



# Welcome Home

Creating an Affordable Future



JUNE 2021



## **Thank you!**

The action priorities presented in this document have been shaped by input from hundreds of community members, and the guidance of Pacific Grove’s elected and appointed officials, volunteers and staff.

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# Why Affordability Matters

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*Summaries of public input and other project documentation can be found on the [project’s webpage](https://tinyurl.com/PGHousing) (<https://tinyurl.com/PGHousing>).*



# Why Affordability Matters

## Welcome Home

Pacific Grove is a great place to live, surrounded by natural beauty and offering a high quality of life. People who live, work and study here value its beauty, safety, schools, walkability and home-town feel. For generations, people have sought it out as a place to raise their families, have a second home, build their lives, and enjoy their retirement years. It's a great place to call home.

But increasingly, many people in our community find it difficult or impossible to find housing that meets their needs. Rising rents and home prices along with limited housing choices mean that many people who grow up in Pacific Grove end up having to leave and live elsewhere, and the vast majority of people who work in Pacific Grove—teaching our kids, helping run the City, or working in the many restaurants, stores, golf courses and hotels that are the core of our economy—have to commute in, some from long distances. The cost of our housing shortage is high—economically, environmentally and socially.

**Creating a more affordable future is important to all of us.** While we cannot provide housing to meet everyone's needs, we know that we can do better—and that we must. By creating new and more affordable housing options, we create opportunities for our workers to live closer to their jobs; for our children to raise their own families here one day; for our neighbors to age-in-place and stay a part of the community they love; and for our community to retain the economic and cultural diversity that we value.

We have built great and diverse housing options in the past, and we can again. Our challenge—and opportunity—is to work together to ensure that Pacific Grove remains a welcome home for all of us, now and into the future.





## Why Affordability Matters

### The Kind of Community We Want to Be

Welcome Home is an achievable plan of action that is based on shared values and focused on realizing our vision for Pacific Grove's future as...

A **safe, diverse and inclusive community** where we can all thrive, and where we share a commitment to long-term **sustainability and resilience**, in keeping with the beauty of our natural setting and historic character.

To achieve this, we envision a future that offers **new housing opportunities** for our children, families and workforce, helping to reduce commute traffic and building on our rich history of **diverse housing types** that support people of all incomes growing up and growing old here.



These “word clouds” illustrate the number of times specific words were used by workshop participants to describe “the kind of community we want to be.” The words on the left were generated by about 65 participants in the live workshop on September 9, 2020, and the ones above by about 125 participants in the online workshop that lasted for about 3 weeks the same month.



## Why Affordability Matters

### What Can People Afford?

When we say that housing is affordable (or unaffordable), we are describing the relationship between the cost of the housing (in rent or mortgage payment) and the income of the person or people living in it. We generally expect that someone can afford the housing they are in when they pay roughly 30 percent of their gross income on it (including a reasonable allowance for utility costs).

**your gross income x 30% = what you can afford on housing**

*that means...*



**a police officer earning \$118,000 a year** can afford to pay roughly **\$2,950 a month on housing**



**a teacher earning \$73,000 a year** can afford to pay roughly **\$1,825 a month on housing**



**a librarian earning \$42,000 a year** can afford to pay roughly **\$1,050 a month on housing**



**a restaurant worker earning \$24,000 a year** can afford to pay roughly **\$600 a month on housing**

**Two thirds of the 7500+ people who work in Pacific Grove earn less than \$40,000 a year**  
*(and many of them earn much less)*

In other words **most of our work force can't afford to pay more than \$1,000 a month for housing**  
*(and again, most can only afford much less)*

While rents vary based on size of the unit, location and quality,  
**most rents in Pacific Grove are well over \$1,600 to \$1,700 a month with family-size units being much more,**  
**and the monthly cost to own a median-priced home is over \$4,500 a month** *(if you can afford the down payment!)*



## Why Affordability Matters

### How Much Affordable Housing Do We Have?

“Affordable housing” describes housing that is built and/or managed to provide rents or sale prices at a level people can afford based on their income (see previous page). Due to the high cost of land and construction, delivering housing that is affordable to lower and moderate income households usually requires incentives like density bonuses, financial or land contributions, special (and complicated) financing, and—especially for housing that meets special housing needs—ongoing professional management, often by mission-driven nonprofit organizations.

In Pacific Grove, there are 68 deed-restricted affordable housing units available to lower income people at rents they can afford. Most of these units are in the Vista Pointe Senior Housing near Lover’s Point, shown on the right. These 49 apartment units were built in 2006 by MidPen Housing (a nonprofit housing organization) and are currently managed by Eden Housing (also a nonprofit housing organization). The apartments are rented to income-qualified seniors at below-market rents. They still pay rent, but it’s based on their income and what they can afford to pay.



Vista Pointe Senior Housing provides 49 affordable apartments for seniors.

There are also some market rate units that are relatively more affordable and help meet our low and moderate income affordable housing needs. These include older apartment developments and accessory dwelling units or ADUs, which are often referred to as second units, in-law units or granny flats. These are built on the same property as a single family home—separate from or within the existing home (with its own entrance)—and are often (though not always) available for rents that are affordable to lower and moderate income renters. In recent years, changes in State law and resulting changes to the rules in Pacific Grove have made it easier to build ADUs. It is a key area of action that the City is already working on to help create new and more affordable housing.



ADUs are small second units on the same property as a single family home.



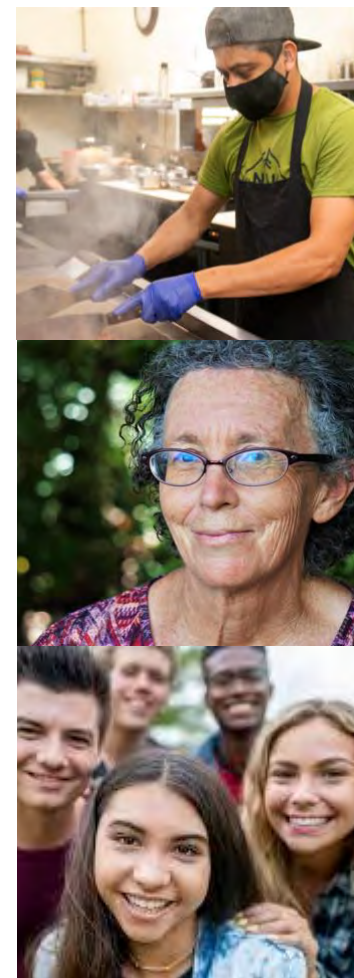
# Why Affordability Matters

## Who Needs Affordable Housing?

The short answer is ***we all do***. But the higher your income, the more likely that you will find market-rate housing that meets your needs and you can afford. The housing market naturally gravitates towards building housing that has the highest profitability or rate of return. Given the high cost of building housing (land, construction costs and getting through the process) these tend to be homes, condos and apartments that sell or rent at high prices.

**Welcome Home** is focused on actions that can help deliver housing affordable to people at moderate and lower incomes. This includes thousands of people who are a part of our community every day but who struggle to find housing that they can afford.

- **Our Workforce.** Pacific Grove's economy relies on over 7,500 workers, most of them working in our service economy and making low to very low wages. In fact, data show that two thirds of those jobs pay less than \$3,333 a month, making it possible to afford a rent of \$1,000. *Many of our workers earn even less.* The median rent for even a studio is \$1600+. Not surprisingly, nearly 85 percent of our workforce commutes here from elsewhere (30 percent from the Monterey Peninsula, and the majority from further afield). Their commutes impact our traffic and environment, but more importantly the lack of housing that they can afford and the long commutes that they endure impact their lives in multiple ways. While we will not be able to provide housing for all of our workforce, the lack of workforce-affordable housing impacts our businesses, our economy, and all of us.
- **Our Seniors.** People over 64 represent over a quarter of our population, and many of them have been in our community for a long time, growing older in homes they purchased a long time ago or living here as renters. As home prices have risen, older homeowners may benefit when they sell, but will have a hard time finding something that meets their needs, in a price range they consider affordable. The challenge of longer term housing is even more challenging for renters. Creating more diverse housing options will provide our older residents with opportunities to age-in-place, close to friends and family, in a community they love.
- **Our Children and Grandchildren.** Pacific Grove has prided itself on being a "hometown" for many years. But many who have grown up here find it very challenging to stay here when they graduate and get jobs—even good-paying jobs. Providing more housing choices and more affordable options will support at least some of them to stay here and raise families of their own.





## Why Affordability Matters

### How Much Affordable Housing Do We Need?

There's no easy answer to that question, apart from ***we need more than we have***.

One thing we know for sure is that we have a significant and growing deficit, that has real impacts on our community, as described in the previous pages.

One important measure we have is from the State of California and the Association of Monterey Bay Area Governments (AMBAG), which provide every jurisdiction with housing targets by income category about every eight years to guide local planning. This is called the Regional Housing Needs Allocation process, or RHNA. For the last planning period **from 2014 to 2023, Pacific Grove was given an overall target of 115 units** over the eight-year period, with more than half of those in the moderate, low and very low income categories. While the market has delivered 43 new units in the above moderate income category, **we have seen production of very few units for moderate and lower income households**. We need to do better.

In early 2022 we will receive draft RHNA targets for the next planning period and will need to make sure we have adequate sites and programs to meet those targets. Based on the RHNA process in other regions of the state over the past couple years, **we expect our housing targets for 2024 to 2032 to be higher**. These numbers are important for meeting state housing law, and the repercussions of not meeting our RHNA targets have become more significant under recent legislation.

However, the numbers that should matter most to us as we take action to create a more affordable future include:

- **We have over 4,000 workers who commute to Pacific Grove from places beyond the Monterey Peninsula**, the majority of them to work in the low-paying service industry jobs that are the mainstay of our economy. There is a significant mismatch between the housing that our workers need and the housing that we have.
- **Many of Pacific Grove's nearly 4,000 homeowners could not afford to buy the home they are in today**. While they may benefit from the eventual sale of their home, they will be challenged to find a suitable smaller place to move into. Plus, as their homes turn over, the economic make up of our community will become less diverse.
- **Over a third of our senior households are renters (that's over 850 households)** and face uncertainty due to rising rents.
- **Our nearly 2,900 residents who are under the age of 18** will be hard-pressed to find housing of their own in Pacific Grove as they grow older and look to start families—let alone find something they can afford.



# Why Affordability Matters

## Things to Keep in Mind

As we craft strategies and actions to create a more affordable future, there are several important things to keep in mind:

- 1 Achieving affordability will require partnership.** The City has an important role to play in creating more affordable housing, because we set the rules about what can be built where, how much, and through what process. But at the same time, the City doesn't build housing (though we do own land!). Private and nonprofit developers and individual property owners build housing. To get the outcomes we seek, we will need to work in partnership with them and others, including other local agencies, employers, institutions and landowners.
- 2 Environmental sustainability and affordable housing are intertwined.** We all love the natural beauty of Pacific Grove's setting, and share a commitment to ensuring a more sustainable future. But an unaffordable future is an unsustainable future. Not just in terms of economic sustainability, but also environmental and social sustainability, with people commuting further and generally spending more time in their cars and away from family and community. Plus there's overwhelming evidence that affordable housing has a much smaller environmental footprint than larger more expensive housing—generating less traffic, using less energy, and overall consuming less per resident.
- 3 We have a water issue, but some options.** The area we live in has significant water constraints, that make new housing a challenge. We are engaged in regional efforts to chart a viable path, separate from but connected to our focus on housing affordability. Locally we have been able to implement changes in recent years that have resulted in water savings which we can use to support the water needs of new housing. Our priority should be on applying these water allocations to the housing we need most.
- 4 Our historic neighborhoods are more dense and diverse than what we allow today.** Some of Pacific Grove's most loved and quaintest neighborhoods were built at a time when we allowed smaller and more diverse housing than we do today: duplexes, triplexes, small apartment buildings, townhomes and small cottages on very small lots. Most of these existing homes couldn't be built under the zoning rules we have today.
- 5 Together we can shape the future we want.** To achieve our vision of being a safe, inclusive, affordable and welcoming community into the future, we will need to create opportunities for new and more diverse housing in the right places. We've done it before, and we can do it again.



# Priorities for Action

The following pages provide an overview of key actions that the City and its partners plan to take to create an affordable future. For each priority action, a brief description is provided that describes:

- ✓ Why it's a priority
- ✓ What it does
- ✓ Key steps to make it a reality

The actions are organized in four categories, reflecting the proposed sequence of implementation for the first three categories, while the fourth category outlines important but multi-year areas of work effort. To the extent feasible, mid-term actions may be moved forward sooner, but most likely will be undertaken in conjunction with the City's housing element update in 2022.

## 1 **Already in Action**

*Actions the City is already working on (starting on page 13)*

## 2 **Near-Term Actions**

*Actions that will be taken in 2021 in conjunction with this phase of the Welcome Home initiative (starting on page 16)*

## 3 **Mid-Term Actions**

*Actions that will be taken in 2022 in conjunction with the update of Pacific Grove's Housing Element (starting on page 18)*

## 4 **Planning for the Future**

*Actions that are either ongoing or will take further work to develop and launch (starting on page 24)*



# 1

## Already in Action

### 1a Encourage ADUs

#### Why?

Accessory Dwelling Units, or ADUs (often called cottage homes, in-law units or granny flats), have been around a long time, and can help add housing in existing neighborhoods while generally preserving the existing residential character. They also tend to be relatively more affordable than other types of housing; are already allowed under state law; and are on properties already served by water meters.

The state recently adopted legislation that gives most homeowners in California the right to add up to two ADUs on their property (one internal to their existing home, and one separate from it). Internal ADUs, called “Junior ADUs” under state law, are particularly helpful in creating affordability (they tend to rent for less, and are usually less expensive to create). Pacific Grove updated its ADU ordinance to comply with the new state requirements and has been seeing a small increase in ADU applications as a result. The City is also undertaking additional actions to support ADUs, including participating in a regional working group with other jurisdictions around the County.

#### What It Does

- ✓ Makes homeowners aware of the opportunity they have under state law and Pacific Grove’s updated ordinance.
- ✓ Encourages new ADUs and JADUs by providing access to information and helpful resources that make creating an ADU less daunting.
- ✓ Builds more affordability into existing neighborhoods due to the nature of ADUs as a housing type (see next page).
- ✓ Because ADUs are relatively small, they can help provide new housing opportunities that are typically most attractive to young professionals, students, seniors and small households.

#### Action Steps

- ☐ Create an **online ADU Help Page** on the City’s website, including an ADU calculator and links to useful resources
- ☐ Work with regional partners to develop **Permit-ready ADU Plans** to allow architects and modular companies to gain pre-approval of ADU designs that homeowners can then access at a reduced cost.
- ☐ Continue to provide timely **review and approval of ADU applications**, consistent with state law.
- ☐ Review and refine data collected on ADU affordability and use to determine how best to **count ADUs toward meeting Pacific Grove’s RHNA**.



## ADUs and Affordability

Because they are generally smaller and managed by individual homeowners, accessory units (ADUs) tend to rent for less than typical apartments in larger developments. This is especially true for “junior” units (JADUs, which are separate living units within the main home, often in the form of a converted garage or basement) and for units that are owned by higher income households. Research has shown that these households often create the unit to have an extra living space for a family member, a household employee (au pair or gardener) or just to have more flexibility on their property. They often “rent” the ADU for free or very low cost, or sometimes don’t rent it all and use it as a home office or studio space (this has been especially true during the pandemic).

A statewide survey of recent ADU developments was conducted in late 2020 by Baird+Driskell and researchers at UC Berkeley. Statewide results show that 30% of market-rate ADUs are made available at rents affordable to moderate income households; 12% at rents affordable to low income households; and 2% at rents affordable to very low income households, while 38% are made available for free or very low cost to family members and others. While the sample size for ADUs in coastal Monterey/Santa Cruz was small, our regional data mostly mirrors the statewide data, but with about half being made available for free to a friend or family member.

In the past, the City required that new or legalized ADUs be deed-restricted for low income renters. This served as a deterrent to many homeowners who found the process of finding income-qualified tenants daunting. Some homeowners who built ADUs would leave them empty because of the challenge those requirements represented. When the City updated its second unit ordinance to comply with the recent changes to state law, those requirements were removed. Under state law, all homeowners in California have the right to construct both an ADU and a JADU on their property, subject to some limitations. The local jurisdiction cannot require that the units be occupied by income-qualified renters; nor can they require that the homeowner live on the property (with the exception of JADUs).

Some cities have developed programs that provide financial incentives to homeowners to create JADUs or ADUs (or legalize an existing illegal ADU) in return for agreeing to rent the unit to an income-qualified household. A few examples of these programs are in the [City of Napa’s Junior Unit Program](#), that provides forgivable loans of up to \$50,000, and [Santa Cruz County’s Forgivable ADU Loan Program](#), that similarly offers \$40,000 in a forgivable loan in return for renting to an income-qualified low income renter.





# 1

## Already in Action

### 1b Work with Covia's Home Match Program to Promote Homesharing

#### Why?

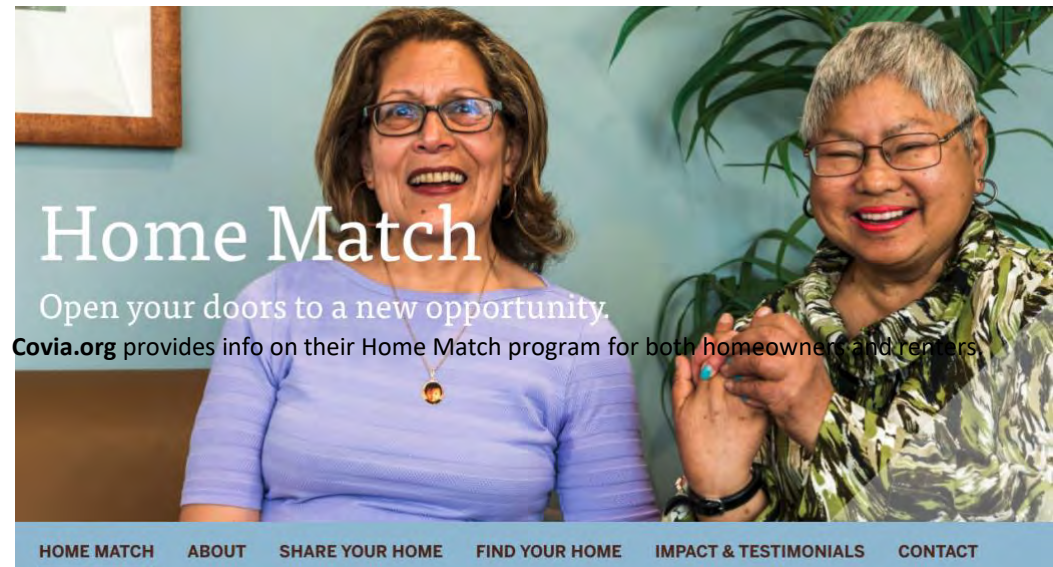
A quarter of Pacific Grove's homeowners are living alone, many of them older and some on fixed incomes. They often live in larger homes with extra bedrooms and large living spaces. Helping find compatible living partners can provide them with income and companionship while making better use of existing housing and providing a quality housing option for a renter.

#### What It Does

- ✓ Partners with an experienced organization that knows how to successfully set up, implement and manage homesharing arrangements.
- ✓ Helps get the word out about homesharing's benefits and puts interested seniors and others in touch with Covia.
- ✓ Supports seniors to age-in-place and individuals seeking rental housing opportunities.

#### Action Steps

- ☐ Continue to work with Covia to appropriately **market the program to Pacific Grove residents and renters** and encourage participation.





# 2

## Near-Term Actions

### 2a Adopt an Affordable Housing Density Bonus and Changes to Parking Standards

#### Why?

Codifies the City's commitment to affordable housing, helps ensure that affordable housing development is feasible, acts on programs already in the City's housing element, and locally implements state law.

#### What It Does

- ✓ Provides clarity for the application of the state's density bonus law in relation to Pacific Grove's zone districts, including potential changes to development standards as well as opportunities to exceed the state-mandated bonuses based on local priorities.
- ✓ Focuses in particular on defining appropriate parking standards for different types of housing development and in specific locations, as called for in Program 3.4.a of the City's existing housing element.
- ✓ Tests incentives to ensure that they support the economic feasibility of desired affordable housing outcomes within Pacific Grove's market context, including for potential mixed use redevelopment sites in the Downtown area and along Central Avenue.
- ✓ The density bonus ordinance will apply citywide, but specifics will vary by zone district.

#### Action Steps

Conduct the necessary analyses, seek input and develop a Council action item that will:

- ☐ Adopt an **Affordable Housing Density Bonus** program in accordance with state law, providing defined bonuses by level of affordability and underlying zone district densities as well as other potential changes in development standards to support the feasibility of affordable housing development, especially in the downtown and commercial districts, mixed districts and multifamily zoned areas.
- ☐ Modify **parking standards** by zone district, housing type and/or location in order to support the feasibility of new housing development and as informed by parking data and best practices.



# 2

## Near-Term Actions

### 2b Adopt Objective Development Standards + Streamlined Review

#### Why?

State law requires that “objective standards” be used in the review and approval of housing developments, and establishes streamlined ministerial approval processes for affordable housing developments. By locally codifying these relevant standards and processes, the City helps ensure compliance with state law while providing clarity for potential developers as well as local decision makers on the required conditions of approval.

#### What It Does

- ✓ Establishes objective standards as well as the standards that affordable housing developments must meet in order to qualify for streamlined review.
- ✓ Defines the review process and timeline expectations for qualifying developments.
- ✓ Helps reduce uncertainty for affordable housing proposals and ensures consistency and clarity of expectations.
- ✓ Ensures that the criteria used in the review and approval of new housing are not based on the personal or subjective judgement of a public official, but instead can be verified by reference to an external and uniform benchmark.

#### Action Steps

Conduct the necessary analyses, seek input and develop a Council action item that will:

- ☐ Revise **standards and findings criteria** in the city’s residential zoning districts to ensure they are objective and meet state requirements.
- ☐ Develop **streamlined review procedures** for affordable housing developments consistent with state law.



# 3

## Mid-Term Actions

### 3a Develop an Inclusionary Zoning Policy + Create an Affordable Housing Fund

#### Why?

If we are going to have new development in Pacific Grove, it should contribute toward helping meet our affordable housing needs, not making the situation worse. Inclusionary zoning helps ensure that all new developments contribute in some way to affordability.

#### What It Does

- ✓ Establishes requirements for new market-rate developments to contribute toward meeting affordable housing needs through the creation of new affordable units on-site *or* payment of an affordable housing fee that the City can then use to create units on other sites.
- ✓ Can establish requirements for contributions from commercial development as well as market-rate residential development, with commercial developments typically making a payment on a per-square-foot basis to support affordable housing development on other sites.
- ✓ Design of the program requires economic analysis to ensure the requirements are set consistent with state law and workable in terms of economic feasibility and market performance.

#### Action Steps

In conjunction with the housing element update in 2022, conduct the necessary analyses and develop a Council action item to:

- ☐ Calibrate, structure and enact an **Inclusionary Housing Ordinance**, requiring that new development (residential and commercial) contribute to meeting the community's affordable housing goals.
- ☐ Establish an **Affordable Housing Fund**, which will receive in-lieu and linkage fee payments for use in developing affordable housing units on other sites.



# 3

## Mid-Term Actions

### 3b Encourage “Missing Middle” Housing

#### Why?

Many of our neighborhoods include a rich diversity of housing types that couldn’t be built under the zoning we have in place today (e.g., duplexes, triplexes, townhomes and small apartments). By allowing additional units in appropriate areas (in walking distance to shopping and adjacent to existing multi-family zones) we build on our history and create opportunities for greater affordability.

#### What It Does

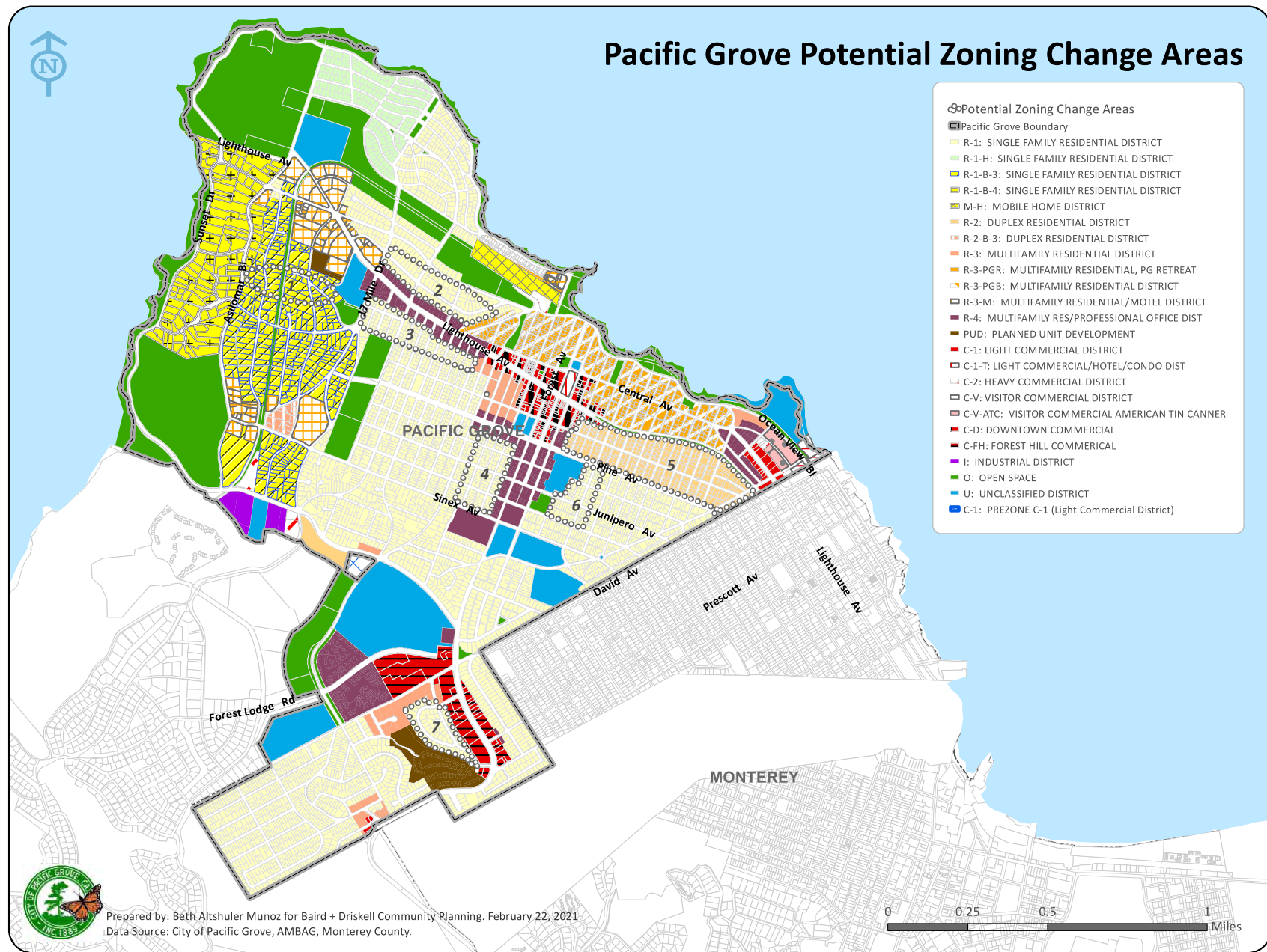
- ✓ Expands R3 zoning in specific locations (see map of potential areas on next page).
- ✓ Makes changes to R3 / R4 zoning standards in combination with the Affordable Housing Density Bonus to ensure the feasibility of new “missing middle” units.
- ✓ Multi-unit developments in walkable areas help create smaller units that are attractive to young families, seniors and our workforce.

#### Action Steps

In conjunction with the housing element update, direct staff to analyze and develop a proposal for Council’s consideration to:

- ☐ **Expand R3 zoning** in select areas.
- ☐ Establish **minimum density standards in R3 and R4 zones as well as commercial zones where housing is allowed** so limited multi-family zone districts are not lost to large single family homes (limiting new single family homes to the R1 and R2 zones).
- ☐ Allow **greater building coverage in R3 and R4 areas** to make multi-unit developments feasible and encourage larger family-friendly units.
- ☐ Allow greater density in R3 and R4 zones through application of the **Affordable Housing Density Bonus**.
- ☐ Notify owners of relevant properties of the ordinance’s consideration and pending adoption.





The map above outlines areas that could be considered for rezoning to R3, creating new appropriately scaled housing opportunities in close proximity to shopping and jobs, consistent with the city's historic development pattern.



# 3

## Mid-Term Actions

### 3c Allow Small Lot Subdivisions

#### Why?

Pacific Grove's historic neighborhoods were built on small lots, helping to create the community's unique character. However, those same small lots are not allowed today. Allowing property owners of qualified lots to subdivide larger lots into two or more smaller lots, in conjunction with appropriate standards and requirements, can help create opportunities for new housing. On the flip side, creating criteria and a review process to discourage the merging of existing small lots to create a larger single family lot, and larger single family home, should also be considered in order to retain existing housing sites and discourage large new homes where two or more homes could otherwise be built.

#### What It Does

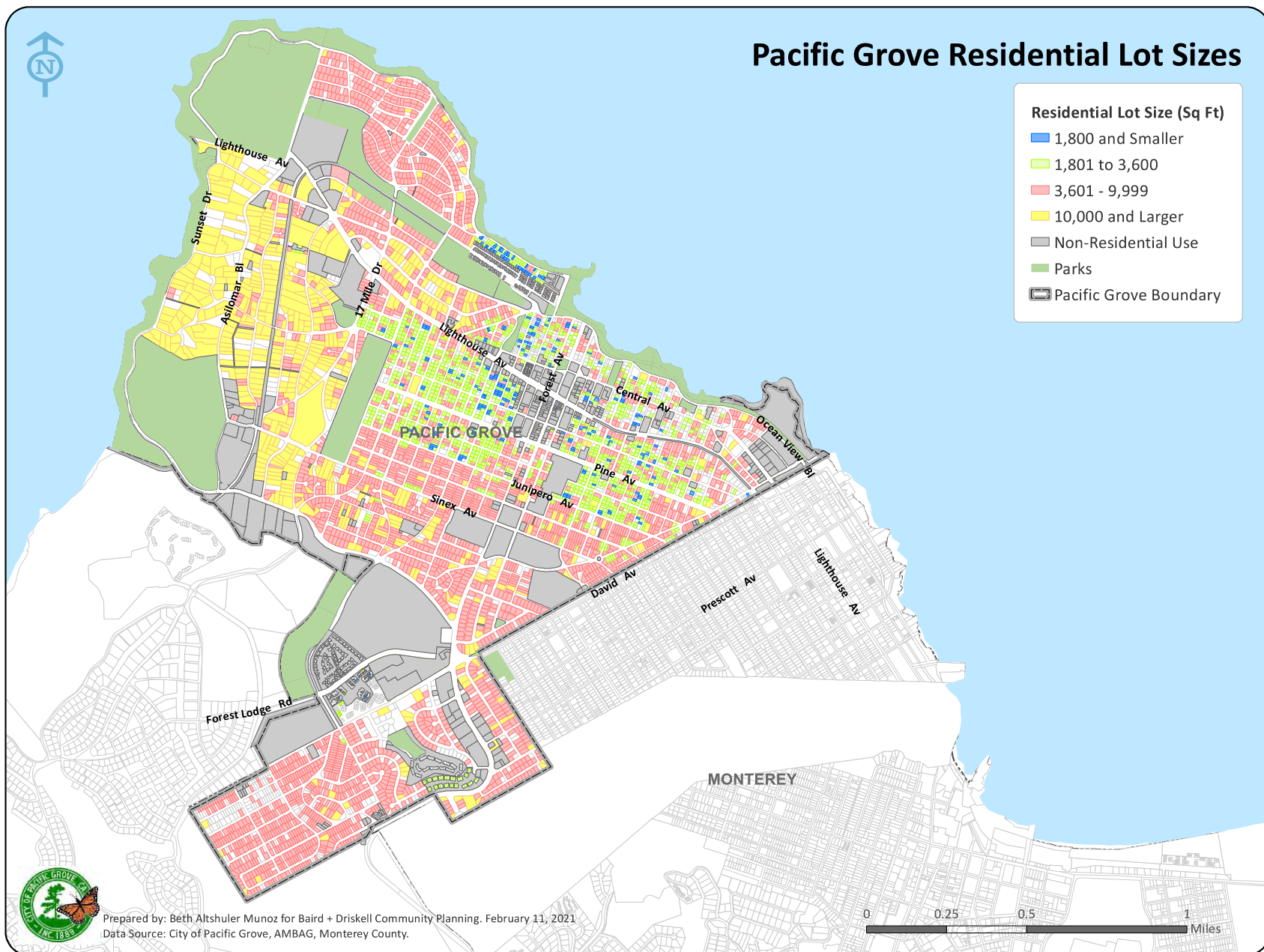
- ✓ Allows larger lots in specified parts of the city to be subdivided into two or more smaller lots, subject to review criteria and City standards.
- ✓ Could be focused specifically in the older parts of the city where 1,800 sf lots already exist, or expanded to other areas (with different minimum lot standards, as appropriate).
- ✓ As part of the subdivision—which can create significant value—an appropriate contribution towards affordable housing can also be established.
- ✓ Smaller lots support the construction of smaller homes, which can be attractive to small families, professionals and retirees. Assuming most of these new homes would be market-rate and for-sale, they would not be affordable to moderate or lower income households, but they would still be relatively more affordable than a larger home in the same location.

#### Action Steps

In conjunction with the housing element update, direct staff to analyze and develop a proposal for Council's consideration to:

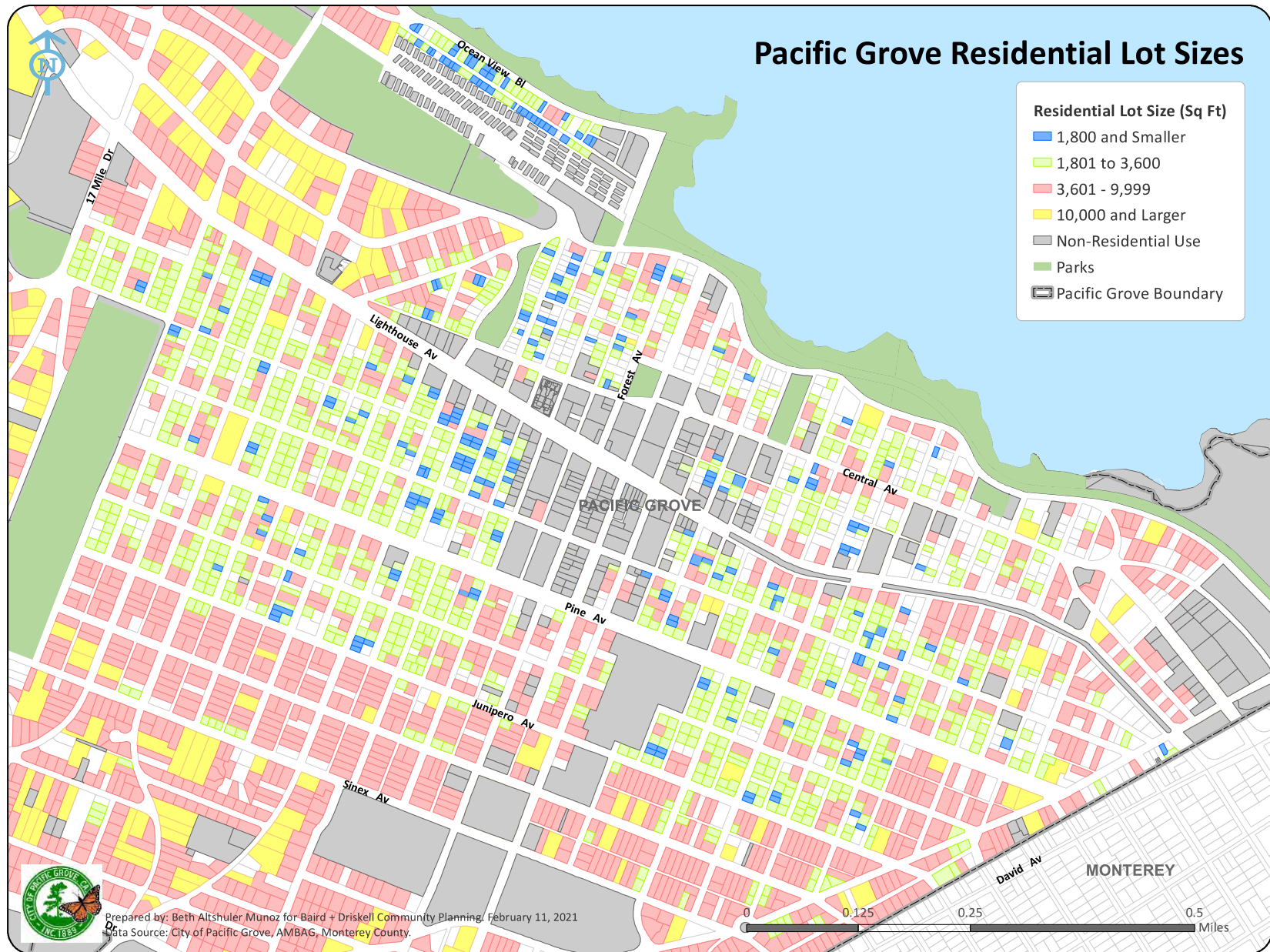
- ☐ Prepare a **Small Lots Subdivision Ordinance** to define criteria and procedures for allowing small lot subdivisions in specified zone districts and parts of the city as well as criteria and conditions for the review of proposed property mergers.
- ☐ Notify owners of relevant properties of the ordinance's consideration and pending adoption.





**The map above** illustrates the pattern of lot sizes in the city. Green areas are where 3,600 sf lots predominate, that in certain circumstances could be subdivided to 1,800 sf (see next page for a zoom-in of this area). The red areas have lots of up to 10,000 sf, and yellow areas are over 10,000 sf. Lots in these areas could potentially be subdivided as well, subject to appropriate standards.





**The map above** is a zoom-in of the lot size map on the previous page, illustrating in blue existing 1,800 sf lots that were allowed in the early days of Pacific Grove’s development. Allowing 3,600 sf lots to subdivide into two 1,800 sf lots could create new small-scale housing opportunities.



# 4

## Planning for the Future

### 4a Partner on Key Opportunity Sites

#### Why?

The City and school district as well as some local churches and businesses share a commitment to affordable housing *and* own properties that represent potentially significant opportunities for affordable housing development. What makes these opportunities unique is that they allow the City and key partners to define the desired outcome and leverage existing assets to achieve it (rather than relying on regulations and seeing if the market responds). There are numerous examples around the region, state and country of successful partnerships to create desired affordable housing outcomes through this approach.

#### What It Does

- ✓ Focuses effort and investment to create affordable housing on underused land that is already owned by agencies and institutions with a commitment to affordable housing.
- ✓ Partners with mission-driven nonprofit housing developers who are experts in designing, financing and building housing.
- ✓ New housing can be integrated with other uses, including community-desired outcomes, facilities and amenities.

#### Action Steps

- ☐ Engage with potential partners and property owners to learn more about what has been done elsewhere and explore interest and key opportunity sites in Pacific Grove.
- ☐ Where there is interest, conduct preliminary due diligence for candidate sites related to zoning restrictions, water access, site adjacencies and potential financial models.
- ☐ Based on results, develop a plan of action and consider implementing needed zoning changes and/or other programs as part of the housing element update.



**In Palo Alto** the County is working with the city and local school districts—in partnership with Mercy Housing and Abode Communities—to develop 110 new affordable apartments for teachers and school district employees.



# 4

## Planning for the Future

### 4b Update the Forest Hill Specific Plan to Create New Housing and Mixed Use Opportunities

#### Why?

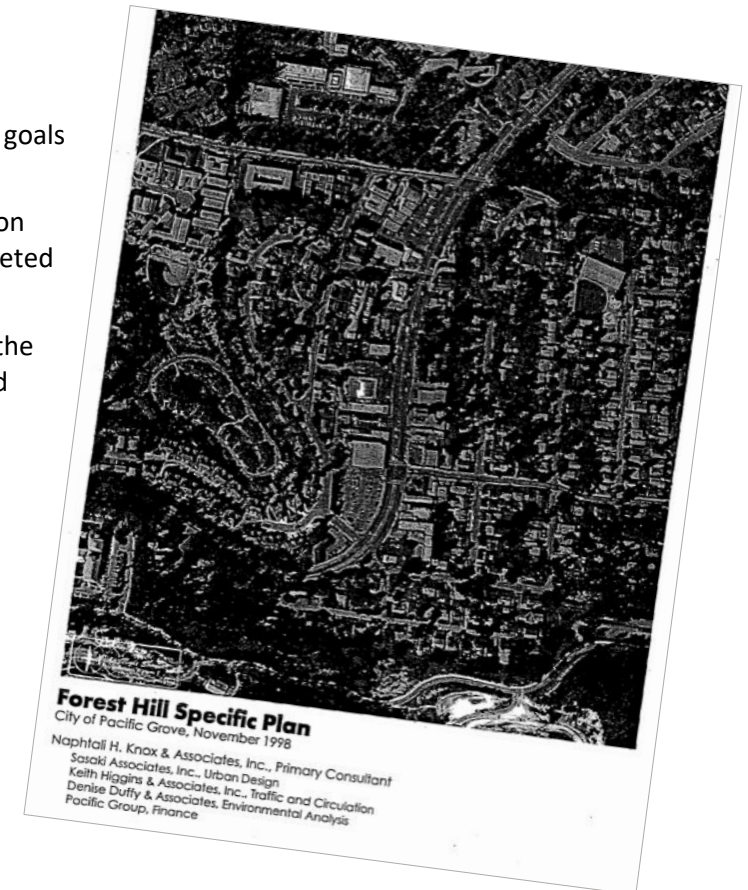
The Forest Hill area has several large, older shopping centers that could be redeveloped to incorporate new housing and create vibrant mixed use centers. The existing plan for the area is out of date and doesn't prioritize housing.

#### What It Does

- ✓ Updates the 1998 Forest Hill Specific Plan to reflect current market conditions, housing goals and other community priorities.
- ✓ Creates additional housing capacity through integration of residential uses in conjunction with retail and commercial uses, through conversion, mixed use redevelopment or targeted infill.
- ✓ A range of new housing opportunities could be created, depending on the outcome of the planning process, potentially serving families, workers, seniors, young professionals and people with special housing needs.

#### Action Steps

- ☐ Develop a draft **Scope of Work and Budget** for updating the Forest Hill Specific Plan in conjunction with the Housing Element Update or General Plan Update.
- ☐ Prioritize starting the update in relation to other housing and planning priorities, based in part on the housing site inventory needs defined in the housing element process.





# 4

## Planning for the Future

### 4c Collaborate with Regional Partners

#### Why?

Pacific Grove's affordable housing challenges are shared by its neighbors on the Monterey Peninsula and throughout the region. Robust and ongoing collaboration is critical to ensure coordinated and meaningful responses, from having a shared understanding of the challenge to developing collaborative responses and solutions.

#### What It Does

- ✓ Identifies priority areas for coordinated and/or collaborative action, on a wide range of housing issues and potential strategies.
- ✓ Potentially creates opportunities for Pacific Grove to contribute toward housing solutions in other communities that benefit Pacific Grove workers and collectively respond to our shared housing needs while continuing to act in support of new affordable housing within our city borders.
- ✓ Supports shared learning on best practices. What is working well for our neighbors may work well for us, too—and *vice versa*.
- ✓ Provides a meaningful platform for engaging local and regional businesses and institutions that have a shared interest in affordable housing and whose workers live across multiple communities.
- ✓ Potentially provides a platform for Pacific Grove and other area communities to have a stronger voice in state legislation.

#### Action Steps

- ☐ Continue to participate in and contribute to regional housing conversations and work efforts.
- ☐ Where relevant and appropriate, participate financially housing efforts in adjacent communities that help respond to the housing needs of Pacific Grove's workforce. Similarly, seek regional participation in efforts to create affordable housing within Pacific Grove,