

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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July 2, 2024

Vibeke Norgaard, City Manager
City of Sand City
1 Pendergrass Way
Sand City, CA 93955

Dear Vibeke Norgaard:

RE: City of Sand City's 6th Cycle (2023-2031) Adopted Housing Element

Thank you for submitting the City of Sand City's (City) housing element adopted on June 4, 2024 and received for review on June 5, 2024. Pursuant to Government Code section 65585, the California Department of Housing and Community Development (HCD) is reporting the results of its review.

HCD is pleased to find the adopted housing element in substantial compliance with State Housing Element Law (Gov. Code, § 65580 et seq) as of the date of this letter. The adopted element was found to be substantially the same as the revised draft element that HCD's May 24, 2024 review determined met statutory requirements.

Additionally, the City must continue timely and effective implementation of all programs including but not limited to the following:

- Program 1.A (South of Tioga)
- Program 1.B (Density Bonus)
- Program 1.C (West End Housing Diversity Overlay)
- Program 1.D (Minimum Densities)
- Program 1.G (Objective Design Standards)
- Program 1.J (Minimum Parking Standards)
- Program 1.K (ADU and JADU)
- Program 1.L (Universal Design)
- Program 1.N (Small Sites Lot Consolidation)
- Program 1.S (Changes to Zoning Code)
- Program 2.A (Capital Improvement Program)
- Program 3.A (Homeless Continuum of Care Plan)
- Program 3.D (Emergency Shelters)
- Program 3.E (Low Barrier Navigation Center)
- Program 3.I (Surplus Local Land for Affordable Housing)

- Program 3.J (Employee and Farmworker Housing)
- Program 3.K (Residential Care Facilities)
- Program 3.L (Reasonable Accommodation)
- Program 5.A (Fair Housing Services and Information)

The City must monitor and report on the results of these and other programs through the annual progress report, required pursuant to Government Code section 65400. Please be aware, Government Code section 65585, subdivision (i) grants HCD authority to review any action or failure to act by a local government that it determines is inconsistent with an adopted housing element or housing element law. This includes failure to implement program actions included in the housing element. HCD may revoke housing element compliance if the local government's actions do not comply with state law.

For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), as the City did not adopt a compliant housing element within 120 days of the statutory deadline (December 15, 2023), any rezoning to make prior identified sites available or accommodate the regional housing needs allocation (RHNA) must be completed no later than one year from the statutory deadline. For example, Program 3.I (Surplus Local Land for Affordable Housing) must be completed by December 15, 2024. Otherwise, the local government's housing element will no longer comply with State Housing Element Law, and HCD may revoke its finding of substantial compliance pursuant to Government Code section 65585, subdivision (i).

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant, the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities program, and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City now meets housing element requirements for these and other funding sources.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: <https://www.opr.ca.gov/planning/general-plan/guidelines.html>.

HCD appreciates the cooperation and effort provided by the housing element update team throughout the housing element update and review. HCD wishes the City success in implementing its housing element and looks forward to following its progress through the General Plan annual progress reports pursuant to Government Code section 65400. If HCD can provide assistance in implementing the housing element, please contact Mao Lee, of our staff, at Mao.Lee@hcd.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Paul McDougall", with a stylized flourish at the end.

Paul McDougall
Senior Program Manager