

Notice of Exemption

To: Office of Planning and Research
P.O. Box 3044, 1400 Tenth Street, Room 212
Sacramento, CA 95812-3044

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

County Clerk
County of Monterey
168 West Alisal Street, 1st Floor
Salinas, CA 93901

Project Title: City of Sand City 6th Cycle Housing Element Update (2023-2031)

Project Applicant: City of Sand City

Project Location – Specific: Various Locations Within the Existing City Limits

Project Location – City: Sand City

Project Location – County: Monterey

Description of Nature, Purpose and Beneficiaries of the Project:

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

Name of Public Agency Approving Project: City of Sand City

Name of Person or Agency Carrying Out Project: City of Sand City

Exempt Status:

Categorical Exemption. State type and section number: Infill Development Projects (Article 19, Section 15332)

Reasons why project is exempt:

The project includes the development of 138 new housing units spread across eight sites, totaling 4.292 acres within the city's boundaries and surrounded by urban uses. The general plan land use designation and the zoning districts allow housing on each of the eight housing opportunity sites. Future development of these sites will be required to comply with all applicable regulations. Additionally, these sites have either been previously developed or previously disturbed, rendering them devoid of any habitat value for endangered, rare, or threatened species. Furthermore, the project is not anticipated to result in significant effects concerning traffic, noise, air quality, or water quality. Lastly, all eight housing opportunity sites can be adequately served by all required utilities and public services.

Lead Agency

Contact Person: Vibeke Norgaard, City Manager **Area Code/Telephone/Extension:** (831) 394-3054

If filed by applicant:

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

Signature:



- Signed by Lead Agency
 Signed by Applicant

Date recd

Filed in County Clerk's Office

Xochitl Marina Camacho
Monterey County Clerk-Recorder

27-06062024-116

06/06/2024
CEQA
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By bmanroy, Deputy



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

PROJECT DESCRIPTION

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

CATEGORICAL EXEMPTION AND EVIDENCE

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

Class 32 consists of projects characterized as in-fill development meeting the conditions described in this section.

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

Evidence and Findings

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Exceptions to Categorical Exemptions

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

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

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

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

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

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

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

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

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

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

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

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

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

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



- City Limit
- Coastal Zone
- Undertillized
- Sensitive Habitat
- Consolidated
- Pipeline Project
- Vacant Sites
- City Owned

Source: Monterey County GIS 2023, Google Earth 2023



Figure C-1
Sites Inventory

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



HEXAGON TRANSPORTATION CONSULTANTS, INC.

Memorandum

Date: March 1, 2024

To: Mr. Stuart Poulter, EMC Planning Group

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

Subject: VMT Analysis for the Sand City Housing Element Update

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

Vehicle Miles Traveled

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

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

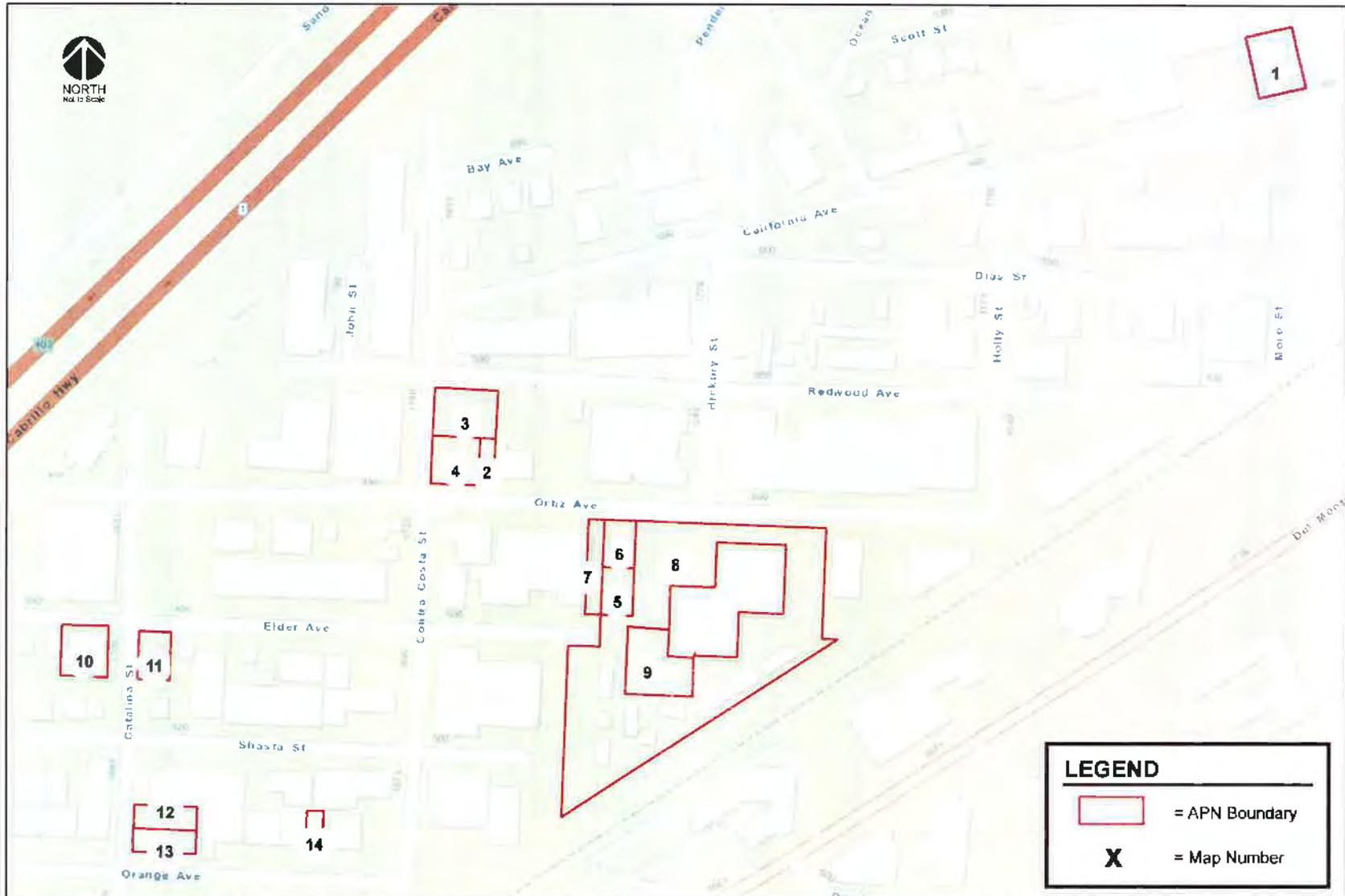
VMT is generally defined as the total miles of travel by personal motorized vehicles a project is expected to generate in a day. VMT is calculated for residential and employment-generating projects using the Origin-Destination VMT method, which measures the full distance of personal motorized vehicle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

VMT Thresholds

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

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

Figure 1
HEU Site Locations



**Table 1
HEU Site Summary**

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

Notes: * Including 2 Accessory Dwelling Units (ADU)

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

VMT Analysis

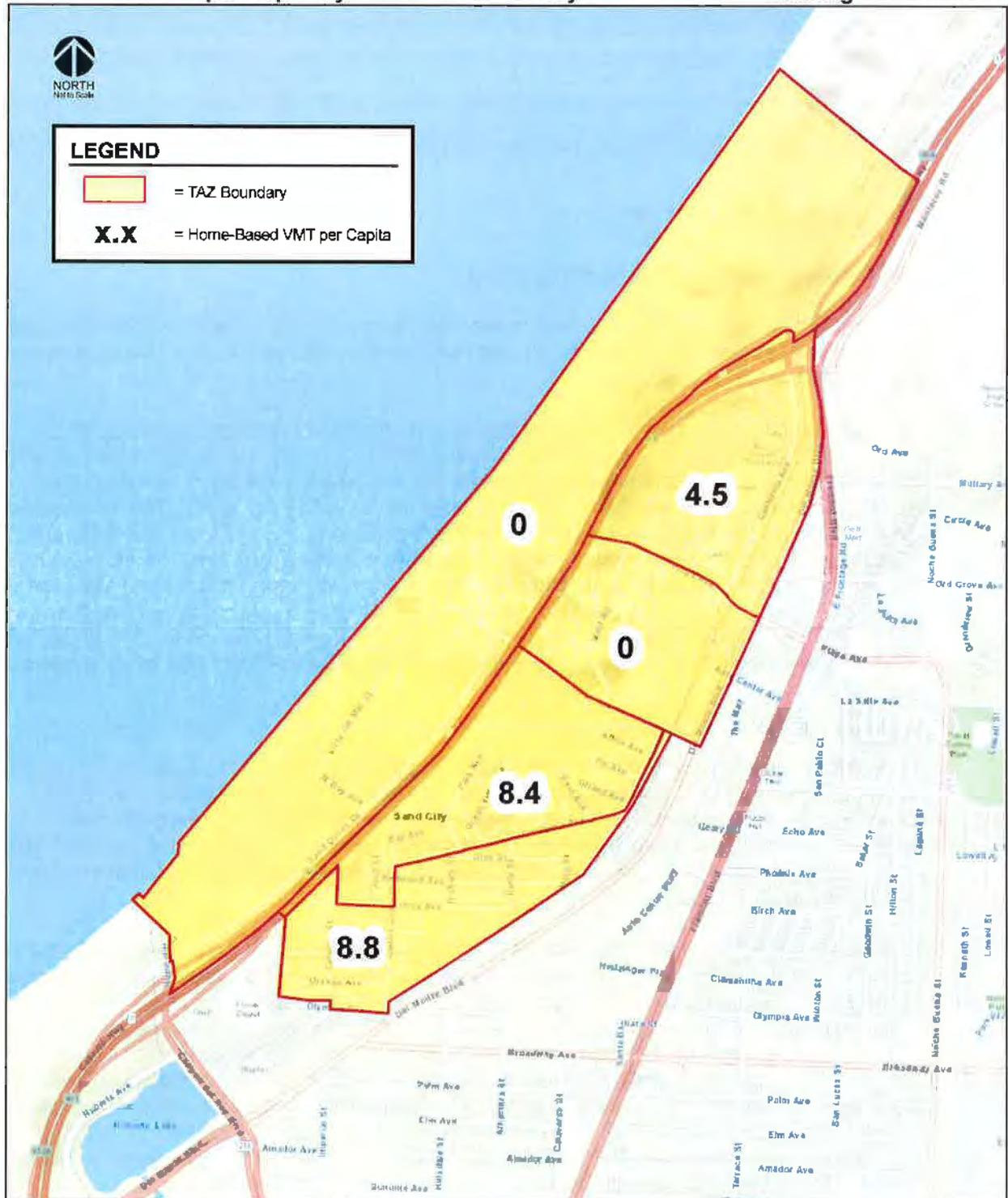
Small Projects

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

Map-Based Screening for Residential Projects

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

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



**Table 2
Trip Generation Evaluation**

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

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

VMT Analysis for Entire HEU Plan

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

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

Metrics and Impact Criteria

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

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

Table 3
VMT Analysis

	Residential VMT per Capita ¹
Monterey County Average (Year 2015 Existing)	11.3
Impact Threshold ²	9.6
Sand City	
Year 2015 Existing	8.6
Year 2015 Existing + HEU	7.3
VMT Impact?	No
Notes:	
Data referenced AMABG travel demand model.	
1. Residential VMT per capita accounts only for home-based VMT.	
2. Neither the Sand City or County of Monterey has adopted VMT thresholds. This impact threshold is calculated using OPR's technical advisory, which suggested 15% below the regional average.	