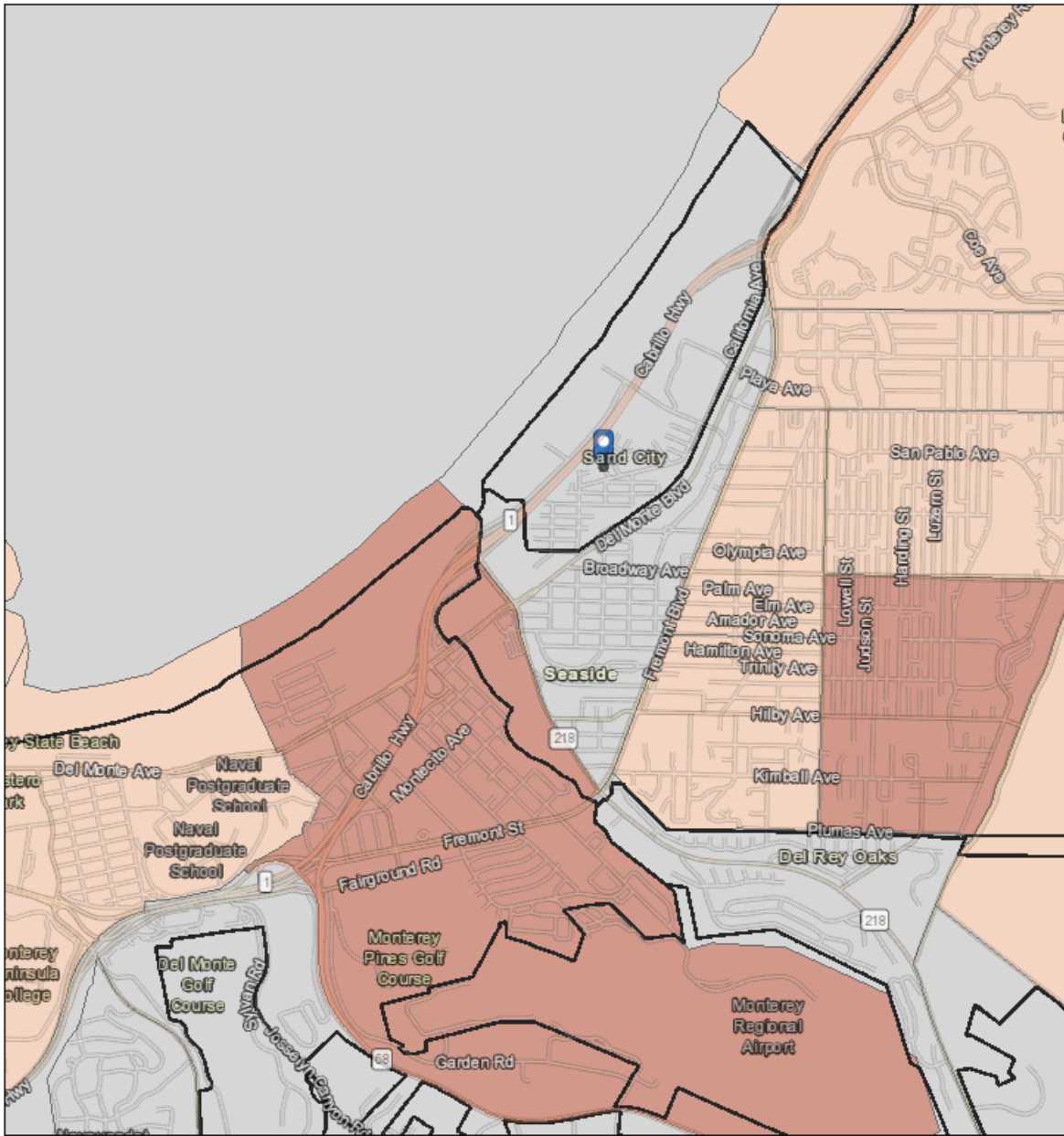
Table A-27 Housing Affordability, Sand City, 2022

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-50](#)).

Figure A-50 Housing Choice Vouchers by Census Tract, Sand City



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City/Town Boundaries

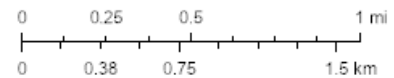
(R) Housing Choice Vouchers - Tract

No Data

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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”.²¹

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.²² 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;

²¹ <https://www.dfeh.ca.gov/aboutdfeh/>

²² <https://www.dfeh.ca.gov/complaintprocess/>

- 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;
- 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.

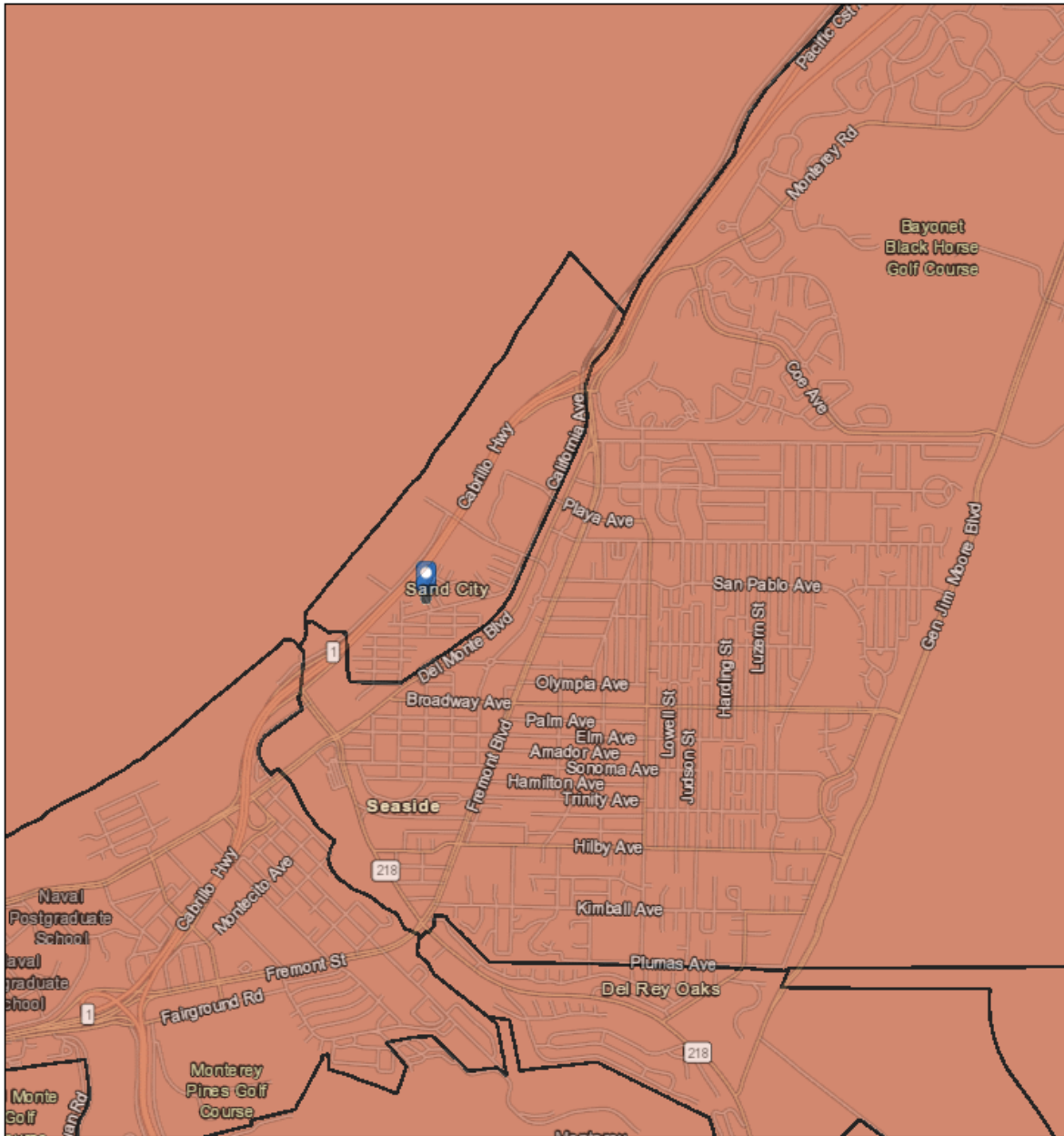
Between 2012 and 2017, 53 fair housing complaints in Monterey County had been filed with the California Department of Fair Employment and Housing (DFEH). Among the complaints countywide, most were related to physical disabilities (23 instances) and familial/marital status (ten instances). Discrimination 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.²³

In 2020, a total of 6 discrimination cases were found with the Office of Fair Housing and Equal Opportunity. 50 percent of the cases were filed on the basis of disability bias. None of the complaints alleged racial bias. [Figure A-51](#) 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 discrimination complaints were filed within Monterey County during 2020. Of those cases, three of them alleged discrimination based on disability. [Figure A-52](#) 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.



²³ Source: California Department of Fair Employment & Housing, 2018; Monterey County Regional Analysis of Impediments to Fair Housing Choice, 2019

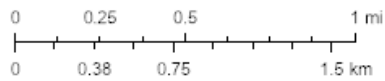
Figure A-51 FHEO Cases Total, Monterey County, 2020



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-  City/Town Boundaries
- (A) FHEO Cases - Total (2020) - County
-  .01 - .025 Cases



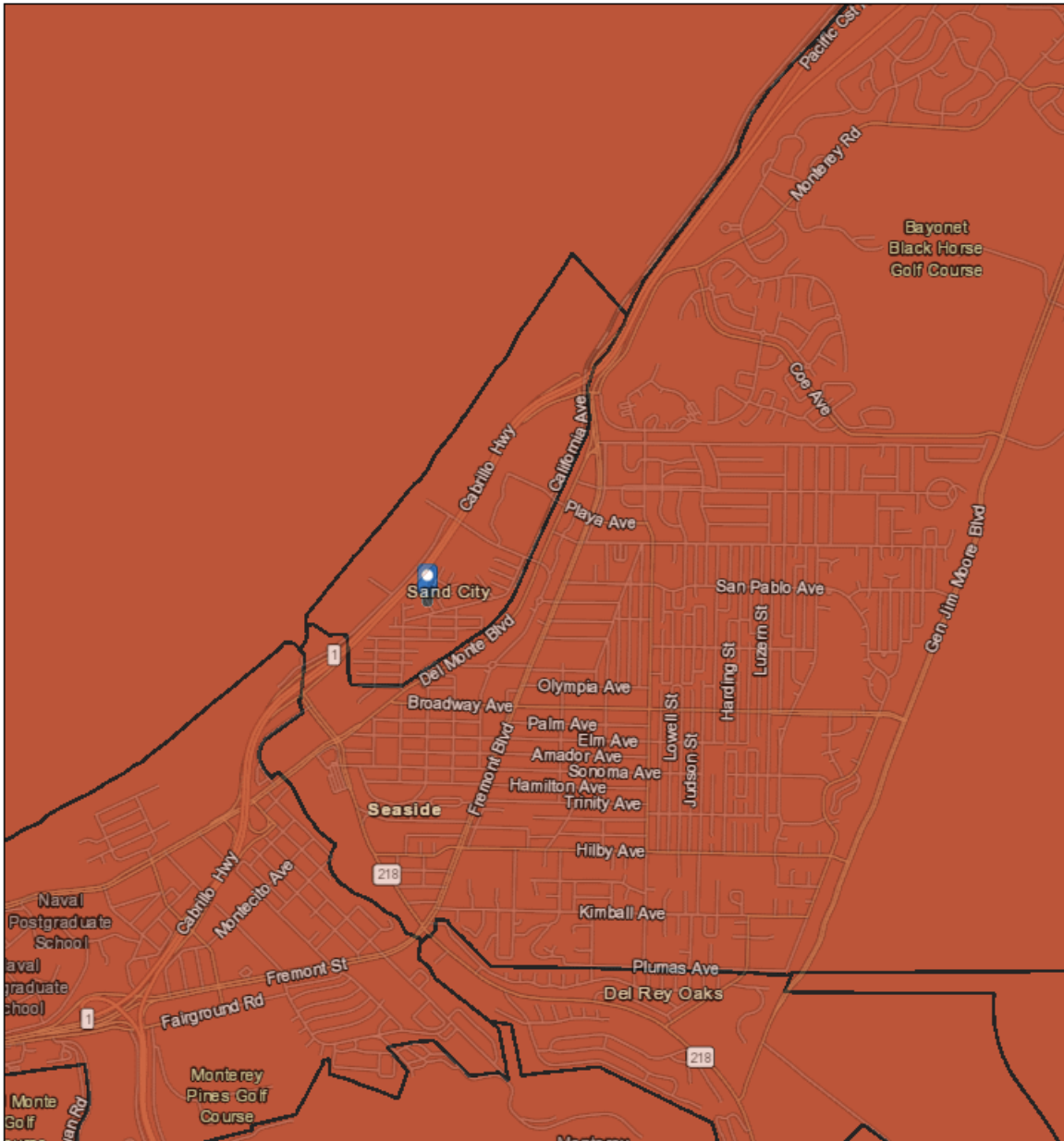
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SOURCE: California Department of Housing and Community Development AFFH Data Viewer

Figure A-52 FHEO Cases, Disability Bias, Monterey County, 2020

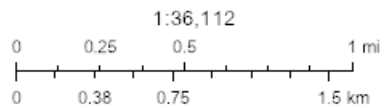


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City/Town Boundaries

(A) FHEO Cases - Disability Bias (2020) - County

40.01% - 65%



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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, CA HCD

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.²⁴

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.

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:

- Housing Accountability Act (Gov. Code. Section 65589.5) requiring adoption of a Housing Element and compliance with RHNA allocations;
- No Net Loss Law (Gov. Code Section 65863) requiring that adequate sites be maintained to accommodate unmet RHNA allocations;

²⁴ <https://nationalfairhousing.org/2021/07/29/annual-fair-housing-report-shows-increase-in-housing-harassment/>

- Least Cost Zoning Law (Gov. Code. Section 65913.1);
- Excessive Subdivision Standards Law (Gov. Code. Section 65913.2); and
- Limits on Growth Controls Law (Gov. Code. Section 65302.8).

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 article²⁵ 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 Steinbeck’s 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.

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,

²⁵ Schmalz, David. “The story of how – and why – Del Rey Oaks and Sand City exist.” Monterey County Weekly, 10 August 2023.

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
<p>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.</p>	<ul style="list-style-type: none"> ▪ Lack of racial and ethnic diversity within the city; ▪ Lack of adequate affordable housing options. 	<p>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</p>	<p>High</p>
<p>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.</p>	<ul style="list-style-type: none"> ▪ Lack of adequate housing stock that meets the needs of residents; and ▪ Lack of affordable housing. 	<p>Program 5.A: Fair Housing Services and Information Program 5.B: Housing Choice Voucher Program</p>	<p>High</p>
<p>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.</p> <p>These special needs groups experience disproportionate impacts of poverty, and cost burden increasing the challenge of obtaining adequate housing in the City.</p>	<ul style="list-style-type: none"> ▪ Jobs to housing imbalance; ▪ Lack of affordable housing. 	<p>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</p>	<p>High</p>

Fair Housing Issue	Contributing Factor(s)	AFFH Programmatic Action	Priority
		Program 3.H: Reduced Feeds for Affordable Projects	
<p>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.</p>	<ul style="list-style-type: none"> ▪ 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. 	<p>Program 1.C: Increase Housing Diversity Program 1.F: Adequate Land Inventory</p>	High
<p>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.</p>	<ul style="list-style-type: none"> ▪ Jobs to housing imbalance; ▪ Lack of diverse housing stock; and ▪ Lack of affordable housing. 	Program 1.C: Increase Housing Diversity	Medium
<p>Fair Housing Enforcement No residents filed fair housing complaints in Sand City, indicating a potential lack of awareness about fair housing rights.</p>	<ul style="list-style-type: none"> ▪ Lack of access to information about fair housing rights; and ▪ Limited knowledge of fair housing by residents. 	<p>Program 5.A: Fair Housing Services and Information Program 5.B: Housing Choice Voucher Program</p>	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

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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
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 than 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 a new program 1.E to undertake a comprehensive revision to the City’s General Plan.

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

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 a new program, 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 meet 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).

¹ Source: Sand City General Plan, 2002-2017, page 5-23

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.

Single-family residential uses are conditionally permitted uses in the M-UP 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 the Table 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.

The 6th Cycle Housing Element update includes a new program, 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. Further new Program 1.D sets minimum densities of 20 dwelling units per acre for selected sites to encourage a higher multi-family unit yield.

Table B-2 Residential Development Standards

Zoning	Minimum Lot Area (sq ft)	Density (du/ac)	Setbacks (ft)			Maximum Height (ft)	Allowed Residential Uses	Conditionally Allowed Uses
			Front	Side	Rear			
R-1	3,750	11.6 du/ac	5	5	10	30	Single-Family Dwelling (SFD)	Single Room Occupancy (SRO)
R-2	3,750	23.2 du/ac	5	5	10	30	SFD; Duplex	Multi-Family Dwelling (MFD); SRO
R-3 ¹	3,750	43.6 du/ac	5	5	15	Single Story: 16 Multi-story: 36	SFD; MFD	SRO
CZ R-2 ^{2,3}	1,875	25.0 du/ac	5	0	10	36		SFD; MFD; Duplex
CZ R-3 ^{2,3}	1,875	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)	See Note	See Note	See Note	See Note	(Underlying Zone)	(Underlying Zone)
PF	3,750	11.6 du/ac	See Note	See Note	See Note	35	Emergency Shelter	

SOURCE: City of Sand City, Municipal Code Title 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.

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 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 an 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 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.

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 a new 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. 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.

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 other areas or the City and recent state legislation the 6th Cycle Housing Element update includes a new program 1.G to develop and adopt objective design standards for multi-family developments.

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

² See Resolution No. SC 01-64, 2001

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

[Table B-3, Permit Processing Timelines](#), describe the typical permit processing time frames, which include single-family, multi-tenant, and mixed-use developments.

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 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.

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). 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 0 percent interest loan of up to \$100,000 are 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.

³ Sand City Municipal Code 18.63.030 (Ord. 21-01 §1).

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.⁴ 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.

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.

SB 2 (2007) required 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. The City of Sand City complies with this mandate. 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.

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.

⁴ Ordinance No.: 07-04

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 address regulations for emergency shelters. 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; however, the Salvation Army Day Center has functioned as a temporary emergency overnight shelter. The City’s Zoning Ordinance does, however, include an emergency shelter as a permitted uses in the Public Facility (PF) zoning. 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.⁵

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 a new program 3.D 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.

As background, the City approved the Public Facilities (PF) zone to accommodate 2-bed emergency shelters in 2010.⁶ The PF zone was the most appropriate for emergency shelters because the sites

⁵Ordinance No. 16-05 §11

⁶Ordinance No. 10-05

currently zoned or slated to be rezoned to PF are near transportation and services. 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 and there is potential for a shelter if a developer wished to build one in Sand City. 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 meet the City’s estimated need of 15 beds could potentially be located on the parking lot adjacent to City Hall. The PF zone allows buildings with a three-story maximum, and does not have specific setback requirements. 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.

The portion of the desalination plant property outside the Coastal Zone is zoned PF. The desalination plant site has a total of 33,750 square feet. This size of shelter could potentially be located on the desalination plant site. Additionally, the water treatment plant property, with a total 30,250 square feet, is partially zoned Public Facilities and may be a potential site for an emergency shelter. The water treatment facilities occupy about 7,000 square feet of the site. A 1,000 square-foot homeless shelter would fit within a portion of the parking lot.

Additionally, the 2022 Monterey County Homeless Census Report determined there were 3 homeless people living in Sand City, all of whom were living unsheltered. Given that the City has property appropriately zoned and available for a shelter for up to 15 people the City is in compliance with State law.

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 a new 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

Farmworker Housing

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.⁷ 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.

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 laborshed 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 own mobile homes; and

⁷ Sand City 2021 ACS data; Source: City of Sand City, California - Census Bureau Profile

- 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%
 - ◆ Michoacan 19%
 - ◆ Jalisco 14%
 - ◆ Guanajuato 10%
 - 13% self-identified as indigenous Mixtec, Triqui, Zapotec.
 - They work in a range of crops throughout the region.
 - ◆ 46% participate in harvest
 - ◆ 16% are packers
 - ◆ 38% 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.

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.

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 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.

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 35.⁸ However, a portion of the City is subject to SB 35 streamlining provisions when development proposals include at least 10 percent affordability due to insufficient progress toward Above Moderate Income RHNA units.⁹ No SB 35 projects have been submitted to the City to date.

⁸ See Government Code §65913.4(a)(6)

⁹ SB 35 Statewide determination summary 2023

The City does not currently have a specific checklist or procedures to facilitate SB 35 projects. The City include a new Program 1.R, to develop an SB 35 checklist and written procedures for processing applications to ensure efficient and complete application processing.

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.

To date, the City has taken no action to facilitate SB 9 projects. The 6th Cycle Housing Element update includes a new Program 1.I to better facilitate SB 9 projects outside of the confines of Coastal Zone regulations. 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.

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.

The City of Sand has updated its Zoning Ordinance to provide reasonable accommodations in a manner fully compliant with state and federal regulations (see Section 18.78.060).

Constraints for People 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.

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 18.78.060I.

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. Currently, there are no brochures regarding reasonable accommodation at the City’s planning counter. The City will provide a brochure in the future, when one is published by the State or other government agency or nonprofit organization.

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.

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 a new program 1.B to amend the City's density bonus provisions to reflect recent changes in state law if applicable. 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 a 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). 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 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.
- 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's building code has been adopted in order to prevent unsafe or hazardous building conditions. As such, the City's code is a reasonable and normal enforcement of City 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. 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 codes are enforced as the City staff is made aware of problems. The City is so small that every property is well-known to staff and City Council members. The City regularly updates its building code in accordance with Title 24 changes.

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).

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
<i>Administrative Land Use Approvals and Zoning Permits</i>	
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
<i>Discretionary Land Use Permit</i>	
Conditional Use Permit	\$500
Coastal Development Permit	\$500
Site Plan Review	\$500
Variance	\$500

Planning Fees	Cost
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
<i>Design Permit</i>	
Architectural Review	\$100
Master Sign Program	\$100
Individual Sign Permit	\$50
<i>Environmental Review</i>	
Environmental Impact Report (EIR)	\$2,000 + Reimbursement Ag.
Negative Declaration ²	\$1,000 + Reimbursement Ag.
Categorical Exemption (per CEQA)	No Fee
<i>Legislative Amendments</i>	
General Plan Amendment	\$2,000 + Reimbursement Ag.
Zoning Amendment or Change	\$1,000 + Reimbursement Ag.
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 City of Sand City Building Fees

Building Fees	Cost
<i>Over the Counter Type Permits</i>	
Plumbing (no plan review required)	\$30.00
Electrical (no plan review required)	\$30.00
Mechanical (no plan review required)	\$30.00
<i>Combination Permit</i>	
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
Value \$100,001-\$500,000	\$999.35-\$3,233.75
Value \$500,001 and up	\$3,233.75

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)
- 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)
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. 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 (See Table B-6).

Table B-6 Estimate of total development fees imposed

	Single-Family*	Multi-Family (100 units)**
Planning permit fee (incl. CEQA)	\$600	\$1,800
Building Permit fee	\$2,999	\$4,042
Subtotal	\$3,599	\$5,842
MPWMD	\$225	\$22,500
MPUSD	\$9,580	\$479,000
Cal-Am	\$3,000	\$10,000
M1W	\$6,056	\$605,600
TAMC	\$4,036	\$283,425
Regional Fees Subtotal	\$22,897	\$1,433,04
Total Fees	\$26,496	\$1,439,346

*assumed \$350K valuation and 2,000 sq. ft.

**assumed \$5,000,000 valuation and 100,000 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.

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 Title 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 a new program 1.J to reduce the City’s parking requirements.

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 meet 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. This 6th Cycle Housing Element update includes new programs to address constraints related to the following areas of government regulation:

Table B-8 Summary of Governmental Constraints

Governmental Constraint	Programmatic Action
<p>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.</p>	<p>Program 1.H: Habitat Management Plan Program 1.C: West End Housing Diversity Overlay</p>
<p>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.</p>	<p>Program 1.P: Clarify permit processing Program 1.G: Objective Design Standards Program 1.I: California Housing Opportunity and More Efficiency (HOME) Act</p>
<p>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.</p>	<p>Program 1.E: Update the General Plan</p>
<p>City Fees While Sand City’s building fees are lower than surrounding communities, fees can still pose as an impediment to development.</p>	<p>Program 3.H: Reduced Fees for Affordable Projects</p>
<p>Parking requirements</p>	<p>Program 1.J: Reduce Minimum Parking Standards Program 1.C: West End Housing Diversity Overlay</p>
<p>Emergency Shelters</p>	<p>Program 3.D: Eliminate Design Permit Requirement for Emergency Shelters</p>

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.¹⁰ 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.

¹⁰ Source: [30 Year Mortgage Rate \(ycharts.com\)](https://ycharts.com/indicators/30_year_mortgage_rate)

- **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.
- 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.
- **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.

A Program in the 6th Cycle Housing Element is included, Program 5.C, to continue to apply for State and Federal Housing Program Funding.

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 a 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”. 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, Statutes 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.¹¹ According to the July 2023 MPWMD monthly water entitlement and allocation reports¹², the City has approximately 197.886 acre-feet in water entitlements and 23.163 acre feet in water allocations available. The City can adequately meeting the RHNA water supply demand of 32 acre-feet.

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 a program 2.B to prioritize water for residential housing projects and will include working with outside agencies to defer fees.

¹¹ MPWMD June 1, 2023 Technical memo

¹² MPWMD May 15, 2023 Board meeting packet

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 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 RHNA¹³.

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. 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 development on the sites associated within the East Dunes area. 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 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 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.

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.

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).

¹³ Conversation with M1W staff June 15, 2023.

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.

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
<p>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.</p>	<p>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</p>
<p>Limited Land Sand City’s size limits areas where new housing can be constructed.</p>	<p>Program 1.C: Increase Housing Diversity – MU-P Zoning District Amendments</p>
<p>Environmental Constraints The presence of special status species and environmentally sensitive habitat areas limit areas available for development within the City.</p>	<p>Program 1.H: Habitat Management Plan</p>
<p>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.</p>	<p>Program 5.C: State and Federal Housing Programs and Funding</p>

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Vacant and Available Sites

C
APPENDIX

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Appendix C

Vacant and Available Sites

C.1 Introduction

The 6th Cycle Regional Housing Needs Allocation Plan 2023-2031¹ 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.

Prohousing Community Designation

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), and Infill Infrastructure Grant (IIG) programs.

¹ Source: Association of Monterey Bay Area Governments, April 2022

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.

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% 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.

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](#), 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 C-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					
Remaining RHNA					

SOURCE: City of Sand City 2022
 Note: this table will be completed with the next draft

C.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 adjusted RNHA of 260 housing units (see Table C-2, above). The City developed programs and policies to plan for where new housing should go and how many units could be on potential sites.

Table C-3, *Vacant/Partially Vacant and Available Sites*, summarizes Sand City’s sites inventory for the 2023-2031 planning period.

Table C-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	--	--	--	--	--
Total	73	103	114	619	917
RHNA	59	39	49	113	260
Diff	14	64	65	506	657

SOURCE: City of Sand City; EMC Planning Group Inc.

Overview of Selected Sites

This section provides information on the current list of potential sites under consideration for determining how the City will accommodate housing sites above and 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 shows an overview of the housing sites inventory map developed for Sand City’s 6th Cycle Housing Element Update.

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 regional Habitat Management Plan. Program (Program 1.H) 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-2. 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-1 East Dunes neighborhood paper lots and recent “Bungalow” development



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 below with [Figure C-2](#). This also relieves market pressure that might otherwise unintentionally incentivize displacement.

Figure C-2 Typical Missing Middle and Live/Work Developments in 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 successfully achieved with the South of Tioga properties (see Sites #1 and #2 within the Sites Inventory). Lot consolidation has been encouraged through a local density bonus program for this area, according to Municipal Code 18.13.060 (H). Examples of development that has been constructed among consolidated underutilized lots is the Catalina lofts (400 Ortiz Avenue), as pictured in [Figure C-3](#), and completed in 2023. This site includes 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. Four (4) sites were consolidated that equal approximately 15,246 square feet and would have enabled conditional approval of two (2) additional units, or 25% more density than the underlying zone.

Program 1-C broadens opportunity for residential development by enabling all MU-P sites the full incentive of 250% more density (up to 81 du/acre), without discretionary approval.

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-3](#).

Figure C-3 Consolidation Example Sites, Catalina Lofts (above) and The Sandbox



Overview of 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-4](#), 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-4 West End Housing Diversity Overlay Boundary



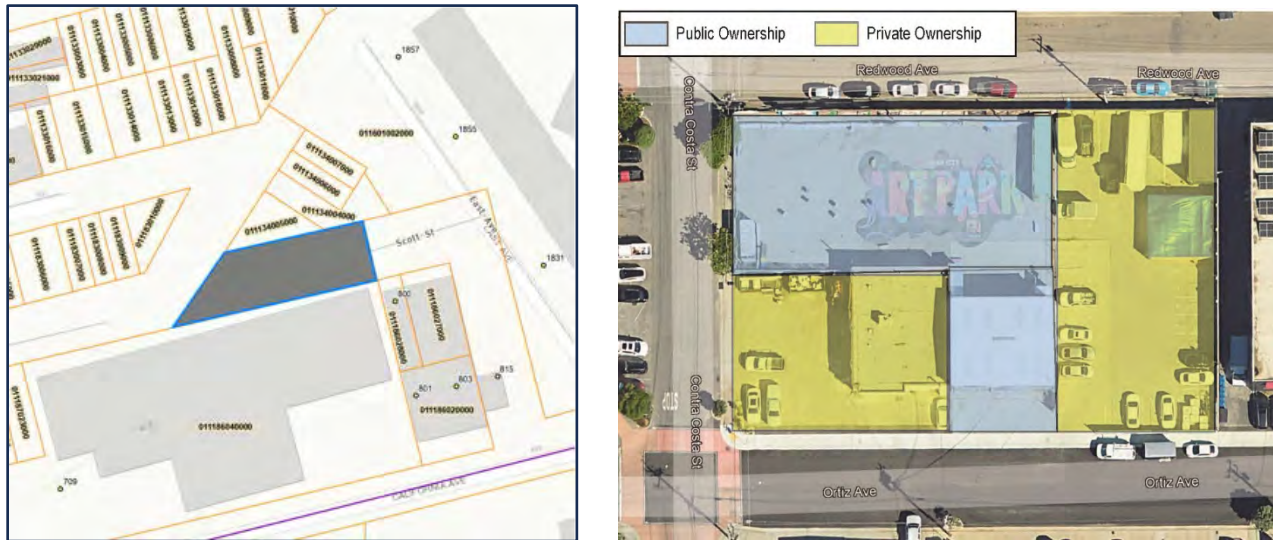
Objective Design Standards

To further incentivize and catalyze development within the West End Housing Diversity Overlay area, Program 1.G is being employed immediately. 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.

City-Owned Sites

The City is motivated to consider the Surplus Land Act process for Scott Street Right of Way (behind Site #3) and the established Art Park (Site #5) shown in Figure C-5. The Scott Street Right of Way, behind the Salvation Army building, will take a committed process, including following the Surplus Land Act, and environmental review to establish a future site capable of several stories of housing units. In terms of Site #5, the City has initiated preliminary discussions with one of the adjacent private property owners to purchase the property when it becomes available to enable artist live/ work lofts. The City is in regular discussions with local affordable housing developers.

Figure C-5 City-Owned Sites: Scott Street ROW and the Art Park and two privately owned properties.



South of Tioga

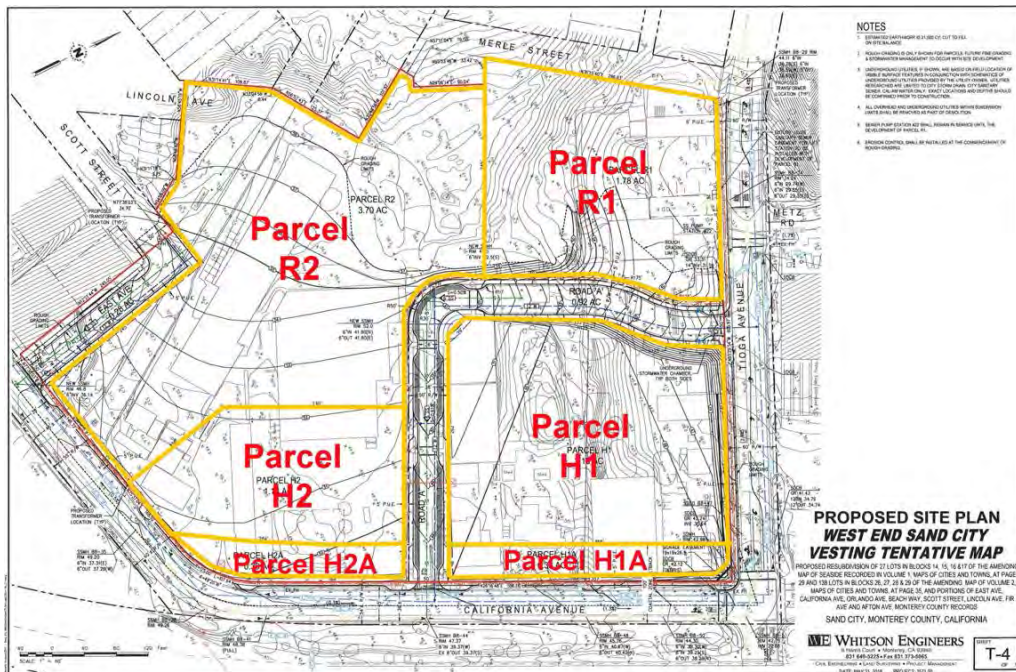
The overall South of Tioga project was proposed by DBO Development and includes a hotel and residential development on six (6) newly created parcels (H1, H1A, H2, H2A, R1 & R2) as shown below in Figure C-6. The project is located in the central portion of the City, generally referred

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 infrastructure improvements are underway. Parcels R1 and R2 are discussed in more detail below.

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 connection 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.

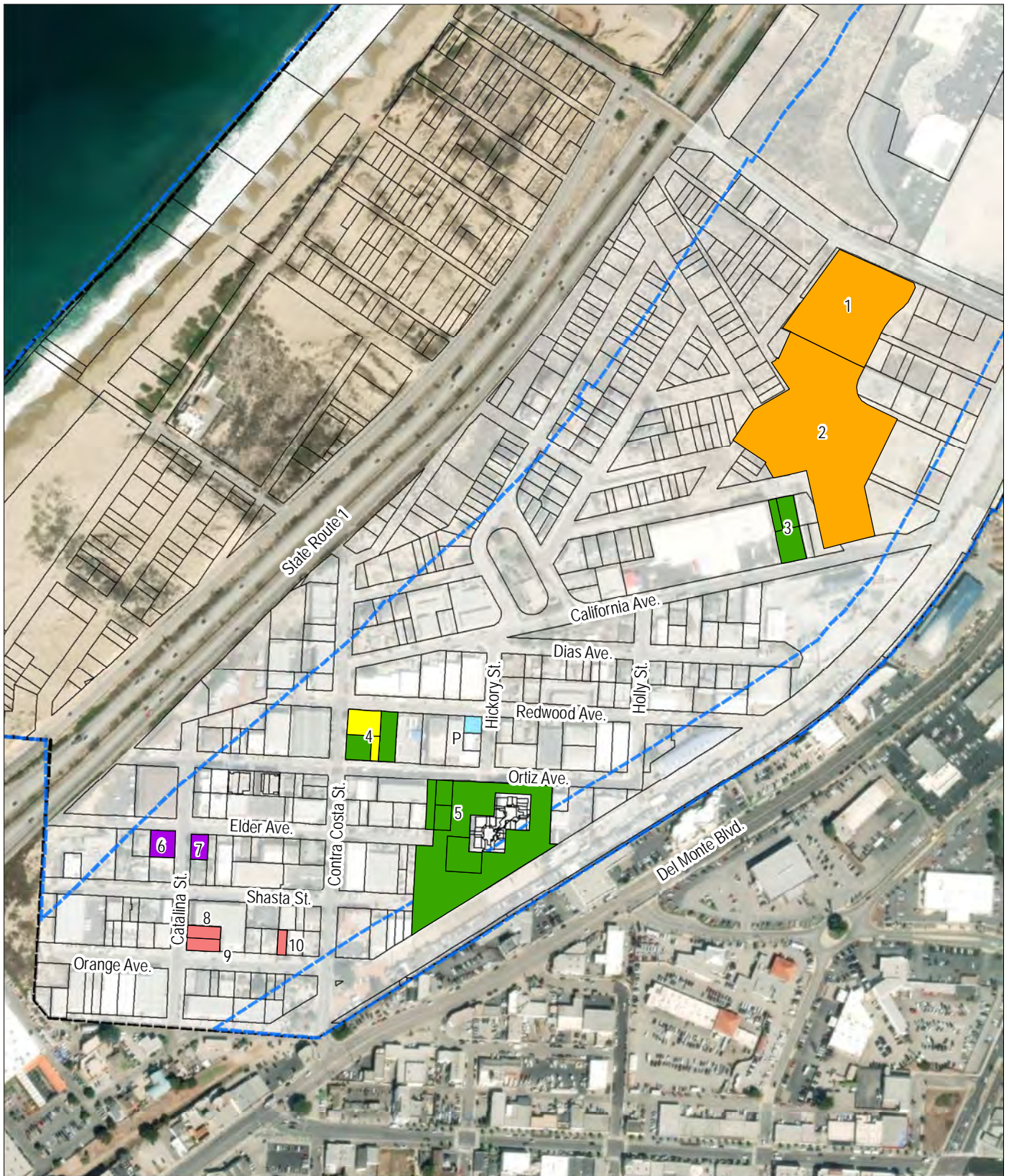
The Environmental Impact Report (EIR) for the overall South of Tioga project was prepared by EMC Planning Group under contract with the City. The City Council approved and certified the EIR as complete and adequate (including responses to comments) on June 5, 2018.

Figure C-6 Site Plan for South of Tioga, with Residential Parcels R1 and R2



Sites Inventory

Figure C-7 illustrates the City’s Sites Inventory, with individual parcel descriptions and images that follow.



- | | | | |
|--|---------------|--|------------------|
| | City Limit | | South of Tioga |
| | Coastal Zone | | Pipeline Project |
| | Underutilized | | Vacant Sites |
| | Consolidated | | City Owned |

Source: Monterey County GIS 2023,
Google Earth 2023

Figure C-7

Sites Inventory



Site 1: South of Tioga, Parcel R1

Address: no address assigned

Parcel numbers: 011-601-001-000

Size: 1.740 acres; **Used in 5th Cycle:** yes

Zoning/ General Plan: MU-P zoning; MU-D General Plan

Projected Number of Housing Units: 125

Description: The City Council approved the South of Tioga development project as shown on Figure C-8. A Development Agreement has been approved to enable 125 market-rate residential for sale units to be constructed on Parcel R1, within the South of Tioga proposed development. 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.

Constraints: None.

Figure C-8 South of Tioga, Parcel R1



Site 2: South of Tioga, Parcel R2

Address: no address assigned

Parcel numbers: 011-601-002-000

Size: 3.69 acres; **Used in 5th Cycle:** yes

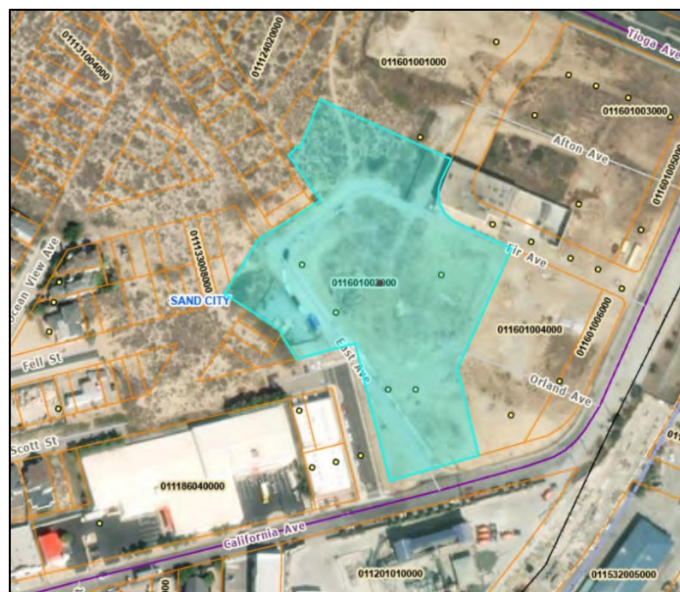
Zoning/ General Plan: MU-P zoning; MU-D General Plan

Projected Number of Housing Units: 297

Description: The City Council approved the South of Tioga development project, as shown on Figure C-9. A Development Agreement has been approved to enable 231 market-rate residential units to be constructed on Parcel R2, within the South of Tioga proposed development, along with 52 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; eighteen (18) moderate, and eighteen (18) “workforce” units. The 18 workforce housing units, are defined as affordable to households between 121% and 140% of the Monterey County median income. Within the context of the Housing Element, those units are now being counted as market-rate units. With Program 1.A, Council is open to renegotiating the Development Agreement to allow up to the revised maximum density of 81 dwelling units per acre, provided the additional units would be lower-income housing units. This would provide 66 additional units, not inclusive of state density bonus. Environmental Impact Report was certified for this development. The residential site, R2 is currently for sale. Infrastructure improvements are nearly complete for this vacant site.

Constraints: Development Agreement will need to be renegotiated to maximize affordable units.

Figure C-9 South of Tioga, Parcel R2



Site 3: Salvation Army Good Samaritan Center

Address: 801-803 California Avenue, **Parcel number:** 011-186-020-000
(also Scott Street right-of-way)

Size: 0.17 acres; **Used in 5th Cycle:** no

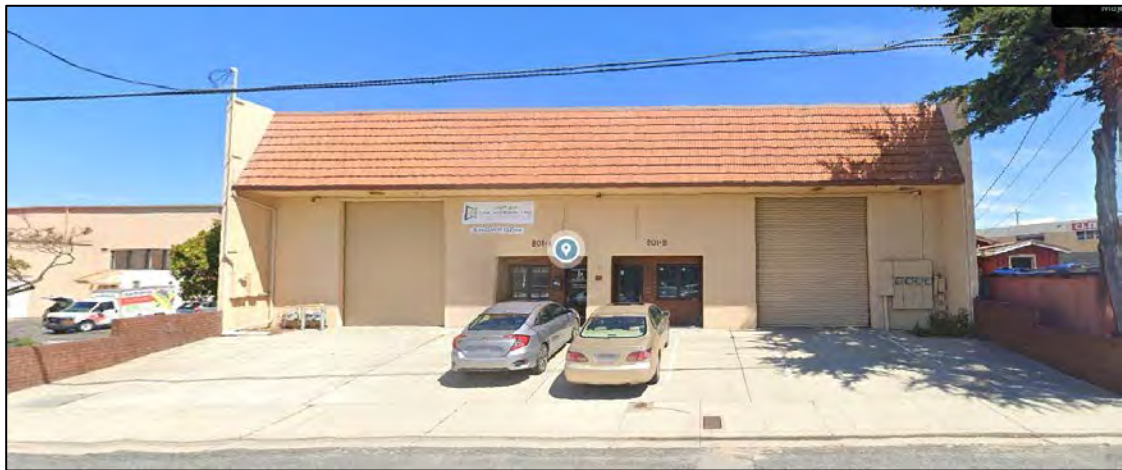
Zoning/ General Plan: M-PUD zoning; MU-D General Plan

Projected Number of Housing Units: 6

Description: The Salvation Army Good Samaritan Center provides services both on and off-site to those in need, including: daily hot meals, food boxes, showers, laundry, and mail services (see Program 3.B). The property manager has indicated a desire to renovate two commercial sites at the street front of the building so that they may serve up to six (6) transitional housing units as shown in [Figure C-10](#). The City may consider enabling the surplus property act to partner and develop the adjacent Scott Street Right of Way (ROW), as well, for additional transitional housing or an independent affordable housing project.

Constraints: Re-zoning to enable transitional housing uses at this location is necessary. Existing lease-holders would need to relocate. Construction would not need to disrupt services provided.

Figure C-10 Salvation Army Site #3, street front view, building footprint, and Scott Street



Site 4: Art Park

Address: 525 Ortiz Avenue, 502 Ortiz Avenue, two parcels without addresses

Parcel numbers: 011-196-023-000 (City-owned), 011-196-020-000 (City-owned), 011-196-014-000, 011-196-015-000

Size: .518 acres; **Used in 5th Cycle:** partial (City-owned parcels, only)

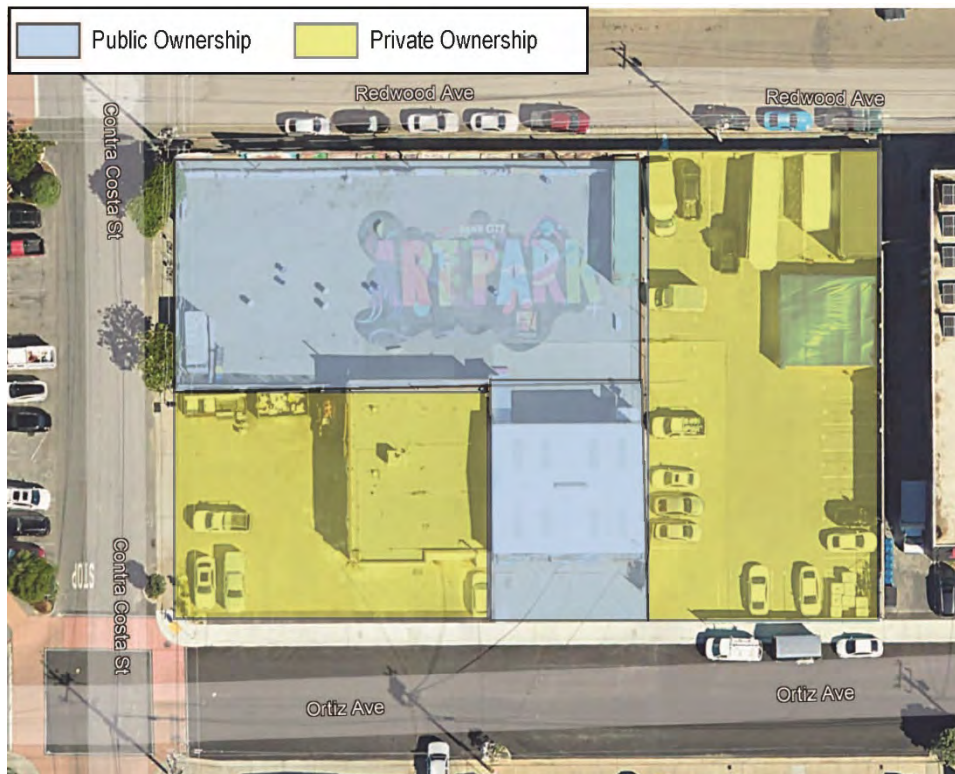
Zoning/ General Plan: MU-P zoning; MU-D General Plan

Projected Number of Housing Units: 28

Description: Site #4, a combination of both publicly and privately owned properties, is located at the heart of the City, just south of City Hall and shown in [Figure C-11](#). The City hosts a monthly and annual arts-focused community gathering at this location. Preliminary discussions with one of the adjacent property owners to purchase the property have occurred. The goal is to enable the construction of affordable artist lofts with work spaces while retaining some or all of the open-air paved park site. The zoning allows for a building height of up to 80 feet.

Constraints: Lack of ownership of the two adjacent private properties; funding needs to be sourced, potentially through Prohousing Community Designation; an affordable housing developer partnership would need to be initiated and fostered; community support would be necessary for success.

Figure C-11 Sand City Art Park and adjacent privately owned properties



Site 5: The Independent, Phase 2

Address: 524, 525, and 526 Elder Avenue, and two parcels with no assigned address

Parcel numbers: 011-232-027-000, 011-232-022-000, 011-232-021-000, 011-236-027-000, 011-236-029000

Size: 3.2 acres; **Used in 5th Cycle:** no

Zoning/ General Plan: CZ-MU-P & MU-P zoning; MU-D General Plan

Projected Number of Housing Units: 148

Description: Site #5 is located just west of Del Monte Boulevard and the eastern City limit and shown in [Figure C-12](#). 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 (including 11 affordable units). 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 total additional 189 dwelling units developed at 81 dwelling units per acre. A non-appealable Coastal Development Permit is required for development within the coastal zone overlay area of this site, which would be issued by the City according to the certified LCP.

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. The City will consider reduced parking requirements to incentivize the building of this project.

Figure C-12 The Independent, Phase 2 site, the existing building, and adjacent parcels



Site 6: 1793 Catalina Street

Address: 1793 Catalina Street, **Parcel number:** 011-243-004-000

Size: 0.138 acres; **Used in 5th Cycle:** no

Zoning/ General Plan: MU-P zoning; MU-D General Plan

Projected Minimum Number of Housing Units: 2

Description: Site #6 is a commercial building with a discontinued use that is currently for sale as shown in [Figure C-13](#). Opportunities for this site include possible adaptive reuse of the existing building, or redevelopment to maximize potential number of residential units.

Constraints: Extensive remodeling and/or demolition of existing building required.

Figure C-13 1793 Catalina Street, site #6



Sites 8 & 9

Address: [No Addresses Assigned] **Parcel numbers:** 011-238-012-000, 011-238-011-000

Size: 0.172 acres, **Used in 5th Cycle:** yes

Zoning/ General Plan: MU-P zoning; MU-D General Plan

Minimum Number of Housing Units: 2

Description: Sites #8 and #9 are vacant adjacent unpaved lots, which together equal 0.172 acres and are shown in [Figure C-15](#). Since 2011, accumulation of assorted materials and vehicles has occurred on these otherwise vacant lots.

Constraints: None.

Figure C-15 Adjacent Vacant Sites, #8 and #9



Site 10

Address: 445 Orange Avenue, **Parcel Number:** 011-238-021-000

Size: 0.045 acres, **Used in 5th Cycle:** yes

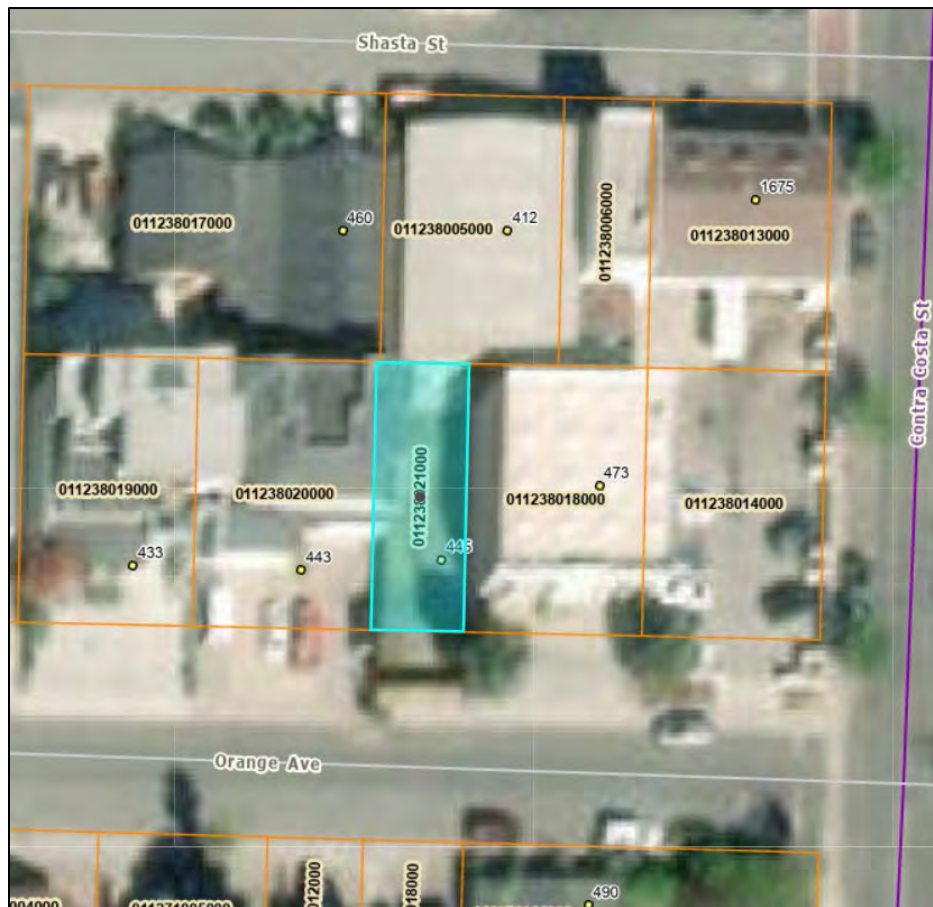
Zoning/ General Plan: MU-P zoning; MU-D General Plan

Minimum Number of Housing Units: 1

Description: Site #10 is a vacant lot adjacent to two duplexes and shown in [Figure C-16](#). This small lot is approximately 26' x 75', and this lot could be developed into a single-family home. With the new density allowance this lot could be developed into a triplex and provide in “missing middle” types of housing.

Constraints: None.

Figure C-16 Site#10



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 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). Together, 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).

Inventory of Vacant/Partially Vacant and Available Sites

This section provides the formal inventory of sites that the City of Sand City will rely on in the 6th Housing Element planning cycle. 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 inventory presented below 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.

No Net Loss

The City is committed to permitting housing on each of the parcels listed in the table below, and in so doing ensuring that the number of units listed for each parcel in the table--“planned capacity”—is achieved. Should the City approve development that is inconsistent with the parcel’s planned capacity, it is then required as part of that approval to:

1. Find, based on quantitative evidence, that the remaining inventory of housing sites is still sufficient to meet the City’s 6th Cycle RHNA; or
2. Identify one or more available sites with the realistic development capacity to replace the housing that would have otherwise been developed had consistency with planned capacity been achieved.

Table C-4 provides details and capacity estimates for each of the parcels that comprise housing sites identified in the section above. These capacity estimates are considered conservative, as there is the potential for lot consolidation beyond what is assumed in the descriptions above. 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 is well below the maximum allowed on the site per the City’s zoning regulations/development standards.

Table C-4 Vacant/Partially Vacant and Available Sites

Map #	APN	Address	GENERAL PLAN	ZONING	ACRES	MAX DENSITY	REALISTIC CAPACITY (% of Max Density)	VL	L	M	AM	Total
South of Tioga R-1												
1	011-601-001-000	No address	MU-D	MU-P	1.74	81	72 (88%)				125	125
South of Tioga R-2												
2	011-601-002-000	No address	MU-D	MU-P	3.69	81	77 (95%)	42	40	8	207	297
Salvation Army												
3	011-186-020-000	801-803 California Avenue	MU-D	MU-P	0.170	81		6	6			
	Subtotal				0.333		35 (43%)	6	6			6
City of Sand City Art Park and adjacent privately owned properties												
4	011-196-023-000	525 Ortiz Avenue	MU-D	MU-P	0.173	81		5	5			
	011-196-020-000	No address	MU-D	MU-P	0.175	81		2	2			
	011-196-014-000	502 Ortiz Avenue	MU-D	MU-P	0.040	81		2	2			
	011-196-015-000	No address	MU-D	MU-P	0.130	81		5	5			
	Subtotal				0.518		54 (67%)	14	14			28
The Independent, Phase 2												
5	011-232-027-000	524 Elder Avenue	MU-D	MU-P	0.087	81				7		
	011-232-022-000	525 Elder Avenue	MU-D	MU-P	0.087	81				7		
	011-232-021-000	526 Elder Avenue	MU-D	MU-P	0.087	81				7		
	011-236-027-000	No address	MU-D	CZ-MU-P	2.727	81				3	148	
	011-236-029-000	No address	MU-D	MU-P	0.216	81				17		
	Subtotal				3.203		59 (73%)			41	148	189
Underutilized												
6	011-243-004-000	1793 Catalina Street	MU-D	MU-P	0.138	81	14 (17%)				2	2
7	011-237-001-000	1712 Catalina Street	MU-D	MU-P	0.088	81	11 (13%)				1	1
Vacant												
8	011-238-012-000	No address	MU-D	MU-P	0.086	81	11 (13%)				1	1
9	011-238-011-000	No address	MU-D	MU-P	0.086	81	11 (13%)				1	1
10	011-238-021-000	445 Orange Avenue	MU-D	MU-P	0.045	88	22 (25%)				1	1

Map #	APN	Address	GENERAL PLAN	ZONING	ACRES	MAX DENSITY	REALISTIC CAPACITY (% of Max Density)	VL	L	M	AM	Total	
ADUs									1	1			
Grand Total								62	55	50	486	651	
RHNA								59	39	49	113	260	
Net Surplus								3	15	0	373	391	
Percent								105%	138%	100%	430%	250%	

SOURCE: City of Sand City; EMC Planning Group Inc.

Existing Uses

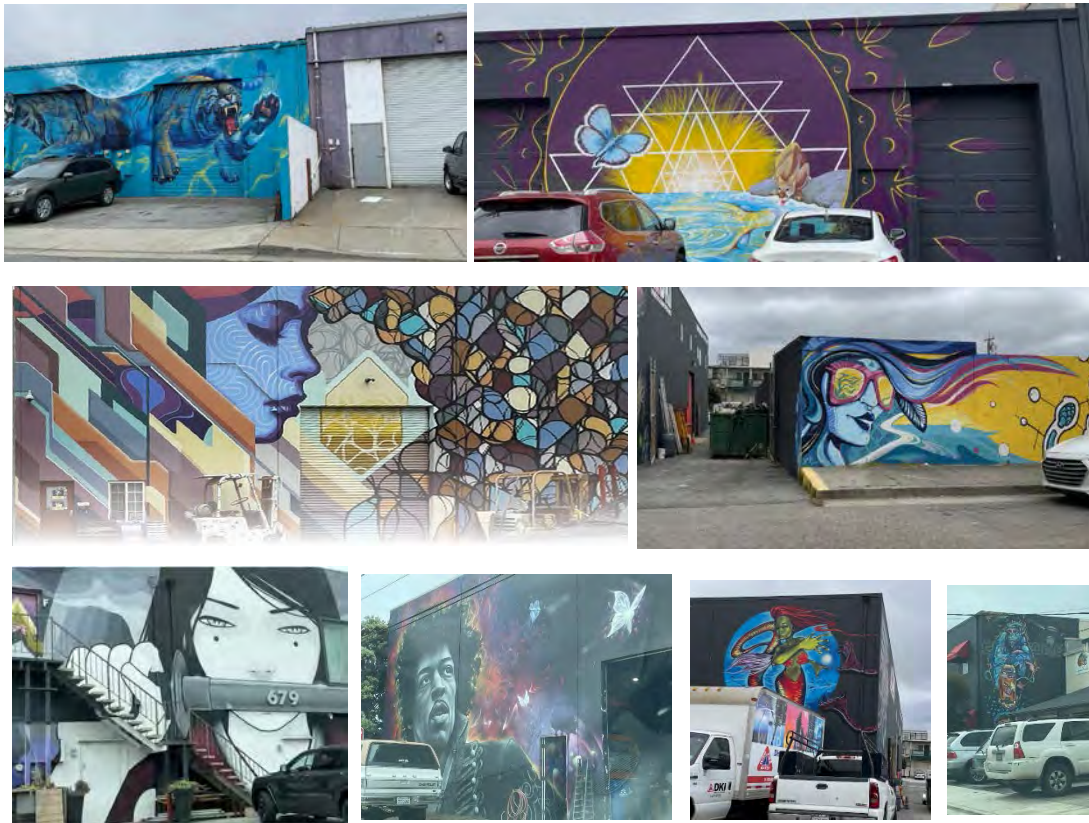
All sites selected for the Sites Inventory are either vacant, represent intentional second phase of development, or the use of which has been discontinued. In no case is the existing use of a site considered a constraint.

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-17](#), 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, following full development and occupancy of Catalina Lofts (see the Lot Consolidated sub-section within this Appendix for details).

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 eight years.

Figure C-17 Mural Development



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 sites #1 and #2. 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.

Nonvacant Sites for Lower Income Units

More than 50% of the RHNA units intended to accommodate lower income households are projected to be developed at vacant sites, which meets Government Code Section 65583.2(g)(2). All sites used to accommodate lower income RHNA are between 0.5 and 10 acres, which meets Government Code Section 65583.2(c)(2)(A),(B), and (C).

Minimal Displacement

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 #3), where two low-intensity industrial uses may be relocated to enable six (6) transitional housing units within an existing building.

Sites Used in Previous Housing Element's Planning Periods

All Sites Inventory parcels 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 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% 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.

Realistic Capacity Analysis

South of Tioga (sites #1 and #2) are anticipated to be constructed at close to 100% 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. Circumstances at site #4 includes retaining an existing open park and negotiated use of neighboring air rights to enable continued at-grade business parking, which together reduces anticipated density. Site #5 assumes a lower percentage of maximum density to accommodate parking. Sites #6 – 10 are all conservatively assumed to become above moderate housing units, with a low ratio-to-maximum-density, though incentives exist to enable more units, including the possibility for units available to lower-income households. [Table C-5](#), [n](#)] on the following page, exhibits analysis for recent housing development in Sand City as support for the assumed realistic capacity column in [Table C-4](#).

C.4 AFFH Sites Analysis

Per AB 686, Housing Elements are required to analyze the location of lower-income sites in relation to high opportunity areas. This comes as a result of the inextricable link between the location of housing and access to resources and opportunities such as employment, schools, basic needs suppliers, etc. Disparities in housing needs and access to opportunities is most common among lower-income households. In an effort to affirmatively further fair housing in Sand City, the sites inventory has been analyzed in relation to access to resources, overcrowding, cost burden, environmental pollution burden, social vulnerability, displacement risk, and fair housing and equal opportunity cases.

Table C-5 Vacant/Partially Vacant and Available Sites

Recent Housing Development; name, address	Year Built	Site Size	Maximum Density Allowed	Actual Density	Number of Units	Development Type
Catalina Lofts; 400 Ortiz Avenue	2023	0.35 acres	29 du/acre	23 du/acre; 79%	8	Consolidated lots, demo existing building, new infill construction
Hickory SFD; 1745 Hickory Street	2023	0.06 acres	23 du/acre	17 du/acre; 74%	1	Adaptive reuse of existing retail/service one-story structure
The Bungalows	2019	0.22 acres	12 du/acre	18 du/acre; 150%	4	Existing Single-Family lots developed (small lots, avg. 2,395 sf)
The Independent; 600 Ortiz	2014	2.64 acres	23 du/acre	23 du/acre; 100%	61	Adaptive re-use of prior Design Center, now mixed-use

SOURCE: City of Sand City; EMC Planning Group Inc.

AFFH for Sites Overview

This overview is provided with [Table C-6](#), to illustrate factors considered when selecting sites to accommodate lower income households according to RHNA goals. Further details of AFFH site selection consideration according to Census data is found within this section.

Table C-6 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 Infrastructure	Environmental Mitigation Not Likely Necessary	Development Streamlining Process in Effect
Site #2	x	x	x	x	x	x	x
Site #3	x	x	x	x	x	x	
Site #4	x	x	x	x	x	x	

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 apparently 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

All three sites (#2, #3, and #4) intended for lower income households have available infrastructure.

Environmental Mitigation

Environmental mitigation is not necessary for the three sites selected to accommodate lower income households.

Development Streamlining

Site #2 would be streamlined for development review because it was used in the 5th Cycle, and would therefore be ministerial according to Objective Design Standards.

AFFH Sites Analysis

Table C-7 provides an overview of the AFFH indicators described above, as they relate to Sand City, and Table C-8 shows the distribution of projected units by income category according to AFFH indicators.

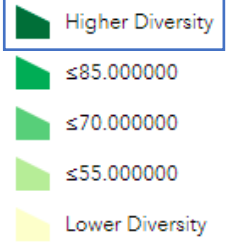
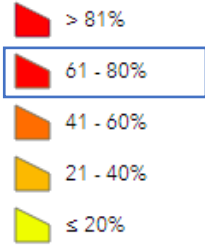
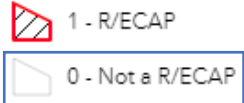
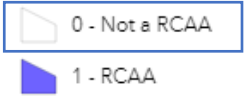
Sand City is largely homogeneous when analyzing levels of diversity, access to opportunity, overcrowding, cost burden, environmental pollution burden, social vulnerability, displacement risk, and fair housing and equal opportunity cases. According to Table C-7, the AFFH Data Viewer reveals no geographic concentrations or variations based on location according to AFFH indicators in Sand City.

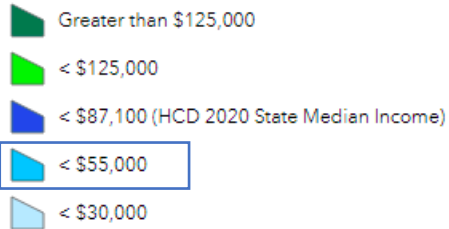
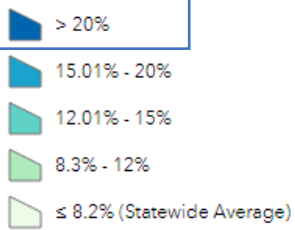

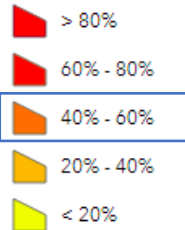
Sand City is located in Census Tract 140, which also contains the City of Seaside. Census Tract 140 includes two block groups, of which only Block Group One includes Sand City. Due to Census Tract 140 representing both Sand City and Seaside, the data reported in Table C-8 may not accurately represent the existing population in Sand City. Reporting statistical data for Sand City has continued to be a challenge due to its uniquely small land and population size and the availability of data.

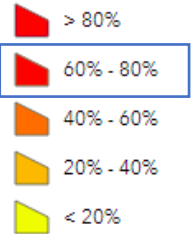
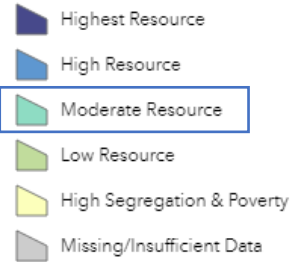
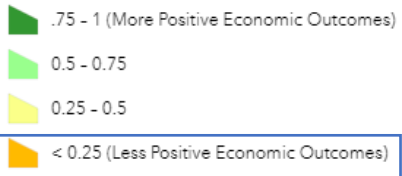
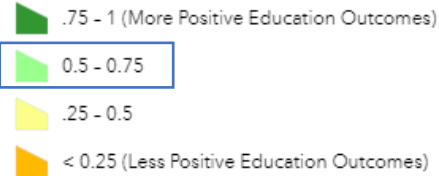
As shown in Table C-8, all anticipated housing opportunity sites are located across Census Tract 140, Block Group One, which has a household median income of less than \$55,000, has a relatively low level of poverty, has a high level of diversity and is predominantly Hispanic, and is categorized as a moderate resource area. However, census data reported for Sand City alone, reports that non-Hispanic White residents makeup the predominant population.² Additionally, Table C-8 reports that all anticipated housing opportunity sites are located in a census tract where less than 20 percent of residents live with a disability, less than 10 percent of all households experience overcrowding, less than 3 percent of all households live in substandard housing, and the majority of renter-occupied households are cost burdened.


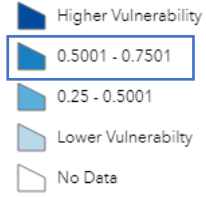
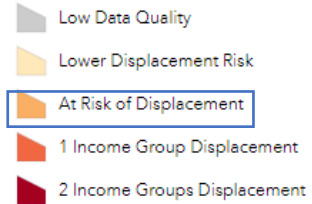
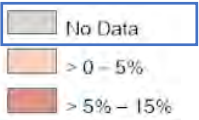
² U.S. Census Bureau ACS 5-Year Estimate, 2021, Table B03002

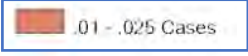

Table C-7 AFFH Indicators Overview, Sand City

AFFH Category	Legend Category	Surrounding Area Analysis
Fig. A-6 Diversity Index, 2018		<p>Sand City has a high level of diversity with no geographic variation across the City. The majority of the region falls within the <55 to <70 range of diversity. Del Rey Oaks, Seaside, and Sand City have the highest diversity levels in the surrounding region.</p>
Fig. A-7 Percent Non-White Population, 2018		<p>Sand City has a non-White population of 60-80% with no geographic variation across the City. The majority of the surrounding region falls between 21-80% non-White. Regions to the south of Sand City and along the coast line have greater White resident populations (≤20-40% non-White) compared to areas to the north and east (41-80% non-White) of Sand City.</p>
Fig. A-8 R/ECAP, 2009-2013		<p>Sand City has no R/ECAPs in the City. There are no R/ECAPs in the surrounding region.</p>
Fig. A-9 RCAA, 2015-2019		<p>Sand City has no RCAAs in the City. The majority of surrounding areas to the south have at least one RCAA. This may be due to a decade long high vacancy trend as a result of being a second home destination.</p>

AFFH Category	Legend Category	Surrounding Area Analysis
<p>Fig. A-15 Median Income, 2015-2019</p>		<p>The median household income in Sand City is less than \$55,000, and there is no geographic variation across the city. Regionally, cities to the south of Sand City and along the coast line have significantly higher median household incomes (<\$125,000-\$125,000+), whereas cities to the north and east have only slightly higher median household income (<\$55,000-<\$125,000) The cities of Monterey, Seaside, and Sand City show the greatest concentrations of households earning less than \$55,000.</p>
<p>Fig. A-23 Overcrowded Households, 2015-2019</p>		<p>According to the HCD AFFH Data Viewer, in 2019, Sand City had overcrowding rates of more than 20%. Similarly, the City of Seaside had overcrowding rates of more than 20% as well. Regionally, the majority of the jurisdictions have less than 8.2% of overcrowded households. However, 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.</p>
<p>Fig. A-24 Overcrowded Households, 2017-2021 *This figure has been added as a result of changes in overcrowding in Sand City since 2019.</p>		<p>As of 2021, the HCD AFFH Data Viewer reported that rates of overcrowding in Sand City decreased ranging between 5-10%. This is reflective of U.S. Census ACS 5-Year 2021 Estimates. Similarly, the cities of Seaside and Marina have overcrowding rates ranging between 5-15%. Regionally, the majority of jurisdictions have less than 5% 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.</p>
<p>Fig. A-27 Cost Burden by Home Owners, 2015-2019</p>		<p>Approximately 40-60% of Sand City home owners experience cost burden, with no geographic variation across the city. Regionally, jurisdictions located south of Sand City and along the coastline have higher rates of cost burdened home owners (40-60%). Whereas, those located to the north and east of Sand city have lower rates of cost burdened home owners ranging from <20% to 60%. The City of Del Rey Oaks shows the lowest concentration of cost burdened owner households (<20%).</p>

AFFH Category	Legend Category	Surrounding Area Analysis
Fig. A-28 Cost Burden by Renters, 2015-2019		<p>Approximately 60-80% of Sand City renter households experience cost burden with no geographic variation. Regionally, jurisdictions located south of Sand City and along the coastline have slightly lower rates of cost burdened renters (20-60%). Whereas, those located to the north and east of Sand City have higher rates of cost burdened renters ranging from 40% to >80%.</p>
Fig. A-39 TCAC Opportunity Composite Score, 2022		<p>Sand City is a moderate resource area with no geographic variation. Regionally, jurisdictions located south of Sand City and along the coastline are higher and highest resource areas. Whereas, those located to the north and east of Sand City are moderate and low resource areas.</p>
Fig. A-40 TCAC Opportunity Economic Score, 2022		<p>Sand City scores low (<0.25) on economic outcomes with no geographic variation. Regionally, jurisdictions located south of Sand City and along the coastline score higher (0.5-1.0) in economic outcomes. Sand City and Seaside score the lowest in the region (<0.25). Jurisdictions located to the north and east of Sand City primarily score moderately in economic outcomes (0.5-0.75).</p>
Fig. A-41 TCAC Opportunity Education Score, 2022		<p>Sand City scores moderately (0.5-0.75) in positive education outcomes with no geographic variation. Regionally, the majority of jurisdictions score between 0.25-0.75. However, jurisdictions located south of Sand City and along the coastline score higher (0.75-1.0).</p>

AFFH Category	Legend Category	Surrounding Area Analysis
Fig. A-42 CalEnviroScreen 4.0, 2021		<p>Sand City scores moderate to high (61-70%) in positive environmental outcomes, meaning there is a moderate to high level of pollution burden in Sand City. There is no geographic variation across the city. Regionally, jurisdictions located south of Sand City and along the coastline score significantly lower (1-30%), meaning they have much less pollution burden. Jurisdictions located north and east of Sand City generally have higher pollution burden levels ranging from 31-81%.</p>
Fig. A-43 Social Vulnerability Index, 2018		<p>Sand City households are at a high vulnerability level (0.5-0.75) with no geographic variation. Regionally, jurisdictions located south of Sand City and along the coastline are less vulnerable to environmental disasters and more equipped to respond to them. Whereas, jurisdictions located to the north of Sand City are more vulnerable and less equipped to respond to environmental disasters</p>
Fig. A-48 Displacement Risk, 2022		<p>Sand City renter households are at risk of displacement with no geographic variation. The Cities of Monterey, Del Rey Oaks, Marina, and Seaside also show census tracts in which renters are at risk of displacement with geographic variation. Displacement risk in Seaside specifically, is highest among two (2) income groups with concentrations in the northeastern region of the City. The majority of the region however, has a lower risk of the displacement of renter households.</p>
Fig. A-50 Housing Choice Vouchers		<p>Sand City has no data for housing choice voucher usage. However, the Monterey County region ranges from 0-15% housing choice voucher usage.</p>

AFFH Category	Legend Category	Surrounding Area Analysis
Fig. A-51 FHEO Cases, Total, Monterey County, 2020		Sand City and the region as a whole, fall within the range of 0.01-0.025 FHEO cases reported in 2020. There is no geographic variation in Sand City.
Fig. A-52 FHEO Cases, Disability Bias, Monterey County, 2020		Sand City and the region as a whole, fall within the range of 40-65% FHEO cases for disability bias in 2020. There is no geographic variation in Sand City.

SOURCE: California Department of Housing and Urban Development, AFFH Data Viewer

NOTES: Blue boxes in "Legend Category" column indicate which category Sand City falls within.

Table C-8 Distribution of Housing Sites and AFFH Indicators, Census Tract 140, Block Group 1

Assessment of Fair Housing Indicators										
APN	Realistic Capacity				Segregation/Integration				Access to Opportunity	
	Very Low	Low	Moderate	Above Moderate	Household Median Income ¹	Predominant Race ²	Percent Non-White ²	Diversity Index ³	Poverty Level ⁴	TCAC/HUD Opportunity Area ⁵
011601001000				125	\$53,922	Hispanic	63.1%	88.8	21.9%	Moderate Resource Area
011601002000	42	40	8	207						
011186020000	6									
011196023000	5	5								
011196020000	2	2								
011196014000	2	2								
011196015000	5	5								
011232027000			7							
011232022000			7							
011232021000			7							
011236027000			3	148						
011236029000			17							
011243004000				2						
011237001000				1						
011238012000				1						
011238011000				1						
011238021000				1						

Assessment of Fair Housing Indicators									
	Realistic Capacity				Disproportionate Housing Needs & Median Contract Rent				
APN	Very Low	Low	Moderate	Above Moderate	Disabled ⁶	Renter Cost Burden ⁷	Overcrowding ⁷	Substandard Housing ⁸	Median Contract Rent ⁹
011601001000				125	16.7%	71.8%	6.1%	2.9%	\$1,650
011601002000	42	40	8	207					
011186020000	6								
011196023000	5	5							
011196020000	2	2							
011196014000	2	2							
011196015000	5	5							
011232027000			7						
011232022000			7						
011232021000			7						
011236027000			3	148					
011236029000			17						
011243004000				2					
011237001000				1					
011238012000				1					
011238011000				1					
011238021000				1					

SOURCE: City of Sand City, EMC Planning Group, US Census ACS 5-Year Estimates, HCD AFFH Data Viewer, CTCAC/HCD Opportunity Area Maps

NOTES: All anticipated housing sites are located in the same census tract (140).

1 US Census ACS 5-Year Estimate, 2021, Table DP03; census tract level

2 US Census ACS 5-Year Estimate, 2021, Table B03002; block group level

3 HCD AFFH Data Viewer, 2023; census tract level

4 US Census ACS 5-Year Estimate, 2021, Table S1701; census tract level

5 CTCAC/HCD Opportunity Area Maps, 2023; census tract level

6 US Census ACS 5-Year Estimate, 2021, Table S1810; census tract level

7 HCD AFFH Data Viewer, 2021; census tract level

8 US Census ACS 5-Year Estimate, 2021, Table DP04; census tract level; 9 US Census ACS 5-Year Estimate, 2021, Table B25058; block group level

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 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-9](#), to support a diversity of housing types.

Table C-9 Programmatic Actions Related to Projected Housing Types

Housing Type	Programmatic Action
<p>Multi-family Residential The City commits to continuing the development of the South of Tioga with multi-family residential, including affordable units.</p>	<p>Program 1.A Develop the “South of Tioga” area with Multi-Family Residential</p>
<p>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.</p>	<p>Program 1.B Amend the City's Zoning Ordinance to align with new State Density Bonus laws and include 10 percent density bonus</p>
<p>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.</p>	<p>Program 1.C West End Housing Diversity Overlay</p>
<p>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.</p>	<p>Program 1.D Minimum Density 20 Dwelling Units per Acre for Selected Sites</p>
<p>SB 9 The City commits to codifying SB 9 regulations to facilitate new construction.</p>	<p>Program 1.I California Housing Opportunity and More Efficiency (HOME) Act</p>

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.5 Summary and Conclusions

Sand City is committed to the process to 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, partially vacant, and underutilized sites identified in this report are sufficient to accommodate approximately 250 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 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.

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Review of Previous Housing Element

D
APPENDIX

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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 create 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 81 du/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% residential. A project may be 100% residential, 100% 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	<p>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</p>	<p>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.</p>	Modify
Program 4.1.1.B	<p>Mixed-Use and Planned Unit Development Monitor the production of units in mixed-use and planned unit development areas; reduce on-site property standards</p>	<p>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.</p>	Modify
Program 4.1.1.C	<p>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.</p>	<p>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.</p>	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	<p>Capital Improvements Program</p> <p>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</p>	<p>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.</p>	Continue
Program 4.1.3.A	<p>Adequate Land Inventory</p> <p>Continue to provide an inventory of land at appropriate zoning designations that will accommodate the Regional Housing Need.</p>	<p>The City has maintained and continues to maintain an inventory of available land for housing.</p>	Continue
Program 4.1.3.B	<p>Second Dwelling Unit Program</p> <p>Revise standards in the R-2 and R-3 zone to permit manufactured homes equally with single family homes</p>	<p>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.</p>	Modify to integrate State ADU laws and JADU Program.
Program 4.1.3.C	<p>Small Lots/Sites and Mixed-Use Program</p> <p>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.</p>	<p>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.</p>	Continue
Program 4.1.3.D	<p>Consistency with Employee Housing Act</p> <p>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.</p>	<p>The City adopted Ordinance 16-05 and complies with the Employee Housing Act.</p>	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	<p>Ensure the Availability of Appropriate Sites for Emergency Shelters per Senate Bill 2</p> <p>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.</p>	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	<p>Amend the City's Zoning Ordinance to Comply with Statutory Requirements for Transitional and Supportive Housing</p> <p>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</p>	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	<p>Amend the City's Zoning Ordinance to Comply with Statutory Requirements for Single-Room Occupancy Residences</p> <p>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</p>	The City adopted Single-Room Occupancies as a conditional use in 2016.	Delete
Program 4.4.1.I	<p>Develop a Reasonable Accommodation Process for Persons with Disabilities</p> <p>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</p>	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	<p>Amend the City's Zoning Ordinance to Accommodate for the City's Homeless Shelter and Supportive Housing Needs</p> <p>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.</p>	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	<p>Amend the City's Zoning Ordinance to Increase the City's Density Bonus/Incentive</p> <p>Amend Density Bonus section 18.59 of the Zoning Ordinance to comply with AB 2222</p>	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	<p>Fair Housing Services and Information</p> <p>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</p>	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	<p>Energy Conservation Opportunities</p> <p>Enforce Title 24 and California Green Building Standards Code and evaluate utilizing the following:</p> <ul style="list-style-type: none"> • 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	<p>Support Solar Energy Opportunities Through Design Review</p> <p>Use the design review process to promote optimum lot and building configuration for solar orientation and use of solar energy systems</p>	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 pursuing 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 meet its housing obligations.

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Outreach

E
APPENDIX

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Attachment

Attachment A Property owner Interest Forms

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 Zwielerlein, 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@esseletribe.org

- Esselen Tribe of Monterey County
 Susan Morley, Cultural Resources
 3059 Bostick Avenue
 Marina, CA 93933
 Phone: (831) 262-2300
 Cultural-resouces@esseletribe.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@kanyonconsulting.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; and
- 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.

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.

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Property Owner Interest Forms



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

Sand City, City Hall
Mayor Mary Ann Carbone
1 Pendergrass Way
Sand City, CA 93955

RECEIVED
JUN 21 2023
CITY OF SAND CITY

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

The Salvation Army is a 501 (c) (3) nonprofit organization, EIN # 94-1156347

1491 Contra Costa Street • Seaside, CA 93955 • montereypeninsula.salvationarmy.org • 831.899.4911

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

Accessory Dwelling Unit (ADU)

Junior Accessory Dwelling Unit (JADU)

Single Family Home

Duplex, Triplex, or Fourplex

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

Multi-Family Units

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

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Attachment

Attachment A Public Outreach Flyer	
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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?"

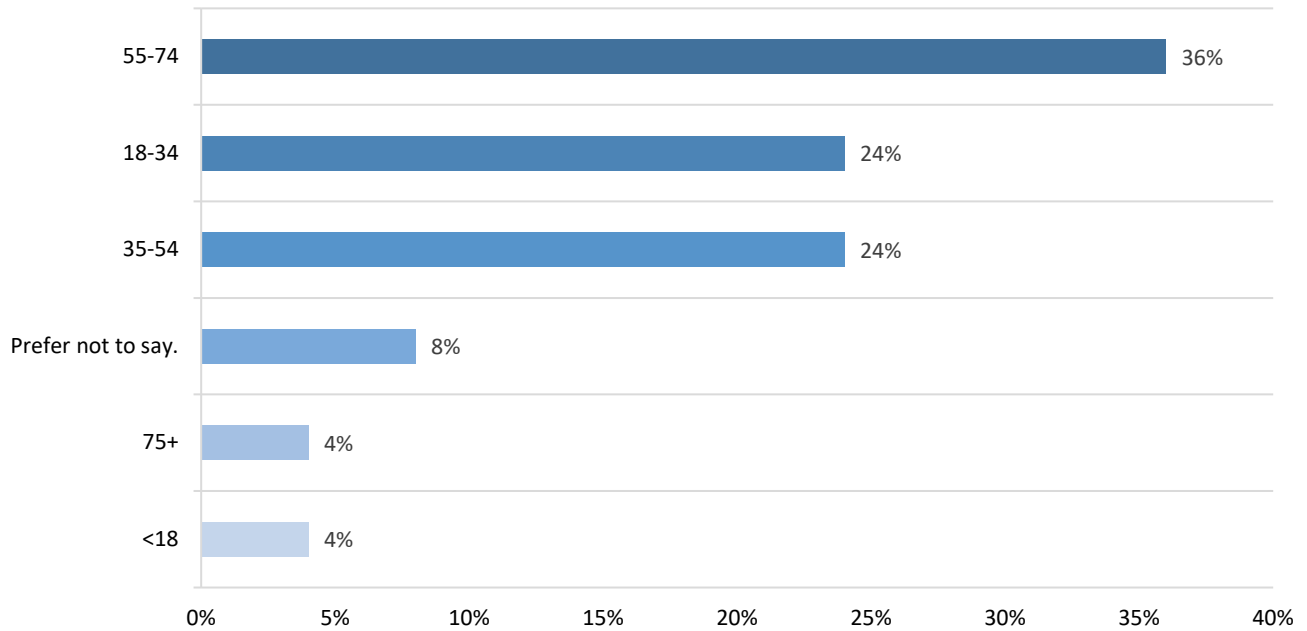


Figure 2: "Which racial or ethnic group(s) do you identify as?"

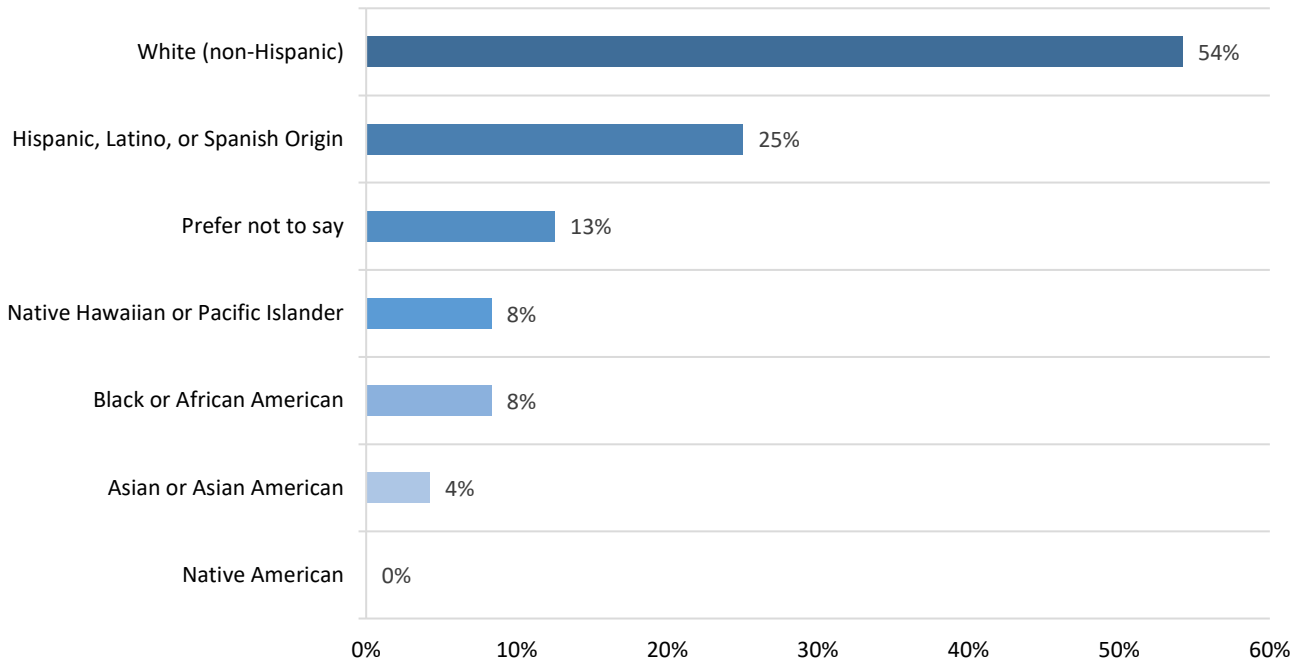


Figure 3: "What is your annual household income?"

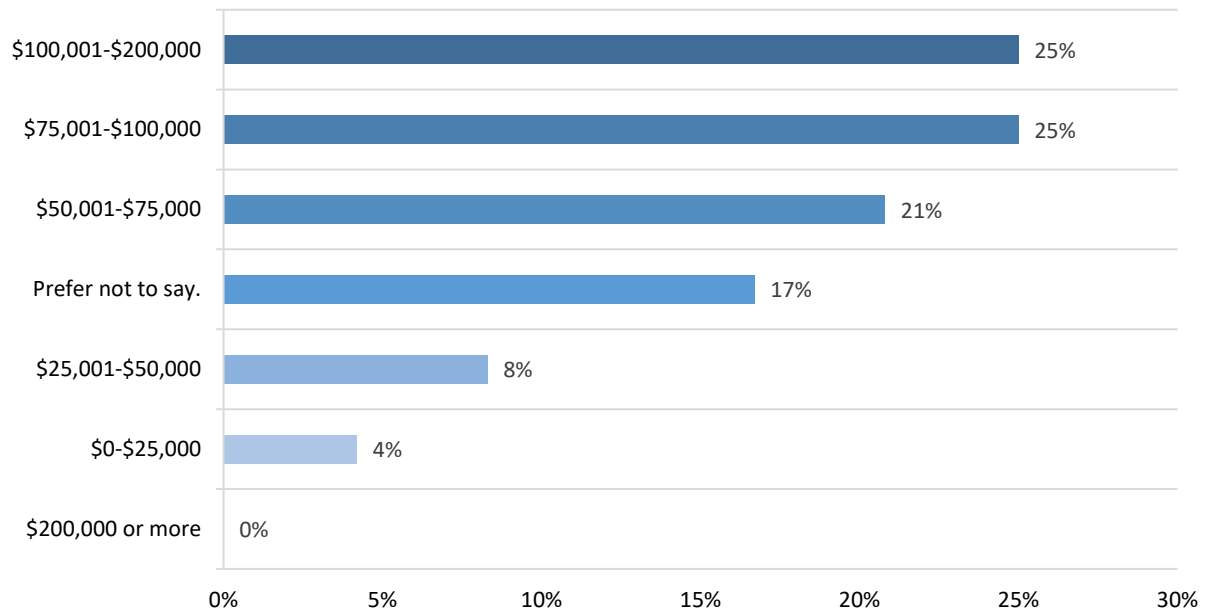
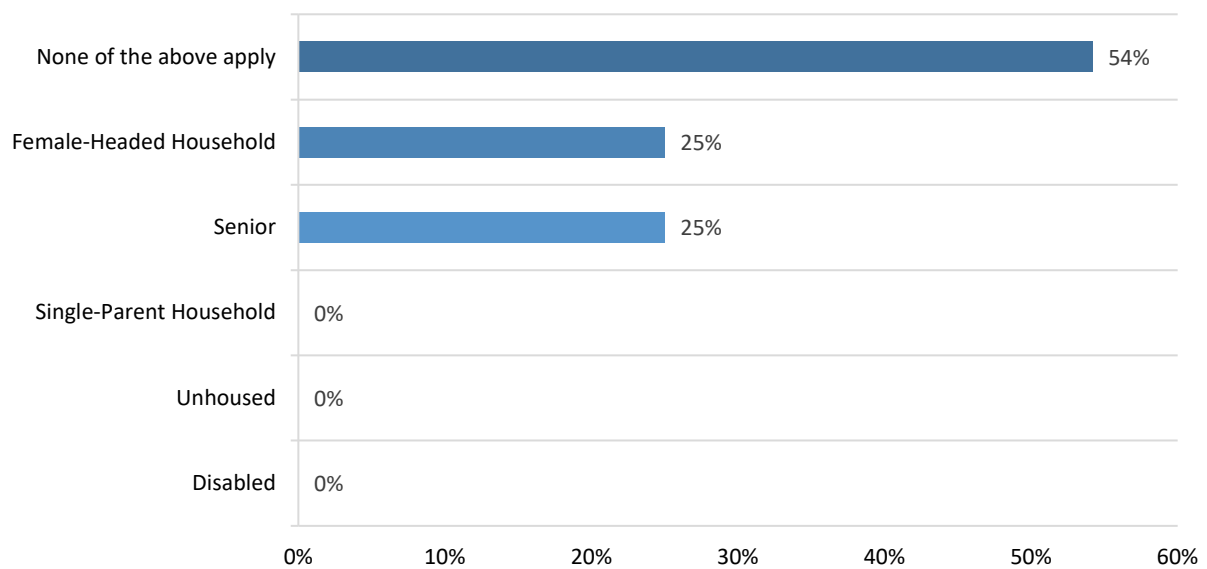
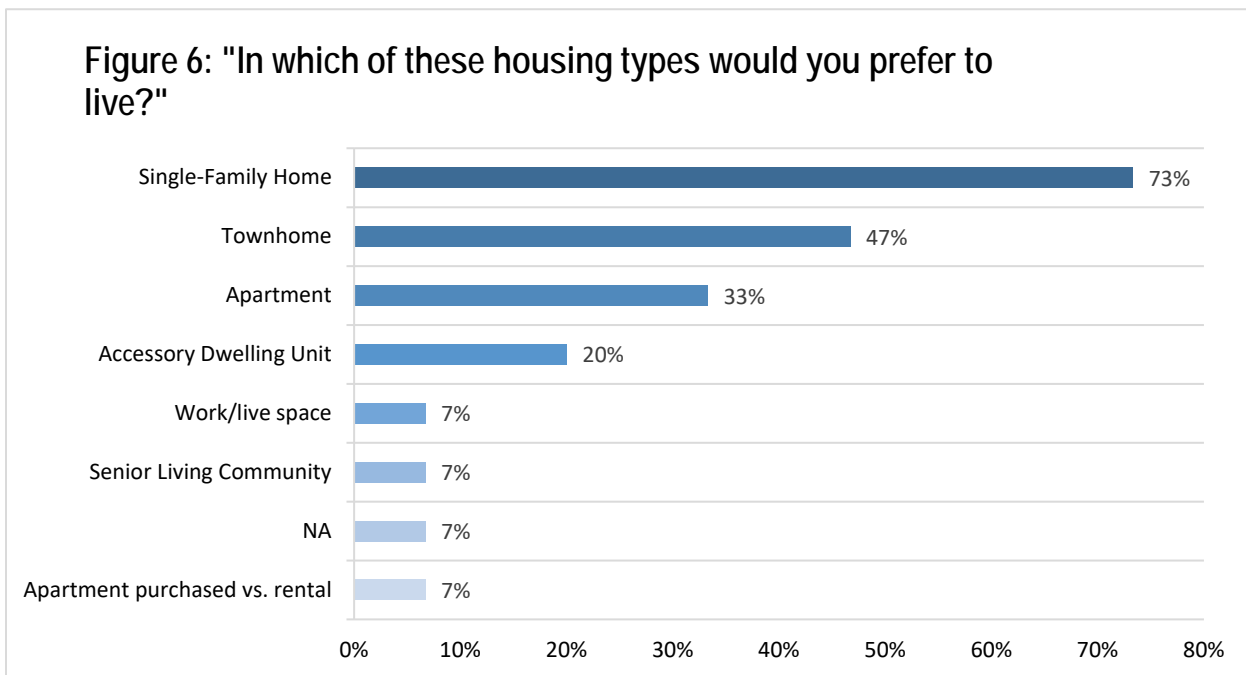
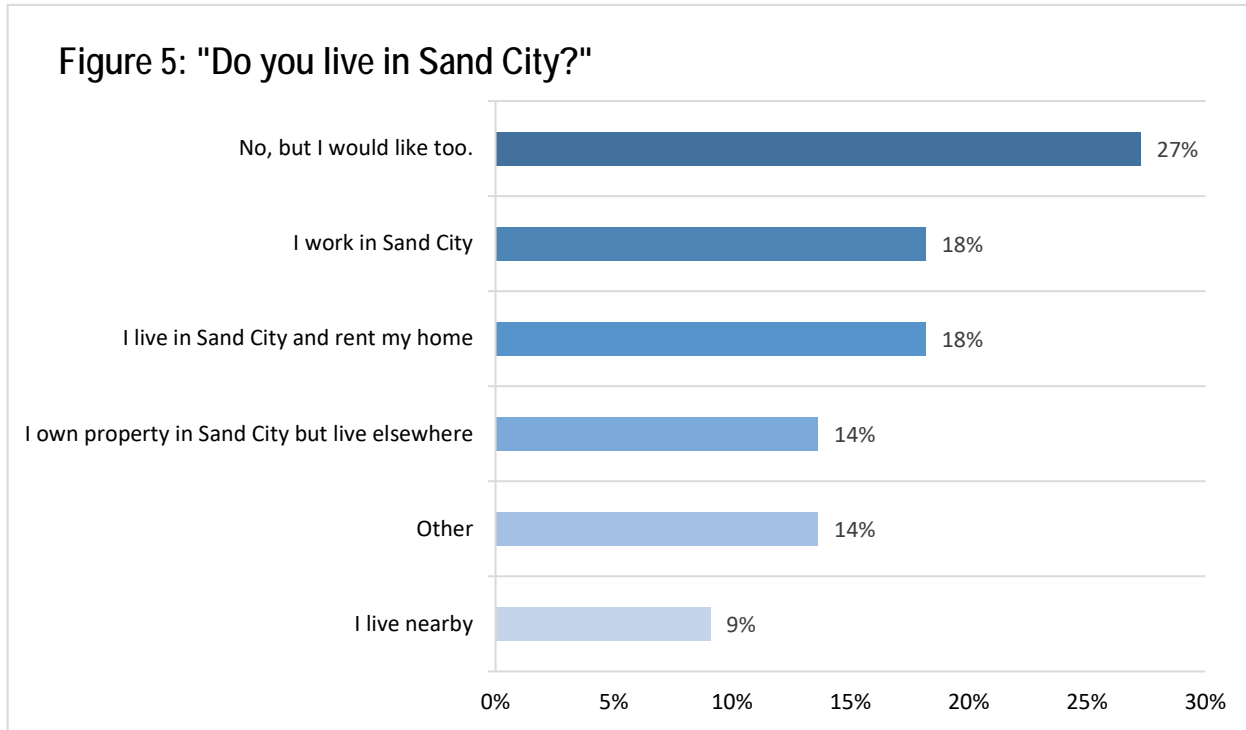


Figure 4: "Do you identify with any of the following?"



Housing Needs and Constraints

Figure 5 below demonstrates that the majority of the survey respondents do not currently live in Sand City but would like to. 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.

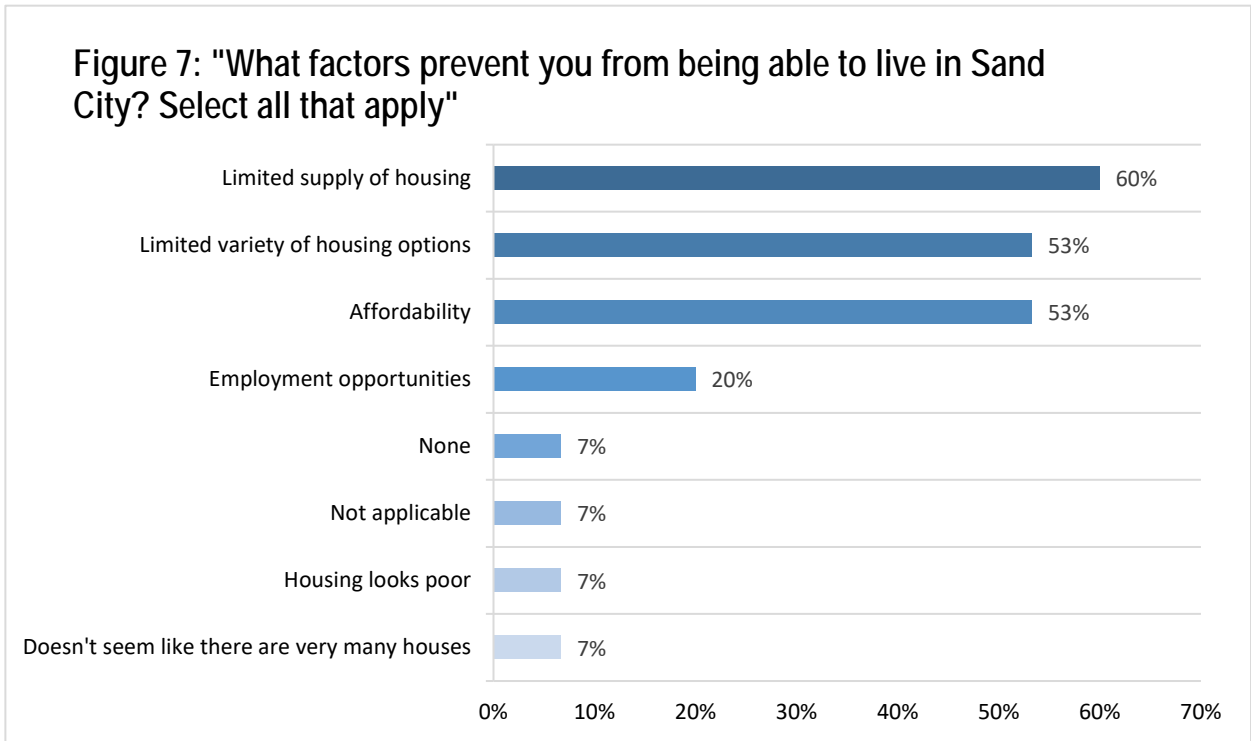
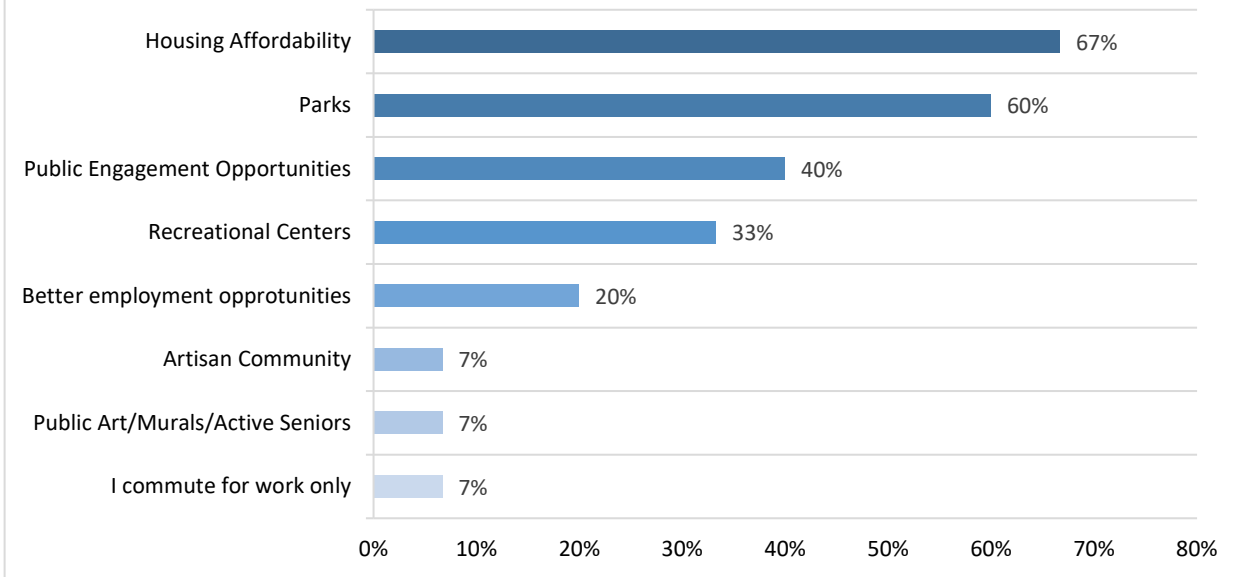


Figure 7 demonstrates the majority of respondents identify limited housing supply (60 percent), limited variety of housing options (53 percent) and affordability (53 percent) as the main barriers to living in Sand City.

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.

Figure 8: "What factors would attract you to 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 program.
- 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



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.



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.



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.

