



# NOTICE OF MEETING

## CITY OF PACIFIC GROVE

### PLANNING COMMISSION

#### REGULAR AGENDA

6:00 p.m., Thursday, March 3, 2016

Council Chambers – City Hall – 300 Forest Avenue, Pacific Grove, CA

*Copies of the agenda packet, and materials related to an item on the agenda submitted after distribution of the agenda packet, are available for review at the Pacific Grove Library located at 550 Central Avenue; the CDD counter in City Hall at 300 Forest Avenue, Pacific Grove from 8 a.m. – 12 p.m. and 1 p.m. – 5 p.m., Monday through Thursday; and on the internet at [www.cityofpacificgrove.org/pc](http://www.cityofpacificgrove.org/pc). Recordings of the meetings are available upon request. Materials can also be requested of staff during the PC hearing. Structures listed on the City's Historic Resources Inventory are denoted on the agenda with an "(HRI)" next to their project address.*

**1. Call to Order - 6:00 p.m.**

**2. Roll Call**

Commissioners: Robin Aeschliman, Bill Bluhm (Vice-Chair), Jeanne Byrne, Mark Chakwin (Secretary), Bill Fredrickson (Chair), Don Murphy, Nicholas Smith

**3. Approval of Minutes**

**a. February 18, 2016**

Recommended Action: Approve minutes as presented.

**4. Public Comments**

**a. Written Communications**

*Communications relevant to PC jurisdiction, but not related to a matter on this agenda, are attached under this agenda item.*

**b. Oral Communications**

*Comments from the audience will not receive PC action. Comments must deal with matters subject to the jurisdiction of the PC and will be limited to three minutes. Comments regarding agenda items shall be heard at the time such items are called. Whenever possible, letters should be submitted to the PC in advance of the meeting.*

**5. Items to be Continued or Withdrawn**

None.

**6. Consent Agenda**

None

**7. Regular Agenda**

**a. Use Permit (UP) 16-093**

Address: 77 Asilomar Ave (Pacific Grove Golf Links)

Description: To install protective barrier netting (35 feet height x 320 feet width) including 7 poles, and to plant 6 trees, along the fifth hole of Pacific Grove Golf Links

CEQA Status: Categorical Exemption, Section 15303

Zoning/Land Use: Open Space (O)

APN: 006-094-099

Staff Reference: Daniel Gho, Public Works Director/Wendy Lao, Assistant Planner

Recommended Action: Final Approval

**b. 2015-2023 Housing Element Update**

Description: Proposed draft 2015-2013 Housing Element update incorporating recommendations by the California Department of Housing and Community Development.

CEQA Status: Addendum to previous Negative Declaration

Staff Reference: Mark Brodeur, Director

Recommended Action: Receive staff presentation, hold a public hearing, and recommend City Council adoption of the Draft 2015-2023 Housing Element Update.

**c. 2015-2023 Housing Element Implementation Actions**

Description: Amendments to the Zoning Code needed to ensure conformance with state housing laws related to persons with special needs.

CEQA Status: Addendum to previous Negative Declaration

Staff Reference: Mark Brodeur, Director

Recommended Action: Receive staff presentation, hold a public hearing and recommend City Council adoption of an Ordinance amending the Zoning Code to conform with state housing laws.

**d. Permitting Home Sharing**

Description: Consider an Ordinance which amends Chapter 23.64 by adding Section 23.64.370 to allow the use in residential zones for the rental of a room in a single family dwelling for transient occupancy.

CEQA Status: Negative Declaration

Staff Reference: Terri Schaeffer, Housing Program Coordinator

Recommended Action: Receive report and recommend an Ordinance for approval by the City Council.

**e. Amendments to Short Term Rental Ordinance**

Description: Consider an Ordinance which amends Chapters 7.40 and 23.64 related to Transient Use Licenses

CEQA Status: Negative Declaration

Staff Reference: Mark Brodeur, Director

Recommended Action: Receive report and recommend an Ordinance for approval by the City Council.

**8. Reports of PC Subcommittees**

*Subcommittees of the PC will provide a summary report of their recent activities.*

**9. Reports of PC Members**

*PC members may ask a question for clarification, make a brief announcement or make a brief report on his or her activities. In addition, a majority of PC members may provide a referral to staff for factual information, request staff to report back to the body at a subsequent meeting concerning an PC-related matter, or direct staff to place a matter of business on a future agenda (G.C. 54954.2(a)(2)).*

## 10. Reports of Council Liaison

## 11. Reports of Staff

### Adjournment

*The City of Pacific Grove does not discriminate against persons with disabilities. City Hall is an accessible facility. A limited number of devices are available to assist those who are deaf or hard of hearing.*

### GENERAL NOTICE

- Please note that Section 65009(b)(2) of the California Government Code provides that legal challenges to the City's action on a project may be limited to only those issues raised in testimony during the public hearing process. PC will not consider any new items after 9:00 p.m. Any items remaining on the agenda will be continued either to the next regular meeting or to a special meeting at the discretion of PC. This meeting is open to the public and all interested persons are welcome to attend.

### NOTICE TO APPLICANTS

- **Appearance by Applicant/Representative:** Applicants or their representatives must be present at the meeting for which their item, including those items on the Consent Agenda, is scheduled. If unable to attend, the applicant must submit a written request for continuance prior to the meeting. The item may be denied if continuance is not requested.
- **Submittal of Written Communications:** In order to receive due consideration by the PC, written communications pertaining to agenda items should be submitted to CDD by 12:00 noon on the Tuesday prior to the meeting. Materials submitted subsequent to that time, or directly to the PC at the meeting, may, at the Commission's discretion; result in a continuance of the item.
- **Site Review:** If the project, at the time of the site review, is not visible without entering a structure or yard area, the applicant must be present or arrange to show the project area.
- **Subcommittee Items:** Items to be reviewed by subcommittee at the action of the PC must be submitted for review within 30 days of PC decision. Details submitted after 30 days will be subject to review by the full PC.
- **Appeals and Appeal Period:** Decisions rendered by the PC may be appealed to the City Council using a form available at the CDD. The appeal form, plus an appeal fee, must be filed with the CDD within 10 days of the action being appealed. The aforementioned appeal period notwithstanding, the City Council reserves the right to call up for review PC decisions until its next regularly scheduled meeting. No building permit pertaining to a PC action may be issued until the appeal period has passed.
- **Effective Date of Entitlement:** Please note that your use permit/variance does not become effect and therefore neither a building permit nor occupancy certificate may be issued until the resolution granting the use permit/variance has been signed by the applicant and property owner. This resolution will be mailed to the applicant following the PC action.
- **Judicial Time Limits:** This serves as written notice that Pacific Grove Municipal Code (PGMC) §1.20.010 incorporates §1094.6 of the Code of Civil Procedure of the State of California and provides a ninety-day limitation for judicial review of any final administrative decision by the council, or any board, commissioner, or officer of the city.
- **Building Permit:** PC approval of an application does not constitute an approval to do any construction without a building permit. Please contact the Building Division at 648-3183 for information about building permits. No building permit pertaining to a PC action may be issued until the 10-day appeal period and the City Council's call up period has passed.
- **Notice of Exemption (NOE) under the California Environmental Quality Act (CEQA):** All projects are subject to CEQA and disclosure. CEQA status is noted on the agenda for each project. Applicants with approved projects that have been deemed statutorily or categorically exempt under CEQA may file a NOE directly with the Monterey County Clerk to reduce the CEQA challenge period from 180 days to 35 days (CEQA Guidelines Section 15062). Applicants wishing to file the NOE should contact their planner for instructions on how to file the notice with the County. Please note the Monterey County Clerk has a \$50 filing fee for a NOE. Filing of a NOE by the City of Pacific Grove is not required. CEQA determinations are included in the public hearing notices for all projects.



## MINUTES

# CITY OF PACIFIC GROVE PLANNING COMMISSION REGULAR AGENDA

6:00 p.m., Thursday, February 18, 2016

Council Chambers – City Hall – 300 Forest Avenue, Pacific Grove, CA

### 1. Call to Order - 6:00 p.m.

### 2. Roll Call

Commissioners Present: Robin Aeschliman, Bill Bluhm (Vice-Chair), Jeanne Byrne, Mark Chakwin (Secretary) (arrival at 6:08pm), Don Murphy, Nicholas Smith

Commissioners Absent: Bill Fredrickson (Chair)

### 3. Approval of Minutes

#### a. February 4, 2016

Recommended Action: Approve minutes as presented.

**On a motion by Commissioner Smith, seconded by Commissioner Byrne, the Commission voted 5-0-2 (Chair Fredrickson and Commissioner Chakwin absent) to approve the minutes. Motion passed.**

### 4. Public Comments

#### a. Written Communications

- Mr. Anthony Cianni, resident, submitted an email to Director Mark Brodeur on February 18, 2016, and the email was forwarded to the Planning Commission.

#### b. Oral Communications

- Mr. Anthony Cianni, resident, spoke regarding the California Coastal Trail being connected or extended through the city via a proactive effort by the City of Pacific Grove.
- Ms. Nancy Sanford, resident, spoke regarding netting and suitable street trees be planted on the borders of the Pacific Grove Golf Links.

### 5. Items to be Continued or Withdrawn

#### a. Appeal of the Zoning Administrator's decision

Description: Consideration of an appeal of the Zoning Administrator's decision for undocumented unit permit 15-671 for a property located at 210 17 Mile Drive, Pacific Grove, CA

Applicant/Owner: Mr. Anthony Davi Esq./Ms. Jacqueline Trees

Zoning/Land Use: R-4

Legal Description: Lot 3, Block 313, Tract PG Acres /APN: 006-351-015

CEQA Status: This project qualifies for a Class 1 exemption from CEQA requirements, pursuant to Section 15301 (Class 1) – Existing Facilities.

Staff Reference: Laurel O'Halloran, Associate Planner

Recommended Action: Uphold the Zoning Administrator's decision and deny the appeal.

**Item 5a from the February 4, 2016 Planning Commission meeting is to be continued to the March 17, 2016 Planning Commission meeting.**

## 6. Consent Agenda

### a. Architecture and Use Permit (AP/UP) 16-056

Address: 1209 Surf Avenue (APN 006-013-008)

Description: To allow the addition of a second story balcony of 101 square feet at the front of the existing two-story residence, and a 38 square feet accessory structure (inground hot tub) with plumbing (drain and filtration) at the rear of the property.

Applicant/Owner: Mr. Aaron Tollefson/Mr. Matt Clark

Zoning/Land Use: R-1-H 17.4 DU/ac

CEQA Status: Categorical Exemption, Section 15301(e)(1), Class 1

Staff Reference: Wendy Lao, Assistant Planner

Recommended Action: Final Approval.

**Item 6a was pulled off the Consent Agenda and re-itemized as Item 7A, with remaining items in Section Seven re-ordered accordingly.**

## 7. Regular Agenda

### a. Architecture and Use Permit (AP/UP) 16-056

Address: 1209 Surf Avenue (APN 006-013-008)

Description: To allow the addition of a second story balcony of 101 square feet at the front of the existing two-story residence, and a 38 square feet accessory structure (in-ground hot tub) with plumbing (drain and filtration) at the rear of the property.

Applicant/Owner: Mr. Aaron Tollefson/Mr. Matt Clark

Zoning/Land Use: R-1-H 17.4 DU/ac

CEQA Status: Categorical Exemption, Section 15301(e)(1), Class 1

Staff Reference: Wendy Lao, Assistant Planner

Recommended Action: Final Approval.

The item was pulled off the Consent Agenda and re-itemized as Item 7a.

The Vice-Chair opened the floor to public comments, and the following members of the public spoke:

- Mr. Matt Clark, owner, who described the project details and answered Commissioners' questions.

The Vice-Chair closed the floor to public comments.

The Commission discussed the project.

**On a motion by Commissioner Byrne, seconded by Commissioner Smith, the Commission voted 6-0-1 (Chair Fredrickson absent) to approve Architecture and Use Permit (AP/UP) 16-056. Motion passed.**

**b. Landscape Ordinance**

Description: Additions to Pacific Grove Municipal Code establishing standards for landscaping and the use of artificial turf

CEQA Status: Exempt

Staff Reference: Jessica Kahn, Environmental Programs Manager

Recommended Action: Receive staff report and provide recommendation for approval to City Council.

The item was re-itemized from Item 7a to Item 7b.

Jessica Kahn, Environmental Programs Manager, presented a staff report.

The Vice-Chair opened the floor to public comments, and the following members of the public spoke: (see audio transcript for details).

- Ms. Sally Moore, resident
- Mr. Anthony Cianni, resident

The Vice-Chair closed the floor to public comments.

The Commission discussed the project.

**On a motion by Commissioner Byrne, seconded by Commissioner Chakwin, the Commission voted 6-0-1 (Chair Fredrickson absent) to recommend that the ordinance apply only to commercial properties, and that references to residential properties shall be guidelines only; and for staff to provide a revised document to the Planning Commission for review prior to submission to the City Council; and to revise the ordinance for turf -landscaping. Motion passed.**

**c. Local Coastal Program**

Description: Review and discuss Draft Implementation Ordinances.

CEQA Status: Exempt

Staff Reference: Mark Brodeur, Director

Recommended Action: Discuss and provide direction.

The item was re-itemized from Item 7b to Item 7c.

Mark Brodeur, Director of Community & Economic Development Department, presented a staff report.

The Vice-Chair opened the floor to public comments, and the following members of the public spoke:

- Ms. Sally Moore, resident, raised a question about Brown Act practices
- Mr. Anthony Cianni, resident, noted the value of public participation throughout
- Ms. Inge Lorentzen Däumer, resident, also recommended active public participation, and raised zoning questions

The Vice-Chair closed the floor to public comments.

The Commission discussed the project.

**On a motion by Commissioner Byrne, seconded by Commissioner Chakwin, the Commission voted 6-0-1 (Chair Fredrickson absent) to continue the item to the March 17, 2016 Planning Commission meeting. Motion passed.**

The Commission then discussed the Joint Planning Commission–City Council Special Meeting to discuss the Implementation Plan portion of the draft Local Coastal Plan. The special meeting is scheduled for February 24<sup>th</sup>, 2016, at 6:00 p.m.

Council Liaison Robert Huitt provided additional comments.

**d. Planning Commission 2016 Work Plan**

Description: Presentation of 2016 Work Plan

CEQA Status: Not a project

Staff Reference: Mark Brodeur, Director

Recommended Action: Receive as information and provide direction and prioritization.

The item was re-itemized from Item 7c to Item 7d.

Mark Brodeur, Director of Community & Economic Development Department, presented a staff report.

The Vice-Chair opened the floor to public comments, and the following members of the public spoke:

- Council Liaison Robert Huitt noted the tentative short-term work plan for the City Council and how it might be affected by the Planning Commission actions.
- Mr. Anthony Cianni, resident, expressed concern about the schedule for Project Bella EIR.

The Vice-Chair closed the floor to public comments.

**On a motion by Commissioner Chakwin, seconded by Commissioner Byrne, the Commission voted 6-0-1 (Chair Fredrickson absent) to accept the Planning Commission 2016 Work Plan. Motion passed.**

**8. Reports of PC Subcommittees**

Commissioner Byrne provided an update of the Development Standards and Garage Subcommittee.

**9. Reports of PC Members**

Commissioner Murphy provided an update of the Historic Preservation Ordinance Ad-Hoc Subcommittee.

**10. Reports of Council Liaison**

Councilmember Robert Huitt updated the Commission regarding City Council decisions from the most recent Council meeting.

**11. Reports of Staff**

Mark Brodeur, Director of Community & Economic Development Department, updated the Commission regarding the Draft Housing Element, Mills Act, and draft streetscape program for Lighthouse Avenue.

**12. Adjournment at 8:30pm. Next meeting scheduled for March 3, 2016 at 6pm.**



**CITY OF PACIFIC GROVE**  
300 Forest Avenue, Pacific Grove, California 93950

**AGENDA REPORT**

**TO:** Members of the Planning Commission

**FROM:** Daniel Gho, Public Works Director; Wendy Lao, Assistant Planner

**MEETING DATE:** March 3, 2016

**SUBJECT:** Use Permit Application No. UP 16-093 for the installation of protective netting (35 feet height x 320 feet width) including 7 poles, and planting of 6 trees, along the fifth hole of Pacific Grove Golf Links, pursuant to P.G.M.C. 23.42.020.

**CEQA:** Categorical Exemption, Section 15303, Class 3

**RECOMMENDATION**

Receive report, hold public hearing, and approve UP 16-093 based on the findings and subject to the staff recommended conditions.

**BACKGROUND**

On October 16, 2015 the City of Pacific Grove entered into a Stipulation for Entry of Final Judgement (Stipulated Judgement) that was predicated on the removal of the 6 Blue Gum Eucalyptus Trees identified as numbers 916,917,918,919,924,925, (Attachment A – Stipulated Judgment). Numerous arborist reports had been prepared for the trees and it was determined that the level of decay that was noticed within the trees warranted removal, as stated in the stipulated judgement, signed by Judge Wills, and all associated parties.

The Stipulated Judgement required the City to remove the six trees; the cost of the removal would be split equally between the plaintiffs and the City. The City will then promptly install netting on the golf course where the trees were removed. The City shall bear the cost of the netting. After the netting is installed the City will then install replacement trees of a suitable species, likely Cypress Trees.

In November and December of 2015 the City removed the six trees and contacted firms to begin the preparation for the installation of the netting at the golf course along the fifth hole.

**DISCUSSION**

The City of Pacific Grove Public Works Department has evaluated the site and determined that the best netting to install would be similar to the netting that already exist on the fifth hole and the driving range (Attachment B - Location), adjacent to the Monarch Pines Community. The Monarch Pines Community is currently protected by a netting system of 35' height strung between poles that are also 35' in height. The existing netting starts at the western Point of the

Monarch Pines boundaries and turns east and runs along the property adjacent to the golf hole. The City will be expanding the existing netting an additional 320' (Attachment C - Existing netting). The netting to be installed will comprise of U.V. treated #930 polyester barrier netting of 1" mesh size and average single mesh break strength of 116.7 pounds. Poles will be evenly spread at intervals of 53'4". The netting will start at ground level and expand upwards to a height of 35' (Attachment D - Plans and Specs). The netting will be installed outside of the coastal zone.

The netting is virtually see through and this style is the least intrusive to view shed, but also provides the best protection to the surrounding community (Attachment F - Driving Range Netting).

**FINDINGS**

Staff recommends approval of UP 16-093.

**ATTACHMENTS**

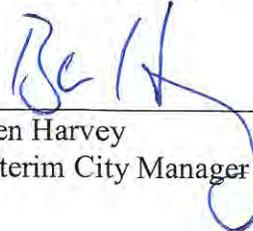
- A. Stipulated Judgment
- B. Location Picture
- C. Existing Netting #5
- D. Plans and Specifications
- E. Structural Calculations
- F. Driving Range Netting
- G. CEQA Exemption
- H. Resolution UP 16-093

RESPECTFULLY SUBMITTED:



\_\_\_\_\_  
Daniel Ghossein  
Public Works Director

REVIEWED BY:



\_\_\_\_\_  
Ben Harvey  
Interim City Manager

1 David C. Laredo, CSBN 66532  
 2 Alex J. Lorca, CSBN 266444  
**De LAY & LAREDO**  
 3 Attorneys at Law  
 4 606 Forest Avenue  
 Pacific Grove, CA 93950-4221  
 Telephone: (831) 646-1502  
 alex@laredolaw.net

**FILED**

NOV 05 2015

TERESA A. ...  
 CLERK OF THE SUPERIOR COURT  
 P. ESMECALDA DEPUTY

5 Attorney for Defendant,  
 6 CITY OF PACIFIC GROVE

**Exempt from Filing Fee  
 per Govt. Code § 6103**

**SUPERIOR COURT OF CALIFORNIA  
 COUNTY OF MONTEREY**

9  
 10 NANCY DOLTON, MARION  
 TRENTMAN MORELLI and ROBERT  
 11 MORELLI,

Case No.: M 131643

**STIPULATION FOR ENTRY OF  
 FINAL JUDGMENT; AND  
 JUDGMENT THEREON [CCP § 664.6]**

Plaintiffs,

v.

14 CITY OF PACIFIC GROVE and DOES 1-  
 15 50, inclusive,

Defendants.

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 18  
 19 Plaintiffs NANCY DOLTON, MARION TRENTMAN MORELLI AND ROBERT  
 20 MORELLI (Plaintiffs), appearing by and through attorneys Joel Franklin, Andrew Swartz, and Neil  
 21 Shapiro, and the CITY OF PACIFIC GROVE (City), appearing by and through their attorneys  
 22 David C. Laredo and Alex J. Lorca, enter into the following Stipulation for Entry of Final Judgment  
 23 (Stipulated Judgment) in full and final settlement of the above-captioned case without trial or  
 24 adjudication of any issue of fact or law, and agree that a final judgment may be so entered:  
 25

**RECITALS**

1  
2           1.       The parties enter into this Stipulation with reference to and in acknowledgment of  
3 the following facts:

4           1.1. On April 8, 2015, Plaintiffs Nancy Dolton, Marion Trentman-Morelli and Robert Morelli  
5           (Plaintiffs) filed the instant matter alleging six (6) Blue Gum Eucalyptus trees identified as  
6           numbers 916, 917, 918, 919, 924 and 925 in an April 14, 2014 report by the City's Arborist  
7           (located on City property near Hole 5 of the Pacific Grove Municipal Golf Course and  
8           adjacent to Plaintiffs' homes) were improperly maintained by the City.

9           1.2. On May 13, 2015 the City served Plaintiffs with its Amended Answer denying Plaintiffs'  
10           claims.

11           1.3. On July 21, 2015, Marion Trentman-Morelli filed Monterey Superior Court Case No.  
12           M132694 (*Trentman-Morelli v. City of Pacific Grove*), a Petition for Writ of Mandate seeking to  
13           compel the City to allow the inspection of, and to provide a copies of, requested City  
14           records under the California Public Records Act. (California Government Code §§ 6250 et  
15           seq.)

16           1.4. On August 10, 2015 the City filed an Answer denying Plaintiff's claims.

17           2.       The parties wish to avoid the burden and expense of further litigation and accordingly have  
18           determined to compromise and settle their differences in accordance with the provisions of this  
19           Stipulation. Neither this Stipulated Judgment nor any of the statements or provisions contained  
20           herein shall be deemed to constitute an admission or an adjudication of any of the allegations of the  
21           Complaint.  
22           Complaint.

23           3.       The parties to this Stipulated Judgment agree to resolve this action in its entirety by mutually  
24           consenting to the entry of a Final Judgment  
25

**STIPULATED JUDGMENT**

1  
2 1. The Six Trees (numbered 916, 917, 918, 919, 924, and 925) that are the subject of the  
3 instant matter shall be removed by the City, including stump grinding, within 60 days of entry of  
4 this Stipulated Judgment.

5 2. The costs of removal shall be split equally between Plaintiffs and the City. Plaintiff's  
6 payment shall be effected within 90 days following removal of the trees.

7 3. The City shall promptly install netting on the golf course where the trees were  
8 removed. The City shall bear the costs of netting.

9 4. The City shall replace the removed Eucalyptus trees with new trees of a suitable  
10 species, likely Cypress Trees, and regularly monitor and maintain the replacement trees.  
11 Plaintiffs shall be consulted regarding the specific species of tree to be planted, but City shall  
12 have the sole discretion to elect the species. Plaintiffs shall pay \$1,200 toward the costs of tree  
13 replacement. Costs exceeding this amount shall be borne entirely by the City.

14 5. Within five (5) court days of entry of the Stipulated Judgment herein, Plaintiff  
15 Marion Trentman-Morelli shall dismiss Monterey Superior Court Case No. M 132694 (*Trentman-*  
16 *Morelli v. City of Pacific Grove*), with prejudice. Each party shall bear its own attorney's fees and  
17 costs in that matter. Neither party shall be deemed a prevailing party in Case No. M 132694.

18 6. Neither party shall be deemed a prevailing party in the instant action.

19 7. All time periods set forth in this Stipulated Judgment may be extended by mutual  
20 written agreement between the parties.

21 8. Neither party shall appeal this Judgment.

**RETENTION OF JURISDICTION AND ENFORCEMENT**

22 9. Pursuant to California Code of Civil Procedure §664.6 the Court shall retain  
23 jurisdiction for the purpose of enabling any of the parties to this Stipulated Judgment to apply to  
24  
25  
26

27 - 3 -

28 **STIPULATION FOR ENTRY OF FINAL JUDGMENT AND ORDER THEREON**

*Dolton, Nancy et al. v. City of Pacific Grove. (M131643)*

1 this Court at any time for such order or directions that may be necessary or appropriate for the  
2 construction, operation or modification of the Stipulated Judgment, or for the enforcement or  
3 compliance thereof.

4 10. This Stipulated Judgment may be used as evidence in a subsequent proceeding in  
5 which either party alleges breach of this Stipulated Judgment.

6 11. If any action at law or in equity, including an action for Declaratory Relief is brought  
7 to enforce or interpret the provisions of this Stipulated Judgment, the prevailing party shall be  
8 entitled to recover reasonable attorneys' fees in addition to any other relief to which the party may  
9 be entitled, including costs.

10 **IT IS SO STIPULATED:**

13 Dated: 10-15-15

Thomas Frutchey  
Thomas Frutchey, City Manager  
City of Pacific Grove

16 Dated: 10-16-15

Nancy Dolton  
Nancy Dolton, Plaintiff

19 Dated: 10/16/15

Marion Trentman-Morelli  
Marion Trentman-Morelli, Plaintiff

22 Dated: 10-16-15

Robert Morelli  
Robert Morelli, Plaintiff

24 Approved as to Form:

25 Dated: 10/16/15

David C. Laredo  
David C. Laredo  
City Attorney, City of Pacific Grove

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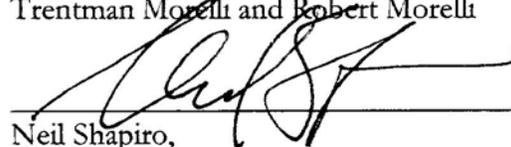
Dated: 10/14/15

  
Joel Franklin  
Attorney for Plaintiffs Nancy Dolton, Marion  
Trentman Morelli and Robert Morelli

Dated: Oct. 16, 2015

  
Andrew Swartz,  
Attorney for Plaintiffs Nancy Dolton, Marion  
Trentman Morelli and Robert Morelli

Dated: Oct 16, 2015

  
Neil Shapiro,  
Attorney for Plaintiff Marion -Trentman Morelli

Upon the stipulation of the parties hereto and upon their agreement to entry of this  
Stipulated Judgment without trial or adjudication of any issue of fact or law herein, and good cause  
appearing therefore, IT IS SO ORDERED, ADJUDGED AND DECREED.

Dated: NOV 05 2015

**THOMAS W. WILLS**  
\_\_\_\_\_  
JUDGE OF THE SUPERIOR COURT

U:\GENERAL (NEW)\City of Pacific Grove\LITIGATION\Dolton v. Pacific Grove M131643\Settlement\Dolton v. City of Pacific Grove STIPULATION FOR ENTRY OF JUDGMENT AND ORDER THEREON.docx



Location of Proposed Netting and Trees - Along 5<sup>th</sup> Hole of Pacific Grove Golf Links



Example: Existing Netting Along the 5<sup>th</sup> Hole of Pacific Grove Golf Links, Located Adjacent to Monarch Pines Community

**Pacific Grove Golf Links**

77 Asilomar Coastal Trail

Pacific Grove, CA 93950

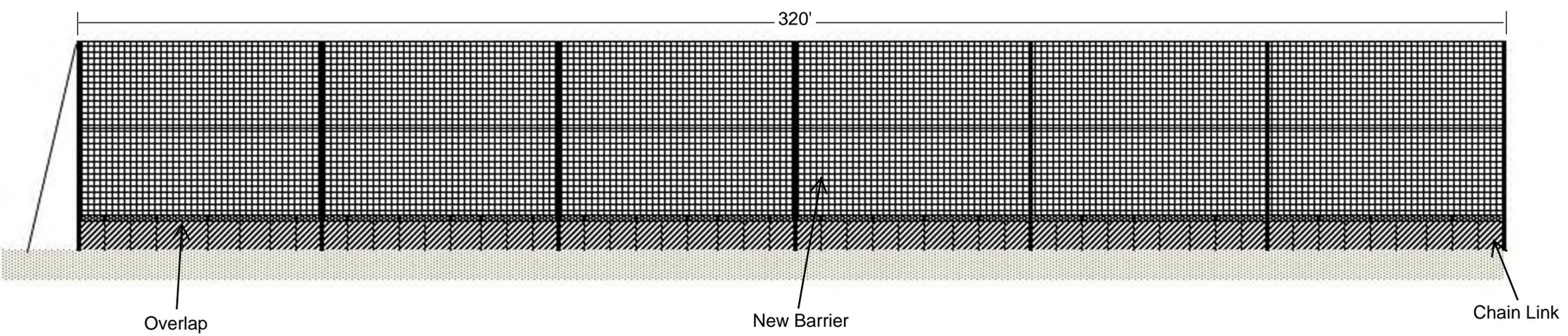
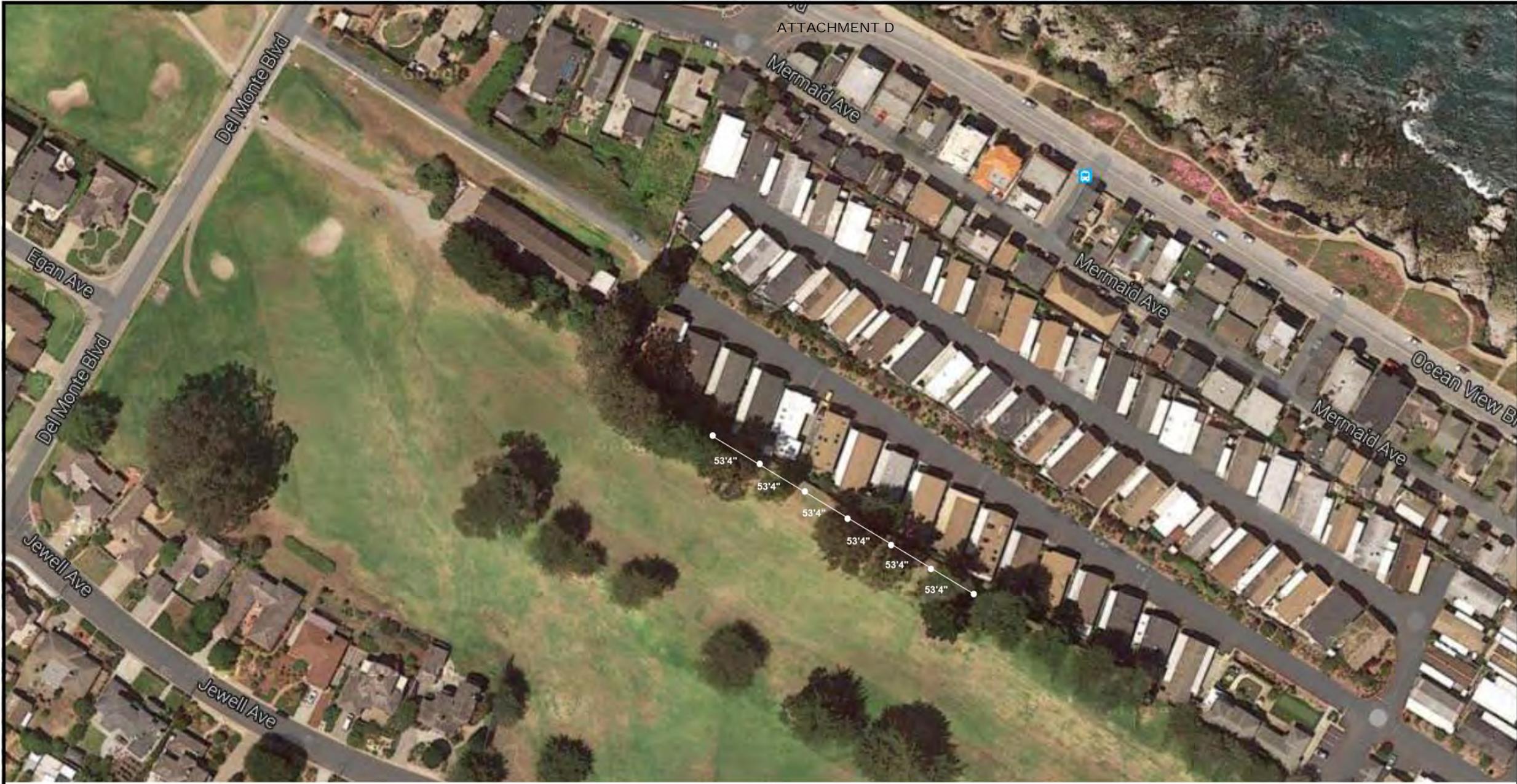
New Netting Barrier- Site Plan

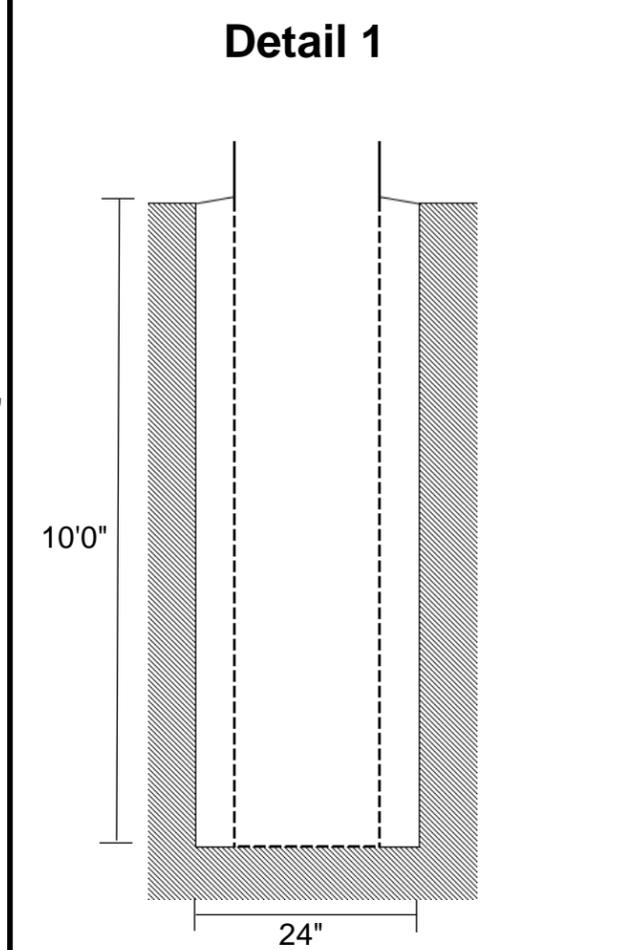
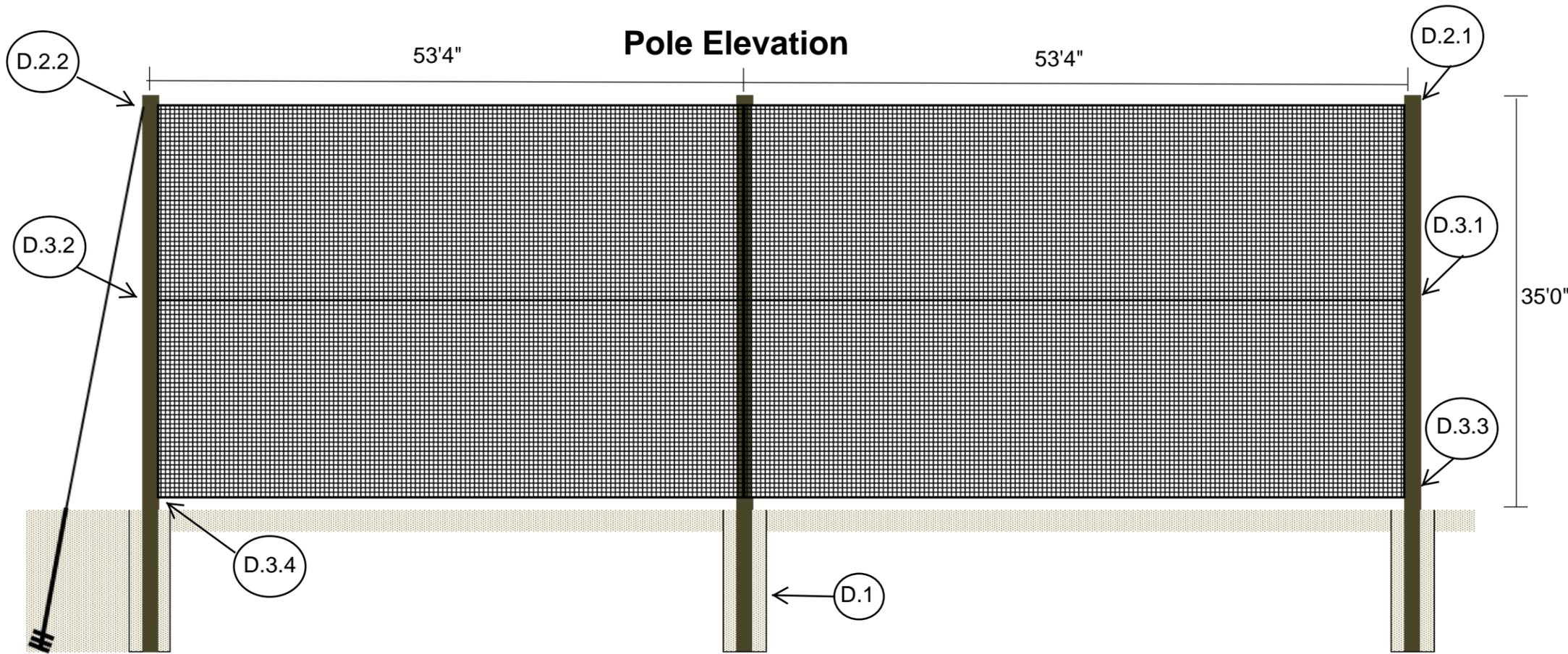
**Judge Netting Inc.**

427 E. 17th St. #489  
Costa Mesa, CA. 92627  
P: 714-265-2200  
F: 714-265-2400  
www.judgenetting.com

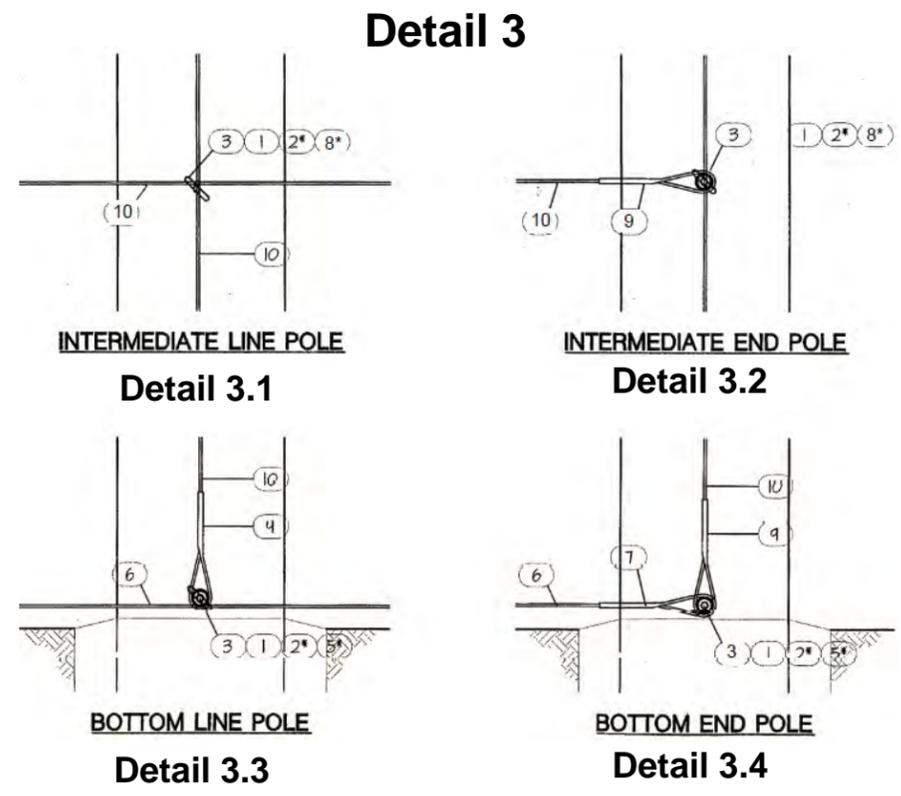
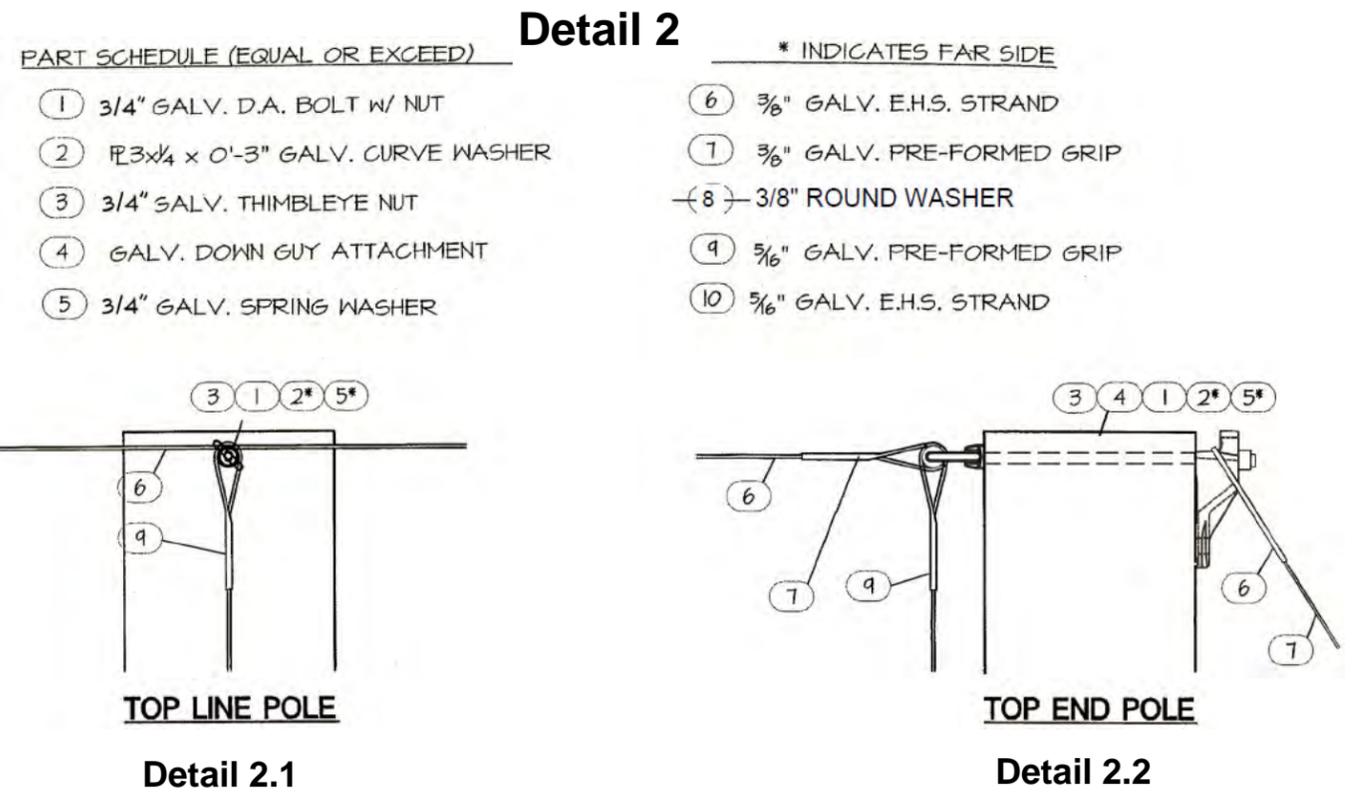
Date:  
1/18/2016

Drawing:  
Site Plan





**Pacific Grove Golf Links**  
 77 Asilomar Coastal Trail  
 Pacific Grove, CA 93950  
 New Netting Barrier- Site Plan

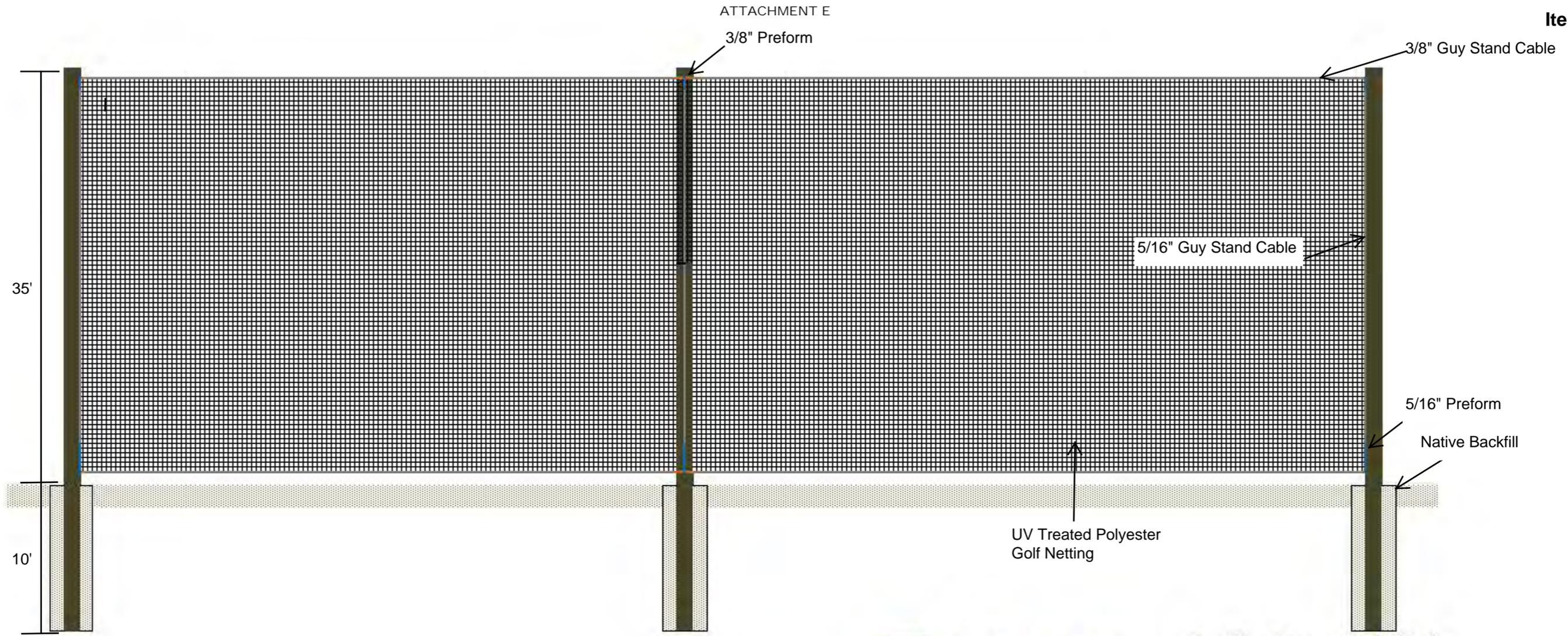


**Judge Netting Inc.**  
 427 E. 17th St. #489  
 Costa Mesa, CA. 92627  
 P: 714-265-2200  
 F: 714-265-2400  
 www.judgenetting.com

Date: 1/18/2016  
 Drawing: Pole Elevation



320'



 **JudgeNetting**  
Barrier Specialists

Pacific Grove Golf Links  
Pole Elevation



Practical Solutions for Recreational and Industrial Netting Applications

## **Redden Nets #930 Polyester Barrier Netting System**

- Component Specification / Tolerance

### **Netting Component:**

- ~ Redden Nets #930 polyester netting; 1" mesh size
- ~ Long stitch knotless join
- ~ U.V. treated yarn
- ~ Resin dye and bonding treatment
- ~ 116.7 lb. Average single mesh break strength. <sup>1</sup>
- ~ Weight factor: 40.0 square feet = 1-lb.

### **Attachment Twine / Hanging Twine:**

- ~ #48 Braided polyester twine
- ~ 375 lb. Tensile strength
- ~ Dye treated

### **Perimeter Border Ropes & Riblines:**

- ~ Braided synthetic cover
- ~ Parallel synthetic core
- ~ 3,500 lb. Tensile strength
- ~ 2,455 Wet abrasion cycles

### **Warranty:**

- ~ Ten year warranty. <sup>2</sup>

1.) Mesh strength based upon most recent independent lab testing reports. Report copies are available upon Request. Testing conducted per ISO 1806 methodology.

2.) Some exclusions and limitations do apply. Warranty document is available upon request.

**A Division of Redden Marine Supply, Inc.**

1411 Roeder Avenue Bellingham, WA 98225-2916 / 360•733•0250 800•426•9284 / FAX 360•733•7180 / www.reddeninc.com



Practical Solutions for Recreational and Industrial Netting Applications

## **Redden #930** **Golf Range Netting System Specifications**

**Netting:** Redden #930 polyester golf range netting with average 116.7 lb. mesh breaking strength, 2 ½" stretched mesh; 1" single bar measure, four needle raschel knotless construction, manufactured with U.V. treated yarn and additionally coated with a black resin dye and bonding treatment. Mesh break strength determined by independent laboratory per ISO 1806.

All sections of netting component to be constructed to a 3/8" braided black perimeter rope, minimum 3,500 lb. breaking strength. Additionally, net panels shall have internally constructed vertical and horizontal ropes of the same material. All rope locations on the net panels shall correspond to the as built net panel suspension and support cables constructed to pole structures. All net panels shall be custom fabricated to as built measurements of the pole/cable structure to provide a taut panel upon completion.

Attachment of net and rope components shall be made with #48 braided polyester twine, minimum 375 lb. tensile strength, treated black. The attachment twine shall continually encompass the netting component and be tied to the rope component via a clove and one half hitch knot +/- 6 inches on center, never to exceed 8 inches on center.

Finished net panels shall be suspended to cables by the rope component via a 9/32" cadmium plated steel carabiner attachment snap, minimum 1,140 lb. breaking strength. The interior of the snap shall encompass only the rope and cable components when suspension is completed. The interval between snap to cable attachment points shall not exceed 3 feet on center (snap size may vary to fit cable size(s) specified).

Netting system shall be accompanied by a ten year manufacturer's warranty. Netting system is available from Redden Marine Supply, Inc., Bellingham, WA, 800-426-9284, or engineers approved equal.

**A Division of Redden Marine Supply, Inc.**

1411 Roeder Avenue Bellingham, WA 98225-2916 / 360•733•0250 800•426•9284 / FAX 360•733•7180 / www.reddeninc.com



Certificate No. 0812-1036b  
December 16, 2008

Mr. Ron Chiabai  
Redden Marine Supply, Inc.  
1411 Roeder Ave.  
Bellingham, WA 98225-2916

**Subject:** Determination of net mesh breaking load

Netting sample tested: #930 Barrier Netting, Bale No. 353/028, 12/09/08

Reference: ISO 1806, "Fishing nets - Determination of mesh breaking load of netting"

Dear Mr. Chiabai:

Dynamark Engineering, Inc. was retained by Redden Marine Supply to perform tension testing on a netting sample provided by your company. This report contains a summary of our testing approach and results.

Testing was performed on December 16, 2008 using our JJ Lloyd Universal Testing Machine (DEI-110) which is in current calibration and traceable to the National Institute of Standards and Technology (NIST).

Per the referenced ISO 1806 specification, loading was applied with pins through one mesh at a time that was at least on one mesh inside of the edge. Tension loads were applied at a rate of 1 inch per minute until failure occurred.

The sample was tested a total of 10 times in remote locations on the netting. All tension was applied in the length direction of the manufactured netting.

Figure 1 shows the typical testing setup.

The test results are summarized in Table 1.



Figure 1. Tensile testing machine with net mesh in place for testing.



Figure 2. Break load testing in progress.

**Table 1. #930 Barrier Netting****Bale No. : 353/028 12/09/08**

Test No.	Tensile Strength [lb]
1	121
2	101
3	111
4	107
5	122
6	125
7	121
8	124
9	117
10	118
<b>Avg</b>	<b>116.7</b>
<b>Std Dev</b>	<b>7.5</b>
<b>Max Val</b>	<b>125</b>
<b>Min Val</b>	<b>101</b>

This report has been prepared for the exclusive use of Redden Marine Supply. Any reproduction or transmittal of this report must be done so with written permission from Redden Marine Supply. Thank you for using Dynamark Engineering, Inc. Please give me a call at 425.483.4447 if you have any questions regarding this testing, or if we can be of additional assistance.

Reviewed by: Leesa Johansen 

Sincerely,



Mark J. Suryan, PE



blh2.com

**STRUCTURAL CALCULATIONS**  
(WOOD POLES & NETTING ONLY)

for

**PACIFIC GROVE GOLF LINKS**  
**77 ASILOMARCOASTAL TRAIL**  
**PACIFIC GROVE, CA 93950**

**PREPARED BY: BARRY L. HOUSEAL, P.E. (CA # 28761)**





$V := 105$	Wind speed (mph)
$K.d := 0.85$	wind direction constant ASCE 7-10 Table 26.6-1
$K.zt := 1.0$	topographical constant ASCE 7-10 Section 26.8.2
$G := 0.85$	gust factor ASCE 7-10 Section 26.9.1
$\alpha := 7.0$	Exposure Class B ASCE 7-10 Table 26.9-1
$z.g := 1200 \text{ ft}$	Exposure Class B ASCE 7-10 Table 26.9-1
$C.f := 0.8$	force coefficient ASCE 7-10 Figure 29.5-2
$L := 53 \text{ ft} + 4 \text{ in}$	distance between poles
$A.net := 8\%$	net area of netting
$f.b := 2250 \text{ psi}$	DF class 3 bending stress

$$z := \begin{bmatrix} 15 \\ 20 \\ 25 \\ 30 \\ 35 \end{bmatrix} \cdot \text{ft} \quad \text{distance above grade for poles}$$

$$K.z := 2.01 \cdot \left( \frac{z}{z.g} \right)^{\frac{2}{\alpha}} = \begin{bmatrix} 0.575 \\ 0.624 \\ 0.665 \\ 0.701 \\ 0.732 \end{bmatrix} \quad \text{wind constant ASCE 7-10 Table 29.3-1}$$



$$q.z := 0.00256 \cdot K.z \cdot K.zt \cdot K.d \cdot V^2 \cdot psf = \begin{bmatrix} 13.79 \\ 14.97 \\ 15.95 \\ 16.81 \\ 17.56 \end{bmatrix} psf \quad \text{wind pressure for each instance}$$

$$z.inc := 5 \text{ ft} \quad \text{height increment for each instance}$$

$$F1 := q.z_0 \cdot G \cdot C.f \cdot z_0 = 140.6 \text{ plf} \quad \text{linear force at 15 ft}$$

$$F2 := q.z_1 \cdot G \cdot C.f \cdot z.inc = 50.9 \text{ plf} \quad \text{linear force at 20 ft}$$

$$F3 := q.z_2 \cdot G \cdot C.f \cdot z.inc = 54.2 \text{ plf} \quad \text{linear force at 25 ft}$$

$$F4 := q.z_3 \cdot G \cdot C.f \cdot z.inc = 57.1 \text{ plf} \quad \text{linear force at 30 ft}$$

$$F5 := q.z_4 \cdot G \cdot C.f \cdot z.inc = 59.7 \text{ plf} \quad \text{linear force at 35 ft}$$

$$F := F1 + F2 + F3 + F4 + F5$$

$$F = 363 \text{ plf} \times 53.33' = 19,359 \text{ k}$$

total force on pole

$$M1 := F1 \cdot \frac{z_0}{2} = 1055 \text{ lbf} \cdot \frac{\text{ft}}{\text{ft}} \quad \text{moment at 15 ft}$$

$$M2 := F2 \cdot \left( z_0 + \frac{z.inc}{2} \right) = 891 \text{ lbf} \cdot \frac{\text{ft}}{\text{ft}} \quad \text{moment at 20 ft}$$

$$M3 := F3 \cdot \left( z_1 + \frac{z.inc}{2} \right) = 1221 \text{ lbf} \cdot \frac{\text{ft}}{\text{ft}} \quad \text{moment at 25 ft}$$

$$M4 := F4 \cdot \left( z_2 + \frac{z.inc}{2} \right) = 1571 \text{ lbf} \cdot \frac{\text{ft}}{\text{ft}} \quad \text{moment at 30 ft}$$



$$M5 := F5 \cdot \left( z_3 + \frac{z_{inc}}{2} \right) = 1941 \text{ lbf} \cdot \frac{\text{ft}}{\text{ft}}$$

moment at 35 ft

$$M := M1 + M2 + M3 + M4 + M5$$

$$M = 6678 \text{ lbf} \cdot \frac{\text{ft}}{\text{ft}}$$

moment per width on pole

$$m := M + \frac{q \cdot z_0 \cdot (6 \text{ ft})^2}{2} - F \cdot 6 \text{ ft}$$

moment required at 6ft above grade

$$m = 4751 \text{ lbf} \cdot \frac{\text{ft}}{\text{ft}}$$

$$S := \frac{M \cdot A_{net} \cdot \frac{L}{2}}{1.18 \cdot f \cdot b}$$

section modulus required at grade

$$S = 64 \text{ in}^3$$

$$s := \frac{m \cdot A_{net} \cdot \frac{L}{2}}{1.18 \cdot f \cdot b}$$

section modulus required at 6ft above grade

$$s = 46 \text{ in}^3$$

$$D := \sqrt[3]{\frac{32 \cdot S}{\pi}}$$

diameter required at grade

$$D = 9 \text{ in}$$

$$d := \sqrt[3]{\frac{32 \cdot s}{\pi}}$$

diameter required at 6ft above grade

$$d = 8 \text{ in}$$

Maximum moment occurs at the point where the pole reaches the ground since the pole acts as a cantilevered beam. To determine a wood pole size, the moment is taken at 6ft from the connection ie. the ground. The section modulus is calculated using this moment.

<p>Pole – Douglas Fir Class 3 – 12 in diameter at 6 ft above grade 45 ft pole (35 ft above grade)</p>
-----------------------------------------------------------------------------------------------------------



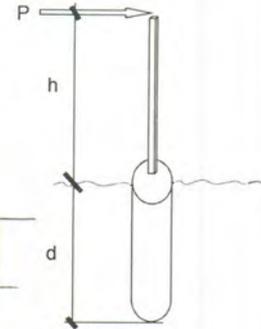
PROJECT : PACIFIC GROVE GOLF LINKS  
 CLIENT : JUDGE NETTING  
 JOB NO. : 05-0116

PAGE : 4  
 DESIGN BY : BLH  
 REVIEW BY :

**Flagpole Footing Design Based on Chapter 18 of IBC & CBC**

**INPUT DATA & DESIGN SUMMARY**

IS FOOTING RESTRAINED @ GRADE LEVEL ? (1=YES,0=NO)      0      no  
 LATERAL FORCE @ TOP OF POLE      P =    19.359      k  
 HEIGHT OF POLE ABOVE GRADE      h =      35      ft  
 DIAMETER OF POLE FOOTING      b =      2      ft  
 LATERAL SOIL BEARING CAPACITY      S =    0.35      ksf / ft  
 ISOLATED POLE FACTOR (2012 IBC 1806.3.4)      F =    9.3  
 FIRST TRIAL DEPTH      ==>    d =    15      ft



**Use 2 ft dia x 10.01 ft deep footing unrestrained @ ground level**

**ANALYSIS**

LATERAL BEARING @ BOTTOM :  $S_3 = F \cdot S \cdot \text{Min}(d, 12')$   
 LATERAL BEARING @ d/3 :  $S_1 = F \cdot S \cdot \text{Min}\left(\frac{d}{3}, 12'\right)$

$$A = \frac{2.34P}{bS_1}$$

REQUIRE DEPTH :

$$d = \begin{cases} \frac{A}{2} \left[ 1 + \sqrt{1 + \frac{4.36h}{A}} \right] & \text{, FOR NONCONSTRAINED} \\ \sqrt{\frac{4.25Ph}{bS_3}} & \text{, FOR CONSTRAINED} \end{cases}$$

		NONCONSTRAINED		CONSTRAINED	
LATERAL FORCE @ TOP OF POLE	P =>	19.36	k	19.36	k
HEIGHT OF POLE ABOVE GRADE	h =>	35.0	ft	35.0	ft
DIAMETER OF POLE FOOTING	b =>	2.00	ft	2.00	ft
LATERAL SOIL BEARING CAPACITY	FS =>	3.26	ksf / ft	3.26	ksf / ft
<b>1ST TRIAL</b>	<b>TRY d<sub>1</sub> =&gt;</b>	15.00	ft	15.00	ft
LAT SOIL BEARING @ 1/3 d	S <sub>1</sub> =>	16.28	ksf	16.28	ksf
LAT SOIL BEARING @ 1.0 d	S <sub>3</sub> =>	39.06	ksf	39.06	ksf
CONSTANT 2.34P/(bS <sub>1</sub> )	A =>	1.39	-	-	-
REQD FOOTING DEPTH	RQRD d =>	8.02	ft	6.07	ft
<b>2ND TRIAL :</b>	<b>TRY d<sub>2</sub> =&gt;</b>	11.51	ft	10.54	ft
LAT SOIL BEARING @ 1/3 d	S <sub>1</sub> =>	12.49	ksf	11.43	ksf
LAT SOIL BEARING @ 1.0 d	S <sub>3</sub> =>	37.46	ksf	34.29	ksf
CONSTANT 2.34P/(bS <sub>1</sub> )	A =>	1.81	-	-	-
REQD FOOTING DEPTH	RQRD d =>	9.28	ft	6.48	ft
<b>3RD TRIAL :</b>	<b>TRY d<sub>3</sub> =&gt;</b>	10.39	ft	8.51	ft
LAT SOIL BEARING @ 1/3 d	S <sub>1</sub> =>	11.27	ksf	9.23	ksf
LAT SOIL BEARING @ 1.0 d	S <sub>3</sub> =>	33.82	ksf	27.69	ksf
CONSTANT 2.34P/(bS <sub>1</sub> )	A =>	2.01	-	-	-
REQD FOOTING DEPTH	RQRD d =>	9.82	ft	7.21	ft
<b>4TH TRIAL :</b>	<b>TRY d<sub>4</sub> =&gt;</b>	10.10	ft	7.86	ft
LAT SOIL BEARING @ 1/3 d	S <sub>1</sub> =>	10.96	ksf	8.53	ksf
LAT SOIL BEARING @ 1.0 d	S <sub>3</sub> =>	32.89	ksf	25.58	ksf
CONSTANT 2.34P/(bS <sub>1</sub> )	A =>	2.07	-	-	-
REQD FOOTING DEPTH	RQRD d =>	9.97	ft	7.50	ft
<b>5TH TRIAL :</b>	<b>TRY d<sub>5</sub> =&gt;</b>	10.04	ft	7.68	ft
LAT SOIL BEARING @ 1/3 d	S <sub>1</sub> =>	10.89	ksf	8.33	ksf
LAT SOIL BEARING @ 1.0 d	S <sub>3</sub> =>	32.67	ksf	25.00	ksf
CONSTANT 2.34P/(bS <sub>1</sub> )	A =>	2.08	-	-	-
REQD FOOTING DEPTH	RQRD d =>	10.01	ft	7.59	ft



Example: Driving Range Netting



## CITY OF PACIFIC GROVE

### Community Development Department – Planning Division

300 Forest Avenue, Pacific Grove, CA 93950

T :: 831.648.3190 • F :: 831.648.3184 • www.ci.pg.ca.us/cdd

### NOTICE OF EXEMPTION FROM CEQA

**Property Address/Location:** 77 Asilomar Ave, Pacific Grove, CA 93950

**Project Description:** Use Permit (UP) 16-093

Description: To allow the installation of protective netting (35' height x 320' width) including 7 poles, and planting of 6 trees, along the fifth hole of Pacific Grove Golf Links.

APN: 006-094-099

ZC: O GP: Open Space

Applicant Name: Daniel Gho, City of Pacific Grove, Director of Public Works Phone #: (831) 648-5722

Mailing Address: 300 Forest Avenue, Pacific Grove, CA 93950

Email Address: dggho@cityofpacificgrove.org

**Public Agency Approving Project:** City of Pacific Grove, Monterey County, California

**Exempt Status (Check One):**

- Ministerial (Sec. 21080(b)(1):15268))
- Declared Emergency (Sec. 21080(b)(3): 15269(a))
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c))
- Categorical Exemption

Type and Section Number: Section 15303 Class 3 Categorical Exemption

**Exemption Findings:**

The project includes the installation of protective netting (35' height x 320' width) including 7 poles, and planting of 6 trees, and therefore qualifies for a Class 3 Exemption from CEQA requirements, pursuant to Section 15303 – New Construction or Conversion of Small Structures.

The proposed alterations do not present any unusual circumstances that would result in a potentially significant environmental impact.

**Contact:** Wendy Lao, Assistant Planner      **Contact Phone:** (831) 648-3185

**Signature:**

**Date:** February 24, 2016



## RESOLUTION NO. 16-02

### USE PERMIT (UP) NO. 16-093 TO INSTALL PROTECTIVE GOLF BARRIER NETTING (35 FEET HEIGHT X 320 FEET WIDTH) INCLUDING 7 POLES, AND TO PLANT 6 TREES, ALONG THE FIFTH HOLE OF PACIFIC GROVE GOLF LINKS.

#### FACTS

1. The subject site is located at 77 Asilomar Ave., Pacific Grove, 93950 (APN 006-094-099)
2. The subject site has a designation of Open Space adopted by the City of Pacific Grove General Plan Land Use Map.
3. The project site is located in the O zoning district.
4. The subject site is developed with a golf course and a maintenance building.
5. The subject site is located in the Archaeological Zone.
6. The subject site is located in the Area of Special Biological Significance Watershed.
7. This project has been determined to be CEQA Exempt under CEQA Guidelines Class 3 Section 15303.
8. A use permit is required when structures are to be developed in the O zoning district.

#### FINDINGS

1. The proposed use is allowed in the O zoning district with a use permit per Pacific Grove Municipal Code 23.42.020, and;
2. The proposed development will meet the development regulations set forth in the O zoning district, and;
3. The establishment, maintenance or operation of the use will not, under the circumstances of this particular case, be detrimental to the health, safety, or general welfare of persons residing or working in the neighborhood of the proposed use, and;
4. The use, as described and conditionally approved, will not be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the city, and;
5. The location, size, and design of the proposed development are compatible with the existing and future land uses in the vicinity because the proposed structure is characteristic in the neighborhood, and;
6. The completed project will neither be detrimental to the orderly and harmonious development of the city nor impair the desirability of investment or occupation in the neighborhood because the project will be improving the subject property.
7. An archaeological report was completed on February 12, 2016 by Gary S. Breschini, Ph.D. and determined that the proposed project to not be delayed for archaeological reasons.

#### CONDITIONS OF APPROVAL:

1. **Permit Expiration:** This permit shall expire and be null and void if a building permit has not been applied for within one (1) year from and after the date of approval. Application for extension of this approval must be made prior to the expiration date.

2. **Archaeological Resources:** A qualified archaeological monitor should be present during initial project excavations. If archaeological resources or human remains are unexpectedly discovered during construction, work shall be halted within 50 meters ( $\pm$ 165 feet) of the find until it has been evaluated for significance by a qualified professional archaeologist. If the find is determined to be significant, appropriate mitigation measures shall be formulated, with the concurrence of the lead agency, and implemented.
3. **Construction and Use Compliance:** All activities must occur in strict compliance with the proposal as set forth in the application for this Use Permit, subject to any special conditions of approval herein. Any deviation from approvals must be reviewed and approved by staff, and may require Planning Commission approval as a use permit amendment.
4. **Public Works, Fire, and Building:** Review and approval by the Public Works, Fire and Building Departments are required prior to issuance of a building permit. Work taking place in the public right-of-way shall require an encroachment permit prior to issuance of the building permit.
5. **Tree Protection Standards During Construction:** Pursuant to Municipal Code Chapters 12.20 and 12.30, and the Urban Forestry Standards, all trees that are otherwise protected and will be impacted as a result of Development, both proposed for pruning or removal and where the development will impact the critical root zone of the tree are protected. Prior to issuance of the building permit, the Project Arborist shall review grading, drainage, utility, building and landscape plans to determine impacts to individual Trees, to determine required minimum Tree protection standards during construction.
6. **Stormwater Treatment:** The stormwater treatment measures shall be maintained by the property owner in perpetuity and City of Pacific Grove staff shall be allowed access to inspect all stormwater treatment measures on an annual basis.
7. **Terms and Conditions:** These terms and conditions shall run with the land, and it is the intention of the Planning Commission and the Permittee to bind all future owners and possessors of the subject property to the terms and conditions, unless amended. Amendments to this permit may be achieved only if an application is made, and the Planning Commission approves, any such amendments pursuant to the Zoning Code regulations.
8. **Conditions of Approval in Plans:** All conditions of approval for the Planning permit(s) shall be printed on a full size sheet and included with the construction plan set submitted to the Building Department.

**NOW, THEREFORE, BE IT RESOLVED BY THE PLANNING COMMISSION OF THE CITY OF PACIFIC GROVE:**

- I. The Commission determines that each of the Findings set forth above is true and correct, and by this reference incorporates those Findings as an integral part of this Permit.
- II. The Commission authorizes approval of Use Permit No. 16-02 to install protective golf barrier netting (35 feet height x 320 feet width) including 7 poles, and to plant 6 trees, along the fifth hole of Pacific Grove Golf Links.
- III. This permit shall become effective upon the expiration of the 10-day appeal period.
- IV. This permit shall not take effect until the owner acknowledges and agrees to all terms and conditions and agrees to conform to and comply with those terms and conditions.

**PASSED AND ADOPTED** BY THE PLANNING COMMISSION OF THE CITY OF PACIFIC GROVE this 3<sup>rd</sup> day of March, 2016, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

\_\_\_\_\_  
BILL BLUHM, Vice-Chair

The undersigned hereby acknowledge and agree to the approved terms and conditions, and agree to fully conform to, and comply with, said terms and conditions.

\_\_\_\_\_  
Ben Harvey, City of Pacific Grove Interim City Manager

\_\_\_\_\_  
Date



**CITY OF PACIFIC GROVE**  
300 Forest Avenue, Pacific Grove, California 93950

**AGENDA REPORT**

**TO:** Planning Commission  
**FROM:** Mark Brodeur, Community and Economic Development Director  
**MEETING DATE:** March 3, 2016  
**SUBJECT:** 2015-2023 Housing Element Update  
**CEQA:** An Addendum to the Negative Declaration adopted for the 2011 Housing Element has been prepared pursuant to CEQA Guidelines Sec. 15162 and 15164

**RECOMMENDATION**

Hold a public hearing on the review the draft element as revised to address HCD's comments and make recommendations to the City Council for consideration and final approval of the Housing Element.

**DISCUSSION**

A draft Housing Element Update for the 2015-2023 planning period has been prepared as required by state law and submitted to California Department of Housing and Community Development ("HCD") for review. The City's current Housing Element was adopted in 2011 and covers the 2009-2014 planning period. State law requires jurisdictions within the Association of Monterey Bay Area Governments ("AMBAG") region to adopt an update to the Housing Element for the 2015-2023 planning period.

Pursuant to state law, draft Housing Elements must be submitted to HCD for review prior to adoption. The state legislature has granted HCD the authority to promulgate detailed guidelines for the preparation of Housing Elements, and also to issue opinions regarding whether local Housing Elements substantially comply with the requirements of state law. A finding of substantial compliance by HCD is referred to as "certification" of the Housing Element. Certification is important for maximizing the City's eligibility for grant funds as well as supporting the City's land use regulatory authority.

Public workshops regarding the Housing Element update were held by the Planning Commission on November 5, 2015 and the City Council on January 6, 2016. The draft Housing Element was revised in response to comments from the public, the Planning Commission and the City Council, and was then submitted to HCD for review. During the 60-day review period, HCD raised a number of verbal questions and suggestions, and revisions to the draft Housing Element were submitted to address those concerns. The revised draft Housing Element reflecting the revisions made in response to HCD's informal comments is attached to the draft Planning

Commission Resolution (Attachment 1). The due date for HCD's formal review letter is March 11, 2016. Staff will provide the Planning Commission with an update of HCD's review status at the March 3<sup>rd</sup> meeting.

**Revisions to Address HCD Comments**

During the 60-day period HCD raised several informal questions and suggestions, and revisions were made to address those concerns. Nearly all of those revisions consisted of clarification of existing conditions, policies, programs and regulations. One new program was added (Program 3.4.c) to address an existing requirement of state law regarding mobile homes and manufactured housing. This program is required in order to ensure certification of the Housing Element.

**CEQA COMPLIANCE**

An Initial Study/Negative Declaration ("IS/ND") was adopted by the City Council on May 18, 2011 for the 2009-2014 Housing Element update. That IS/ND concluded that the Housing Element would not result in a significant impact on the environment. The Draft 2015-2023 Housing Element update does not propose substantial changes to City policies or development regulations that would result in new significant environmental impacts or a substantial increase in the severity of impacts analyzed in the previous IS/ND, therefore an Addendum has been prepared pursuant to CEQA Guidelines Sections 15162 and 15164. (Attachment 2)

**NEXT STEPS**

The Planning Commission's recommendations along with HCD's review letter will be transmitted to the City Council for consideration at a public hearing. Following City Council action, the adopted Housing Element must be submitted to HCD for final review and certification.

**ATTACHMENTS**

1. Draft Planning Commission Resolution (with draft 2015-2023 Housing Element)
2. CEQA Addendum

RESPECTFULLY SUBMITTED:



---

Mark Brodeur, Community  
And Economic Development Director

**RESOLUTION NO. 16-XXX**

**RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF PACIFIC GROVE RECOMMENDING CITY COUNCIL APPROVAL OF AN ADDENDUM TO THE NEGATIVE DECLARATION FOR THE 2011 HOUSING ELEMENT, AND THE 2015-2023 HOUSING ELEMENT UPDATE OF THE GENERAL PLAN**

**FINDINGS**

1. State law requires each jurisdiction in California to adopt a General Plan, which includes a Housing Element; and
2. Each jurisdiction within Monterey County is required by state law to prepare an update to its Housing Element for the 2015-2023 planning period; and
3. On November 5, 2015 the Planning Commission conducted a study session regarding the 2015-2023 Housing Element; and
4. On January 6, 2016 the City Council conducted a study session regarding the 2015-2023 Housing Element; and
5. In compliance with Section 65585 of the California Government Code, a Draft Housing Element was transmitted to the California Department of Housing and Community Development (“HCD”) for review; and
6. Revisions have been made to the Draft Housing Element addressing HCD’s comments; and
7. An Addendum to the Negative Declaration adopted for the 2011 Housing Element has been prepared in compliance with the California Environmental Quality Act (“CEQA”).
8. On March 3, 2016 the Planning Commission conducted a duly-noticed public hearing to considered the Negative Declaration Addendum and the Housing Element Update, at which time all interested persons were provided an opportunity to offer comments, and at the conclusion of the hearing the Planning Commission recommended City Council approval of the Negative Declaration Addendum and Housing Element; and

**NOW, THEREFORE, BE IT RESOLVED BY THE PLANNING COMMISSION OF THE CITY OF PACIFIC GROVE:**

1. Each of the Findings set forth above is true and correct, and by this reference those Findings are incorporated as an integral part of this Resolution.
2. The Addendum to the Negative Declaration prepared for the 2011 Housing Element satisfies the requirements of CEQA for the 2015-2023 Housing Element. There is no

substantial evidence in the record that the 2015-2023 Housing Element would have a significant effect on the environment. The Addendum reflects the independent judgment of the Planning Commission.

3. Pursuant to Section 23.84.060 of the Pacific Grove Municipal Code, the Planning Commission makes the following findings:

(i) The proposed amendment is internally consistent with all other provisions of the general plan. The 2015-2023 Housing Element and its implementation programs would not change any land use designations or amend any policy that would create an inconsistency with any other element of the general plan.

(ii) The proposed amendment would not be detrimental to the public interest, health, safety, convenience, or welfare of the city. The 2015-2023 Housing Element would facilitate the provision of adequate housing to meet the needs of all economic segments of the community as well as persons with disabilities or other special needs. Further, the Housing Element amendment would not change any policies or land use designations in such a manner that could be detrimental to the public interest, health, safety, convenience, or welfare of the city.

(iii) The site is physically suitable (including access, provision of utilities, compatibility with adjoining land uses, and absence of physical constraints) for the requested and anticipated land uses. The 2015-2023 Housing Element applies citywide and would not change the allowable land use for any particular property.

4. Based upon all of the facts and evidence provided in the staff report and other written and oral evidence presented at the public hearing, the Planning Commission recommends that the City Council adopt the 2015-2023 Housing Element as set forth in Attachment 1 to this Resolution.

5. This Resolution shall become effective immediately following passage and adoption thereof.

**PASSED AND ADOPTED** BY THE PLANNING COMMISSION OF THE CITY OF PACIFIC GROVE this 3<sup>rd</sup> day of March, 2016, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

\_\_\_\_\_

ATTEST:

\_\_\_\_\_

APPROVED AS TO FORM:

---

DAVID C. LAREDO, City Attorney

# City of Pacific Grove Housing Element 2015-2023



Draft | ~~March~~ ~~January~~ 2016 |

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Pacific Grove, California 93950

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## List of Acronyms

AB	Assembly Bill
AFY	Acre-Feet per Year
AMBAG	Association of Monterey Bay Area Governments
AMI	Area Median Income
Cal-Am	California-American Water Company
CARB	California Air Resources Board
CBC	California Building Code
CDBG	Community Development Block Grant
CDD	Pacific Grove Community Development Department
CEC	California Energy Commission
CEQA	California Environmental Quality Act
CHSP	Coalition of Homeless Service Providers in Monterey County
CPUC	California Public Utilities Commission
DoF	California Department of Finance
EDD	California Employment Development Department
HCD	California Department of Housing and Community Development
HRLP	Housing Rehabilitation Loan Program
HUD	Federal Department of Urban and Housing Development
IHURP	Illegal Housing Unit Registration Program
IRWMP	Integrated Regional Water Management Plan
LCP	Local Coastal Plan
LHAC	Local Homeless Assistance Committee
LUP	Land Use Plan
MC	Municipal Code
MGD	Million Gallons per Day
MPWMD	Monterey Peninsula Water Management District
MRWPCA	Monterey Regional Water Pollution Control Agency
PG&E	Pacific Gas & Electric
PGUSD	Pacific Grove Unified School District
PLSRLP	Private Lateral Sewer Replacement Loan Program
PUD	Planned Unit Development
RHNA	Regional Housing Needs Allocation
RHNAP	Regional Housing Needs Allocation Plan
SB	Senate Bill
SFH	Single-Family Home
SHBC	California State Historic Building Code
SWRCB	State Water Resources Control Board Order
TAMC	Transportation Agency of Monterey County
UP	Use Permit

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# 1. Executive Summary

The Housing Element is one of the seven mandated “Elements” of the City of Pacific Grove General Plan. It is the only element that is statutorily required to be updated on a prescribed schedule and submitted to the State of California Department of Housing and Community Development (HCD) for review. The planning period for this Housing Element is December 31, 2015 to December 31, 2023.

State Housing Element law, enacted in 1969, recognizes the vital role local governments play in the supply and affordability of housing. The law acknowledges that in order for the private market to adequately address housing needs and demand, local governments must adopt land use plans and regulatory systems which provide opportunities for, and do not unduly constrain, housing development. As a result, housing policy in the State rests largely upon the effective implementation of local general plans and, in particular, housing elements.

Housing Element law requires that each Housing Element include the following:

- Description of public participation in the update process;
- Review of accomplishments in achieving the goals, policies, and programs outlined in the previous Housing Element;
- An assessment of housing needs including affordability, the condition of the City’s housing stock, and special housing needs;
- An inventory of resources available for housing development and improvement and a review of governmental, non-governmental, and infrastructure constraints to housing development; and
- Goals, policies, and programs to address housing needs and improve housing conditions for the current planning period.

Meeting the above listed requirements and achieving a finding of compliance by HCD is essential in maximizing eligibility for State funding opportunities. In addition to demonstrating compliance with State law, the Housing Element update serves as an important opportunity to address identified needs and outline strategies to improve the quality of living environments in the City of Pacific Grove. Planning tools such as zoning regulations can encourage housing options that meet the needs and preferences of a diverse population.

## 1.1 Housing Needs, Opportunities, and Constraints

The City of Pacific Grove has experienced a small decline in population over the past 25 years (population was estimated at 15,388 as of 2015 compared to 16,117 in 1990). The size and composition of the City’s housing stock has also changed very little since 1990 with a net increase of about 270 units. The City is nearly built-out, with limited vacant land available for new housing development.

The limited supply of vacant land as well as the City’s desirable location, physical beauty, and unique character have contributed to steady demand and housing sales prices that are consistently among the highest in the state. High home prices, the number of second homes, and investment properties contribute to the high percentage of renter-occupied units, which was estimated at 53% according to recent Census reports.

Most of the City’s housing stock (over 90%) was built before 1979, thus there is an ongoing need to facilitate and assist in the rehabilitation and maintenance of homes in Pacific Grove to ensure that units

remain safe and attractive. A 2005 housing conditions survey found that approximately 17% of units were in need of some level of rehabilitation.

In addition to limited land resources, the City faces a number of challenges to providing affordable housing, including conserving natural resources and City character, balancing economic development with housing needs, and contracting housing and financial markets. However, the greatest obstacle to housing development is the lack of available water.

Since October 2009, California American Water, the water purveyor to the City of Pacific Grove, has been under a Cease and Desist Order from the State Water Resources Control Board, reducing the available water supply for the Monterey Peninsula, placing a moratorium on all new water connections, and further restricting pumping on the Carmel River from its previous 1990 Order. While the City is actively participating in the regional effort to develop an alternative water source, the lack of water is likely to be a constraint to housing production in the 2015-2023 planning period.

## 1.2 Regional Housing Needs Allocation

California law requires HCD to project statewide housing needs and allocate those needs to each regional government in the State. For Pacific Grove, the regional planning agency is the Association of Monterey Bay Area Governments (AMBAG). After consultation with the AMBAG, HCD provided the regional need to AMBAG, which then distributed the Regional Housing Needs Allocation (RHNA) to the counties and cities within the AMBAG region. AMBAG allocates housing production goals for each jurisdiction primarily based on their “fair-share” of the region’s population growth, which is outlined in the AMBAG 2014-2023 Regional Housing Needs Allocation Plan (RHNAP). Of the 10,430 total housing units allocated to AMBAG for this planning period, Pacific Grove has been allocated 115 units. One of the primary purposes of the Housing Element update is to demonstrate the City’s ability to accommodate residential development commensurate with the RHNA.

The projected housing needs in the RHNA are categorized by affordability based on standards for very-low-, low-, moderate-, and above-moderate-income households established by the U.S. Department of Housing and Urban Development (HUD) (*California Health and Safety Code* §50079.5). According to the 2014-2023 RHNAP, Pacific Grove must accommodate 28 very-low-income, 18 low-income, 21 moderate-income, and 48 above-moderate-income housing units. The intent of the breakdown between income categories is to encourage a full range of housing opportunities for households of all economic segments in each jurisdiction over time.

As outlined in Chapter 4, the City has adequate sites to accommodate its RHNA allocation based on units already constructed or approved, vacant land available for development, underutilized sites with potential for increased density or redevelopment, and the potential for additional second units. The focus of the adequate sites analysis is on appropriate zoning for a range of housing types and densities, and cities are not penalized if development does not meet the RHNA allocations due to circumstances beyond their control, such as insufficient water supplies.

## 1.3 Housing Strategy

The goals, policies, and programs listed in Chapter 3 outline the City’s approach to meeting identified housing needs for the current planning period. Policies and programs were developed based on accomplishments from the previous Housing Element, changes to State law, and input from members

of the public, committees, elected officials, and City Staff. Each program identifies the responsible department, timeframe for implementation, potential funding source, and, where appropriate, the number of housing units the City expects to add, rehabilitate, or preserve as a result of the program.

The previous Housing Element included a number of successful housing programs that have been continued for the current planning period. The City intends to continue to pursue funding to maintain, and if possible, expand the Housing Rehabilitation Loan Program, Emergency Home Repair Loan Program, and Rental Assistance Program. The City will also continue to explore funding options for programs to promote home ownership.

Current policies and programs continue to recognize the value of second units as a viable affordable housing source. To promote second unit development, the City intends to review the Second Unit Ordinance and make second unit construction more attractive to help address the needs of lower-income households.

Programs are also included to ensure that the Zoning Code complies with State housing law, including Density Bonus Law and Senate Bill 2, which addresses the need for emergency shelters and transitional/supportive housing. Other Zoning Code revisions would establish regulations for single-room occupancy units in appropriate zones, and allow flexibility in parking standards.

In addition, programs are included to facilitate affordable housing development, such as establishing a housing trust fund, an affordable housing overlay to incentivize affordable unit development in the Forest Hill Commercial District, and the preparation of a specific plan or master plan to identify opportunities and establish standards for additional housing in the downtown area.

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## 2. Introduction

### 2.1 Community Context

The City of Pacific Grove (“Pacific Grove” or “the City”) is a coastal community located on the Monterey Peninsula in Monterey County, California. The City was established in the late 1800s as a Methodist Retreat Center and incorporated in 1889. Pacific Grove is characterized by the historic downtown and residential neighborhoods and dramatic ocean views. The City covers 2.8 square miles and is bounded by Pebble Beach to the southwest, Monterey to the southeast, Monterey Bay to the northeast, and the Pacific Ocean to the northwest. Pacific Grove is located approximately 15 miles to the southwest of Salinas and 50 miles to the southwest of San Jose (see Figure 2-1).

**Figure 2-1 Pacific Grove Location Map**



### 2.2 Public Participation

According to State law, local jurisdictions must “make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort” (*California Government Code* §65583(c)). Active community participation throughout the update process contributes to a Housing Element that is a more thorough and accurate representation of the City’s needs and desired actions. Public input played an important role in the formulation of this Housing Element. Public outreach activities included a community workshop and public hearings with the Planning Commission and City Council, all of which were advertised and open to the public.

Throughout the Housing Element Update process, the City maintained a notification list to ensure that interested parties and organizations representing members of the populations with special housing needs were directly invited to participate. The list included, but was not limited to the following organizations:

- Center of Community Advocacy
- Central Coast Center for Independent Living
- Central Coast Senior Services

- Catholic Charities
- Coalition of Homeless Service Providers
- Community Human Services
- Door to Hope
- Monterey County Housing Alliance
- Shelter Outreach Plus
- Eden Housing
- Turning Point

The Public Review Draft Housing Element was made available for public review at the City library and on the City’s website ([www.cityofpacificgrove.org](http://www.cityofpacificgrove.org)), and direct notices of opportunities to participate in the Housing Element update were sent to those on the mailing list. Please refer to Appendix C for more information regarding the public review process.

### 2.3 General Plan Consistency

State law requires that the General Plan and all of its elements comprise an “integrated, internally consistent, and compatible statement of policies.” The Housing Element is Chapter 3 of the Pacific Grove General Plan. The other General Plan Elements were last updated in 1994. This Housing Element builds upon the existing General Plan and is consistent with its goals, policies, and programs. Consistency between the Housing Element and the General Plan will continue to be evaluated as other Elements of the General Plan are amended and modifications will be made as necessary to maintain consistency.

### 2.4 Housing Element Organization

The Housing Element is organized as follows:

- **Chapter 2. Goal, Policies, and Programs.** Housing goals, policies, and programs to address the City’s identified housing needs.
- **Chapter 3. Needs Assessment.** A profile of the community including an analysis of the City’s population, housing characteristics and trends, and special housing needs.
- **Chapter 4. Land Availability and Housing Resources.** An evaluation of the land and financial resources available to address Pacific Grove’s housing goals.
- **Chapter 5. Constraints.** Review of potential governmental, market, and environmental constraints that may limit the City’s ability to address its housing needs.

### 3. Goals, Policies, Programs and Objectives

This Chapter identifies housing goals, policies, programs and objectives for the City of Pacific Grove during the 2015-2023 planning period. In order to make adequate provisions for the housing needs of all economic segments of the community, Pacific Grove has developed the following goals:

1. Support the maintenance and rehabilitation of the City's existing housing stock and residential neighborhoods.
2. Provide diverse, high quality housing choices appropriate for residents at all income levels.
3. Reduce governmental and infrastructure constraints to the improvement and development of housing for people of all income levels.
4. Increase housing opportunities for persons with special housing needs.
5. Ensure equal opportunities to secure appropriate housing for all persons regardless of race, gender, familial status, ancestry, national origin, color, or sexual orientation, or other potential barriers that prevent choice in housing.
6. Ensure resource efficiency in new and existing housing units.

The City will make its best efforts to work toward these Housing Element goals and implement the associated programs. Wherever revisions to other elements of the General Plan or the City's Municipal Code are required to achieve these goals, such revisions will be subject to the public review process. The City also notes that achievement of the City's housing development goals is dependent on the future availability of water. If programs are not implemented due to these constraints, other programs will be considered in order to achieve the intent of the original program. Adopted programs will be evaluated for their effectiveness in the annual review process and in the next Housing Element update.

#### 3.1 Housing Goals, Policies, and Programs

**Goal 1**      **Support the maintenance and rehabilitation of the city's existing housing stock and residential neighborhoods.**

**Policy 1.1**      **Encourage rehabilitation and private reinvestment to protect residential neighborhoods from deterioration.**

**Program 1.1**      **Housing Preservation and Rehabilitation**

In order to facilitate preservation and rehabilitation of the existing housing stock, the City will continue to pursue the following activities:

- Work with property owners of housing in need of rehabilitation to make repairs to reduce the potential of continuing deterioration. The City will continue to assist homeowners in identifying appropriate City rehabilitation programs including the Housing Rehabilitation Loan Program, Emergency Home Repair Loan Program, and Sewer Lateral Loan Program, as well as non-City entities such as the Local Heritage Society for assistance with specialized rehabilitation financing opportunities.

- Continue to apply for funds for the Housing Rehabilitation Loan Program under the State’s Small Cities CDBG Program and pursue other State and federal funds as appropriate to assist in the maintenance and improvement of housing.
- Continue and, if funding allows, expand the Emergency Home Repair Loan Program to assist lower-income homeowners with urgent home repairs.
- Continue to publicize information about rehabilitation funding and suggestions to encourage ongoing maintenance. Information is current and will continue to be made available on the City website and on printed brochures placed in public spaces.
- In order to remain competitive for grant applications, conduct a housing conditions survey generally every five to ten years to identify properties to be targeted for rehabilitation.
- Continue to direct persons displaced in the abatement of substandard or illegal units to appropriate housing resource agencies.

Responsible Dept.: Community Development Department - Housing Division  
 Timeframe: Apply for funding as available (determined by HCD NOFA), typically late spring or summer every year;  
 Housing conditions survey in 2016-17;  
 Ongoing program administration  
 Funding: CDBG, CalHome, General Fund  
 Housing Objective: Rehabilitate 2 extremely-low-, 15 very-low-, and 15 low-income units

**Policy 1.2 Protect the existing mobile home park from conversion to other uses.**

**Program 1.2 Mobile Home Park Preservation**

Maintain the existing R-1-M-H zoning for the Monarch Pines Mobile Home Park.

Responsible Dept.: Community Development Department - Planning Division, Planning Commission, City Council  
 Timeframe: Ongoing  
 Funding: General Fund  
 Housing Objective: Preserve 103 mobile home units

**Policy 1.3 Protect existing residential neighborhoods and consider the quality of life in higher density neighborhoods and the need for public amenities, such as community facilities, appropriate landscaping, and passive recreation.**

**Program 1.3 Architectural Review**

Continue to apply the City of Pacific Grove Architectural Review Guidelines through architectural approvals, and consider developing similar guidelines to inform multi-family and mixed-use development projects.

Responsible Dept.: Community Development Department - Planning Division, Planning Commission, City Council

Timeframe: Consider adoption of multi-family and mixed-use guidelines during the 2015-2023 planning period  
 Funding: General Fund  
 Housing Objective: n/a

**Goal 2 Provide diverse, high quality housing choices appropriate for residents at all income levels.**

**Policy 2.1 Strive to accommodate the City’s share of the region’s housing needs.**

**Program 2.1 Monitor Housing Production and Potential Housing Sites**

Report annually on the City’s progress in meeting its fair share housing targets, and maintain an inventory of land suitable for low-income housing. Provide this information to the development community and non-profit housing developers.

Responsible Dept.: Community Development Department - Housing Division  
 Timeframe: Ongoing, update annually  
 Funding: General Fund  
 Housing Objective: n/a

**Policy 2.2 Pursue funding sources and leverage available funds to assist with the development of housing affordable to lower-income households.**

**Program 2.2 Funding for Affordable Housing**

Consider developing a housing trust fund. Monies would be used to assist in the development of housing for extremely-low-, very-low-, and low-income households, attract potential affordable housing developers, fund the Rental Assistance Program, and leverage other resources. A potential source of funds could be the transient occupancy tax (TOT) on private short-term rentals, which may have the effect of reducing the supply of housing for the local workforce.

Responsible Dept.: Community Development Department - Housing Division  
 Timeframe: Initial investigation ~~W~~within three years of Housing Element adoption; if determined to be appropriate, initiate establishment of a trust fund.  
 Funding: General Fund for initial investigation of feasibility  
 Housing Objective: n/a

**Policy 2.3 Encourage affordable housing development by providing incentives, working with developers to identify appropriate locations, and helping to offset the cost of affordable housing development.**

**Program 2.3.a Density Bonus**

The City shall ensure that zoning regulations are in conformance with state Density Bonus Law (*California Government Code* §65915). To ensure successful implementation, the City will encourage developers to utilize the density bonus provisions to increase the number of units in the underlying zone in return for construction of lower-income housing (extremely-low-, very-low-, and low-income units) by providing workable incentives that improve the financial feasibility of a project. When

affordable units are provided, they shall be interspersed with market-rate units in the project and shall be visually indistinguishable from market rate units. The City will make information regarding density bonus incentives available to developers via the City’s website and through an informational brochure at the Planning Division counter.

Responsible Dept.: Community Development Department - Planning Division, City Manager, Planning Commission, City Council  
Timeframe: Revision of the Zoning Code within two years of Housing Element adoption; Implementation of density bonus for projects is ongoing; Promotion of density bonus incentives is ongoing  
Funding: General Fund  
Housing Objective: 1 extremely-low-, 4 very-low-, and 15 low-income units

**Program 2.3.b Downtown Master Plan**

The City shall pursue State and federal grant opportunities to fund preparation of a specific plan or master plan for the downtown area to evaluate the feasibility of high-density residential development and incentives for upper floor residential units in the downtown area and to support and enhance the existing compact urban core with convenient services and transit. The plan could include a vision, standards, development incentives, and financing strategies for development.

Responsible Dept.: Community Development Department - Planning Division, Planning Commission, City Council  
Timeframe: Within five years of Housing Element adoption  
Funding: General Fund to prepare grant applications  
Housing Objective: n/a

**Program 2.3.c Encourage Residential and Mixed Use Development in Commercial Zones**

Inform commercial developers of zoning provisions allowing residential and mixed uses in commercial zones and the City’s policies favoring such development. Specifically discuss potential residential and mixed-use development opportunities and available incentives, such as a density bonus, with landowners and developers with an interest in the sites identified in Section 5.2, Sites Inventory and Analysis.

Identify and contact owners of underutilized motels or other commercial structures that are in need of rehabilitation and consider offering financial assistance or other incentives, where feasible, to encourage converting and/or upgrading their buildings for permanent special needs housing that could serve disabled, seniors, extremely-low- and/or very-low-income persons.

Consider establishing an affordable housing overlay to promote the development of multifamily affordable housing in the Forest Hill Commercial District. The overlay could include development incentives to encourage lot consolidation and affordable unit development, particularly mixed-use projects including commercial space and housing units on underutilized commercial properties. Incentives could include:

- Residential density increase beyond those provided by State Density Bonus law;

- Flexible zoning standards such as exceptions to requirements for setbacks, open space, and parking;
- Streamlined procedures for lot consolidation;
- Priority permit processing; and
- Deferral or reduction of City permit fees.

Responsible Dept.: Community Development Department - Planning Division  
 Timeframe: ~~Ongoing~~ Contact owners of underutilized commercial properties at least twice during the planning period; Consider establishing an affordable housing overlay by 2018, and if determined to be appropriate, initiate a Code amendment.

Funding: General Fund  
 Housing Objective: 10 very-low-, 10 low-, and 10 moderate-income units on underutilized sites

#### **Program 2.3.d Preserve Affordable Housing Units**

Work with property owners of deed-restricted units that are at-risk of converting to market-rate housing to preserve the affordable housing by providing incentives or resources, such as working with the County to target Section 8 vouchers for the units, or providing rehabilitation funds for improvements.

Responsible Dept.: Community Development Department - Housing Division  
 Timeframe: Ongoing (contact property owners at least one year prior to deed restriction expiration)  
 Funding: General Fund  
 Housing Objective: Preserve 7 low-income and 2 moderate-income units

#### **Program 2.3.e Facilitate Housing Development on Underutilized Parcels**

Historically, the City of Pacific Grove contained many small residential lots that through years of zoning, have been made non-conforming because they are considered too small. The City will evaluate specific residential locations that could accommodate small or tiny houses on undersized parcels, such as areas that directly abut a commercial area, and examine potential modifications to site development standards that could encourage such homes where they would be most appropriate.

Evaluate opportunities for parcel assembly and the use of substandard or underutilized parcels for affordable housing by relaxing development standards, developing procedures to facilitate the process, and working with property owners and developers.

Evaluate the feasibility of reinstating the Illegal Housing Unit Registration Program if the units meet health and safety inspection and documentation requirements. Unit registration should require a deed restriction stipulating that the unit is affordable to very low-income households in perpetuity.

Responsible Dept.: Community Development Department - Planning Division  
 Timeframe: Feasibility analysis in 2016-17; if feasible, initiate Code amendments as appropriate  
 Funding: General Fund

Housing Objective: 4 very-low-income units

**Program 2.3.f Affordable Housing Development Assistance**

Provide assistance to affordable housing development projects, such as expedited review, administrative assistance with funding applications, and coordination with neighborhood groups to address concerns.

Responsible Dept.: Community Development Department - Housing Division  
Timeframe: Ongoing  
Funding: General Fund  
Housing Objective: n/a

**Program 2.3.g Short-Term Rental of Private Homes**

Many cities in popular vacation areas have noted that the recent growth in short-term rental of private homes has the potential to adversely affect the cost and supply of permanent housing. The City will review this issue and if it is determined to have a significant effect on affordable housing cost and supply, appropriate actions will be considered to offset these effects and mitigate this impact.

Responsible Dept.: Community Development Department - Housing Division  
Timeframe: 2016-17  
Funding: General Fund  
Housing Objective: n/a

**Policy 2.4 Continue to encourage the development of second units as a viable affordable housing source.**

**Program 2.4 Second Units**

The City will continue to produce and distribute a brochure summarizing second unit permit requirements. In addition, the City will review the Second Unit Ordinance and consider revised standards to encourage the development of second units. Second units approved under revised standards could require a deed restriction stipulating that the units remain affordable to low-income households in perpetuity. The ordinance should continue to allow second units in all residential zones, with the exception of R-1-B-4.

Responsible Dept.: Community Development Department - Planning Division  
Timeframe: Review second unit regulations in 2016-17 and initiate a Code amendment as appropriate  
Funding: General Fund  
Housing Objective: 10 low-income second units

**Goal 3 Reduce governmental and infrastructure constraints to the improvement and development of housing for people of all income levels.**

**Policy 3.1 Provide public facilities and services in support of new housing construction and the revitalization of older neighborhoods and continue to work aggressively with the water district and other Monterey Peninsula cities to**

**find long-term solutions to the water problem, to increase the water available for residential uses, and to provide for drought protection.**

**Program 3.1 Water Supply**

Continue water conservation measures in an effort to make water allocations available for housing through potable water usage reduction measures at City sites such as the golf course and cemetery, and the implementation of MPWMD programs. The City will continue to actively participate in the development of the proposed Regional Water Project. Projects that include affordable housing will be given priority as water allocations become available. Water and wastewater agencies serving Pacific Grove will be provided a copy of the Housing Element pursuant to *California Government Code* §65589.7.

Responsible Dept.: Community Development Department - Planning Division  
 Timeframe: Implementation of MPWMD programs and participation in the Regional Water Project ongoing (attend meetings monthly)  
 Provide a copy of the Housing Element to water and wastewater agencies upon adoption.  
 Funding: General Fund  
 Housing Objective: n/a

**Policy 3.2 Continue to cooperate with the Pacific Grove Unified School District (PGUSD) in coordinating new residential development with school facilities and meeting housing needs for PGUSD employees.**

**Program 3.2 School District Coordination on Housing Issues**

Continue to coordinate with Pacific Grove Unified School District (PGUSD) on housing issues, trends, and constraints. Provide a copy of the draft Housing Element and annual housing program assessment reports to PGUSD for review and comment. Seek additional opportunities for partnership and information sharing in order to better address the housing needs of PGUSD employees.

Responsible Dept.: Community Development Department - Planning Division  
 Timeframe: Ongoing  
 Funding: General Fund  
 Housing Objective: n/a

**Policy 3.3 Ensure that City policies, regulations, and procedures do not add unnecessarily to the time or cost of producing affordable housing, while assuring the attainment of other City objectives.**

**Program 3.3.a Development Fees**

Review City fee structures periodically to assure that the cost of services and exactions do not exceed actual costs to the City. Consider the reduction of fees for affordable housing units, where possible.

Responsible Dept.: Community Development Department - Housing, Planning and Building Divisions, City Council  
 Timeframe: Ongoing, review annually and revise fees as appropriate  
 Funding: General Fund

Housing Objective: n/a

**Program 3.3.b Adequate Sites to Accommodate Housing Needs**

In order to ensure that adequate sites are available throughout the planning period to accommodate the City’s RHNA, the City will continue to comply with California Government Code §65863 through a project-by-project evaluation.

When water allocations become available for commercial, mixed-use, and residential development, if the ongoing monitoring of development proposals indicates commercial/mixed-use sites are not providing for residential development opportunities as anticipated to address the housing needs for all income levels, the City will develop additional strategies to encourage and facilitate the development of multi-family housing affordable to lower-income households ~~or otherwise commit to going through the public review process to rezone sites for exclusively residential uses, as appropriate, pursuant to Government Code 65583.2(h) and (i).~~

Responsible Dept.: Community Development Department - Housing, Planning and Building Divisions  
Timeframe: Throughout the planning period  
Funding: General Fund  
Housing Objective: n/a

**Program 3.3.c Use Permit for Multi-Family Development**

The City currently has a Use Permit requirement for multi-family developments consisting of ~~eight or more~~greater than seven units in the City’s multi-family zones (R-3 and R-4). While the City is relying heavily on mixed-use development in commercial zones to accommodate its need for lower-income households, several high-density residential opportunity sites allowing capacity above the seven unit threshold have been identified in the inventory. To ensure the City’s Use Permit process is not an unreasonable constraint on the potential development of these sites, the City will monitor development proposals in the R-3 and R-4 zones and review and analyze the effect of the Use Permit requirement on multi-family developments with seven or more units. As part of this review, Staff will meet with the local for- and non-profit development community, particularly multi-family developers, to gather input to determine if the Use Permit process is an unreasonable constraint to building multi-family housing in Pacific Grove.

When water allocations become available for residential development, if the Use Permit requirement on multi-family developments of ~~eight~~seven or more units is determined to be an unreasonable constraint on building multi-family housing, the City will go through the public review process to consider amendments the Zoning Ordinance to remove the Use Permit requirement.

Responsible Dept.: Community Development Department - Housing, Planning and Building Divisions  
Timeframe: Ongoing Review Use Permit procedures when new water allocations become available, and if revisions are necessary initiate a Code amendment  
Funding: General Fund

Housing Objective: n/a

**Policy 3.4 Minimize regulatory constraints on housing development.**

**Program 3.4.a Parking Standards**

The City will review parking requirements and consider options and parking reduction opportunities, such as:

- *Tandem Parking.* Allow for tandem parking for single-family dwellings and individual mobile homes upon meeting appropriate performance criteria.
- *Shared Parking.* Where two or more uses have distinct and differing peak traffic usage periods the required number of parking spaces may be reduced through Use Permit approval.
- *Low Vehicle-Ownership Reduced Parking Requirement.* Allow for a reduction in parking spaces for uses that serve tenants with low vehicle ownership rates including special needs housing facilities that can demonstrate a reduced parking need.
- *Reduced Parking for Affordable Housing.* Utilize state parking requirements for eligible affordable housing developments as provided in Government Code §65915(p).

Responsible Dept.: Community Development Department - Planning Division, Planning Commission, City Council

Timeframe: Review parking standards ~~W~~within two years of Housing Element adoption and initiate Code amendments as appropriate

Funding: General Fund

Housing Objective: n/a

**Program 3.4.b Single-Room-Occupancy Units**

In order to encourage housing for extremely-low- and low-income households, the City shall consider a Zoning Code amendment to encourage single-room-occupancy units (SROs) in the C-1, R-3, or R-4 zoning districts with a conditional use permit.

Responsible Dept.: Community Development Department - Planning Division, Planning Commission, City Council

Timeframe: Consider SRO regulations ~~W~~within two years of Housing Element adoption; if deemed appropriate, initiate a Code amendment

Funding: General Fund

Housing Objective: 5 extremely-low-income units

**Program 3.4.c Mobile Homes and Manufactured Housing**

In order to facilitate the use of mobile homes and manufactured housing, the City will review zoning regulations for this type of housing and if necessary a Code amendment will be processed to ensure conformance with state law.

Responsible Dept.: Community Development Department - Planning Division, Planning Commission, City Council  
Timeframe: Review zoning regulations for mobile and manufactured housing in 2016 and if necessary; initiate a Code amendment to ensure conformance with state law  
Funding: General Fund  
Housing Objective: n/a

**Goal 4 Increase housing opportunities for persons with special needs.**

**Policy 4.1 Facilitate the development and rehabilitation of housing for seniors and persons with physical, developmental, or mental disabilities.**

**Program 4.1.a Housing Rehabilitation for Persons with Special Needs**

Continue to use the City’s rehabilitation program to modify existing dwellings to accommodate low-income seniors and persons with disabilities.

Responsible Dept.: Community Development Department - Housing Division  
Timeframe: Ongoing  
Funding: Housing Rehabilitation Loan Program  
Housing Objective: 4 rehabilitated low-income units

**Program 4.1.b Reasonable Accommodation**

The City will adopt a reasonable accommodation policy or ordinance implementing policies and procedures that may be necessary to ensure equal access to housing for those with disabilities pursuant to the Fair Housing Amendments Act of 1988 and the requirements of Chapter 671, Statutes of 2001 (Senate Bill 520). Reasonable accommodation is an allowance for some flexibility in the application of zoning and building regulations, practices, and procedures. The City will promote its reasonable accommodations procedures on its website and with handouts at City Hall.

Responsible Dept.: Community Development Department - Planning and Building Divisions, City Council  
Timeframe: Concurrent with Housing Element adoption (2016)  
Funding: General Fund  
Housing Objective: n/a

**Policy 4.2 Continue to work with surrounding jurisdictions, non-profit organizations, and public safety departments to address the needs of the homeless on a regional basis.**

**Program 4.2.a Emergency Shelters, Transitional/Supportive Housing and Residential Care Facilities**

Continue to coordinate with the County, neighboring cities, and community-based organizations and contribute funding, when feasible, toward emergency shelter programs for the area, including consideration of funding for programs developed through inter-jurisdictional cooperation.

Ensure that City zoning regulations facilitate development of emergency shelters, transitional/supportive housing and residential care facilities in conformance with state law.

Responsible Dept.: Community Development Department - Housing and Planning Divisions  
 Timeframe: Ongoing; Zoning Code amendment concurrent with Housing Element adoption (2016)  
 Funding: General Fund, Housing Fund  
 Housing Objective: n/a

**Program 4.2.b Section 8 Rental Assistance**

Continue to support the Housing Authority of the County of Monterey in the administration of its housing programs by providing referrals to local residents in order to increase the number of available housing units in the Section 8 rental assistance program in Pacific Grove.

Responsible Dept.: Community Development Department - Housing Division  
 Timeframe: Ongoing  
 Funding: General Fund, Housing Fund  
 Housing Objective: n/a

**Policy 4.3 Support shared housing programs operated by local non-profit organizations.**

**Program 4.3.a Shared Housing**

Continue to support organizations such as the Alliance on Aging, Meals on Wheels, and other shared housing programs through administrative and resource support, for example, access to City facilities, and provide financial support as monies are available.

Responsible Dept.: Community Development Department - Housing Division  
 Timeframe: Ongoing  
 Funding: General Fund, Housing Fund  
 Housing Objective: n/a

**Program 4.3.b Support Persons with Developmental Disabilities**

Continue to provide support to ensure the continued operation and expansion of the Gateway Center, a residential care and support center for persons with developmental disabilities.

Responsible Dept.: Community Development Department - Housing Division  
 Timeframe: Ongoing  
 Funding: General Fund (for Staff time)  
 Housing Objective: n/a

**Goal 5 Ensure equal opportunities to secure appropriate housing for all persons regardless of race, gender, familial status, ancestry,**

**national origin, color, sexual orientation, or other potential barriers that prevent choice in housing.**

**Policy 5.1** Increase public awareness of remedies for housing discrimination.

**Program 5.1** Support Fair Housing

Continue to publicize information about the enforcement activities of the California Fair Employment and Housing Commission. Fair housing information will continue to be made available on the City’s website and through brochures at the Planning Division and Finance Department Counters at City Hall and at the Pacific Grove Public Library and Senior Center. The City will continue to promote April as “Fair Housing Month” through a proclamation from the Mayor and educational programs such as a poster and poetry competition for local youth.

Continue to participate in public and private efforts to enforce fair housing practices, to refer reported cases of arbitrary discrimination to mediation services, and to support the Conflict Resolution and Mediation Center of Monterey County and other low- or no-cost mediation services.

Responsible Dept.: Community Development Department - Housing Division  
Timeframe: Ongoing  
Funding: General Fund, Housing Fund  
Housing Objective: n/a

**Goal 6** Ensure resource efficiency in new and existing housing units.

**Policy 6.1** Promote energy conservation and weatherization features in existing homes.

**Program 6.1** Energy Conservation in Existing Homes

Continue to post information on weatherization and energy conservation programs on the City’s website and in brochures available in the Community Development Department office.

Continue to pursue funding opportunities for energy efficiency rehabilitation loans.

Responsible Dept.: Community Development Department - Housing and Building Divisions  
Timeframe: Ongoing  
Funding: General Fund  
Housing Objective: n/a

**Policy 6.2** Encourage energy and resource efficiency in the design of all new residential developments, to the extent practical.

**Program 6.2** Energy Efficiency in New Homes

The City shall continue to implement the Green Building Ordinance to encourage efficient building design standards in new construction and redevelopment and to promote increased energy conservation.

As part of each update to Building Codes, the City will continue to seek ways to encourage projects to exceed the minimum requirements for energy efficiency, such as through expedited permitting.

Responsible Dept.: Community Development Department - Building Division  
 Timeframe: Ongoing; tri-annual building code updates  
 Funding: General Fund  
 Housing Objective: n/a

### 3.2 Quantified Objectives

Quantified objectives estimate the number of units that are planned to be constructed, rehabilitated, and conserved over the 2015-2023 planning period (Table 3-1).

**Table 3-1 Quantified Objectives for the 2015-2023 Housing Element**

Category	Quantified Objectives by Income Group				Total
	Very Low (Extremely Low)*	Low	Moderate	Above Moderate	
Total New Construction	28 (14)	18	21	48	115
Total Rehabilitation	15 (2)	19	0	0	36
Total Preservation	0	7	2	0	9

\* Extremely low is a subset of the very low category



## 4. Needs Assessment

When preparing a housing element, jurisdictions must evaluate both existing and future housing needs for all income groups. This Chapter analyzes demographic and housing characteristics that influence the demand for and availability of housing. The analyses form a foundation for establishing programs and policies to address identified housing needs.

Data sources for the Needs Assessment include the U.S. Census Bureau, the California Department of Finance, the California Employment Development Department, the Association of Monterey Bay Area Governments (AMBAG), and other public or private sources. These data sources are helpful in assessing existing conditions, providing a comparison with historical data, and forecasting future conditions.

### 4.1 Demographic Characteristics

Housing needs in the City of Pacific Grove are greatly influenced by population and employment trends. The following section provides a summary of the changes to the population size and age, household composition, the racial/ethnic composition of City residents, and employment trends.

#### 1. Population

According to the California Department of Finance, the Pacific Grove population in 2015 was estimated to be 15,388. Following a 22% population increase in the early 1970s, Pacific Grove saw only slight fluctuations in the overall population from 1975 to 2010. The City has experienced a population decrease of 295 persons from 2010 to 2015 (Table 4-1 and Table 4-2).

**Table 4-1 Pacific Grove Population Trends 1970-2015**

Year	Population	Percent Growth	Annual Percent Growth
1970	13,505	--	--
1975*	16,500	22%	4%
1980	15,755	-4%	-1%
1985*	16,000	2%	<1%
1990	16,117	1%	<1%
1995*	15,878	-1%	0%
2000	15,459	-2%	0%
2005*	15,512	0%	0%
2010	15,683	1%	<1%
2015	15,388	(1.9%)	(0.4%)

\* Mid-decade populations are DoF estimates.

Source: DoF Reports E-4 and E-5 and U.S. Census Bureau

The neighboring cities of Carmel-by-the-Sea and Monterey also saw declines in population for the period from 2000 to 2015. The County as a whole, however, grew by approximately 6% during this period, which can be attributed to inland cities including Salinas, Soledad, and the City of King. Refer to Table 4-2 for population trends for Pacific Grove, Carmel-by-the-Sea, Monterey, and Monterey County.

**Table 4-2 Population Trends 2000-2015**

Jurisdiction	2000	2015	
	Population	Population	Percent Change
City of Pacific Grove	15,459	15,388	-0.5%
City of Carmel-by-the-Sea	4,081	3,747	-8.2%
City of Monterey	29,696	28,163	-5.2%
County of Monterey	401,762	425,413	5.9%

Sources:  
U.S. Census Bureau; DoF E-5 Report 2015

## 2. Age Characteristics

Overall, the Pacific Grove population is aging. As of 2010, the median age of Pacific Grove residents was 48.1 years, well above the Monterey County median of 32.9 years (Table 4-3).

**Table 4-3 Age Distribution**

Age Group	Pacific Grove		Monterey County	
	Persons	%	Persons	%
Under 5 years	614	4%	32,547	8%
5 to 9 years	664	4%	30,577	7%
10 to 14 years	721	5%	29,037	7%
15 to 19 years	732	5%	32,624	8%
20 to 24 years	736	5%	32,481	8%
25 to 34 years	1,713	11%	62,077	15%
35 to 49 years	2,737	18%	81,498	20%
50 to 64 years	3,880	26%	69,794	17%
65 to 74 years	1,448	10%	22,921	6%
75 to 84 years	1,092	7%	14,744	4%
85 years and over	704	5%	6,757	2%
Total	15,041	100%	415,057	100%
Median age	48.1		32.9	

Source: 2010 Census, Table DP-1

A continued aging of population will mean that the City will need to consider the types of services provided, maintenance and rehabilitation programs for the existing housing stock, and affordable housing for seniors. There are a number of programs and services currently available to the City’s existing senior population, including the Meals on Wheels program run by the Sally Griffin Senior Center. Housing-related issues are addressed in the policies and programs in Chapter 2.

## 3. Household Characteristics

Household size and composition are often interrelated and can indicate the type of housing appropriate for Pacific Grove residents. The U.S. Census defines a household as all persons living in a single housing unit, whether or not they are related. In 2015, the average Pacific Grove household contained

2.14 persons, up slightly from an average 2.09 persons per household in 2010. The Pacific Grove average household size is significantly lower than that of Monterey County as a whole, with an average of 3.22 persons per household.

As shown in Table 4-4, recent census estimates reported that about 72% of owner households and about 75% of renter households were comprised of one or two persons. Less than 4% of owner households and only about 6% of renter households had more than 4 persons.

**Table 4-4 Household Size by Tenure**

Household Size	Owners		Renters	
	Households	%	Households	%
1 person	918	28.5%	1517	42.2%
2 persons	1,389	43.1%	1195	33.2%
3 persons	482	15.0%	342	9.5%
4 persons	315	9.8%	322	9.0%
5 persons	118	3.7%	137	3.8%
6 persons	0	0.0%	6	0.2%
7+ persons	0	0.0%	75	2.1%
Total households	3,222	100%	3,594	100%

Source: 2009-2013 ACS Table B25009

#### 4. Race and Ethnicity

According to recent Census estimates, Pacific Grove's racial and ethnic composition differs significantly from Monterey County as a whole. Over half of county residents reported Hispanic ancestry, as compared to only about 11% of City residents (Table 4-5).

**Table 4-5 Race and Ethnicity**

Racial/Ethnic Group	Pacific Grove		Monterey County	
	Persons	%	Persons	%
Not Hispanic or Latino	13,426	89.3%	185,054	44.6%
-White	11,767	78.2%	136,435	32.9%
-Black or African American	191	1.3%	11,300	2.7%
-American Indian/Alaska Native	53	0.4%	1,361	0.3%
-Asian	859	5.7%	23,777	5.7%
-Native Hawaiian/Pacific Islander	41	0.3%	1,868	0.5%
-Other races or 2+ races	515	3.4%	10,313	2.5%
Hispanic or Latino (any race)	1,615	10.7%	230,003	55.4%
Total	15,041	100%	415,057	100%

Source: 2010 Census, Table DP-1

## 5. Employment

Housing needs are influenced by employment trends. Significant shifts in employment opportunities within or around the City can lead to growth in demand for housing in proximity to jobs. The quality or level of pay also determines the need for various housing types and prices.

As shown in Table 4-6, the largest occupational category for Pacific Grove residents was “management, business, science, and arts” with about 46% of all employed residents. Service and sales/office occupations represented about 21% and 25% of workers, respectively. The unemployment rate for City residents was about 4% compared to about 7% for the County as a whole.

**Table 4-6 Employment by Occupation**

Occupation	Pacific Grove		Monterey County	
	Employees	% of All Jobs	Employees	% of All Jobs
Management, business, science, and arts	3,378	45.8%	48,201	27.6%
Service	1,567	21.3%	35,996	20.6%
Sales and office	1,805	24.5%	37,637	21.6%
Natural resources, construction, and maintenance	340	4.6%	33,086	19.0%
Production, transportation, and material moving	284	3.9%	19,533	11.2%
Total Employed Persons	7,374	100%	174,453	100%
Source: U.S. Census, 2009-2013 ACS				

## 6. Household Income

Household income relates directly to the household’s ability to acquire adequate housing. While above-moderate-income households have more disposable income to spend on housing, low- and moderate-income households are more limited in the range of housing that they can afford. Typically, as the income of households decreases the incidence of overpayment and overcrowding increases.

The Department of Housing and Community Development (HCD) establishes housing affordability criteria for five income categories based on the 2015 Monterey County median income of \$68,700 (see Table 4-7).

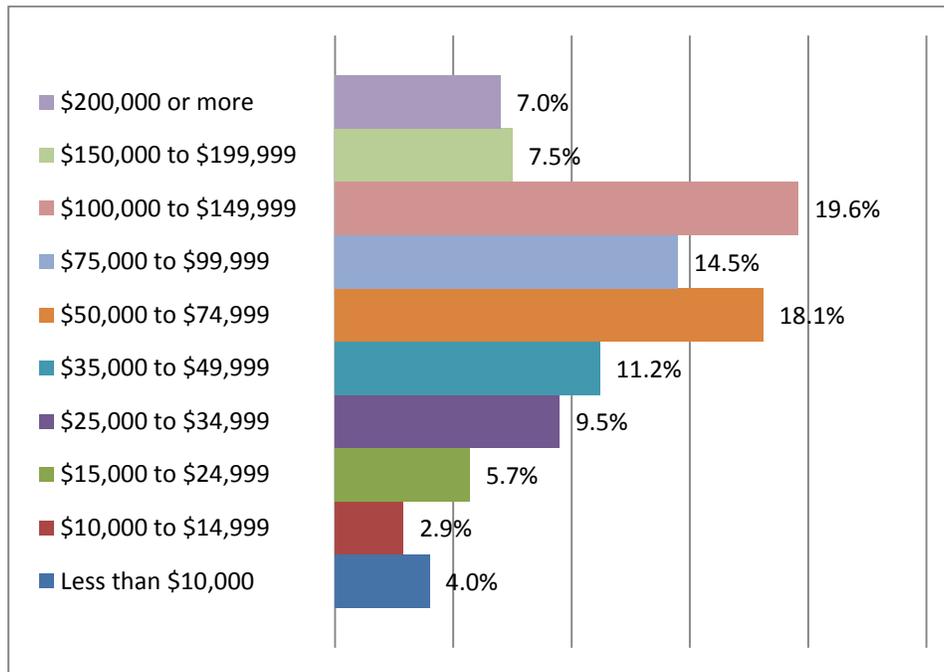
**Table 4-7 Income Range by Affordability Category**

Affordability Category	Percent of County Median	Income Limit (\$)¹
Extremely Low Income	≤30%	\$24,250
Very-Low Income	31%-50%	\$43,650
Low Income	51%-80%	\$58,000
Moderate Income	81%-120%	\$82,450
Above-moderate Income	>120%	> \$82,450

Notes:  
 ¹ Based on 2015 MFI of \$68,700 for 4-person households in Monterey County.  
 Source: California Department of Housing and Community Development, 2015

According to recent Census estimates, the median household income in Pacific Grove was approximately \$72,000 per year. As seen in Figure 4-1, about 34% of households had annual incomes over \$100,000.

**Figure 4-1 Household Income Distribution**



Source: U.S. Census 2009-2013 ACS

As shown in Table 4-8, approximately 31% of renter-occupied households and 25% of owner-occupied households in Pacific Grove were within the extremely-low-, very-low- and low-income categories. About 8% of renter-occupied households and 6% of owner-occupied households were within the extremely-low-income category.

**Table 4-8 Household Income by Tenure**

Income Category	Pacific Grove		Monterey County	
	Owners	Renters	Owners	Renters
30% AMI or less	5.5%	8.4%	5.1%	16.2%
31-50% AMI	7.5%	7.0%	7.6%	17.1%
51-80% AMI	11.6%	15.4%	13.2%	21.1%
81-100% AMI	6.3%	12.2%	9.1%	10.9%
>100% AMI	69.0%	57.0%	65.1%	34.7%
Source: HUD CHAS data based on 2008-2012 ACS				

## 4.2 Housing Characteristics

The following section discusses the state of the housing stock and affordability in Pacific Grove. The analysis includes the type, age, and condition of existing housing units, housing market factors including vacancy rates and housing costs, and potential housing problems including overpayment, overcrowding, and units at risk of converting from affordable to market rate.

### 1. Housing Type and Age

As of 2015, there were a total of 8,184 housing units in Pacific Grove. As shown in Figure 4-2, the majority of the units (58%) were single-family detached. Single-family detached housing is defined as a one-unit structure separate from any other house; that is, with open space on all four sides. Multi-family housing made up about 35% of the housing stock while mobile homes comprised about 2% of units. As shown in Table 4-9, the most common size for owner-occupied units was three bedrooms while two-bedrooms was the most common size for rental units.

Figure 4-2 Housing Stock Composition

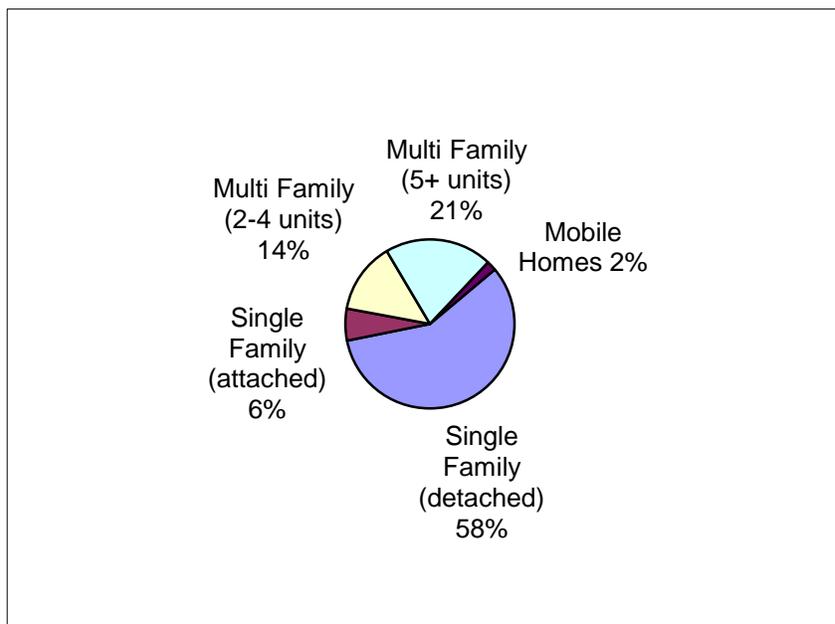


Table 4-9 Unit Size by Tenure

Unit Size	Owner-Occupied		Renter- Occupied	
	Units	%	Units	%
Studio/1 bedroom	127	3.9%	1,270	35.3%
2 bedrooms	1,123	34.9%	1,640	45.6%
3 bedrooms	1,326	41.2%	501	13.9%
4 bedrooms	554	17.2%	147	4.1%
5 or more bedrooms	92	2.9%	36	1.0%
<b>Total</b>	<b>3,222</b>	<b>100%</b>	<b>3,594</b>	<b>100%</b>

Source: 2009-2013 ACS Table B25042

According to recent Census estimates, about 88% of Pacific Grove’s housing stock was built before 1980 and a significant number of units (41%) were built before 1950 (Table 4-10). The City has a tremendous stock of historic housing with over 1,300 properties listed on the City’s Historic Resources Inventory.

**Table 4-10 Housing Units by Year Built**

Year Built	Pacific Grove		Monterey County	
	Units	%	Units	%
Built 2010 or later	33	0.4%	350	0.3%
Built 2000 to 2009	256	3%	13,234	9%
Built 1990 to 1999	253	3%	16,974	12%
Built 1980 to 1989	471	6%	18,987	14%
Built 1970 to 1979	1,134	14%	27,982	20%
Built 1960 to 1969	1,265	15%	22,037	16%
Built 1950 to 1959	1452	18%	19,775	14%
Built 1940 to 1949	903	11%	9,633	7%
Built 1939 or earlier	2475	30%	10,354	7%
<b>Total units</b>	<b>8,242</b>	<b>100%</b>	<b>139,326</b>	<b>100%</b>

Source: Census 2009-2013 ACS, Table DP-4

## 2. Condition of Housing Units

Households living in substandard conditions are considered to be in need of housing assistance due to health and safety threats, even if they are not seeking alternative housing arrangements. Generally, the housing stock in the City is in good condition. A citywide exterior housing condition survey was conducted in 2006. The survey was funded by a Community Development Block Grant and results were used to guide the program structure of the City’s Housing Rehabilitation Loan Program. City staff surveyed 4,867 housing units by means of door-to-door visual evaluation. Staff ranked properties using a points system noting the condition of the unit frontage, foundation, roof, siding, and windows. Approximately 83% of the units were found to be sound, 17% were in need of rehabilitation (most rehabilitation needs were minor), and less than 1% were in need of demolition. Refer to Table 4-11 for housing conditions survey results. It is the opinion of City Code Enforcement and Building Department staff that housing conditions have not changed substantially since this survey was conducted. High property values create strong incentives for property owners to maintain and rehabilitate units when repairs are needed.

**Table 4-11 Condition of Housing Units**

Condition	Number	Percent
Sound	4,028	83%
Needs Rehabilitation	834	17%
Minor	621	12%
Moderate	206	4%
Substantial	7	<1%
Deteriorated (Needs Demolition)	5	<1%
<b>Total Units Surveyed</b>	<b>4,867</b>	<b>100%</b>

Source: City of Pacific Grove Housing Condition Survey, 2007

### 3. Tenure and Vacancy

Housing tenure refers to the occupancy of a housing unit – whether the unit is owner-occupied or renter-occupied. Housing tenure is influenced by demographic factors (e.g., household composition, income, and age of the householder) as well as the cost of housing. According to the 2010 Census, approximately 46% of Pacific Grove housing units are owner-occupied. About 14% of all units were vacant, with the largest portion of those (8.1%) classified as “Other Vacant” (Table 4-12). Since less than 1% of units were reported as “seasonal, recreational or occasional use” it seems likely that many of the “other vacant” units may also be second homes.

Vacancy rates are an indicator of housing supply and demand. Low vacancy rates influence greater upward price pressures and higher vacancy rates indicate downward price pressure. A 5% to 6% vacancy rate is generally considered healthy. As shown in Table 4-12, the rental vacancy rate in the City of Pacific Grove was approximately 2% in 2010.

**Table 4-12 Tenure and Vacancy**

Occupancy Status	Units	Percent of Total
Total Units	8,169	100%
Occupied Units	7,020	85.9%
Vacant Units	1,149	14.1%
For rent	175	2.1%
For sale only	28	0.3%
Rented or sold, not occupied	129	1.6%
For seasonal, recreational, or occasional use	31	0.4%
Other vacant	677	8.3%
Source: U.S. Census 2010, Table DP1		

#### 4. Housing Costs

Housing values and rents throughout California have fluctuated dramatically over the past 15 years. The following section evaluates trends in home sales and rental prices in Pacific Grove.

##### Home Sales Price Trends

Recent Census estimates reported a median value for all owner-occupied units in Pacific Grove of \$667,000 (Table 4-13). About 77% of homes were valued at \$500,000 or more.

**Table 4-13 Value of Owner-Occupied Housing Units**

Price Range	Number of Units	Percent of Total
\$49,999 or less	46	1.4%
\$50,000 to \$99,999	33	1.0%
\$100,000 to \$149,999	8	0.2%
\$150,000 to \$199,999	26	0.8%
\$200,000 to \$299,999	121	3.8%
\$300,000 to \$499,999	506	15.7%
\$500,000 to \$999,999	2,137	66.3%
\$1,000,000 or more	345	10.7%
Total	3,222	100%
Median value	\$667,000	
Source: Census 2009-2013 ACS, Table DP-4		

**Rental Costs**

As shown in Table 4-14, the median monthly rent in Pacific Grove as recently reported by the Census Bureau was \$1,559. According to recent Census estimates, over half of renter households in Pacific Grove spent 30 percent or more of their household income on rent (Table 4-15).

**Table 4-14 Gross Monthly Rent**

Gross Rent	Units	Percentage
Less than \$200	24	0.7%
\$200 to \$299	23	0.7%
\$300 to \$499	34	1.0%
\$500 to \$749	97	2.9%
\$750 to \$999	309	9.1%
\$1,000 to \$1,499	1,373	40.4%
\$1,500 or more	1,536	45.2%
Median	\$1,559	
Source: Census 2009-2013 ACS, Table DP-4		

**Table 4-15 Gross Rent as a Percentage of Household Income**

Percent of Household Income	Number of Households	Percent of Households
Less than 15 percent	330	9.8%
15 to 19.9 percent	354	10.5%
20 to 24.9 percent	618	18.3%
25 to 29.9 percent	352	10.4%
30 to 34.9 percent	496	14.7%
35 percent or more	1,224	36.3%
Total	3,374	100%
Source: Census 2009-2013 ACS, Table DP-4		

**5. Housing Affordability**

To estimate and plan for the supply of affordable housing, the Department of Housing and Community Development (HCD) defines four income groups based on a percentage of the county median family income (MFI). For 2015, the MFI for Monterey County was \$68,700 for a family of four. The income groups are defined as follows:

- Extremely-Low-Income: 30% or less of MFI;
- Very-Low-Income: 31% to 50% of MFI;

- Low-Income: 51% to 80% of MFI;
- Moderate-Income: 81% to 120% of MFI; and
- Above-Moderate-Income: greater than 120% of MFI.

Housing affordability in Pacific Grove can be inferred by comparing the cost of owning or renting a home with the income levels of households of different sizes. Table 4-16 shows the maximum annual income for households in the various income groups based on MFI. It also shows the maximum affordable monthly rental payment and the estimated maximum affordable home price based on the standard of allocating no more than 30% (as established by HUD) of monthly household income to housing costs (including utilities, taxes, and insurance).

These statistics show that most for-sale homes in Pacific Grove are well out of the range of households earning a moderate-income or less. Rental prices are more affordable to households with incomes at low- and moderate-income levels, although many households have difficulty finding suitable housing without overpayment or overcrowding.

**Table 4-16 Housing Affordability**

Income Category	Income Limits	Affordable Rent	Affordable Price (est.)
Extremely Low (<30%)	\$24,250	\$606	\$85,000
Very Low (31-50%)	\$36,250	\$906	\$145,000
Low (51-80%)	\$58,000	\$1,450	\$230,000
Moderate (81-120%)	\$82,450	\$2,061	\$350,000
Above moderate (120%+)	>\$82,450	> \$2,061	> \$350,000
Assumptions: -Based on the 2015 Monterey County median income of \$68,700 -Based on a family of 4 (income limits and affordable prices or rents are adjusted for family size) -30% of gross income for rent or principal/interest/taxes/insurance (PITI) -10% down payment, 4% interest, 1.2% taxes & insurance, \$250 HOA dues Source: Cal. HCD; J.H. Douglas & Associates			

## 6. Overpayment

According to federal government standards, paying more than 30% of monthly household income toward housing related expenses is considered to be overpayment. This includes rent or mortgage payments and utility costs. High housing costs can cause households to spend a disproportionate percentage of their income on housing leaving insufficient income for other basic needs and services, such as food and medical attention.

Comprehensive Housing Affordability Strategy (CHAS) estimates published by HUD (Table 4-17) showed that 62% of renters and 81% of homeowners in the extremely-low-income category spent more than 30% of their income on housing. About 89% of renters and 74% of homeowners in the very-low-income category were overpaying, while about 80% of renters and about one-third of homeowners in the low-income category experienced overpayment. Even in the above-moderate-income category, overpayment was experienced by about 20% of renters and 27% of homeowners.

**Table 4-17 Households Overpaying for Housing**

Income Category	Owners		Renters	
	Households	Percent	Households	Percent
Extremely low households	180		315	
Households overpaying	145	80.6%	194	61.6%
Very low households	245		260	
Households overpaying	180	73.5%	230	88.5%
Low households	380		575	
Households overpaying	125	32.9%	460	80.0%
Moderate households	205		455	
Households overpaying	80	39.0%	375	82.4%
Above moderate households	2,260		2,130	
Households overpaying	605	26.8%	435	20.4%

Source: U.S. Department of Housing and Urban Development, CHAS based on the 2008-2012 ACS

## 7. Overcrowding

Overcrowding is defined as more than one person per room in a single unit, not including kitchens and bathrooms. A severely overcrowded housing unit is defined as one with more than 1.5 persons per room. Overcrowding can affect public facilities and services, reduce the quality of the physical environment, and create conditions that contribute to deterioration. Overcrowding can occur when housing costs are high relative to income, forcing more than one family to share a single unit or reside in a smaller unit. As shown in Table 4-18, less than 1% of owner-occupied units and only about 2% of renter-occupied units in Pacific Grove were overcrowded. Although affordability is an issue on the Monterey peninsula, it has not resulted in overcrowding in the City of Pacific Grove according to recent Census estimates.

**Table 4-18 Overcrowding by Tenure**

Occupants per Room	Pacific Grove		Monterey County	
	Units	%	Units	%
Owner occupied units	3,222	100%	62,398	100%
1.01 to 1.50	22	0.7%	2,881	4.6%
1.51 to 2.00	0	0.0%	776	1.2%
2.01 or more	0	0.0%	209	0.3%
Renter occupied units	3,594	100%	63,030	100%
1.01 to 1.50	72	2.0%	7,581	12.0%
1.51 to 2.00	13	0.4%	2,892	4.6%
2.01 or more	0	0.0%	917	1.5%

Source: Census 2009-2013 ACS, Table B25014

### 8. At-Risk Units

California housing element law requires that the City include a study of deed-restricted low-income units that may be at risk of converting to market-rate within ten years of the beginning of the planning period (i.e., 2015-2025). There are nine units in Pacific Grove that are at risk of converting to market rate in 2017. Refer to Table 4-19 for a description of at-risk units.

The six units at 1141 Lighthouse Avenue were deed restricted to be affordable to low-income renters for 30 years as a condition of the project’s approval. One of the three units at 541 Pine Avenue is deed restricted to be affordable to low-income households and two are deed restricted for moderate-income. The deed restrictions were put in place for 30 years as part of a density bonus when the units were developed.

**Table 4-19 At-Risk Units**

Address	Number and Type of Units	Type of Subsidy	Non-Elderly Units	Elderly Units	Current Owner	Date of Expiration
1141 Lighthouse Avenue	6 Low-Income	n/a	6	0	Villa Del Mar Apartments Partnership	2017
541 Pine Avenue	1 Low-Income 2 Moderate-Income	n/a	3	0	Bodington, Jeffrey & Cecile, O.	2017
<b>Total</b>	<b>9 Units</b>		<b>9</b>	<b>0</b>		

Source: City of Pacific Grove 2015

Based on market conditions it is estimated that an annual subsidy of \$13,400 for the Lighthouse Avenue units and \$16,100 for the Pine Avenue units would be required to maintain the current affordability level for these units if the covenants expire, or a total of approximately \$29,500 per year for all nine units. The City will work with the property owners to explore options for maintaining affordability by working with the County to target Section 8 vouchers for the units, or providing rehabilitation funds for improvements. If the City is not able to maintain unit affordability through working with the property owner, it will notify tenants of assistance options and explore opportunities to assist in the development of replacement units. Program 2.3.d addresses the City’s approach to working to maintain the affordability of at-risk units.

Refer to Section 4.3, Special Needs Groups for a detailed description of program activities. As stated in Program 2.2.2, the City will continue to seek funding to continue Program activities. Housing Division staff worked closely to assist subsidy recipients to ensure that they obtain new assistance or find alternative affordable housing.

### 9. Coastal Zone

California State law (Government Code §65590) requires that communities located within Coastal Zones provide an additional analysis of affordable housing units. The analysis must document existing units as well as units constructed (after January 1, 1982), demolished, and replaced within three miles of the Coastal Zone. Because the City’s entire housing stock is located within three miles of the coastal zone, this analysis of affordable units is applicable Citywide.

The City has an inventory of 68 affordable units for very low-, low-, and moderate-income households, all of which were constructed after 1982. See Table 4-20 for a complete list. During the previous

planning periods, one affordable unit was replaced, demolished, or converted. The deed restriction expired in 2002 and the unit converted to market rate.

**Table 4-20 Affordable Unit Inventory**

Address	Number of Units
1141 Lighthouse Avenue	6
405 Lighthouse Avenue	1
551 Gibson Avenue	2
882 19th Street	1
900 Cedar Street	1
184 Pine Avenue	1
119 18th Street	1
541 Pine Avenue	3
148/150 Lighthouse Avenue	1
145 15th Street	1
124 14th Street	1
1020 Funston Avenue	1
650 Jewell Avenue	48
<b>Total</b>	<b>68</b>

Source: City of Pacific Grove, 2015

### 4.3 Special Needs Groups

Certain segments of the population encounter more difficulty in finding decent, affordable housing due to special circumstances. Special needs may be related to one’s employment type and income, family characteristics, medical condition or disability, or household characteristics. This section provides an overview of the special needs population in Pacific Grove including persons with disabilities, seniors, female-headed households, large households, homeless persons, and residents employed in farming.

#### 1. Persons with Disabilities

A disability is defined broadly by the U.S. Census as a physical, mental, or emotional condition that lasts over a long period of time and makes it difficult to live independently. Special needs for access and affordability can make it difficult for persons with disabilities to find adequate housing. According to recent Census estimates, approximately 12% of non-institutionalized City residents reported some type of disability (Table 4-21). As might be expected, those aged 65 and over generally reported the highest disability rates. Approximately 26% of seniors reported some type of disability, compared to 10% for persons between age 18 and 64. The most frequently reported disability for seniors was an ambulatory difficulty (15% of the senior population). Housing opportunities for those with disabilities can be maximized through housing assistance programs and providing universal design features such as widened doorways, ramps, lowered countertops, single-level units and ground floor units.

**Table 4-21 Employment Status of Persons with Disabilities**

Disability by Age	Persons	Percent
Total civilian noninstitutionalized population	14,781	-
With any disability	1,765	11.9%
<b>Under Age 5 - total persons</b>	<b>501</b>	<b>--</b>
With a hearing difficulty	0	0.0%
With a vision difficulty	0	0.0%
<b>Age 5 to 17 - total persons</b>	<b>1,700</b>	
With a hearing difficulty	0	0.0%
With a vision difficulty	0	0.0%
With a cognitive difficulty	39	2.3%
With an ambulatory difficulty	0	0.0%
With a self-care difficulty	0	0.0%
<b>Age 18 to 64 - total persons</b>	<b>9,432</b>	
With a hearing difficulty	139	1.5%
With a vision difficulty	33	0.3%
With a cognitive difficulty	483	5.1%
With an ambulatory difficulty	222	2.4%
With a self-care difficulty	78	0.8%
With an independent living difficulty	372	3.9%
<b>Age 65 and over* - total persons</b>	<b>3,148</b>	
With a hearing difficulty	393	12.5%
With a vision difficulty	149	4.7%
With a cognitive difficulty	238	7.6%
With an ambulatory difficulty	470	14.9%
With a self-care difficulty	195	6.2%
With an independent living difficulty	364	11.6%

Source: U.S. Census, 2009-2013 ACS Table S1810

Note: Totals may exceed 100% due to multiple disabilities per person

Developmental Disabilities

As defined by federal law, “developmental disability” means a severe, chronic disability of an individual that:

- Is attributable to a mental or physical impairment or combination of mental and physical impairments;
- Is manifested before the individual attains age 18;
- Is likely to continue indefinitely;

- Results in substantial functional limitations in three or more of the following areas of major life activity: a) self-care; b) receptive and expressive language; c) learning; d) mobility; e) self-direction; f) capacity for independent living; or g) economic self-sufficiency; and
- Reflects the individual's need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.

The Census does not record developmental disabilities as a separate category of disability. According to the U.S. Administration on Developmental Disabilities, an accepted estimate of the percentage of the population that can be defined as developmentally disabled is 1.5 percent. Many developmentally disabled persons can live and work independently within a conventional housing environment. More severely disabled individuals require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for the developmentally disabled is the transition from the person's living situation as a child to an appropriate level of independence as an adult.

The California Department of Developmental Services (DDS) currently provides community-based services to approximately 243,000 persons with developmental disabilities and their families through a statewide system of 21 regional centers, four developmental centers, and two community-based facilities. The San Andreas Regional Center (SARC) located in Campbell (<http://www.sarc.org/>) provides services for people with developmental disabilities in Monterey, San Benito, Santa Clara, and Santa Cruz counties. The SARC is a private, non-profit community agency that contracts with local businesses to offer a wide range of services to individuals with developmental disabilities and their families. As of 2014, SARC served approximately 100 clients living in Pacific Grove (zip code 93950) according to data compiled by the Department of Housing and Community Development.

There is no charge for diagnosis and assessment for eligibility. Once eligibility is determined, most services are free regardless of age or income. There is a requirement for parents to share the cost of 24-hour out-of-home placements for children under age 18. This share depends on the parents' ability to pay. There may also be a co-payment requirement for other selected services.

Regional centers are required by law to provide services in the most cost-effective way possible. They must use all other resources, including generic resources, before using any regional center funds. A generic resource is a service provided by an agency that has a legal responsibility to provide services to the general public and receives public funds for providing those services. Some generic agencies may include the local school district, county social services department, Medi-Cal, Social Security Administration, Department of Rehabilitation and others. Other resources may include natural supports. This is help that disabled persons may get from family, friends or others at little or no cost.

Gateway Center, a non-profit organization based in Pacific Grove, provides residential services and day programs for developmentally disabled adults. Gateway Center is recognized as an important service to disabled persons throughout Monterey County. The Housing Element includes Program 4.3.b to ensure continued support for the organization. In addition, several programs have been included in the Housing Element to increase housing accessibility for people with disabilities, including Program 4.1.a (using the City's rehabilitation program to modify dwellings for low-income disabled persons and seniors) and Program 4.1.b (adopting a reasonable accommodation policy or ordinance).

## 2. Senior Citizens

Senior citizens (age 65 and over) are considered a special needs group because they are more likely to have fixed incomes and often have special needs related to housing location and construction. Because of limited mobility, seniors typically need to have access to public facilities (e.g., medical and shopping) and public transit. In terms of housing construction, seniors may need ramps, handrails, elevators, lower cabinets and counters, and special security devices to allow for greater self-protection.

According to recent Census estimates (Table 4-22), approximately 43% of owner households and 21% of renter households in Pacific Grove were headed by seniors. The number of elderly residents is expected to grow given that seniors are the fastest-growing age groups in California.

**Table 4-22 Senior Households by Tenure**

Householder Age	Owner		Renter	
	Households	%	Households	%
Under 65 years	1,840	57.1%	2,839	79.0%
65 to 74 years	742	23.0%	434	12.1%
75 to 84 years	428	13.3%	212	5.9%
85 years and over	212	6.6%	109	3.0%
Total Households	3,222	100%	3,594	100%

Source: U.S. Census 2009-2013 ACS, Table B25007

In an effort to meet the needs of lower-income senior households, the City of Pacific Grove collaborated in the development of Vista Point Apartments. Vista Point was opened for occupancy in 2006 and offers 48 rental units affordable to very-low- and low-income seniors. The Housing Element includes several policies and programs on maintenance and rehabilitation, reasonable accommodation, and affordable housing to address the potential needs of seniors.

## 3. Large Households

A household of five or more persons is considered to be a large family. Large households are considered a special needs group because they may experience difficulty in finding suitable housing units. Renter households, in particular, are less likely to find units with three or more bedrooms. According to recent Census estimates, only about 4% of owner households and about 6% of renter households had five or more persons (Table 4-23).

**Table 4-23 Large Households by Tenure**

Household Size	Owners		Renters	
	Households	%	Households	%
1 person	918	28.5%	1517	42.2%
2 persons	1,389	43.1%	1195	33.2%
3 persons	482	15.0%	342	9.5%
4 persons	315	9.8%	322	9.0%
5 persons	118	3.7%	137	3.8%
6 persons	0	0.0%	6	0.2%
7+ persons	0	0.0%	75	2.1%
<b>Total households</b>	<b>3,222</b>	<b>100%</b>	<b>3,594</b>	<b>100%</b>

Source: 2009-2013 ACS Table B25009

#### 4. Female-Headed Households

Female-headed households are considered to be a special needs group due to the comparatively low rates of home ownership, lower income levels, and disproportionately high poverty rates experienced by this group. According to recent Census estimates, about 6% of owner households and 13% of renter households were headed by a female (Table 4-24). A number of policies and programs in the Housing Element are targeted at providing safe, affordable housing within walking distance to services and transportation will help to address this special needs population.

**Table 4-24 Female-Headed Households by Tenure**

Household Type	Owners		Renters	
	Households	%	Households	%
Married couple family	1,827	56.7%	1,108	30.8%
Male householder, no wife present	92	2.9%	72	2.0%
Female householder, no husband present	200	6.2%	451	12.5%
Non-family households	1103	34.2%	1963	54.6%
<b>Total households</b>	<b>3,222</b>	<b>100%</b>	<b>3,594</b>	<b>100%</b>

Source: 2009-2013 ACS Table B11012

#### 5. Homelessness

The housing needs of the homeless are more difficult to measure and assess than those of any other population subgroup. Since these individuals have no permanent addresses, they are less likely to be counted in the Census, and since they are also unlikely to have stable employment, the market provides them with few housing opportunities. Those in need of emergency shelter include victims of domestic violence, persons displaced from their homes by disasters such as fires, tenants who have been evicted from rental housing, veterans, and “runaways.”

The County conducted a point-in-time count and prepared a series of independent homeless peer interviews as part of the 2015 Monterey County Homeless Census and Survey. This survey used two methods for data collection: a point-in-time count on January 28, 2015 and a series of independent

homeless peer interviews, as recommended by HUD. The 2015 Monterey County Homeless Point-in-Time Census and Survey<sup>1</sup> counted 1,630 unsheltered homeless people and an additional 678 people living in emergency shelters, transitional housing, and domestic violence shelters. The final estimate of the 2015 Monterey County Homeless Census and Survey is 2,308 persons. Of those, 13 unsheltered persons were identified as living in Pacific Grove.

The Coalition of Homeless Service Providers' 2014 Monterey County Homeless Services Resource Guide identifies emergency shelters, community kitchens, transitional housing, rental support, and ancillary services for homeless individuals. The guide identifies the following resources in Monterey County:

- Emergency Shelters – Franciscan Workers-Women Alive!; Interim; Inc. (Manzanita House and MC Home); Pajaro Rescue Mission; Salvation Army-Frederiksen House; Shelter Outreach Plus (Salinas Shelter and Seaside Shelter); Victory Mission; and YWCA-Lawson House.
- Permanent Supportive Housing – Central Coast HIV/AIDS Services; Interim; Inc. (Sandy Shores; Acacia House; Casa de Paloma; and Sunflower Gardens)
- Transitional Housing - Community Human Services (Safe Passage and Elm House); Interim; Inc. (Shelter Cove and Bridge House); HACM—Pueblo Del Mar; Salvation Army—Casa de Las Palmas; Shelter Outreach Plus (Homeward Bound; Lexington Court; and Men in Transition); Sun Street Centers—Seven Suns; and Veterans Transition Center—Transition Project.

United Way's 2-1-1 Community Resources database can also help link homeless persons to housing and supportive services, such as rental and utility assistance, food distribution, shelter, and information and referral.

While homelessness is not a significant issue in the City (13 homeless people counted in 2015), the City recognizes that homelessness is a problem regionally and is committed to ending chronic homelessness. To this end, policies and programs ranging from cooperating in regional efforts to identifying funding sources for shelters and affordable housing are included in this Housing Element. The City has also included Program 4.2.a to address the requirements of SB 2 (Homeless Shelters and Transitional Housing). The City also supported the One Starfish Safe Parking & Support Services project which allows homeless women with children and single women (up to 5 vehicles) to park a recreational vehicle in a church parking lot (one location) temporarily (30 days) while searching for permanent housing.

## 6. Farm Workers

Farm workers are defined as those whose primary incomes are earned through seasonal agricultural work. Recent Census estimates reported that 45 residents of Pacific Grove were employed in the Agriculture, Forestry, Fishing and Hunting, and Mining industries. Census data does not specify the number of persons who are employed as farm workers and it is assumed that only a small percentage of persons employed in this industry are involved in active agricultural production and harvest. In addition, there is no farming activity in the City and agriculture is not a permitted use in any zoning district. Therefore, although farm worker housing is an acute need at the County level, there is no apparent or recognized need for farm worker housing in the City of Pacific Grove.

<sup>1</sup> <http://www.appliedsurveyresearch.org/homelessness-reports/2014/8/13/i632hx7w90yp8vkihc9y2m4iqfpgad>

## 5. Land Availability and Housing Resources

This Chapter addresses the resources available for the development, improvement, and preservation of housing in Pacific Grove. This includes:

- An evaluation of the City's Regional Housing Needs Allocation for the 2015 - 2023 planning period.
- A sites inventory and analysis, which details the land suitable for residential development.
- An overview of the financial and administrative resources available for developing and implementing City housing programs.

### 5.1 Regional Housing Needs Allocation

California law requires the Department of Housing and Community Development to project statewide housing needs and allocate the need to each region in the State. After consulting with the Association of Monterey Bay Area Governments (AMBAG), HCD provides the regional need to AMBAG, which then distributes the Regional Housing Needs Allocation (RHNA) to the cities and counties within the AMBAG region. AMBAG allocates housing production goals for the cities and counties based on their projected share of the region's population growth and other factors.

The projected housing needs in the RHNA are categorized by income based on standards for very-low-, low-, moderate-, and above-moderate-income households as established by the U.S. Department of Housing and Urban Development (HUD) (*California Health and Safety Code* §50079.5).

Local governments can employ a variety of development strategies to accommodate their RHNA housing production goals, as provided in Government Code §65583(c)(1). In addition to identifying vacant or underutilized land resources, local governments can address a portion of the adequate sites requirement through the provision of second units.

As shown in Table 5-1, the Pacific Grove share of the RHNA for the 2015-2023 planning period is 115 units including 28 very-low-income, 18 low-income, 21 moderate-income, and 48 above-moderate-income units. Because the RHNA period began January 1, 2014, any units completed or approved since that date are credited toward the City's inventory of sites. During 2014-15, five primary units were constructed or permitted in Pacific Grove. These units were assumed to be market rate, thus affordable only to households with an above-moderate income. After accounting for permit and construction activity in the period from January 2014 through December 2015 the City has a remaining RHNA of 110 units as seen in Table 5-1.

**Table 5-1 City Share of Regional Housing Need, 2015-2023**

	Very Low	Low	Moderate	Above Moderate	Total
2014-2023 RHNA	28*	18	21	48	115
Units Constructed / Approved in 2014-15	--	--	--	5	5
2015-2023 Remaining RHNA	28*	18	21	43	110

Source: 2014-2023 AMBAG Regional Housing Needs Allocation Plan, City of Pacific Grove

\*14 of these are assigned to the extremely-low-income category

## 5.2 Site Inventory and Analysis

Local governments can employ a variety of development strategies to meet the RHNA housing production goals, as provided in *California Government Code* §65583(c)(1). In addition to identifying vacant or underutilized land resources, local governments can address a portion of their adequate sites requirements through the provision of second units. Table 5-2 and the following discussion summarizes the vacant land inventory, second unit potential, and underutilized and opportunity sites. This analysis demonstrates that the City has adequate sites with appropriate zoning to accommodate the RHNA in all income categories.

**Table 5-2 Summary of Potential Residential Sites Compared to the RHNA**

	Very Low	Low	Moderate	Above Moderate	Total
2015-2023 Remaining RHNA	28	18	21	43	110
Vacant Sites	81		44	23	148
Second Unit Potential	10		--	--	10
Underutilized Sites	52		--	--	52
Total Capacity	143		44	23	210
Adequate Capacity?	Yes		Yes	Yes*	Yes

\*Reflects excess lower- and moderate-income capacity

Source: City of Pacific Grove, 2015

### 2. Vacant Sites

State law governing the preparation of housing elements emphasizes the importance of an adequate land supply by requiring that each housing element “...identify adequate sites... to facilitate and encourage the development of a variety of types of housing for all income levels...” (*California Government Code* §65583(c)(1)).

The vacant land inventory (see Table 5-3 and Appendix B) identifies the realistic potential for 148 units, which accounts for site limitations such as environmental constraints. While many of the vacant parcels are expected to accommodate moderate- and above-moderate-income households, there are several sites that are appropriate for high-density housing units for very-low- and low-income households, accommodating approximately 81 units. The City will continue to work with owners of these properties, particularly those allowing higher densities, to facilitate affordable housing development where feasible (see Programs 2.1, 2.2, 2.3.a, 2.3.c and 2.3.f).

**Table 5-3 Summary of Vacant Parcels**

Zone	GP Designation(s)	Acres	Number of Parcels	Maximum Density	Maximum Units	Realistic Unit Capacity	Infrastructure
<b>Low and Medium Density Vacant Parcels</b>							
R-1	MDR 7.0, MDR 7.3, MDR 9.7, MDR 10.9, MDR 12.1	2.75	25	7.0 - 12.1 units per acre	43	40	Yes, Water Constraint
R-1-H	MDR 7.3	0.30	2	7.3 units per acre	4	4	Yes, Water Constraint
R-1-B-3	LDR 4.4	1.92	4	4.4 units per acre	6	6	Yes, Water Constraint
R-1-B-4	LDR 1.0, LDR 2.0	11.0	15	1 - 2 units per acre	15	15	Yes, Water Constraint
PUD	LDR 5.4	0.15	1	5.4 units per acre	2	2	Yes, Water Constraint
<b>Subtotal</b>		<b>16.12</b>	<b>47</b>		<b>70</b>	<b>67</b>	
<b>High Density Vacant Parcels</b>							
R-2	HDDR 21.8	0.44	5	21.8 units per acre	7	7	Yes, Water Constraint
R-3-PGR	HDR 19.8	0.26	4	19.8 units per acre	5	5	Yes, Water Constraint
R-4	HDR 29.0	0.32	3	29 units per acre	8	8	Yes, Water Constraint
C-1	D	0.18	3	20 - 30 units per acre	10	6	Yes, Water Constraint
C-2	SC	1.60	1	50 units per acre	80	55	Yes, Water Constraint
<b>Subtotal</b>		<b>2.80</b>	<b>16</b>		<b>110</b>	<b>81</b>	
<b>Total</b>		<b>18.92</b>	<b>63</b>		<b>180</b>	<b>148</b>	

Source: City of Pacific Grove 2015

### 3. Second Unit Potential

From 1983 to 1999, the City permitted an average of three secondary units per year. From 2000 to 2010, the City permitted an average of 1.4 units per year. However, because water resources have limited construction in recent years, it is assumed that the 1983 to 1999 average better represents market demand and realistic construction potential. Using this historical average, it is assumed that one second unit per year will be permitted during the 2015-2023 planning period.

A 2008 analysis of the parcel inventory in Pacific Grove found potential for over 2,600 additional secondary units in Pacific Grove, a reduction of about 900 units from the 1994 General Plan build out potential. The analysis narrowed potential properties based on existing secondary units and the following parameters for minimum lot sizes:

- Located in the R-1 or R-1-H zones and over 4,000 square feet; or
- Located in the R-1-B-2 zone and over 6,000 square feet; or
- Located in the R-1-B-3 zone and over 10,000 square feet.

Corner lots less than 5,000 square feet were not considered due to setback restrictions that would make development unlikely. The study also did not consider properties in the R-1-B-4 zone due to Local Coastal Program land use restrictions.

Second units approved from 2003 to 2010 were deed restricted for moderate-income households, as prescribed in the Second Unit Ordinance. Based on the changes proposed in Program 2.4, it is assumed that most future second units will be deed restricted to be affordable to low-income households as the program describes a revision to the Second Unit Ordinance that would relax development standards in order to incentivize the development of second units that are deed restricted for low-income households.

#### 4. Underutilized and Opportunity Sites

In addition to the vacant sites discussed above, underutilized opportunity sites could accommodate approximately 52 additional lower-income units (see Table 5-4 and Appendix B, Figure B-2). These underutilized sites include seven High Density Residential parcels that are developed at a substantially lower density than permitted, as well as five contiguous parcels in the Forest Avenue Commercial Area. These C-1 parcels range in size from 0.15 to 0.23 acre and all have one existing residential structure and deep setbacks from Forest Avenue (see Figure 5-1). There is potential for these sites to be combined and developed for multi-family or mixed-use. Given consideration for the existing units, these parcels could reasonably accommodate an additional 14 units. The unit estimate is conservative as it assumes that the existing five residential structures on the site would remain in place. Under current zoning, the site could accommodate additional units if the existing units are demolished. As noted in Program 2.3.e, the City will continue to work with owners of underutilized properties to facilitate their development for low- and moderate-income housing.

**Table 5-4 Underutilized Sites**

Site	Existing Zone	Existing GP Land Use	Acres	Existing Units	Potential Additional Units	Constraints
<b>High Density Residential Sites</b>						
625 Forest Avenue	R-4	HDR 29.0	0.17	1	4	Water supply
615 Forest Avenue	R-4	HDR 29.0	0.27	2	6	Water supply, Historic resource
210 Cedar Street	R-4	HDR 29.0	0.21	1	5	Water supply
970 Lighthouse Avenue	R-4	HDR 29.0	0.22	1	5	Water supply
938 Lighthouse Avenue	R-4	HDR 29.0	0.22	2	4	Water supply
792 Lighthouse Avenue	R-4	HDR 29.0	0.32	3	6	Water supply, Historic resource
131 1st Street	R-4	HDR 19.8	0.31	1	8	Water supply
<b>Subtotal</b>			<b>1.72</b>	<b>11</b>	<b>38</b>	
<b>Forest Avenue Commercial Site</b>						
1125 Forest Avenue	C-1	FHC	0.15	1	2	Water supply
1129 Forest Avenue	C-1	FHC	0.18	1	3	Water supply
1133 Forest Avenue	C-1	FHC	0.22	1	3	Water supply
1137 Forest Avenue	C-1	FHC	0.23	1	3	Water supply
1141 Forest Avenue	C-1	FHC	0.21	1	3	Water supply
<b>Subtotal</b>			<b>0.99</b>	<b>5</b>	<b>14</b>	
<b>Total</b>			<b>2.71</b>	<b>16</b>	<b>52</b>	

Source: City of Pacific Grove 2015

**Figure 5-1 Forest Avenue C-1 Sites**

The Housing Plan (Chapter 3) includes several programs to work with owners of underutilized sites (Programs 2.3.a, 2.3.b, 2.3.c, 2.3.e, and 2.3.f) to stimulate investment in the downtown area and encourage mixed-use and higher density residential development in the Forest Hill Commercial District.

### 5.3 Financial and Administrative Resources

Developing affordable housing in a high-priced market, such as in Pacific Grove, requires access to local, State, and federal funding, as well as organizations with the expertise to build and manage affordable housing. The following section provides an overview of financial and administrative resources available for affordable housing development and conservation in Pacific Grove.

#### 1. Financial Resources

##### City of Pacific Grove Housing Assistance Programs

The City of Pacific Grove offers several programs to help residents improve and maintain their homes and aid low-income renters in obtaining affordable housing. Programs are administered by the Housing Division of the Community Development Department and include the Housing Rehabilitation Loan Program, Emergency Home Repair Loan Program, Rental Assistance Program, Private Sewer Lateral Program, and Poet's Perch. Information regarding these programs is posted on the City website ([www.cityofpacificgrove.org/housing](http://www.cityofpacificgrove.org/housing)).

##### Housing Rehabilitation Loan Program

The City makes funds available to assist low-income residents in repairing and upgrading their homes through the Housing Rehabilitation Loan Program. The City's current portfolio consists of 44 loans valued at \$1.8 million. Over the past 10 years the City processed 37

loans ranging in value from \$2,085 to \$165,000. By 2017 the City anticipates providing seven to ten additional loans.

The City continually works with the State Department of Housing and Community Development (HCD) and other community partners to obtain funding for the loan program. These partnerships have contributed to the ongoing success of the program. In the mid-1980s, the program began receiving grant funding and has benefited from over \$4 million in State and Federal funding since that time. Other past community partners have included local banks, realtors, appraisers, title companies and newspapers. Partners have provided cash grants and discounted services for the program. From the year 2000 through June 2010, a total of \$448,798 of local and private match contributions were provided to the loan program.

### **Emergency Home Repair Loan Program**

The Emergency Home Repair Loan Program offers loans of up to \$10,000 for emergency home repairs such as damaged water or heating and cooling systems, hazardous electrical wiring, defective sewage lines, and leaking roofs. Loans are offered to very-low- and low-income Pacific Grove homeowners. Assistance is granted based on the priority and eligibility of the emergency.

### **Rental Assistance Program**

This Program provided over \$445,000 in rent subsidies until 2010 when the program was discontinued due to lack of funding.

### **Private Sewer Lateral Loan Program**

In 2005, the Pacific Grove City Council approved funding for the Sewer Lateral Loan Program. Loan funds are made available to property owners that are voluntarily repairing or replacing their private sewer laterals. The loans are granted at 3% interest and there are no income restrictions to qualify for the loan. Payment of deferred loans is due upon sale of the property or transfer of title. A total of 41 loans have been made under this program since 2005.

### **Poet's Perch**

The City-owned residential property at 140 18th Street is rented to a qualified poet at a reduced monthly rent, in exchange for the poet providing poetry-related community service to Pacific Grove. The Housing Division facilitates the annual selection process of the poet and provides the property management of the home.

### **State Funding Sources**

The Department of Housing and Community Development (HCD) administers a variety of grants and loans for affordable housing. A description of available programs can be found on the HCD website at <http://www.hcd.ca.gov/financial-assistance>. Adoption and certification of a jurisdiction's housing element is required for many State funding sources.

## 2. Administrative Resources

### **Housing Authority of the County of Monterey** ([www.hamonterey.org](http://www.hamonterey.org))

The Housing Authority of the County of Monterey is a public agency that provides rental assistance and develops and manages affordable housing in Monterey County. Among the variety of affordable housing programs provided by the Housing Authority of the County of Monterey are public housing and migrant and permanent farm worker programs. The Housing Authority also administers the Section 8 rental subsidy program for the Monterey Peninsula area. Approximately 72 housing units in Pacific Grove are currently subsidized with Section 8 vouchers.

### **Housing Resource Center of Monterey County** (<http://hrcmontereycounty.org>)

The Housing Resource Center of Monterey County (HRC) is an independent non-profit housing resource agency providing resources ranging from homeless prevention and emergency rental assistance to home ownership and foreclosure prevention. The Housing Resource Center of Monterey County, run by the Housing Authority of the County of Monterey, provides several housing services from homeless prevention to home ownership. The Center provides rental assistance, education, and counseling for first-time home buyers.

### **South County Housing** ([www.scounty.org](http://www.scounty.org))

Since 1982, South County Housing, a non-profit community development corporation, has worked towards providing affordable housing development, property management, and neighborhood development. South County Housing aims to create mixed-income housing with on-site services.

In 2006, South County Housing built the Vista Point project in Pacific Grove. Vista Point has 49 affordable units for seniors. From 2003 to present, South County Housing has constructed 447 units worth \$72,753,000 in Monterey County. South County Housing sold its interest in Vista Point to Eden Housing. ([www.edenhousing.org](http://www.edenhousing.org))

### **Shelter Outreach Plus** ([www.shelteroutreachplus.org](http://www.shelteroutreachplus.org))

Shelter Outreach Plus provides housing, support, and opportunities for people seeking self-sufficiency. The organization provides assistance for obtaining emergency shelter, transitional housing, and other supporting services. Shelter Outreach Plus provides several transitional programs that help vulnerable populations move from positions of homelessness or abuse to stable housing saturations. The organization currently serves over 3,000 people in Monterey County annually.

### **Gateway Center** ([www.gatewaycenter.org](http://www.gatewaycenter.org))

Gateway Center is a non-profit organization that provides services including residential care, day programs, and developmental training for developmentally disabled adults. The organization is based in Pacific Grove and operates two residential homes, a senior day program, and developmental training sessions at facilities in the City.

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## 6. Constraints

Government policies and regulations impact the price and availability of housing and, in particular, the provision of affordable housing. Constraints to housing production include development standards, fees, permitting procedures, and the lack of available water. Providing infrastructure and services also increases the cost of producing housing. One of the greatest constraints to affordable housing production is the chronic shortage of State and federal financial assistance.

This Chapter addresses potential governmental and non-governmental constraints, infrastructure constraints, energy conservation, and focuses on mitigation options available to the City to minimize or eliminate potential constraints.

### 6.1 Governmental Constraints

Local policies and regulations can impact the price and availability of housing. Land use controls, site improvement requirements, fees and exactions, permit processing procedures, and various other issues constrain the development and improvement of housing.

#### 1. Local Land Use Controls

The Land Use Element of the Pacific Grove General Plan sets forth policies for residential development. These land use policies, coupled with zoning regulations, establish land allocations for different uses. Housing supply and costs are affected by the amount of land designated for residential use, the density at which residential development is permitted, and the standards that govern the character of development.

The 1994 Pacific Grove General Plan applies to all areas of the City except the Coastal Zone, which is regulated by the 1989 Local Coastal Program Land Use Plan (LUP). A small portion of the City's existing housing stock is located within the Coastal Zone. Most of the Coastal Zone is built out with single-family detached housing, although several vacant lots remain in the Asilomar Dunes area.

The Zoning Code implements the General Plan. It is a more detailed approach to regulating land use by taking development lot-by-lot, based on the General Plan goals, policies, and Land Use Map. The General Plan and Zoning Ordinance, as they apply to residential development, are discussed below.

#### Development Regulations

Table 6-1 summarizes the General Plan land use categories and the zoning districts that either allow by-right or conditionally permit residential development. Densities greater than 20 units per acre are most appropriate for affordable housing. The R-3, R-4, and C-1 zones meet this threshold. Table 6-2 summarizes residential development standards in Pacific Grove. The development standards are reasonable based on regulations in similar communities. In addition, the R-3 and R-4 zones allow development up to three stories and the C-1 and C-1-T zones allow for up to four stories.

**Table 6-1 Residential Land Use Controls within Pacific Grove**

General Plan Land Use Category		Zoning District(s)	Maximum Density
LDR1.0	Low Density Residential	R-1	1 unit per net acre
LDR2.0	Low Density Residential	R-1	2 units per net acre
LDR4.4	Low Density Residential	R-1	4.4 units per net acre
LDR5.4	Low Density Residential	R-1	5.4 units per net acre
MDR7.0	Medium Density Residential	R-2	7 units per net acre
MDR7.3	Medium Density Residential	R-2	7.3 units per net acre
MDR8.7	Medium Density Residential	R-2	8.7 units per net acre
MDR9.3	Medium Density Residential	R-2	9.3 units per net acre
MDR9.7	Medium Density Residential	R-2	9.7 units per net acre
MDR10.0	Medium Density Residential	R-2	10 units per net acre
MDR12.1	Medium Density Residential	R-2	12.1 units per net acre
MDR17.4	Medium Density Residential	R-2	17.4 units per net acre
HDR19.8	High Density Residential	R-3, R-4	19.8 units per net acre
HDR21.8	High Density Residential	R-3, R-4	21.8 units per net acre
HDR24.8	High Density Residential	R-3, R-4	24.8 units per net acre
HDR29.0	High Density Residential	R-3, R-4	29 units per net acre
PO/HDR	Professional Office or High Density Residential	R-4	29 units per net acre
MHR	Mobile Home Residential	M-H	14 units per net acre
GQ	Group Quarters	R-3, R-4	13 - 55 bedrooms per net acre
VA/MHDR	Visitor Accommodation or Medium High Density Residential	R-3-P.G.R.	17.4 units per net acre <sup>1</sup>
D	Downtown	C-1	20 - 30 units per net acre
CEC	Central-Eardley Commercial	C-1	1.5 - 2.5 FAR
FHC	Forest Hill Commercial	C-1	1.0 FAR
PAC	Presidio-Austin Commercial	C-1	.75 FAR
VC <sup>2</sup>	Visitor Commercial	C-1-T	20 units per net acre

1 Maximum density at 17 Mile Drive Village is 9.3 units per net acre

2 Applied only to the Holman Building block (located between Central and Lighthouse and Grand to Fountain), by voter initiative

Source: City of Pacific Grove Zoning Code and General Plan

**Table 6-2 Residential Site Development Standards by Zoning District**

Zoning District	Min. Lot Size (Square Feet)	Max. Building Coverage <sup>5</sup>	Max. Building Height	Min. Required Yards		
				Front	Rear	Side
R-1	4,000 <sup>1,2</sup>	40 - 45%	25'	15'	10' - 15'	10 - 20% lot width (min. 3')
R-1-B-2	6,000	40 - 45%	25'	20'	20% lot depth (min. 20')	10 - 20% lot width (min. 3')
R-1-B-3	10,000	40 - 45%	25'	20'	20% lot depth (min. 20')	10 - 20% lot width (min. 3')
R-1-B-4	20,000	40 - 45%	25'	20'	20'	10% lot width (max. 10')
R-1-H	4,000 <sup>1,2</sup>	35 - 40%	25'	15'	10' - 15'	10 - 20% lot width (min. 10/15')
R-2	4,000 - 5,000 <sup>2</sup>	50%	30'	15'	10' - 15'	10 - 20% lot width (min. 3')
R-2-B-3	10,000	50%	30'	20'	20% lot depth (min. 20')	10 - 20% lot width (min. 3')
R-3	4,000 - 6,000 <sup>2</sup>	50%	30'	12'	5' - 12'	10 - 20% lot width (min. 3')
R-3-P.G.R.	2,200	50%	30'	4' - 8'	5' - 12'	10 - 20% lot width (min. 3')
R-3-P.G.B.	1,760 - 2,500	50%	25'	8' - 12'	5' - 8'	10% lot width (min. 3')
R-3-M	2,000 - 2,500 <sup>3</sup>	50%	25'		10' - 20'	
R-4	4,000 - 6,000	50%	30'	12'	5' - 12'	10 - 20% lot width (min. 3')
M-H	10 acres for one mobile home park	Density = 10 du/acre		20' Other requirements may be authorized through use permit		
C-1	2,000	75 - 90%	30' - 40'	-- <sup>4</sup>	0' - 5'	0' - 5'
C-1-T	2,000	75 - 90%	30' - 40'	-- <sup>4</sup>	0' - 5'	0' - 5'
C-2	2,000	75 - 90%	30' - 40'	-- <sup>4</sup>	0' - 5'	0' - 5'

1 Section 23.16.181 provides locations exceptions based on location Minimum lots size may range from 3,600 sf - 5,000 sf.

2 There are inconsistencies between minimum lot sizes in the residential zones.

3 For adult communities, retirement homes and rest homes, the Planning Commission and/or City Council shall determine the amount of land area per occupied unit by judging its similarity to a family unit or motel unit in actual use and impact, but never less than 2,000sf.

4 When fronting an R district, front yard is the same as required in adjacent R district

5 Additional non-pervious site coverage in addition to the building footprint up to 60% in residential districts

Source: City of Pacific Grove Zoning Code

Projects should also incorporate amenities such as open space and common areas that are vital to the livability and attractiveness of the development. Refer to Table 6-3 for open space requirements by land use. These standards are similar to other communities and not overly burdensome for affordable housing.

**Table 6-3 Open Space Requirements**

Land Use	Open Space Requirement
R-3 District R-3 P.G.R. District	200 square feet of open yard required per unit for all construction of five units or more.
All Other Districts	No specific open space requirement

Source: City of Pacific Grove Zoning Code

**Multi-Family Development**

Multi-family residential development is permitted by-right in the R-3 and R-4 districts, and the R-2 district allows for duplexes and dwelling groups. Multi-family residential uses are also permitted in the commercial districts, C-1, C-1-T and C-2. Table 6-4 outlines residential uses permitted within the City by zoning district.

**Table 6-4 Housing Types Permitted by Zoning District**

Land Use	R-1	R-1-H	R-2	R-3	R-4	M-H	C-1	C-2
Single-Family Dwelling	P	P	P	P	P	3	P	P
Two-Family Dwelling	--	--	UP	P	P	3	P	P
Dwelling Group, ≥ 3-Family	--	--	--	P/UP <sup>2</sup>	P/UP <sup>2</sup>	3	P/UP <sup>2</sup>	P/UP <sup>2</sup>
Duplex <sup>1</sup>	--	--	P	--	--	3	P	P
Multiple Dwelling, Apartment House	--	--	--	P/UP <sup>2</sup>	P/UP <sup>2</sup>	3	P/UP <sup>2</sup>	P/UP <sup>2</sup>
Residential Accessory Use (accessory uses incidental to SFD)	P	P	P	--	--	3	P	P
Second Unit	P	P	P	P	P	3	P	P
Home Occupation (home business)	P	P	P	--	--	3	P	P
Mobilehome Dwelling	P	P	P	<del>4</del> --	<del>4</del> --	P	P	P
Mobilehome Park	--	--	--	--	--	P	--	UP
Rooming or Boarding House	--	--	--	UP	UP	3	P	P
Group Quarters	UP	UP	UP	UP	UP	UP <sup>3</sup>	--	--
<u>Emergency Shelters</u>								<u>P</u>

Notes:

1 Based on Title 23, duplexes are “attached” dwellings designed for or occupied exclusively by two families living independently of each other.

2 Use permit required if the total number of units exceed 7 on a building site, or additions or structural alterations proposed to an existing structure.

3 Any residential use permitted in the respective district with which the MH district is combined

4. Not currently permitted (see Program 3.4.c)

Source: City of Pacific Grove Zoning Code

The application of the Planned Unit Development (PUD) district allows for flexibility in design and layout to accommodate environmental constraints and a mix of housing types. The PUD district allows for single-family dwellings, multi-family dwellings, apartment houses, condominiums, and similar forms of common ownership, however, a use permit is required. Densities within the PUD district are set by the General Plan.

**Second Dwelling Units**

Second units are recognized as a viable housing option in the City of Pacific Grove. The City permits second dwelling units on any residentially-zoned site with ministerial approval, except, pursuant to the local coastal program land use plan, second units are not allowed in the R-1-B-4 Zoning District. A use permit is required for second dwelling units in single-family (R-1) districts that do not meet all of the development standards identified in Table 6-5.

**Table 6-5 Second Dwelling Unit Development Standards**

Category	Development Standards
Existing Development	A single-family dwelling unit must exist or be planned for construction on the site.
Number per Building Site	Max. 1 second unit
Unit Size	Max. 1 bedroom; Max. 1 bathroom; Max. ≤ 600 sf
Setbacks	Must comply with the setback requirements for the specific district.
Height	Must comply with the requirements for the specific district. * Max. ≤ 15 ft; * Max if located above a detached garage ≤ 25 ft
Lot Coverage and Floor Area	Second unit shall be included in the lot coverage and floor area requirements applicable to the site. Floor area is measured to the outside surface of exterior walls, with no exceptions.
Off-Street Parking	1 space
Permanent Foundation	Required
Architectural Compatibility	Based on the same or similar architectural features/materials as the main dwelling unit and shall be consistent with the Pacific Grove Architectural Review Guidelines for Single-Family Residences.

Source: City of Pacific Grove Zoning Code

Secondary dwelling units require no discretionary approval, unless exceptions to the standards in Table 6-5 are required. City regulations are consistent with State law and the development standards do not constrain the development of second units. However, the City does require that the primary unit be owner-occupied. Program 2.4 is included in the Housing Plan to consider revised standards to encourage the development of second units.

**Mixed-Use**

Mixed-use development can provide new employment and housing opportunities for residents by permitting commercial uses on lower floors and residential units on the upper floors. Mixed-use development can enhance economic viability, pedestrian-oriented character, and the commercial environment. Zoning regulations allow for both commercial and residential on the same site within the C-1, C-1-T, and C-2 districts, however, there are

no explicit development standards for this type of land use. In the C-1 and C-2 districts, the Zoning Code states that where there is a mixed usage and over 50% of the street-level frontage is devoted to the commercial use, the commercial district standards shall apply. Additionally, the City does include approval of mixed-use in conjunction with the housing development in the Density Bonus Program incentives.

### Mobilehomes and Mobilehome Parks

State law requires that mobile and manufactured homes be allowed on parcels zoned for conventional single-family units. These units cannot be regulated by any planning fees or review processes not applicable to conventional single-family dwellings. However, the architectural design of manufactured or mobilehomes can be regulated by the City.

Under the City's zoning regulations, mobilehomes are permitted by-right in the R-1, R-1-H, R-2, and M-H districts. Mobilehome parks are permitted through the application of the M-H combined district, however, mobilehome parks in the M-H district must obtain a use permit. The R-3 and R-4 districts do not allow for mobilehomes or mobilehome parks unless it is combined with the M-H district. [Program 3.4.c includes a commitment to review zoning regulations for mobile homes and manufactured housing, and initiate a Zoning Code amendment to ensure conformance with state law.](#)

### Parking Standards

The City's parking requirements are based upon unit type and size. As shown in Table 6-6, parking requirements typically range from one to two spaces per single-family residential unit. Multi-family residential units have a reduced requirement based on the size of unit, but generally average two spaces per unit. Where the M-H district is combined with other R districts, parking standards are based on the combined residential district. Reductions in parking spaces are allowed for uses that serve tenants with low vehicle-ownership rates, such as convalescent housing, rest homes, and rooming homes. Program 3.4.a proposes shared and tandem parking requirements to provide for a greater variety of parking options.

**Table 6-6 Parking Requirements**

Type of Use	R-1	R-1-B	R-2	R-2-B	R-3	R-3-P.G.R.	R-4
Single-Family	<2700 sf: none >2700 sf: 1 covered 1 uncovered	2 covered	<2700 sf: none 2700 - 4000 sf: 1 covered 1 uncovered	2 covered	<1800 sf: 1 covered >1800 sf: 2 garage/ carport	<2700 sf: none 2700 - 4000 sf: 1 covered 1 uncovered >4000 sf: 2 covered	See R-3
Duplex	--	--	< 2 bdrm: 1.5/unit All other units: 2 1/unit covered	2 covered	< 2 bedrooms: 1.5/unit All other units: 2 1 space/unit shall be covered		
Convalescent/ Rest Home	--	--	--	--	1/each 6 beds 1/each employee on the shift		
Multi-Dwelling Apartment House, Dwelling Group	--	--	--	--	< 2 bedrooms: 1.5/unit All other units: 2 1/unit covered		
Mobilehome Park	--	--	--	--	--	--	--
Mobilehome	<2700 sf: none >2700 sf: 1 covered 1 uncovered	--	--	--	--	--	--
Secondary Residential Dwelling	1 per unit	1 per unit	1 per unit	1 per unit	1 per unit	1 per unit	1 per unit
Rooming and Boarding House	--	--	--	--	1 garage space for each 2 guest rooms		

Source: City of Pacific Grove Zoning Code

**Affordable Housing Density Bonuses and Concessions/Incentives**

To achieve affordable housing through density increases, the City implements the State’s density bonus program (Government Code §65915) through Chapter 23.79 (Density Bonus Regulations) of the Zoning Code. Under state density bonus law, applicants are eligible for a range of density bonuses up to 35%, based on the percentage of affordable units in a development. Applicants are also eligible for a land donation density bonus. Jurisdictions are required to offer incentives (reductions in parking, for example), based on the percentage of affordable units in a development. Program 2.3.a includes a commitment to update City regulations in compliance with State density bonus law.

**2. Local Processing and Permit Procedures**

**Permit Processes and Timelines**

As a coastal community with unique and historic architectural character and environmental constraints, the City of Pacific Grove requires different levels of architectural and planning review for housing projects depending on the type, size, location, and historical designation, if applicable. Review ensures that the proposed project meets applicable City regulations, State environmental laws, and applicable building standards. The City’s development review and permitting processes for residential developments are described below.

Table 6-7 displays the typical timelines for approvals and permits for the City of Pacific Grove. Residential projects of less than four units typically take two months from submittal of a complete

application through completion of public hearings. Larger residential projects can take three or more months to complete.

**Table 6-7 Permit Processing Timelines**

Permit Path	Typical Processing Time*	
	Single-Family	Multi-Family
Counter Review	Up to 3 days	<u>NA</u>
Counter Review and Determination	Up to 3 days	<u>NA</u>
Staff Approvals	4-6 weeks	<u>NA</u>
<del>Zoning Administrator</del>	<del>4-6 weeks</del>	
<del>Site Plan Review Committee</del>	<del>4-6 weeks</del>	
Architectural Review Board	6-8 weeks	<u>6-8 weeks</u>
Historic Resources Committee	6-8 weeks	<u>NA</u>
Planning Commission	6-8 weeks	<u>6-8 weeks</u>

\*Processing time is based on the timeframe starting once an application is deemed complete by the City (post initial review, which is 30 days per the Permit Streamlining Act) through project approval.

Source: City of Pacific Grove 2015

Table 6-8 provides an overview of City permit types and the responsible Review Authority. Although the permit approval process must conform to the Permit Streamlining Act (*California Government Code* §65920 et. seq.), housing proposed in Pacific Grove is subject to one or more of the following review processes: architectural design review, use permit or variance control, environmental review, and building permit approval.

**Table 6-8 Permit Processing Procedures**

Type of Decision	Role of Review Authority <sup>1</sup>				
	Chief Planner or Staff	Zoning Administrator	Architectural Review Board	Planning Commission	City Council
Administrative Architectural Permit	Decision <sup>2</sup>	-	Appeal <sup>3</sup>	Appeal	Appeal <sup>3</sup>
Administrative Use Permit	Decision <sup>2</sup>	Appeal	-	Appeal <sup>3</sup>	Appeal <sup>3</sup>
Architectural Permit (new construction, major alteration, or demolition/reconstruction)	-	-	Decision	Appeal	Appeal
Use Permit	-	-	-	Decision	Appeal

<sup>1</sup> “Decision” means that the Review Authority makes the decision on the matter; “Hearing” means that the Review Authority holds a hearing and renders a decision only if requested in response to a notice; “Appeal” means that the Review Authority may consider and decide upon appeals to the decision of an earlier decision-making body.

<sup>2</sup> The Chief Planner may defer action and refer the item to the Hearing Authority for decision.

<sup>3</sup> Appeal Authority may review matter only if the Hearing Authority held a public hearing and rendered a decision.

Source: City of Pacific Grove Municipal Code, 2011

Single-family units are permitted by-right within the zoning districts noted in Table 6-4 on page 52. New single-family dwellings must obtain an Architectural Permit issued by the Architectural Review Board.

Multi-family dwellings and dwelling groups are permitted by-right in the zoning districts noted in Table 6-4 on page 52, if the project is less than or equal to seven units. Projects with ~~eight or more than seven~~ units require a Use Permit, which are approved by the Planning Commission (see Table 6-8). Planning Commission decisions may be appealed to the City Council. All proposed multi-family projects ~~are subject to review and comment by the Site Review Committee and~~ must obtain an Architectural Permit as issued by the Architectural Review Board.

Use Permit findings. The planning commission may approve a use permit only after first making the following findings (PGMC Sec. 23.70.080.a.4):

(A) The proposed use is allowed with a use permit within the applicable zoning district and complies with all applicable provisions of these regulations;

(B) The proposed use is consistent with the general plan, the local coastal program, and any applicable specific plan;

(C) The establishment, maintenance, or operation of the use will not, under the circumstances of the particular case, be detrimental to the health, safety, or general welfare of persons residing or working in the neighborhood of the proposed use;

(D) The use, as described and conditionally approved, will not be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the city; and

(E) The location, size, design, and operating characteristics of the proposed use are compatible with the existing and future land uses in the vicinity.

Program 3.3.c includes a commitment to review the use permit requirement for larger multi-family developments to determine whether it poses an unreasonable constraint on housing production and amend development review procedures if necessary to mitigate any constraints.

The City achieves timely permit processing that does not constrain residential development by implementing measures that streamline the process, as needed. The City adopted an ordinance in 2010 to streamline and clarify permit procedures in the Zoning Code and provides handouts to identify submittal requirements and procedures for the applicant to follow in order to ensure efficient processing. The City's practice (for Architectural Approvals, Historic Preservation Permits, Use Permits, and Variances) is that once an application is deemed complete, it is scheduled for hearing within one month.

Portions of the City are located within the Coastal Zone and thereby require additional permit approvals not under City control. The City does not have a certified local coastal program, so applicants are required to directly apply to the Coastal Commission for Coastal Development Permits until the LCP process is completed (anticipated in 2016).

In the Coastal Zone, with the exception of the Asilomar Dunes area, most existing developed parcels with remodels or tear down and rebuild projects are typically eligible for Coastal Development Permit waivers. The waiver process takes approximately 60 to 90 days on average, depending on timing of the application submittal with the California Coastal Commission meetings. Actual Coastal Development

Permits would average approximately 90 to 120 days once the CCC has deemed the application complete.

### Environmental Review

As required by the California Environmental Quality Act (CEQA), the City's permit processing procedures include an assessment of the potential environmental impacts of the proposed projects. The majority of projects in the City meet the requirements for Class 1, Class 3, or Class 31 (historic and consistent with Secretary of the Interior Standards) categorical exemptions. If a project requires a negative declaration (ND), mitigated negative declaration (MND), or environmental impact report (EIR), additional processing and time is required; however, very few projects require an ND or MND, and no residential projects have required an EIR in the past 10 years. Environmental regulations can protect the public from significant environmental degradation and prevent the development on inappropriate sites. Environmental regulations also provide the public an opportunity to comment on project impacts. This process does, however, increase the time and cost of project approval.

### Architectural Review

The purpose of Architectural Review is to promote the orderly and harmonious development of the City and to protect the architectural heritage of Pacific Grove. The ~~City's Architectural Review Board takes into consideration siting, simplicity in massing and detail, material, color, and relationship to the surrounding neighborhood, based on the~~ Architectural Review Guidelines<sup>2</sup> apply only to single-family homes and include the following considerations:-

- Neighborhood compatibility
- Relationship to site and topography
- Mass and scale of a structure
- Materials, texture and color

~~At this time,~~ Architectural Review Board approval is required for new construction of, or major exterior modification or addition to, any building or structure except as follows:

- Projects eligible for Administrative Architectural Permits and Architectural Design Changes for projects not listed on the Historic Resources Inventory (the Architectural Review Board serves as an appeal body for these permits).
- A second unit requiring a Use Permit if the project is either visually insignificant or not visible from any adjacent public street, as determined by the Chief Planner.

### Historic Preservation

The City has approximately 1,300 homes on its Historic Resources Inventory. Modifications to these homes are regulated by Municipal Code Chapter 23.76 (Historic Preservation). The protection of these resources is currently overseen by the Historic Resources Committee and Architectural Review Board, in compliance with the California State Historic Building Code (SHBC), which provides alternative building regulations for the rehabilitation, preservation, restoration or relocation of structures designated as cultural resources and CEQA guidelines.

<sup>2</sup> <http://www.cityofpacificgrove.org/sites/default/files/general-documents/planning-bulletins-and-handouts/architectural-review-guidelines.pdf>

The Architectural Review Board may grant Historic Preservation Permits for exceptions to zoning district regulations when such an exception is necessary to permit the preservation or restoration of, or improvements to, a building listed on the Historic Resources Inventory. Such exceptions may include, but not be limited to, parking, yards, height and coverage regulations. Such exceptions do not include approval of uses not otherwise allowed by the zoning district regulations.

The Architectural Review Board is required to review and approve any addition to, or major exterior alteration of, buildings listed in the City of Pacific Grove Historic Resources Inventory. Minor alterations and projects eligible for an Administrative Architectural Permit may be reviewed and approved at the Staff review level. Architectural Review Board approval for major historic projects adds additional fees to the development process and is considered to be a potential constraint to the redevelopment within the existing housing stock. However, these are important regulations for historic preservation. In the unlikely event that a historic structure was proposed for affordable housing, this would need to be taken into account.

### **Site Plan Review Committee**

The purpose of the Site Plan Review Committee (SPRC) is to encourage well-designed multi-family residential, commercial, and industrial development. The SPRC studies the siting of proposed construction and its impact upon the existing topography and natural vegetation, and the relationship of proposed construction to existing public and private improvements in the immediate area.

The SPRC consists of the Chief Planner (chairperson), City Engineer, Fire Chief, and Chief Building Official, or their representatives. The SPRC reviews and comments on lot line adjustments, siting and lot coverage for proposed projects located in the coastal zone, and projects valued at \$50,000 or more. SPRC review does not apply to single-family residences outside of the coastal zone, interior alterations and remodels that do not involve a change in occupancy, or exterior alterations that do not involve an increase in floor area.

### **Housing in the Coastal Zone**

A portion of the Pacific Grove housing stock is located within the Coastal Zone. Existing residential neighborhoods in the Coastal Zone include the Pacific Grove Retreat, a portion of the Pacific Grove Beach Tract along Mermaid Avenue, Monarch Pines Mobile Home Park, and Asilomar Dunes.

*California Government Code* §65590 requires that housing units for low- and moderate-income residents be provided whenever possible, be protected where they currently exist, and be replaced when demolished. According to State law, the Housing Element must include a discussion of the jurisdiction's progress in implementing coastal housing requirements.

The Pacific Grove Retreat and the Mermaid Avenue neighborhoods have special characteristics that the City wishes to preserve. The Retreat is considered a "special community" under Section 30253 of the Coastal Act. This section requires that the unique characteristics of special communities be protected. To meet this requirement, the City controls demolitions of historic buildings and exterior modifications to all buildings in this area. The City also intends to maintain the Mermaid Avenue area as an architecturally unique neighborhood.

The Monarch Pines Mobile Home Park has been designated for mobile home park use in order to preserve this affordable housing community.

Asilomar Dunes is only partially developed. In order to preserve the unique ecological features of the dune area, the City has adopted policies in its Local Coastal Program to restrict development to single-family dwellings on one-half- to one-acre lots. Secondary units are prohibited in this area by the LUP.

The City approved the development of a 49-unit low-income senior housing project on a site adjacent to Chase Park in the Coastal Zone, Vista Point Apartments. Construction of the project was completed in 2006.

### 3. Codes and Enforcement

The Pacific Grove Building Code is based on the 2013 California Building Code (CBC), which determines the minimum construction requirements for the State of California. The CBC ensures safe housing and is not considered a constraint to housing production. The City's Building Official responds to building code related problems on a complaint-driven basis, as well as through an exterior inspection at the time of property transfers.

#### On- and Off-Site Improvement Requirements

Site improvement costs include the cost of providing access to a site, clearing the site, and grading the pad area. In the case of a subdivision, such costs may also include major subdivision improvements such as road construction and installation of sewer, water and other utilities. Several variables affect the amount of such costs, including site topography and proximity to established roads, sewer, and water lines.

The City requires that curbs, gutters and sidewalks be installed along the frontage of every lot on which new construction or significant alteration occurs. The absence of curbs and gutters may contribute to unsafe pedestrian and vehicular travel. In addition, potential flooding problems may result due to the lack of infrastructure improvements. Curb, gutter, and sidewalk improvements are typical of all cities in California and do not impose a significant constraint to the development of housing in Pacific Grove.

#### Fees and Exactions

Fees for developing residential housing in Pacific Grove include planning, building, and regional impact fees. Refer to Table 6-9 for typical fee costs. The City's fees do not exceed the amount required to administer the processing of such applications and do not exceed that of other similar jurisdictions. Moreover, the City does not currently impose City impact fees (e.g. traffic, parks).

**Table 6-9 Typical Fees for a New Unit**

Fee Type	Single-Family	Multi-Family
Building Permit Fee	\$10,000	\$8,000
Transportation Agency Fee	<del>\$2,003</del> 3,600	<del>\$2,003</del> 3,600
Plan Review Fee	\$3,200	\$320
Architectural Permit Fee	\$2,917	\$285
Use Permit	\$3,167	\$317
General Plan Fee	\$1,700	\$1,100
CEQA Review (exemption)	\$43	\$43
Pacific Grove Sewer Fee	\$2,923	\$2,923
Sewer Connection Fee <sup>1</sup>	\$2,800	\$2,800
Water Fee <sup>1</sup>	\$5,000	\$3,000
Stormwater Fee	\$137	\$82
School Fees	NA	NA
Total Estimated Fees per Unit	<del>\$33,900</del> 35,500	<del>\$20,900</del> 22,500
Estimated Fees as % of Total Cost <sup>2</sup>	4%	5%

Notes:

Fees are per unit estimates based on one 2,000 square-foot single-family house on a legal lot or a 10-unit apartment development.

<sup>1</sup> Not controlled by the City

<sup>2</sup> Based on estimated total cost of \$800,000 (single-family) and \$500,000 (multi-family)

Source: City of Pacific Grove 2015

Total fees are estimated to comprise about 4% of the purchase price for a single-family unit and approximately 5% of a multi-family apartment unit. Given the prices of housing in the City and fees in other jurisdictions, fees charged for residential development are not a significant factor contributing to the high housing costs in the City.

#### 4. Housing Constraints for Persons with Disabilities

Housing element law requires localities to include the following in the preparation and adoption of a housing element:

- As part of a governmental constraints analysis, an element must analyze potential and actual constraints upon the development, maintenance and improvement of housing for persons with disabilities and demonstrate local efforts to remove governmental constraints that hinder a locality from meeting the need for housing for persons with disabilities (§65583(a)(4)).
- As part of the required constraints program, the element must include programs that remove constraints or provide reasonable accommodations for housing designed for persons with disabilities (§65583(c)(3)).

The definition of a reasonable accommodation is when a municipal jurisdiction allows a deviation from the strict interpretation of zoning standards for someone with a demonstrated need resulting from a disability.

Table 6-10 reviews the City’s land use policies, permitting practices, and building codes with respect to State and federal fair housing laws for persons with disabilities.

**Table 6-10 Potential Regulatory Constraints on Housing for Persons with Disabilities**

Overarching and General	
Does the City have a process for persons with	The City allows for reasonable accommodation for persons with disabilities in

disabilities to make requests for reasonable accommodation?	the enforcement of building codes and issuance of building permits. However, the City has not yet specifically adopted a reasonable accommodation policy or ordinance. Program 4.1.b addresses this issue.
Has the City made efforts to remove constraints on housing for persons with disabilities?	There are no special permits or requirements for homes or development for disabled persons in zones where the use would be otherwise permitted. In most cases, these developments are a permitted use.
Does the City assist in meeting identified needs?	Yes, the City enforces the “Right of disabled and of senior citizens to five-year rental occupancy” through the condominium and community housing conversion program (Zoning Code Chapter 23.29)
<b>Zoning and Land Use</b>	
Has the City reviewed its zoning laws, policies, and practices for compliance with fair housing law?	Yes, the City has reviewed the land use regulations and practices to ensure compliance with fair housing laws.
Are residential parking standards for persons with disabilities different from other parking standards?	The City enforces the California Building Code (CBC), which mandates the provision of disabled parking spaces (CBC (part 2 of Title 24) Chapter 11).
Does the City have a policy or program for the reduction of parking requirements for special needs housing if a proponent can demonstrate a reduced parking need?	Yes, the Zoning Ordinance allows parking requirements to be modified by the Planning Commission.
Does the City restrict the siting of group homes?	The Zoning Code allows group quarters by UP in the areas designated “GQ” on the General Plan Land Use Map and in all commercial zones except C-V. Program 4.2.a includes a commitment to process a zoning amendment to allow State-licensed residential care facilities for 6 or fewer persons subject to the same standards as apply to other residential dwellings of the same type in the same zone.
What zones allow group homes, other than those allowed by State law? Are group homes over six persons allowed?	The General Plan allows for group quarters in four areas of the City designated “GQ” on the Land Use Map. The Zoning Code allows boardinghouses for 3+ persons in the R3 and R4 residential zones with the approval of a UP. Program 4.2.a will ensure that state-licensed group homes for six or fewer persons are permitted in compliance with State law. Larger group homes are allowed by UP in all commercial zones except C-V.
Does the City have occupancy standards in the Zoning Code that apply specifically to unrelated adults and not to families?	No
Does the Land Use Element regulate the siting of special needs housing in relationship to one another?	No, there is no minimum distance required between two or more group quarters or rooming/boarding homes.
<b>Permits and Processing</b>	
How does the City process a request to retrofit homes for accessibility?	Ministerially, by City Staff, unless Architectural Review is required.
Does the City allow group homes with six or fewer persons by-right in single-family zones?	Program 4.2.a will ensure that state-licensed group homes for six or fewer persons are permitted in compliance with State law.
Does the City have a set of particular conditions or use restrictions for group homes with greater than six persons?	Yes, a Use Permit is required.
What kind of community input does the City allow for the approval of group homes?	Program 4.2.a will ensure that state-licensed group homes for six or fewer persons are permitted under the same process as applies to other residential dwellings of the same type in the same zone in compliance with State law. For larger group homes, the UP process provides the public with an opportunity to review the project and express concerns in a public hearing.
Does the City have particular conditions for group homes that will be providing services on site?	No, the City does not have special standards for group homes regarding location, design, or operation.
<b>Building Codes</b>	
Has the City adopted the Uniform Building Code?	The City adopted the 2013 California Building Code.
Has the City adopted any Universal Design* element into the code?	The City’s Building Code does not include specific regulations that require incorporation of Universal Design elements.

Does the City provide reasonable accommodation for persons with disabilities in the enforcement of building codes and the issuance of building permits?	Program 4.1.b includes the development of a reasonable accommodation policy or ordinance.
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\*Universal Design can address limited lifting or flexibility (with roll-in showers and grab bars), limited mobility (with push/pull lever faucets, wide wing hinges), and limited vision (by adding stairwell and task lighting).

Source: City of Pacific Grove, 2015

**Land Use - Persons with Disabilities**

The General Plan and Zoning Code identify group quarters, rooming houses, and boarding houses as housing options for special needs groups. Group quarters are residential living arrangements, other than the usual house, apartment or mobile home, in which two or more unrelated persons share living quarters and cooking facilities. Group quarters includes institutional group quarters, such as licensed residential care facilities for 25 or more persons and orphanages, and non-institutional group quarters, such as dormitories, shelters, and large boarding houses. Rooming houses and boarding houses are permitted by CUP in the higher-density residential districts (R-3 and R-4) to allow for dwellings that accommodate a non-transient occupancy where lodging and/or meals for three or more persons are provided for compensation.

The General Plan applies the Group Quarters designation on the General Plan Land Use Map to existing group quarters facilities: Canterbury Woods, Forest Hill Manor, Del Monte Rest Home, and Gateway Center. Group Quarters are currently limited to the boundaries shown on the Land Use Map. The General Plan proposed the revision of the Zoning Code to reflect that residential care facilities for six or fewer persons are allowed in any Residential district, and that residential care facilities for seven to 24 persons are allowed in multi-family districts with a use permit. Under the current zoning group quarters are permitted in those areas of residential districts defined on the general plan land use map, only with the approval of a use permit (Section 23.64.065, Use Permit - Group quarters). The Zoning Code has not yet been updated to be consistent with the General Plan and State law.

According to the Health and Safety Code Sections 1267.8, 1566.3, 1568.08, the City is required to treat licensed group homes and residential care facilities with six or fewer residents no differently than other family dwellings of the same type in the same zone. “Six or fewer persons” does not include the operator, the operator’s family or persons employed as staff. Local agencies must allow these licensed residential care facilities in any area zoned for residential use, and may not require licensed residential care facilities for six or fewer persons to obtain conditional use permits or variances that are not required of other family dwellings. In order to ensure consistency with State Law, the Zoning Code will be amended to address this issue (Program 4.2.a).

The City supports the right of disabled persons and senior citizens to five-year rental occupancy with Chapter 23.29 (Condominium and Community Housing Conversions). Permanently disabled and senior citizen tenants are entitled to continue to rent a property planned for conversion, for a period of five years. It is unlawful for any developer or owner to evict or constructively evict any tenant for purposes of depriving the tenant of these benefits. It is unlawful for any proposed conversion to displace a significant percentage of low- and moderate-income or senior citizen tenants, tenants with children, and a significant number of low- and moderate-income rental units from the City’s housing stock at a time when no equivalent housing is readily available in the Pacific Grove area.

### City Activities to Limit Discrimination and Provide Special Needs Housing

The City acts as an information station to refer those with complaints of discrimination or violations of Fair Housing Laws to the California State Fair Housing Office. The City effectively refers people experiencing housing discrimination to the appropriate agencies and in distributing fair housing information to the public. Additionally, the City has established an Accessibility Board of Appeals to hear and decide appeals of orders, decisions or determinations made by the Building Official concerning handicap accessibility, as provided in Title 24, California Code of Regulations.

In addition, a 2008 Mayoral Proclamation declared the month of April “Fair Housing Month” in the City of Pacific Grove. During the month, the City promotes awareness of fair housing issues through activities such as poster and poetry contests.

#### Emergency Shelters

Emergency shelters provide short-term shelter (usually for up to six months of stay) for homeless persons or persons facing other difficulties, such as domestic violence. To facilitate the development of emergency housing consistent with State law, the City will process an amendment to the Zoning Code concurrent with adoption of the Housing Element (see Program 4.2.a).

#### Transitional and Supportive Housing

Transitional housing provides longer-term temporary housing (up to two years) for individuals and families who are transitioning to permanent housing. Supportive housing is coupled with services such as job training, alcohol and drug abuse programs, and case management for populations in need of assistance, such as those suffering from mental illness or substance abuse problems, and the elderly or medically frail. Consistent with State law, a zoning amendment will be processed concurrent with adoption of the Housing Element update to ensure that transitional and supportive housing are permitted in all zones where residential uses are permitted subject only to the same standards as apply to dwellings of the same type in the same zone (see Program 4.2.a).

## 6.2 Non-Governmental Constraints

This section examines constraints to producing affordable housing that result from non-governmental forces, including traffic congestion, the availability of financing, the price of land, and the cost of construction in Pacific Grove.

### 1. Automobile Traffic

The City is highly dependent on two arterial streets - Lighthouse Avenue and Forest Avenue. These streets connect Pacific Grove to neighboring communities and provide access to Highway 1. While additional housing development may impact traffic on these and other roads, this Housing Element does not change allowable land uses or intensities or cause traffic levels to exceed established level of service standards. The traffic impacts of any new residential development or proposed change in land use or zoning will be evaluated and addressed through environmental review at the time such actions are proposed.

## 2. Availability of Financing

While banks typically provide construction loans in the range of the “prime rate” plus 2% to 3%, lending standards have tightened since the 2008 financial crisis and construction and permanent loans have become more difficult to obtain. Affordable housing projects may rely partly on a conventional bank loan. However, they more heavily rely on State and federal funding (e.g. low-income housing tax credits). Many programs within the State of California exist to provide cities, communities, and counties financial assistance in the development, preservation, and rehabilitation of residential development, primarily affordable units. The Department of Housing and Community Development identifies and provides detailed information on grants and loans available for affordable housing.

## 3. Price of Land

Land costs vary substantially and are based on a number of factors. The main determinants to land value are location, zoning and availability of water. The size of a parcel will also affect price. Land in a desirable area zoned for residential uses will likely be more valuable, and thus more expensive, than a remote piece of land zoned for agricultural uses. An internet search for vacant residential lots for sale in Pacific Grove identified one parcel of approximately 10,000 square feet with a water meter and approved plans listed for \$665,000.

## 4. Cost of Construction

Costs incurred in constructing a dwelling unit vary according to the amenities built into the unit, materials used, prevailing labor rate, and the difficulty of building on the site. Residential construction costs range from \$150 (multiple-family) to \$200 (single-family) per square foot or more for high-quality construction.

## 5. Short-Term Rentals

In many popular vacation areas such as the Monterey Peninsula, some residential properties are held as second homes for occasional use. As a result, a portion of the housing stock is not available for purchase or long-term rental. In the past, some property owners have rented their homes, or rooms, on a short-term basis to generate extra income. However, with the creation of internet websites (VRBO, AirBnB, etc.) where owners market their properties, this type of short-term rental market has expanded dramatically. In some communities, there is concern that the substantial growth in the short-term rental market created by internet advertising is encouraging more individuals and real estate investment entities to purchase properties specifically for short-term rental (as opposed to second homes held for occasional use), thereby further reducing the number of homes available for full-time occupancy. Effects on the local housing market are difficult to quantify, and may also be viewed as a potential governmental constraint since cities have the authority to regulate short-term rentals. In response to this concern, Program 2.3.g in Chapter 3 is included to review this issue and consider appropriate actions.

## 6.3 Infrastructure Constraints

### 1. Water Service

The greatest constraint on the production of new housing in Pacific Grove is the availability of water. Lack of water supply has resulted in very little new housing construction for over a decade. The water

purveyor to Pacific Grove and other Monterey Peninsula jurisdictions is California-American Water (Cal-Am). In 2009, the State Water Resources Control Board (SWRCB) approved a Cease and Desist Order against Cal-Am as a subsequent enforcement action to SWRCB Order 95-10, which required a dramatic reduction in Cal-Am withdrawals from the Carmel River Watershed. Water supplies have been extremely limited on the Monterey Peninsula since at least 1995. The other source of water supply to Cal-Am's Monterey District service area is the Seaside Ground Water Basin; however, this source is also constrained. In 2006, a final decision was rendered that adjudicated the Seaside Ground Water Basin, which required gradual reductions to Cal-Am's annual extractions from that source to 3,000 acre-feet per year (Monterey Peninsula Integrated Regional Water Management Plan, 2007).

The Cal-Am water service area is locally regulated by the Monterey Peninsula Water Management District (MPWMD) and as a result of SWRCB Order 95-10, MPWMD established a system of water allocations to each jurisdiction to limit new development based on the availability of water. The City had a water allocation balance of 0.540 acre-feet as of August 2015. This is the only water available for new development or redevelopment until Cal-Am supplies increase and new allocations are made to each city. The City of Pacific Grove's estimated future water demand to satisfy the 1994 General Plan's build-out projections has been estimated at a need for an additional 1,264 AFY. This figure is based in part on a maximum potential of 3,426 additional second units, which at this time is considered to be an overestimate. Therefore, the long-term demand is likely to be less. However, the availability of water to serve new development during the 2015-2023 planning period is uncertain.

In 2008, the City Council decided that the remaining five acre-feet of water in the City's allocation from the MPWMD should be distributed to the water wait list prior to the enactment of the Cease and Desist Order. Over 50 projects were able to proceed with that distribution, including 24 new single-family dwellings. The majority of the City's allocation has now been distributed and a new water wait list has been established. There were 12 projects for new single-family dwellings on the wait list as of July 2015.

Without a new water allocation, the City of Pacific Grove will be unable to permit any new housing construction, except for the few properties that have sufficient onsite water credits for second units. The City is working on projects to reduce the use of potable water where feasible, such as at Pacific Grove's golf course and cemetery, which may eventually result in some additional allocation that could be used for residential development (Program 3.1).

Water conservation efforts put forth by MPWMD and Cal-Am have helped to reduce the average family's usage. Currently, the Monterey Peninsula has the lowest average water usage in the State. Although water scarcity and provision of new supply is ultimately beyond the control of the City, the City supports efforts to conserve the water supply by ensuring the implementation of water conservation measures and MPWMD programs, including:

- Conservation Inspections - District staff conducted an intensive inspection program to ensure compliance with the conservation regulations. Inspections were focused on change of ownership requirements and new construction or remodel water permit requirements and conditions.
- Code and Permit Provisions - The City's Municipal Code and MPWMD water permit requirements include specific requirements for water conservation in existing and new developments such as plumbing fixtures unit allotments.
- Regulation Enforcement - The City enforces water conservation requirements mandated by the MPWMD (District Regulation XIV) for landscaping, irrigation, hot water storage and bathroom

fixtures, such as showerheads and toilets. For projects that require building permit approval, such as a new construction or a change of ownership, the MPWMD water conservation requirements must be met.

Recent changes in State law mandate the prioritizing of water for affordable housing if water is an issue. The City's share of water resources is internally allocated to land use categories based on the allocation categories identified in the Zoning Code: (1) residential; (2) commercial; (3) governmental; and (4) City-administered community reserve. The Housing Plan includes Program 3.1 to require a portion of any new water sources to be set aside specifically for projects that include development of affordable units. The City will continue to work with regional agencies to ensure that sufficient infrastructure support for water and other resources may become available to accommodate planned growth in the future.

## 2. Wastewater

The City's wastewater disposal system includes seven pump stations, 56 miles of gravity sewers, and two miles of pressure sewers, which pump wastewater into the regional lines that transport wastewater to the Monterey Regional Wastewater Treatment Plant in Marina. The wastewater treatment plant is operated by the Monterey Regional Water Pollution Control Agency (MRWPCA). The wastewater treatment plant has a design capacity of 29.6 million gallons per day (mgd). The average daily flow of the wastewater treatment plant in 2013 was 19.2 mgd. ~~According to the MRWPCA, the operating agency of the wastewater treatment plant, there is plant capacity for more than five years.~~ Current flow is less than that of 1989, despite substantial growth in the MRWPCA service area. The average daily flow of the projected housing need (RHNA) is well within the capacity of the wastewater treatment system.

## 6.4 Energy Conservation

Planning to maximize energy efficiency and the incorporation of energy conservation and green building features, contributes to reduced housing costs. Energy efficient design for sustainable communities reduces dependence on automobiles. Additionally, maximizing energy efficiency reduces greenhouse gas emissions. In response to recent legislation on global climate change, local governments are required to implement measures that cut greenhouse gas emissions attributable to land use decisions (see discussion on Global Climate Change below). The Housing Element programs can support energy efficiency that benefits the market and the environment by:

- Establishing a more compact urban core, bringing residents close to work and services, therefore reducing automobile trips and reducing emissions;
- Implementing passive solar construction techniques that require solar orientation, thermal massing, and other energy efficient design standards; and
- Encouraging the use of solar water heating and photovoltaics.

Residential water heating and air heating/cooling are major sources of energy consumption. With the application of energy efficient design and the use of solar power systems, home heating and cooling can be operated on a more efficient and sustainable level. To encourage energy efficient design, the City adopted a Green Building Ordinance in 2010. The Ordinance required that applicants for all new residential developments and significant remodels must accrue a specified number of points on the City's Green Building checklist in order to qualify for a Building Permit. The checklist specified a number of energy saving building techniques such as energy heels on roof trusses, hot water pipe

insulation, and high efficiency fixtures, heating and cooling systems. The Green Building Ordinance was superseded by the 2012 CalGreen Building Code.

The City has the added opportunity to implement solar technologies with the help of recent legislation. The Solar Water Heating and Efficiency Act of 2007 (AB 1470) has created a \$250 million, ten-year program to provide consumer rebates for solar water heating systems.

Pacific Gas and Electric (PG&E) provides a variety of energy conservation services for residents and several other energy assistance programs for lower income households. These programs include the Energy Watch Partnerships and the Charitable Contributions Program. The Energy Watch Partnerships help residents lower their energy bills and promote cleaner energy production. Through Energy Watch Partnerships PG&E has extended the reach of effectiveness of energy efficiency programs and provided information about demand responses programs, renewable energy, and self-generations opportunities.

The Charitable Contributions Program gives millions of dollars each year to non-profit organizations to support environmental and energy sustainability. Projects that are funded include residential and community solar energy distribution projects, public education projects, and energy efficiency programs. The goal is to ensure that 75% of the dollars assist underserved communities, which includes low-income households, people with disabilities, and seniors.

PG&E also offers rebates for energy efficient home appliances and remodeling. Residents can apply for a variety of rebates that make it more affordable in the short term to save energy and money in the long term. Rebates are available for cooling and heating equipment, lighting, seasonal appliances, and remodeling (cool roofs, insulation, water heaters). These opportunities are available to all income levels and housing types.

Through these and other conservation measures, the City seeks to help minimize the percentage of household income required for energy costs as well as minimize the production of greenhouse gases. Programs have been included to incorporate newly adopted state energy efficiency standards and to encourage energy efficient technologies.

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**Addendum to Initial Study/Negative Declaration  
City of Pacific Grove  
2015-2023 Housing Element and Related Zoning Code Amendments  
March 3, 2016**

**OVERVIEW**

In 2011 the City Council adopted an Initial Study/Negative Declaration (“IS/ND”) for the 2009-2014 Housing Element. The City is now required to adopt an updated Housing Element for the 2015-2023 planning period. The purpose of this Addendum is to demonstrate that the 2015-2023 Housing Element update and related Zoning Code amendments would not result in any of the conditions under which a subsequent Environmental Impact Report (“EIR”) or Negative Declaration (“ND”) would be required pursuant to Public Resources Code Section 21166 or CEQA Guidelines Sections 15162 and 15164.

**PURPOSE OF AN ADDENDUM**

CEQA and the CEQA Guidelines establish the type of environmental documentation that is required when changes to a project occur or new information arises after an EIR is certified or an ND adopted for a project. CEQA Guidelines Section 15162 establishes criteria for determining whether more detailed information, such as the preparation of a Subsequent or Supplemental EIR, is needed, and Section 15164 defines the appropriate use of Addendums to previous EIRs and NDs.

CEQA Guidelines Section 15162(a) states:

*When an EIR has been certified or a negative declaration adopted for a project, no subsequent EIR shall be prepared for that project unless the lead agency determines on the basis of substantial evidence in the light of the whole record, one or more of the following:*

*(1) Substantial changes are proposed in the project, which will require major revisions in the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.*

*(2) Substantial changes occur with respect to the circumstances under which the project is to be undertaken, which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.*

*(3) New information of substantial importance which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete shows any of the following:*

*a. The project will have one or more significant effects not discussed in the EIR.*

*b. Significant effects previously examined will be substantially more severe than shown in the previous EIR*

*c. Mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure; or*

*d. Mitigation measures or alternatives that are considerably different from those analyzed in the previous EIR would substantially reduce one or more effects on the environment but the project proponents decline to adopt the mitigation measure.*

CEQA Guidelines Section 15164(b) states: “An addendum to an adopted negative declaration may be prepared if only minor technical changes or additions are necessary or none of the conditions described in Section 15162 calling for the preparation of a subsequent EIR or negative declaration have occurred.”

The following analysis demonstrates that the 2015-2023 Housing Element update does not raise any new environmental issues and requires only minor technical changes or additions to the previous ND to satisfy the requirements of CEQA.

## **PROJECT DESCRIPTION**

### **A. 2015-2023 Housing Element Update**

State law requires each jurisdiction in Monterey County to prepare an updated Housing Element for the 2015-2023 planning period. No substantial changes to conditions, requirements or the statutory framework that raise new potentially significant environmental impacts not previously considered have occurred with respect to the Housing Element, and the proposed 2015-2023 Housing Element update would not make substantial changes to City housing policies or land use regulations. The new Housing Element is comprised of the following sections.

- Section 1: Executive Summary – provides an overview of the City’s housing needs and strategy for the 2015-2023 planning period. No policy or regulatory changes are proposed in this section, and none of the changes reflected in this section would result in the potential for significant environmental impacts not previously considered in the 2011 ND.
- Section 2: Introduction – describes the purpose, organization and requirements of the Housing Element. No policy or regulatory changes are proposed in this section, and none of the changes reflected in this section would result in the potential for significant environmental impacts not previously considered in the 2011 ND.
- Section 3: Goals, Policies, Programs and Objectives – describes City strategies and actions for the construction, rehabilitation and preservation of housing. No substantial changes to goals, policies or programs are proposed that could result in potentially significant impacts not previously considered in the 2011 ND. Policies and programs have been revised to reflect prior accomplishments and to streamline the document to improve its effectiveness. One new program has been added to this section – review of short-term rentals – however, this program does not commit the City to any changes in current regulations. Any amendment to short-term rental regulations will be subject to separate CEQA review.
- Section 4: Needs Assessment - analyzes the demographic, economic and housing trends in the City and describes the housing needs of residents. This section has been revised to reflect more recent demographic data, trends and special housing needs. Most of the demographic information is based on the 2010 Census or the American Community Survey. This section also describes the new Regional Housing Needs Assessment (RHNA), which identifies housing growth needs for the new planning period as summarized below.

A key requirement of state law is that each city demonstrate the availability of adequate sites with appropriate zoning to accommodate residential development commensurate with the City’s assigned share of regional growth needs as described in the RHNA.

The RHNA is mandated by state law and requires that each city accommodate a share of the region’s housing need by adopting land use plans and regulations to provide for a variety of housing for all economic segments of the community. At the beginning of each Housing Element cycle, AMBAG prepares a RHNA Plan in consultation with HCD. The RHNA identifies the number of new housing units each jurisdiction must accommodate through its land use plans and zoning regulations. It is important to note that the RHNA establishes planning targets, not development quotas. No penalty is imposed on cities if actual development does not achieve the RHNA allocations as long as adequate sites for potential development have been identified.

Section 5 - Land Availability and Housing Resources includes an analysis of the City’s assigned share of the region’s housing needs and the availability of vacant and underutilized sites that could accommodate new housing development commensurate with the RHNA. Additionally, state law requires that cities adopt programs to encourage and facilitate new housing at all income levels. Pacific Grove’s RHNA allocation for the new planning period is 115 housing units distributed among income categories as follows:

**Pacific Grove 2015-2023 RHNA Allocation by Income Category**

Very Low	Low	Moderate	Above Moderate	Total
28*	18	21	48	115

\*Per state law, half of the very-low units are assigned to the extremely-low category  
 Source: AMBAG 2014

The residential land inventory described in Section 5 of the Housing Element demonstrates that there are sufficient sites with appropriate zoning to accommodate the RHNA allocation in all income categories. The Housing Element includes the continuation of a variety of program actions intended to facilitate new housing development for households of all income levels. No substantial changes to land use regulations are proposed in connection with the new RHNA allocation.

This section of the Housing Element also discusses various categories of special needs, including the elderly, persons with disabilities, large families, female-headed households, farmworkers and the homeless. No substantial changes in development regulations are proposed with respect to these special needs that were not previously considered in the 2011 ND.

- Section 5: Land Availability and Housing Resources – analyzes resources for housing, including land, financial and administrative resources. None of the revisions in this section would change allowable land uses or development regulations, or result in the potential for significant environmental impacts not previously considered in the 2011 ND.
- Section 6: Constraints – analyzes both governmental and non-governmental constraints to housing production, and opportunities for energy conservation. None of the revisions in this section would change development regulations or result in the potential for new significant environmental impacts that were not previously considered in the 2011 ND.
- Appendix A: Evaluation of the Prior Housing Element – describes the City’s progress in implementing the programs described in the prior Housing Element. None of the revisions in this appendix would change development regulations or result in the potential for significant environmental impacts that were not previously considered in the 2011 ND.
- Appendix B: Land Inventory – provides a parcel-level listing of potential sites for housing development. None of the revisions in this appendix would change development regulations or result in the potential for significant environmental impacts that were not previously considered in the 2011 ND.
- Appendix C: Public Participation – summarizes opportunities for public review of the new Housing Element and describes how comments have been addressed. None of the revisions in this appendix would change development regulations or result in the potential for significant environmental impacts that were not previously considered in the 2011 ND.

## **B. Housing-Related Zoning Code Amendments**

Revisions to the Municipal Code as described below are also proposed in order to ensure conformance with state housing law. These Code amendments were described in the program actions contained in the 2009-2014 Housing Element.

- Density Bonus Regulations (Program 2.3a of the new Housing Element)

State law requires cities to grant a density bonus of up to 35 percent when a project provides affordable housing, senior housing, child care facilities, or dedicates land for affordable housing. State law establishes a sliding scale for density bonus ranging from 20 percent to 35 percent above the maximum allowable density depending on the proportion of affordable units provided. In order to achieve the maximum 35 percent density bonus, provision of at least 20 percent low-income units, 11 percent very-low-income units, or 40 percent moderate-income for-sale units is required. The proposed amendment to Zoning Code Chapter 23.79 would conform City regulations to the current requirements state law.

- Residential Care Facilities (Program 4.2a of the new Housing Element)

State-licensed residential care facilities for six or fewer persons must be permitted as residential uses subject only to the same standards and procedures as apply to other residential dwellings of the same type in the same zone. The proposed revisions to Section 23.08.020 and Table 23.31.030 would conform City regulations with this provision of state law. In addition, the proposed revisions to Section 23.24.20 and 23.28.020 would allow residential care facilities for seven or more persons in the R-3 and R-4 districts subject to a conditional use permit, in conformance with the General Plan Land Use Element (p. 24). Since residential care facilities are similar in nature to other residential uses permitted in these districts (e.g., single and multiple residential dwellings, rooming or boarding houses) and the proposed amendment would ensure consistency with the Land Use Element, no new significant impacts would result.

- Reasonable Accommodation (Program 4.1b of the new Housing Element)

Reasonable accommodation is an allowance for flexibility in the application of zoning and building regulations, practices, and procedures when necessary to enable a person with a disability to occupy a dwelling. Under applicable fair housing law, the City can require documentation to support the request, and may deny a request if it would result in a fundamental alteration of zoning or building regulations, or if an alternative modification would reasonably accomplish the intended purpose with less deviation from regulations. The proposed Zoning Code amendment describes procedures to ensure reasonable accommodation in conformance with state law and would not change development regulations, therefore no new significant impacts would result.

- Emergency Shelters (Program 4.2a of the new Housing Element)

State law requires cities to designate at least one zone where permanent emergency (homeless) shelters are allowed by-right subject to limited development standards. The proposed Zoning Code amendment would allow emergency shelters in the C-2 zone subject to development standards in conformance with state law. Since emergency shelters would not result in environmental impacts that are substantially greater than other permitted uses in this district (e.g., multiple residential dwellings, residential care facilities, rooming or boarding houses), the proposed amendment would not result in new significant impacts.

- Transitional and Supportive Housing (Program 4.2a of the new Housing Element)

Under state law, transitional housing and supportive housing must be treated as residential uses and permitted subject only to the same standards and procedures as apply to other residential dwellings of the same type in the same zone. The proposed amendment to Sec. 17.68.040 would ensure consistency with state law. Since transitional and supportive housing are subject to the same development regulations as

other residential uses of the same type in the same zone, the proposed amendment would not result in new significant impacts.

#### **ENVIRONMENTAL ANALYSIS AND CONCLUSIONS**

Because adoption of the 2015-2023 Housing Element would not substantially change the City's land use designations or development regulations, no new potentially significant environmental effects would occur that were not previously analyzed in the IS/ND prepared for the prior Housing Element. In addition, the proposed revisions to the Zoning Code are required by state law and were called for in the 2009-2014 Housing Element. Therefore, pursuant to CEQA Guidelines Section 15164, an addendum is the appropriate CEQA document for the 2015-2023 Housing Element update and related zoning amendments. There is no substantial evidence that adoption of the Housing Element update and related amendments will result in new significant environmental impacts, or impacts that would be more severe than described in the previous Negative Declaration. Consequently, a subsequent or supplemental EIR or IS/ND is not required.



**CITY OF PACIFIC GROVE**  
300 Forest Avenue, Pacific Grove, California 93950

**AGENDA REPORT**

**TO:** Planning Commission  
**FROM:** Mark Brodeur, Community and Economic Development Director  
**MEETING DATE:** March 3, 2016  
**SUBJECT:** 2015-2023 Housing Element Implementation Actions  
 An Addendum to the Negative Declaration adopted for the 2011  
**CEQA:** Housing Element has been prepared pursuant to CEQA Guidelines  
 Sec. 15162 and 15164

**RECOMMENDATION**

1. Receive staff report
2. Adopt by motion a recommendation that the City Council adopt the attached Ordinance based upon the CEQA findings and other required findings as described below.

**DISCUSSION**

The 2015-2023 Housing Element includes implementation programs calling for amendments to the Zoning Code that are needed to ensure conformance with state housing laws related to persons with special needs. State law requires cities to adopt zoning regulations that encourage the production of affordable housing and minimize constraints on housing for persons with special needs, which includes the elderly and those with disabilities. Summarized below are program commitments contained in the Housing Element related to these requirements and the actions needed to ensure full conformance with state law. Proposed amendments to the Zoning Code that would implement these programs are set forth in the draft Ordinance (Attachment 1).

- Density Bonus Regulations (Program 2.3a of the new Housing Element)

State law requires cities to grant a density bonus of up to 35 percent when a project provides affordable housing, senior housing, child care facilities, or dedicates land for affordable housing. A sliding scale for density bonus ranges from 20 percent to 35 percent above the maximum allowable density depending on the proportion of affordable units provided. In order to achieve the maximum 35 percent density bonus, provision of at least 20 percent low-income units, 11 percent very-low-income units, or 40 percent moderate-income for-sale units is required. An amendment to current regulations is needed to conform the Zoning Code to current state law.

- Residential Care Facilities (Program 4.2a of the new Housing Element)

State-licensed residential care facilities for six or fewer persons must be permitted as residential uses subject only to the same standards and procedures as apply to other residential dwellings of the same type in the same zone. The proposed amendment to Zoning Code Section 23.08.020 (Definitions) would ensure consistency with state law.

Large (7 or more persons) care facilities are permitted by Use Permit in most commercial zones, however an inconsistency exists between the General Plan Land Use Element and the Zoning Code regarding large care facilities in multi-family residential zones. The proposed amendment to Code Sections 23.24.020 (R-3 District) and 23.28.020 (R-4 District) would reconcile this issue.

- Reasonable Accommodation (Program 4.1b of the new Housing Element)

*Reasonable accommodation* is an allowance for flexibility in the application of zoning and building regulations, practices, and procedures when necessary to enable a person with a disability to occupy a dwelling. Applicable law allows cities to require documentation to support a request for reasonable accommodation, and to deny a request if it would result in a fundamental alteration of zoning or building regulations, or if an alternative modification would reasonably accomplish the intended purpose with less deviation from regulations. The proposed Zoning Code amendment would establish procedures for the City to review and approve requests for reasonable accommodation in conformance with state law.

- Emergency Shelters (Program 4.2a of the new Housing Element)

State law requires cities to designate at least one zone where permanent emergency (homeless) shelters are allowed by-right subject to limited development standards. The previous Housing Element stated that the C-1 and/or R-4 zones, or other appropriate zones, would be designated to meet this requirement. The proposed Zoning Code amendment would establish regulations allowing emergency shelters in the C-2 District in conformance with state law.

- Transitional and Supportive Housing (Program 4.2a of the new Housing Element)

Under state law, transitional housing and supportive housing must be treated as residential uses and permitted subject only to the same standards and procedures as apply to other residential dwellings of the same type in the same zone. The proposed amendment would ensure consistency with state law.

## CEQA COMPLIANCE

An Initial Study/Negative Declaration (“IS/ND”) was adopted by the City Council on May 18, 2011 for the 2009-2014 Housing Element update. That IS/ND concluded that the Housing Element would not result in a significant impact on the environment. The proposed revisions to the Zoning Code are required by state law and would not result in new significant environmental impacts or a substantial increase in the severity of impacts analyzed in the previous IS/ND,

therefore an Addendum has been prepared pursuant to CEQA Guidelines Sections 15162 and 15164. (Attachment 2)

**REQUIRED FINDINGS**

PGMC Sec. 23.84.060 establishes required findings for legislative amendments, including amendments to the Zoning Code. Staff recommends that the Planning Commission consider and approve the following findings:

- (1) The proposed amendments to the Zoning Code are consistent with the general plan and local coastal program in that they would implement Programs 2.3.a, 4.1.b and 4.2.a of the 2015-2023 Housing Element; and
- (2) The proposed amendments would not be detrimental to the public interest, health, safety, convenience, or welfare of the city in that they would serve to expand the availability of decent housing for all economic segments and persons with special needs; and
- (3) The proposed amendments would not create any inconsistencies with other applicable provisions of the City’s zoning regulations.

**ATTACHMENTS**

- 1. Draft Ordinance
- 2. CEQA Addendum

RESPECTFULLY SUBMITTED:



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Mark Brodeur, Community  
And Economic Development Director

**Ordinance No. 16- \_\_\_ - \_\_\_\_**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PACIFIC GROVE  
AMENDING ZONING REGULATIONS FOR TRANSITIONAL AND SUPPORTIVE  
HOUSING IN CONFORMANCE WITH STATE HOUSING LAW**

**WHEREAS**, state housing law requires all cities to adopt regulations to facilitate the production of housing for low- and moderate-income families and persons with special needs; and

**WHEREAS**, the General Plan Housing Element includes programs to encourage development of affordable housing, residential care facilities, emergency shelters, transitional and supportive housing, and establish procedures for reviewing and approving requests for reasonable accommodation by persons with disabilities; and

**WHEREAS**, pursuant to Section 23.84.060 (b) of the City’s Zoning Code, the City Council finds as follows:

(1) The proposed amendments to the Zoning Code are consistent with the General Plan and Local Coastal Program in that they would implement Programs 2.3.1, 3.4.4, 4.1.2 and 4.2.2 of the 2007-2014 Housing Element; and

(2) The proposed amendments are not detrimental to the public interest, health, safety, convenience, or welfare of the City in that they shall expand the availability of decent housing for all economic segments and persons with special needs; and

(3) The proposed amendments are internally consistent and shall not create inconsistencies with other applicable provisions of the City’s zoning regulations; and

**WHEREAS**, the City Council adopted an Initial Study/Negative Declaration (IS/ND) for the 2009-2014 Housing Element in 2011. The updated Housing Element shall apply to the 2015-2023 planning period. An Addendum to the 2011 Negative Declaration demonstrates the 2015-2023 Housing Element update and related Zoning Code amendments shall not result in conditions under which a subsequent Environmental Impact Report (EIR) or Negative Declaration (ND) would be required pursuant to Public Resources Code Section 21166 or CEQA Guidelines Sections 15162 and 15164.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE:**

**SECTION 1.** The foregoing recitals are adopted as findings of the City Council as though set forth fully herein.

**SECTION 2.** Existing Municipal Code Chapter 23.79, Density Bonus Regulations, is amended by the addition of underscored text to read as follows:

23.79.010 Purpose and intent.

This Chapter is intended to provide incentives for the production of housing for low- and moderate-income, or senior households in accordance with state density bonus law. In enacting this Chapter, it is the intent of the City of Pacific Grove to facilitate development of affordable housing and to implement the goals, objectives and policies of the City's housing element.

23.79.020 Implementation.

A. To facilitate the provision of affordable housing, the City shall grant a density bonus and other incentives and concessions for residential developments in conformance with Government Code Sections 65915 et seq., as may be amended from time to time.

B. Affordable housing units produced pursuant to this Chapter shall be administered by a City-approved public or quasi-public agency involved in affordable housing programs, or will be verified by the City based on documentation supplied by the property owner, in conformance with state Density Bonus Law.

**SECTION 3.** Existing Municipal Code Section 23.08.020, Definitions, is amended by the addition of underscored text as follows:

“Emergency shelter” means 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.

“Residential care” means residential care facilities for alcoholism recovery, mentally disabled, handicapped, elderly, and dependent and neglected children (including residential care facilities for the elderly (RCFEs) as licensed by the state Department of Social Services). State-licensed residential care facilities for six or fewer persons, excluding the facility operator and staff, shall be considered a family use subject only to the same regulations as apply to other residential dwellings of the same type in the same zone.

“Supportive housing” means housing with no limit on length of stay, that is occupied by the target population, and that is linked to an onsite or offsite service that assists the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. Target population means persons with low incomes who have one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health condition, or individuals eligible for services provided pursuant to the Lanterman Developmental Disabilities Services Act (Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code) and may include, among other populations, adults, emancipated minors, families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, and homeless people. Supportive housing is a residential use subject only to the same requirements as apply to other residential dwellings of the same type in the same zone.

“Transitional housing” means buildings configured as rental housing developments, but operated under program requirements that mandate the termination of assistance and recirculation of the assisted unit to another eligible program recipient at a predetermined future point in time that shall be no less than six months from the beginning of the assistance. Transitional housing is a residential use subject only to the same requirements as apply to other residential dwellings of the same type in the same zone.

**SECTION 4.** Existing Municipal Code Section 23.24.020 Uses Permitted, is amended by adding subsection (f), shown as underscored text, as follows:

(f) State-licensed residential care facilities for seven or more persons, subject to first securing a use permit.

**SECTION 5.** Existing Municipal Code Section 23.28.020 Uses Permitted, is amended by adding subsection (k), shown as underscored text, as follows:

(k) State-licensed residential care facilities for seven or more persons, subject to first securing a use permit.

**SECTION 6.** Existing Municipal Code Table 23.31.030 Commercial and Industrial Zoning Districts Allowable Land Uses and Permit Requirements, is amended by the addition of underscored text as follows:

Use	Specific Use Regulations (PGMC)	C-1'	C-1-T'	C-D'	C-FH'	C-2	C-V'	I
<u>Emergency Shelters</u>						<u>P<sup>9</sup></u>		
<u>Residential Care</u>								
<u>Housing 6 or fewer persons</u>	-	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>
<u>Housing 7 or more persons</u>	-	<u>UP</u>	<u>UP</u>	<u>UP</u>	<u>UP</u>	<u>UP</u>	<u>--</u>	<u>UP</u>
<p>9. Outside the Coastal Zone only. In addition to the requirements of Section 23.31.040, Emergency Shelters shall be subject to the following standards:</p> <ul style="list-style-type: none"> <li>a. Maximum of 25 beds.</li> <li>b. Off-street parking shall be provided at a rate of one space per 5 beds plus one space per each staff person on duty.</li> <li>c. On-site management shall be provided at all times the shelter is open. A management and security plan shall be prepared in consultation with the City Manager or his or her designee which shall describe hours of operation; staffing; house rules and occupant screening procedures; on- or off-site services to be provided; security measures to ensure the safety of the occupants of the shelter and surrounding areas; and communications protocols to ensure effective coordination between shelter management, adjacent property owners and residents, and public safety personnel.</li> <li>d. No emergency shelter shall be established closer than 300 feet from another emergency shelter, measured from the nearest property line.</li> <li>e. Waiting and intake areas shall be screened from view from the public right-of-way.</li> </ul> <p>10. Permitted subject to the same standards as apply to other residential dwellings of the same type in the same zone.</p>								

**SECTION 7.** Chapter 23.81 Reasonable Accommodation for Persons with Disabilities, is added to the Municipal Code as follows:

CHAPTER 23.81  
Reasonable Accommodation for Persons with Disabilities

A. Purpose and Applicability.

1. This Section provides a procedure to request reasonable accommodation for persons with disabilities seeking equal access to housing under the Fair Housing Laws in the application of zoning laws, building codes, and other land use regulations, policies and procedures. Fair Housing Laws means “Fair Housing Amendments Act of 1988” (42 U.S.C. § 3601, et seq.), including reasonable accommodation required by 42 U.S.C. § 3604(f)(3)(B), and the “California

Fair Employment and Housing Act” (California Government Code Section 12900, et seq.), including reasonable accommodation required specifically by California Government Code Sections 12927(c)(1) and 12955(l), as any of these statutory provisions now exist or may be amended from time to time.

2. A request for reasonable accommodation may be made by any person with a disability, his/her representative, or any business or property owner when the application of a zoning law, building code provision 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 or more major life activities, anyone who is regarded as having such impairment or anyone who has a record of such impairment, as those terms are defined in the Fair Housing Laws.

3. A request for reasonable accommodation may include a request for 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 a disability equal opportunity to housing of their choice. Requests for reasonable accommodation shall be made in the manner prescribed by this Chapter.

4. It is the intent of this Chapter that, notwithstanding time limits provided to perform specific functions, application review, decision making and appeals proceed expeditiously, especially where the request is time sensitive, so as to reduce impediments to equal access to housing.

#### B. Application Submittal.

1. Any person with a disability, or his or her representative, may request reasonable accommodation on a form supplied by the Community and Economic Development Department. The request shall include the following information, and be accompanied by a fee established by resolution of the City Council:

a. The applicant’s or representative’s name, mailing address and daytime phone number;

b. The address of the property for which the request is being made;

c. The specific code section, regulation, procedure or policy of the City from which relief is sought;

d. A site plan or illustrative drawing showing the proposed accommodation;

e. An explanation of why the specified code section, regulation, procedure or policy is preventing, or will prevent, the applicant’s use and enjoyment of the subject property;

f. The basis for the claim that Fair Housing Laws apply to the individual(s) and evidence satisfactory to the City supporting the claim. Evidence may include a letter from a medical doctor or other licensed health care professional, a disabled license, or any other relevant evidence;

g. A detailed explanation as to why the accommodation is reasonable and necessary to afford the applicant an equal opportunity to use and enjoy a dwelling in the City;

h. Verification by the applicant that the property is the primary residence of the person(s) for whom reasonable accommodation is requested; and

i. Other information required by the City to make the findings required by Section 17.42.120(D) consistent with the Fair Housing Laws.

2. A request for reasonable accommodation may be filed at any time the accommodation may be necessary to ensure equal access to housing. If the project for which the request for reasonable accommodation is being made also requires discretionary approval, the applicant shall provide required submittal information to the City together with the application for discretionary approval and shall pay all applicable fees. These materials shall enable the City to concurrently review the accommodation request and the discretionary approval request. Processing procedures for the discretionary approval request shall govern joint processing of both the reasonable accommodation and the discretionary permit.

3. Reasonable accommodation does not affect or negate an individual's obligations to comply with other applicable regulations not at issue or related to the requested accommodation.

4. If an individual needs assistance in making the request for reasonable accommodation, the City shall provide assistance to ensure the process is accessible.

5. Should the request for reasonable accommodation be made concurrently with a discretionary permit, the fee for a reasonable accommodation application may be waived provided that the prescribed fee shall be paid for all other discretionary permits.

#### C. Review Authority.

1. Applications for reasonable accommodation shall be reviewed by the Community and Economic Development Director (Director) when no approval is sought other than the request for reasonable accommodation.

2. Applications for reasonable accommodation submitted for concurrent review with any discretionary land use application shall be reviewed by the authority governing the discretionary land use application.

#### D. Findings.

The Review Authority shall approve the request for a reasonable accommodation if, based upon all of the evidence presented, the following findings can be made:

1. The housing, which is the subject of the request for reasonable accommodation, will be occupied by an individual with disabilities protected under Fair Housing Laws;

2. The requested accommodation is reasonable and necessary to make housing available to an individual with disabilities protected under the Fair Housing Laws;

3. The requested accommodation will not impose an undue financial or administrative burden on the City, as defined in the Fair Housing Laws and interpretive case law; and

4. The requested accommodation will not require fundamental alteration or frustrate application of the City's zoning or building laws, policies and/or procedures, as defined in the Fair Housing Laws and interpretive case law. The City may consider, but is not limited to, the following factors to determine whether the requested accommodation would fundamentally alter or frustrate application of the City's zoning or building program:

a. Whether granting the accommodation would fundamentally alter the character of the neighborhood;

b. Whether granting the accommodation would result in a substantial increase in traffic or insufficient parking; and

c. Whether granting the accommodation would substantially undermine any express purpose of either the City's General Plan or an applicable Specific Plan.

E. Decision.

1. The Review Authority shall consider the application, and issue a written determination within forty (40) calendar days of the date of receipt of a completed application. At least ten (10) calendar days before issuing a written determination on the application, the City shall mail notice to the applicant and adjacent property owners that the City is considering the application and invite written comments as to the requested accommodation.

2. If necessary to reach a determination on any request for reasonable accommodation, the Review Authority may request further information from the applicant or others consistent with this Chapter, specifying in detail what information is required. If a request for further information is made of the applicant, the time period to issue a written determination shall be stayed until the applicant responds to the request.

3. The Review Authority's written decision shall include findings and conditions of approval. The applicant shall be given notice of the right to appeal, and the right to request reasonable accommodation related to the appeal process. The Review Authority's decision shall be mailed to the applicant, to any person who provided written or verbal comment on the application, and to any other person who requests notice.

4. Any approved reasonable accommodation shall be subject to any conditions imposed on the approval consistent with the purposes of this Section.

5. The Review Authority may approve alternative accommodations that provide equivalent and reasonable levels of benefit to the applicant.

6. The written decision of the Reviewing Authority shall be final, unless appealed as set forth below.

7. While a request for reasonable accommodation is pending, all laws and regulations otherwise applicable to the property subject to the request shall remain in full force and effect.

8. Where improvements or modifications approved through a reasonable accommodation would generally require a variance, a variance shall not be required.

F. Appeals.

1. Any decision on a reasonable accommodation request may be appealed to the City Council, which appeal must be received by the City within ten (10) calendar days of the issuance of a written decision.

2. The appeal shall be in writing and shall include a statement of the grounds for appeal, and accompanied by a fee established by resolution of the City Council. If an individual needs assistance in filing an appeal, the City shall provide assistance to ensure the appeals process is accessible.

3. The City Council shall hear the matter de novo, and shall render a determination as soon as reasonably practicable, but in no event later than sixty (60) calendar days after an appeal has been filed. All determinations shall address and be based upon the same findings required to be made in the original determination from which the appeal is taken.

4. The City shall provide notice of an appeal hearing to the applicant, adjacent property owners, and any other person requesting notification at least ten (10) calendar days prior to the hearing. The Council shall announce its findings within forty (40) calendar days of the hearing, unless good cause exists for an extension. The decision shall be mailed to the applicant and to any other person who requests notice at the time of the hearing. The Council's action shall be final.

G. Waiver of Time Periods.

Notwithstanding any provisions in this Chapter regarding the occurrence of any action within a specified period of time, an applicant may request additional time beyond that provided for in this Chapter or may request a continuance regarding any decision or consideration by the City of a pending appeal. The City may, in its sole discretion, grant or deny any such request for extension or continuance. The granting of extensions of time or continuance shall not be deemed delay on the part of the City, shall not constitute failure by the City to provide prompt decisions on applications and shall not be a violation of any required time period set forth in this Chapter.

H. Notice to the Public of Availability of Accommodation Process.

The City shall prominently display in the public areas of the Community and Economic Development Department at City Hall a notice advising those with disabilities or their representatives that reasonable accommodations are available in accord with this Section. City employees shall direct individuals to the display whenever requested to do so or if they reasonably believe individuals with disabilities or their representatives may be entitled to reasonable accommodation.

## I. Expiration, Time Extension, Violation, Discontinuance, and Revocation

1. Any reasonable accommodation approved in accordance with the terms of this Chapter shall expire within twenty-four (24) months from the effective date of approval or at an alternative time specified as a condition of approval unless:

a. A building permit has been issued and construction has commenced;

b. A certificate of occupancy has been issued;

c. The use is established; or

d. A time extension has been granted.

2. The Director may approve a time extension for reasonable accommodation for good cause for a period or periods not to exceed three years. Application for a time extension shall be made in writing to the Community and Economic Development Department no less than thirty (30) days or more than ninety (90) days prior to the expiration date.

3. Notice of the Director's decision on a time extension shall be mailed to the Applicant.

4. Any reasonable accommodation approved in accordance with the terms of this Chapter may be revoked if any condition or term of the reasonable accommodation is violated, or if any law or Ordinance is violated in connection therewith. Notice of revocation shall be mailed to the applicant and to the owner of any property affected by the accommodation. Upon revocation, the Director may require any physical alteration associated with the reasonable accommodation to be removed or substantially conform to the code, as may be reasonably feasible.

5. An accommodation is granted only to an individual. The accommodation shall not run with the land unless the Director expressly finds the modification is physically integrated on the property and cannot feasibly be removed or altered. Any change in use or circumstances that negates the basis for the grant of approval may render the reasonable accommodation null and void and/or revocable by the City. Thereafter the Director may require the reasonable accommodation to be removed or substantially conformed to the code if reasonably feasible.

## J. Amendments.

A request for changes in conditions of approval of a reasonable accommodation, or a change to plans that affects a condition of approval shall be treated as a new application and shall be processed in accordance with the requirements of this Chapter. The Director may waive the requirement for a new application and approve the changes if the changes are minor, do not involve substantial alterations or addition to the plan or the conditions of approval, and are consistent with the intent of the original approval.

**SECTION 8.** If any provision, section, paragraph, sentence, clause or phrase of this ordinance, or any part thereof, or the application thereof to any person or circumstance is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance, or any part thereof, or its

application to other persons or circumstances. The City Council hereby declares that it would have passed and adopted each provision, section, paragraph, subparagraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, paragraphs, subparagraphs, sentences, clauses or phrases, or the application thereof to any person or circumstance, be declared invalid or unconstitutional.

**SECTION 9.** In accord with Article 15 of the City Charter, this ordinance shall take effect thirty days following adoption on second reading.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE THIS \_\_\_\_ day of \_\_\_\_\_, 2016, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

\_\_\_\_\_  
BILL KAMPE, Mayor

ATTEST:

\_\_\_\_\_  
SANDRA KANDELL, Deputy City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
DAVID C. LAREDO, City Attorney

**Addendum to Initial Study/Negative Declaration  
City of Pacific Grove  
2015-2023 Housing Element and Related Zoning Code Amendments  
March 3, 2016**

**OVERVIEW**

In 2011 the City Council adopted an Initial Study/Negative Declaration (“IS/ND”) for the 2009-2014 Housing Element. The City is now required to adopt an updated Housing Element for the 2015-2023 planning period. The purpose of this Addendum is to demonstrate that the 2015-2023 Housing Element update and related Zoning Code amendments would not result in any of the conditions under which a subsequent Environmental Impact Report (“EIR”) or Negative Declaration (“ND”) would be required pursuant to Public Resources Code Section 21166 or CEQA Guidelines Sections 15162 and 15164.

**PURPOSE OF AN ADDENDUM**

CEQA and the CEQA Guidelines establish the type of environmental documentation that is required when changes to a project occur or new information arises after an EIR is certified or an ND adopted for a project. CEQA Guidelines Section 15162 establishes criteria for determining whether more detailed information, such as the preparation of a Subsequent or Supplemental EIR, is needed, and Section 15164 defines the appropriate use of Addendums to previous EIRs and NDs.

CEQA Guidelines Section 15162(a) states:

*When an EIR has been certified or a negative declaration adopted for a project, no subsequent EIR shall be prepared for that project unless the lead agency determines on the basis of substantial evidence in the light of the whole record, one or more of the following:*

*(1) Substantial changes are proposed in the project, which will require major revisions in the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.*

*(2) Substantial changes occur with respect to the circumstances under which the project is to be undertaken, which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.*

*(3) New information of substantial importance which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete shows any of the following:*

*a. The project will have one or more significant effects not discussed in the EIR.*

*b. Significant effects previously examined will be substantially more severe than shown in the previous EIR*

*c. Mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure; or*

*d. Mitigation measures or alternatives that are considerably different from those analyzed in the previous EIR would substantially reduce one or more effects on the environment but the project proponents decline to adopt the mitigation measure.*

CEQA Guidelines Section 15164(b) states: “An addendum to an adopted negative declaration may be prepared if only minor technical changes or additions are necessary or none of the conditions described in Section 15162 calling for the preparation of a subsequent EIR or negative declaration have occurred.”

The following analysis demonstrates that the 2015-2023 Housing Element update does not raise any new environmental issues and requires only minor technical changes or additions to the previous ND to satisfy the requirements of CEQA.

## **PROJECT DESCRIPTION**

### **A. 2015-2023 Housing Element Update**

State law requires each jurisdiction in Monterey County to prepare an updated Housing Element for the 2015-2023 planning period. No substantial changes to conditions, requirements or the statutory framework that raise new potentially significant environmental impacts not previously considered have occurred with respect to the Housing Element, and the proposed 2015-2023 Housing Element update would not make substantial changes to City housing policies or land use regulations. The new Housing Element is comprised of the following sections.

- Section 1: Executive Summary – provides an overview of the City’s housing needs and strategy for the 2015-2023 planning period. No policy or regulatory changes are proposed in this section, and none of the changes reflected in this section would result in the potential for significant environmental impacts not previously considered in the 2011 ND.
- Section 2: Introduction – describes the purpose, organization and requirements of the Housing Element. No policy or regulatory changes are proposed in this section, and none of the changes reflected in this section would result in the potential for significant environmental impacts not previously considered in the 2011 ND.
- Section 3: Goals, Policies, Programs and Objectives – describes City strategies and actions for the construction, rehabilitation and preservation of housing. No substantial changes to goals, policies or programs are proposed that could result in potentially significant impacts not previously considered in the 2011 ND. Policies and programs have been revised to reflect prior accomplishments and to streamline the document to improve its effectiveness. One new program has been added to this section – review of short-term rentals – however, this program does not commit the City to any changes in current regulations. Any amendment to short-term rental regulations will be subject to separate CEQA review.
- Section 4: Needs Assessment - analyzes the demographic, economic and housing trends in the City and describes the housing needs of residents. This section has been revised to reflect more recent demographic data, trends and special housing needs. Most of the demographic information is based on the 2010 Census or the American Community Survey. This section also describes the new Regional Housing Needs Assessment (RHNA), which identifies housing growth needs for the new planning period as summarized below.

A key requirement of state law is that each city demonstrate the availability of adequate sites with appropriate zoning to accommodate residential development commensurate with the City’s assigned share of regional growth needs as described in the RHNA.

The RHNA is mandated by state law and requires that each city accommodate a share of the region’s housing need by adopting land use plans and regulations to provide for a variety of housing for all economic segments of the community. At the beginning of each Housing Element cycle, AMBAG prepares a RHNA Plan in consultation with HCD. The RHNA identifies the number of new housing units each jurisdiction must accommodate through its land use plans and zoning regulations. It is important to note that the RHNA establishes planning targets, not development quotas. No penalty is imposed on cities if actual development does not achieve the RHNA allocations as long as adequate sites for potential development have been identified.

Section 5 - Land Availability and Housing Resources includes an analysis of the City’s assigned share of the region’s housing needs and the availability of vacant and underutilized sites that could accommodate new housing development commensurate with the RHNA. Additionally, state law requires that cities adopt programs to encourage and facilitate new housing at all income levels. Pacific Grove’s RHNA allocation for the new planning period is 115 housing units distributed among income categories as follows:

**Pacific Grove 2015-2023 RHNA Allocation by Income Category**

Very Low	Low	Moderate	Above Moderate	Total
28*	18	21	48	115

\*Per state law, half of the very-low units are assigned to the extremely-low category  
 Source: AMBAG 2014

The residential land inventory described in Section 5 of the Housing Element demonstrates that there are sufficient sites with appropriate zoning to accommodate the RHNA allocation in all income categories. The Housing Element includes the continuation of a variety of program actions intended to facilitate new housing development for households of all income levels. No substantial changes to land use regulations are proposed in connection with the new RHNA allocation.

This section of the Housing Element also discusses various categories of special needs, including the elderly, persons with disabilities, large families, female-headed households, farmworkers and the homeless. No substantial changes in development regulations are proposed with respect to these special needs that were not previously considered in the 2011 ND.

- Section 5: Land Availability and Housing Resources – analyzes resources for housing, including land, financial and administrative resources. None of the revisions in this section would change allowable land uses or development regulations, or result in the potential for significant environmental impacts not previously considered in the 2011 ND.
- Section 6: Constraints – analyzes both governmental and non-governmental constraints to housing production, and opportunities for energy conservation. None of the revisions in this section would change development regulations or result in the potential for new significant environmental impacts that were not previously considered in the 2011 ND.
- Appendix A: Evaluation of the Prior Housing Element – describes the City’s progress in implementing the programs described in the prior Housing Element. None of the revisions in this appendix would change development regulations or result in the potential for significant environmental impacts that were not previously considered in the 2011 ND.
- Appendix B: Land Inventory – provides a parcel-level listing of potential sites for housing development. None of the revisions in this appendix would change development regulations or result in the potential for significant environmental impacts that were not previously considered in the 2011 ND.
- Appendix C: Public Participation – summarizes opportunities for public review of the new Housing Element and describes how comments have been addressed. None of the revisions in this appendix would change development regulations or result in the potential for significant environmental impacts that were not previously considered in the 2011 ND.

## **B. Housing-Related Zoning Code Amendments**

Revisions to the Municipal Code as described below are also proposed in order to ensure conformance with state housing law. These Code amendments were described in the program actions contained in the 2009-2014 Housing Element.

- Density Bonus Regulations (Program 2.3a of the new Housing Element)

State law requires cities to grant a density bonus of up to 35 percent when a project provides affordable housing, senior housing, child care facilities, or dedicates land for affordable housing. State law establishes a sliding scale for density bonus ranging from 20 percent to 35 percent above the maximum allowable density depending on the proportion of affordable units provided. In order to achieve the maximum 35 percent density bonus, provision of at least 20 percent low-income units, 11 percent very-low-income units, or 40 percent moderate-income for-sale units is required. The proposed amendment to Zoning Code Chapter 23.79 would conform City regulations to the current requirements state law.

- Residential Care Facilities (Program 4.2a of the new Housing Element)

State-licensed residential care facilities for six or fewer persons must be permitted as residential uses subject only to the same standards and procedures as apply to other residential dwellings of the same type in the same zone. The proposed revisions to Section 23.08.020 and Table 23.31.030 would conform City regulations with this provision of state law. In addition, the proposed revisions to Section 23.24.20 and 23.28.020 would allow residential care facilities for seven or more persons in the R-3 and R-4 districts subject to a conditional use permit, in conformance with the General Plan Land Use Element (p. 24). Since residential care facilities are similar in nature to other residential uses permitted in these districts (e.g., single and multiple residential dwellings, rooming or boarding houses) and the proposed amendment would ensure consistency with the Land Use Element, no new significant impacts would result.

- Reasonable Accommodation (Program 4.1b of the new Housing Element)

Reasonable accommodation is an allowance for flexibility in the application of zoning and building regulations, practices, and procedures when necessary to enable a person with a disability to occupy a dwelling. Under applicable fair housing law, the City can require documentation to support the request, and may deny a request if it would result in a fundamental alteration of zoning or building regulations, or if an alternative modification would reasonably accomplish the intended purpose with less deviation from regulations. The proposed Zoning Code amendment describes procedures to ensure reasonable accommodation in conformance with state law and would not change development regulations, therefore no new significant impacts would result.

- Emergency Shelters (Program 4.2a of the new Housing Element)

State law requires cities to designate at least one zone where permanent emergency (homeless) shelters are allowed by-right subject to limited development standards. The proposed Zoning Code amendment would allow emergency shelters in the C-2 zone subject to development standards in conformance with state law. Since emergency shelters would not result in environmental impacts that are substantially greater than other permitted uses in this district (e.g., multiple residential dwellings, residential care facilities, rooming or boarding houses), the proposed amendment would not result in new significant impacts.

- Transitional and Supportive Housing (Program 4.2a of the new Housing Element)

Under state law, transitional housing and supportive housing must be treated as residential uses and permitted subject only to the same standards and procedures as apply to other residential dwellings of the same type in the same zone. The proposed amendment to Sec. 17.68.040 would ensure consistency with state law. Since transitional and supportive housing are subject to the same development regulations as

other residential uses of the same type in the same zone, the proposed amendment would not result in new significant impacts.

#### **ENVIRONMENTAL ANALYSIS AND CONCLUSIONS**

Because adoption of the 2015-2023 Housing Element would not substantially change the City's land use designations or development regulations, no new potentially significant environmental effects would occur that were not previously analyzed in the IS/ND prepared for the prior Housing Element. In addition, the proposed revisions to the Zoning Code are required by state law and were called for in the 2009-2014 Housing Element. Therefore, pursuant to CEQA Guidelines Section 15164, an addendum is the appropriate CEQA document for the 2015-2023 Housing Element update and related zoning amendments. There is no substantial evidence that adoption of the Housing Element update and related amendments will result in new significant environmental impacts, or impacts that would be more severe than described in the previous Negative Declaration. Consequently, a subsequent or supplemental EIR or IS/ND is not required.



**CITY OF PACIFIC GROVE**  
300 Forest Avenue, Pacific Grove, California 93950

**AGENDA REPORT**

**TO:** Planning Commission

**FROM:** Terri C. Schaeffer, Housing Program Coordinator

**MEETING DATE:** March 3, 2016

**SUBJECT:** Ordinance to Permit Home Sharing

**CEQA:** An Initial Study/Negative Declaration (IS/ND) has been prepared and posted pursuant to CEQA Guidelines Sec. 15070 et seq. The IS/ND concludes that the proposed ordinance would not have a significant effect on the environment.

**RECOMMENDATION**

Receive report and provide recommendation for adoption of the Ordinance to City Council.

**DISCUSSION**

The City Council at its meeting on December 16, 2015 reiterated its support of the concept of Home Sharing or the use of the rental of a single room for transient use as a Short Term Vacation Rental (STVR). Staff requests the Planning Commission's consideration of amendments to the Pacific Grove Municipal Code (PGMC) Chapter 23 (Zoning Code) and upon review, recommend adoption by the City Council.

To permit the activity of single room rental on a short term basis, staff recommends adding a new section labeled "Home Sharing" to Chapter 23.64 Section "23.64.370 Home Sharing" which will permit property owners desiring to rent a room to unrelated guests for less than 30 days for a fee, to obtain a permit for this use in any residential zone. Home sharing is limited to single family dwellings in any residential or commercial zone. Home sharing shall not be permitted in any of the following dwelling units:

1. Units lawfully established as second units established pursuant to Chapter 23.80 PGMC;
2. Accessory units to a dwelling unit, or any detached room, or a detached portion of a residential unit that does not provide internal access to both kitchen and bathroom facilities;
3. Any room that is part of a bed and breakfast inn, motel, hotel, or timeshare development condominium, multi-family dwelling unit or any other "tenants in common" dwelling unit.

To obtain a Home Sharing Permit a owner or owner representative of any qualifying residential property may submit an application to the City for an administrative home sharing permit, along with payment of the approved fees, an affidavit affirming that smoke detectors are installed and maintained in all sleeping quarters and common areas, that fire extinguishers are accessible, and a carbon monoxide alarm is installed on each level. The owner or owner representative shall provide access and information to a certified inspector to ensure health and safety of the home share site, prior to issuance of the permit; a report verifying inspection of the site has occurred, and that the Home Sharing site conforms to all requirements of PGMC Section 23.64.370.

Once a permit is approved, all transient occupancy taxes as set forth in Chapter 6.09 PGMC, and fees, as adopted from time to time in the City’s Master Fee Schedule shall be collected and remitted to the City, applicable.

**CEQA COMPLIANCE**

An Initial Study/Negative Declaration (“IS/ND”) was prepared and posted for public review on February 10, 2016 pursuant to CEQA Guidelines Sec. 15070 et seq. Subsequent to the posting of the IS/ND, changes were made to the draft ordinance, however pursuant to CEQA Guidelines Sec. 15073.5 those changes do not require substantial revisions to the IS/ND or recirculation of the IS/ND. Staff recommends that the Planning Commission review the draft IS/ND together with any public comments and make the following finding:

“The Planning Commission finds that on the basis of the whole record that there is no substantial evidence that the proposed amendment to the City’s home sharing regulations will have a significant effect on the environment, and that the IS/ND reflects the Commission’s independent judgment and analysis.”

**REQUIRED FINDINGS**

PGMC Sec. 23.84.060 establishes required findings for legislative amendments, including amendments to the Zoning Code. Staff recommends that the Planning Commission consider and approve the following findings:

“(a) The proposed amendment is consistent with the general plan and the local coastal program in that home sharing does not constitute a change in single-family residential land use as described in the Land Use Element of the General Plan, and would provide additional opportunities for visitor accommodations consistent with the Coastal Act and the City’s local coastal program.

(b) The proposed amendment would not be detrimental to the public interest, health, safety, convenience, or welfare of the city in that the proposed regulations would establish permit procedures that include required conformance with health and safety standards.

(c) The proposed amendment is internally consistent with other applicable provisions of these regulations.”

**OPTIONS**

1. Adopt by motion a recommendation that the City Council adopt the attached Ordinance based upon the CEQA findings and other required findings as set forth above.
2. Do nothing.

**ATTACHMENTS**

1. Draft Ordinance

**FISCAL IMPACT**

An increase in transient occupancy tax revenue and administrative permit fees may be anticipated.

RESPECTFULLY SUBMITTED,



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Terri C. Schaeffer  
Housing Program Coordinator/  
Code Compliance Officer

RESPECTFULLY SUBMITTED,



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Mark Brodeur  
Director  
Community and Economic Development

**ORDINANCE NO. 16-**

**AN ORDINANCE OF THE CITY OF PACIFIC GROVE AMENDING  
THE PACIFIC GROVE MUNICIPAL CODE AT PGMC §23.64 TO ALLOW AND  
REGULATE HOME SHARING**

**FACTS**

1. The Pacific Grove Municipal Code (PGMC) controls land use and zoning through PGMC Title 23, “Zoning.”
2. Title 23 allows for the transient use of residential property. Home sharing, by which the resident of a home provides accommodations for less than 30 days to unrelated guests, while the owner or long-term tenant is present, is one possible type of transient use of residential property commonly considered in Pacific Grove and elsewhere.
3. The City Council has the authority to legalize home sharing.
4. To ensure home sharing fully considers the health and safety of the short-term tenants, and preserves or enhances the existing character of the neighborhood in which the home is shared, it is desirable for the City to adopt regulations similar to, but in some ways different from, those regulations adopted for motels, hotels, bed and breakfasts, and other short-term transient uses. Such standards, conditions and regulations established by Council shall be in addition to and harmonious with the Coastal Act and the City’s General Plan.
5. Pursuant to PGMC Sec. 23.84.060, the Council finds as follows:
  - (a) The proposed amendment is consistent with the general plan and the local coastal program in that home sharing does not constitute a change in single-family residential land use as described in the Land Use Element of the General Plan, and would provide additional opportunities for visitor accommodations consistent with the Coastal Act and the City’s local coastal program.
  - (b) The proposed amendment would not be detrimental to the public interest, health, safety, convenience, or welfare of the city in that the proposed regulations would establish permit procedures that include required conformance with health and safety standards.
  - (c) The proposed amendment is internally consistent with other applicable provisions of these regulations.
6. Enactment of this ordinance action is a Project, as defined by California Environmental Quality Act (CEQA), and an Initial Study/Negative Declaration (“IS/ND”) was prepared and posted for public review on February 10, 2016 pursuant to CEQA Guidelines Sec. 15070 et seq. Subsequent to the posting of the IS/ND, changes were made to the draft regulations as described in the City Council staff report, however pursuant to CEQA Guidelines Sec. 15073.5 those changes do not require substantial revisions to the IS/ND or recirculation of

the IS/ND. The Council has considered the IS/ND together with all public comments and the recommendation of the Planning Commission, and finds that on the basis of the whole record that there is no substantial evidence that the proposed amendment to the City's home sharing regulations will have a significant effect on the environment, and that the IS/ND reflects the Council's independent judgment and analysis. The City Clerk is the custodian of the documents which constitute the record of proceedings upon which the Council's decision is based. .

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE:**

SECTION 1. The foregoing Facts are adopted as findings of the City Council as though set forth fully herein.

SECTION 2. Existing Municipal Code section of Chapter 23.64 "General Provisions and Exceptions" shall be amended by the addition of Section 23.64.370, "Home Sharing," the addition of all text shown in bold, italic, underscored text (***bold, italic, underscored text***), as follows:

***PGMC §23.64.370 Permitting Home Sharing***

- (a) ***Definitions. For the purposes of this section, certain terms used herein shall have the meanings set forth below or in section 23.64.350, and such meanings shall prevail in case of conflict with the definitions set forth in Chapter 23.08 PGMC.***
- (1) ***"Guest" means a person who rents a bedroom and ancillary facilities at a home sharing site***
- (2) ***"Home sharing" means an activity whereby Residents host Guests in their homes, for compensation, for periods of 30 consecutive days or less, while at least one of the dwelling unit's Residents lives in the dwelling unit.***
- (3) ***"Home sharing site" means property occupied and used for home sharing purposes.***
- (4) ***"Resident" means a person legally residing in a dwelling unit in excess of 30 consecutive days. Such Resident may be the owner or a tenant living there with the approval of the owner.***
- (b) ***Home sharing for remuneration is allowed pursuant to this chapter, provided that a separate home sharing permit has first been granted and validly maintained for each home sharing site.***
- (c) ***Each home sharing permit shall meet all requirements of this section, including:***
- (1) ***Each "Home Sharing" permit shall be subject to the following conditions:***
- a) ***Home sharing is limited to single family dwellings in any residential or commercial zone. Home sharing is not permitted in dwelling units lawfully established as second units established pursuant to Chapter 23.80 PGMC; any accessory unit to a dwelling unit, condominium, multi-family dwelling unit or any other "tenants in common" dwelling unit; any room, detached rooms, or a portion of a residential unit that does not provide both kitchen and bathroom facilities; or as part of a bed and breakfast inn, motel, hotel, timeshare development, or other transient use.***

- b) The resident shall also occupy the home throughout the duration of any home sharing;
  - c) A maximum of one bedroom in the home may be rented to adults; a second bedroom may be rented to children as part of the same contract;
  - d) No more than 2 adults shall occupy the rented bedroom;
  - e) Guest(s) shall have exclusive use of the rented bedroom(s) and shared use of a full bathroom and kitchen;
  - f) Neither bedrooms nor bathrooms shall not contain cooking facilities;
  - g) A designated on-site parking space for use by overnight guests, if it exists, or one parking space on any on-site driveway, if it exists.
- (2) Owner or owner representative of any qualifying residential property may submit an application to the City for an administrative home sharing permit, along with payment of the approved fees, an affidavit affirming that smoke detectors are installed and maintained in all sleeping quarters and common areas, that fire extinguishers are accessible, and a carbon monoxide alarm is installed on each level. The owner or owner representative shall provide access and information to a certified inspector to ensure health and safety of the home share site, prior to issuance of the permit; a report verifying inspection of the site has occurred, and that the Home Sharing site conforms to all requirements of PGMC Section 23.64.370.
- (3) A home sharing permit shall continue in force, as long the conditions are met, except upon cancellation by the owner or owner representative, or upon the sale or transfer of the property.
- (4) Once a permit is approved, all transient occupancy taxes as set forth in Chapter 6.09 PGMC, and fees, as adopted from time to time in the City's Master Fee Schedule shall be collected and remitted to the City, applicable.
- (5) Evidence of transient occupancy of a permitted home sharing site, statements and records, failure to file statement or corrected statement, payment of transient occupancy tax, appeal of tax, additional power of City, permit nontransferability, permit denial or revocation, appeal of revocation or suspension, penalties, and liens, shall be as provided in sections 7.40.110 through 7.40.210, inclusive.
- (d) Liability and Enforcement. For the purposes of this section, liability and enforcement shall be the same as PGMC section 23.64.350 (c).

SECTION 3. In accord with Article 15 of the City Charter, this ordinance shall take effect thirty days following passage and adoption hereof.

SECTION 4. The City Manager and City Clerk are directed to perform all tasks necessary to implement this ordinance. This measure may, but shall not be required to, cause republication of the Pacific Grove Municipal Code.

SECTION 5. If any provision, section, paragraph, sentence, clause, or phrase of this ordinance, or any part thereof, or the application thereof to any person or circumstance is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance, or any part

thereof, or its application to other persons or circumstances. The City Council hereby declares that it would have passed and adopted each provision, section, paragraph, subparagraph, sentence, clause, or phrase thereof, irrespective of the fact that any one or more sections, paragraphs, subparagraphs, sentences, clauses, or phrases, or the application thereof to any person or circumstance, be declared invalid or unconstitutional.

**PASSED AND ADOPTED** BY THE COUNCIL OF THE CITY OF PACIFIC GROVE this \_\_\_\_ day of \_\_\_\_\_, 2016, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

\_\_\_\_\_  
BILL KAMPE, Mayor

ATTEST:

\_\_\_\_\_  
SANDRA KANDELL, Deputy City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
DAVID C. LAREDO, City Attorney



**CITY OF PACIFIC GROVE**  
300 Forest Avenue, Pacific Grove, California 93950

**AGENDA REPORT**

**TO:** Planning Commission  
**FROM:** Mark Brodeur, Director, Community & Economic Development  
**MEETING DATE:** March 3, 2016  
**SUBJECT:** Ordinance To Amend PGMC Chapter 7.40 Regarding Short-Term Rentals

**CEQA:** The City prepared an Initial Study and Mitigated Negative Declaration to review the ordinance pursuant to the California Environmental Quality Act (CEQA), and this Ordinance has been mitigated to a point where the proposed project will not have the potential to significantly degrade the environment; will have no significant impact on long-term environmental goals; will have no significant cumulative effect upon the environment; and will not cause substantial adverse effects on human beings, either directly or indirectly. The draft ordinance has been revised after the Negative Declaration was published but the changes did not constitute “substantial revisions” under CEQA therefore recirculation is not required.

**RECOMMENDATION**

Receive staff presentation and forward a recommendation to the City Council to approve the Ordinance with any suggested modifications.

**DISCUSSION**

At its December 16, 2015 meeting City Council directed staff to bring back an Ordinance updating the City of Pacific Grove Municipal Code to address a surge in short-term rental activity and the subsequent consequences of this activity on the community and staff resources. The City Council reiterated by majority vote its support of the Transient Use of residential property in the City but identified the need for stronger short-term rental restrictions.

The matter was referred to the Planning Commission at its meetings of January 7th and 20th where additional public comment was received. City staff has assimilated those comments into some new concepts for your approval. The proposed ordinance is only part of the successful execution of a Short Term Vacation Rental (STVR) Program. The City has already implemented numerous process and violations enhancements aimed at better oversight of the licenses granted throughout the community.

Effective modifications to the existing short-term rental ordinance regulations are tailored to address specific protections for residential neighborhoods in Pacific Grove. Many of the suggested ordinance modifications came out of the City Managers Task Force on Short Term Vacation Rentals (STVR). Taken as a whole, the most difficult portion(s) of the Ordinance to address has been the issue of how many short term vacation rentals is enough. Offered below are the key

ordinance modifications recommended by the Director of Community and Economic Development to help protect and control the over-proliferation of Short Term Vacation Rentals (STVR) in the City of Pacific Grove.

Another key issue that the Director is proposing is to allow the grandfathering of existing licenses. If a licensee has properly managed a STVR property that has not been an issue in the neighborhood then the Director believes it would be an undue burden and hardship to place a “cliff” every year for each and every (new or old) license to meet. While the existing STVR’s will still need an annual license, they are given preference by grandfathering their existence. The City retains its ability to revoke a license should the need arise.

**Fixed Cap.** Maximum number of 250 “Type A” short term rental licenses in residential zones. There is no cap proposed on the total number of “Type B” and “Type C” licenses.

**Density Restrictions on Type A Licenses.**

1. The 250 cap on Type A licenses in residential zones shall be distributed by allowing no more than 146 licenses in the R-3 and R-4 Districts. Conversely, no more than 104 licenses shall be permitted in the R-1 and R-2 Districts. *(Please note that as of today (2/25/16) there are 219 active licenses and the total number of R-1 and R-2 licenses (119) already exceed the maximum allowed (104), thus no additional licenses will be granted. All remaining available licenses will only be permitted in the R-3 and R-4 Districts.)*
2. Density limits will not apply to Ocean View Boulevard and Mermaid Avenue per the direction of the Task Force based on their assessment of the historic use of these areas for vacation rentals.
3. A new License may be approved as long as the total number of licenses does not exceed 15% of the block on which it is located. If the block has more than 15% licenses already occurring, a new license will not be permitted on that block.
4. In the case where the total number of legally occurring STR Type A licenses currently exceeds the 15% per block density measure, all existing licenses on that block shall be limited to a total of 150 room nights per year.
5. Commencing on March 31, 2022, all STR Type A Licenses issued in the R-1-B-4 District shall be subject to a Use Permit due to the sensitive habitat located in the vicinity.

**Grandfathering and Annual Re-Licensing and Inspections.** The effective date of the annual license will be changed from July 1 to an expiration date of March 31. All transient use licenses issued and current at the time of the passage of this Ordinance by City Council and shall expire March 31, 2017. For each initial transient use license application, and each license renewal, the applicant and each property owner shall submit an inspection report to the City that provides and verifies information, in the form and manner required by the Chief Building Official. To avoid disruption of existing licenses, any Transient Use License issued before the effective date of this Ordinance may be renewed for a subsequent year if there have not been more than two verified (by City Official) complaints received. By allowing licenses to be renewed without prejudice, an enormous amount of administrative work by the Community Development Department is alleviated.

**Public Notice Required.** Another new ordinance requirement will be noticing neighbors. The property owner or owner representative shall be required to notice any new application or any

license renewal. A notice, posted and mailed to notify neighbors within 300 feet of the transient use licensed site shall be executed by the owner. The notice shall include a statement of the maximum number of guests permitted to stay in the short term unit.

The proposed amendments are consistent with the General Plan and the Local Coastal Program in that STVR's does not constitute a change in residential land use as described in the Land Use Element of the General Plan, and would provide additional opportunities for visitor accommodations consistent with the Coastal Act.

**OPTIONS**

1. Do nothing.
2. Provide recommendation of approval of the ordinance.

**FISCAL IMPACT**

No direct impact.

**ATTACHMENTS**

1. Draft Ordinance
2. CEQA MND 2/12/16 – 3/14/16

**RESPECTFULLY SUBMITTED,**



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Mark Brodeur, Director  
Community & Economic Development

**ORDINANCE NO. 2016-**

**AN ORDINANCE OF THE CITY OF PACIFIC GROVE  
AMENDING MUNICIPAL CODE SECTION 23.64.350 AND  
CHAPTER 7.40 RELATED TO THE LICENSE PROCESS FOR  
TRANSIENT USE OF RESIDENTIAL PROPERTY**

**FACTS**

1. Before 2010, many residential properties within the City violated then-existing limits on the transient use of residential property for remuneration.

2. In 2010, Chapter 7.40 and Chapter 23.64 of the Pacific Grove Municipal Code (PGMC) were amended by Ordinance 10-001 to regulate transient use of residential property within residential zones, and required those sites to hold an annual license from the City. The transient use licensing program, coupled with enhanced enforcement, was intended to regulate and control this activity.

3. Since 2010, online host sites such as VRBO, Airbnb, and others have become increasingly popular means to market homes available for transient use. As demand has increased, the City has experienced a dramatic increase in license applications. The 2010 regulations did not anticipate nor adequately address the surge in short-term rental activity, both licensed and unlicensed. Although several sites are presently licensed for this use, these sites do not exceed 4% of the City's total housing stock.

4. In October, 2015 a City Task Force was convened to elicit public input to examine short term rental issues in depth and to recommend needed changes to the program. The Task Force held open meetings every Wednesday from October 28 to December 2, 2015. The matter was returned to Council for direction at its meeting of December 16, 2015 at which time public comment was received from 40 members of the public. The matter was referred to Planning Commission at its meeting of January 7<sup>th</sup> and 20<sup>th</sup> meeting where additional public comment was received.

4. This ordinance amends Chapter 7.40 and Chapter 23.64 of the Municipal Code.

5. The Planning Commission reviewed this ordinance and recommends the Council adopt it.

6. The City prepared an Initial Study and Mitigated Negative Declaration to review ordinance pursuant to the California Environmental Quality Act (CEQA), and this Ordinance has been mitigated to a point where the proposed project will not have the potential to significantly degrade the environment; will have no significant impact on long-term environmental goals; will have no significant cumulative effect upon the environment; and will not cause substantial adverse effects on human beings, either directly or indirectly. The draft ordinance has been revised after the Negative Declaration was published but the changes did not constitute "substantial revisions" under CEQA therefore recirculation is not required.

7. The proposed amendment is consistent with the City's General Plan and the Local Coastal Program in that the practice of short term rentals does not constitute a change in residential land use as described in the Land Use Element of the General Plan, and would provide additional opportunities for visitor accommodations consistent with the Coastal Act.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE:**

SECTION 1. The foregoing factual recitals are adopted as findings of the City Council.

SECTION 2. Existing Municipal Code section 23.64.350 of Chapter 23.64, shall be re-titled "Transient use of residential property for remuneration" and shall be amended by the deletion of all text shown in ~~strikeout text~~ and by the addition of all text shown in bold, italic, underscored text (***bold, italic, underscored text***), as follows:

(a) Definitions. For the purpose of this chapter certain terms used herein shall have the meanings set forth in this chapter, and such meanings shall prevail in case of conflict with the definitions set forth in Chapter 23.08 PGMC.

- (1) "Person" means an individual, a group of individuals, or an association, firm, partnership, corporation or other entity, public or private.
- (2) "Owner" means the person who possesses fee title to a transient use site.
- (3) "Owner representative" means any person authorized by the owner to fully manage the transient use site.
- (4) "Remuneration" means compensation, money, rent, or other bargained for consideration given in return for occupancy, possession or use of real property.
- (5) "Residential property" means any dwelling unit, except those dwelling units lawfully established as second units established pursuant to Chapter 23.80 PGMC or as part of a bed and breakfast inn, motel, hotel, timeshare development, or other transient use.
- (6) "Responsible tenant" means a person aged 18 or older who has received notice of occupancy, parking and other limits and regulations that apply to the transient use site, and who has agreed to be responsible to ensure that impermissible or inappropriate behavior does not occur at the transient use site.
- (7) "Transient" means a period of time less than 30 consecutive calendar days.
- (8) "Transient use of residential property" means the commercial use, by any person, of residential property for transient lodging uses where the term of occupancy, possession or tenancy of the property by the person entitled to such occupancy, possession or tenancy is less than 30 consecutive calendar days.
- (9) "Transient use site" and "transient use" mean property occupied and used for transient or short-term rental purposes.
- (10) "Use" means the purpose for which land or premises of a building thereon is designed, arranged or intended, or for which it is or may be occupied or maintained.

(b) Transient use of residential property for remuneration is prohibited, except (1) as otherwise expressly permitted by this title, or (2) when such use is permitted by a transient use license issued in accord with Chapter 7.40 PGMC.

## (c) Liability and Enforcement.

- (1) Any owner, owner representative, responsible tenant, person acting as agent, real estate broker, real estate sales agent, property manager, reservation service or otherwise who uses, arranges, or negotiates for the use of residential property in violation of the provisions of this chapter is guilty of an infraction for each day in which such residential property is used, or allowed to be used, in violation of this chapter.
- (2) Any owner, owner representative, responsible tenant, or other person who uses, or allows the use of, residential property in violation of the provisions of this chapter is guilty of an infraction for each day in which such residential property is used, or allowed to be used, in violation of this chapter.
- (3) Violations of this chapter may be prosecuted pursuant to Chapter 1.16 PGMC, or enforced pursuant to Chapter 1.19 PGMC.
- (4) Penalties may be assessed for violations as provided in Chapters 1.16, 1.19, and/or 7.40 PGMC. The maximum limits set for administrative penalties in PGMC 1.19.200, however, shall not apply to any violation of this chapter or Chapter 7.40 PGMC.

SECTION 3. A new Municipal Code Chapter 7.40, entitled “Transient Use License,” shall be amended by the deletion of all text shown in strikeout text (~~strikeout text~~) and by the addition of all text shown in bold, italic, underscored text (***bold, italic, underscored text***), as follows:

***7.40.005 Statement of Purpose.***

***The purpose of this chapter is to establish a permitting process, together with appropriate standards that regulate short-term rental of single-family and multi-family dwellings in residential districts, to minimize negative secondary effects of short-term rental use on surrounding neighborhoods; and to preserve the character of neighborhoods in which any such use occurs. This chapter addresses traffic, noise and density; ensures health, safety and welfare of neighborhoods as well as of renters and guests patronizing short-term rentals; and imposes limits on the number of licenses issued to ensure long-term availability of the affordable housing stock. This chapter also sets regulations to ensure enforcement of these standards, and collection and payment of fees and transient occupancy taxes.***

***This chapter shall not provide any property owner with the right or privilege to violate any private conditions, covenants or restrictions applicable to the owner’s property that may prohibit the use of such owner’s residential property for short-term rental purposes as defined in this chapter.***

***The City council finds adoption of a comprehensive code to regulate issuance of and conditions attached to short-term rental licenses is necessary to protect the public health, safety and welfare. The purposes of this chapter are to provide a licensing system and to impose operational requirements in order to minimize the potential adverse impacts of transient uses on residential neighborhoods***

**The City Council finds the regulation of short term rental uses , including its nontransferability provisions, to be a valid exercise of the City’s police power in furtherance of the legitimate governmental interests documented in this chapter.**

**7.40.010 Definitions.**

The terms “owner,” “owner representative,” “person,” “remuneration,” “residential property,” “responsible tenant,” “transient,” “transient use,” “transient use of residential property,” and “transient use site” as used in this chapter shall be given the same definition as those terms in PGMC 23.64.350.

**“STR Type A” is a term that shall mean a short term rental unit licensed for transient use of residential property for remuneration where the property owner does not reside at the site, and where the property is available for short term guests for an unlimited period throughout its term.**

**“STR Type B” is a term that shall mean a short term rental unit licensed for transient use of residential property for remuneration where the property owner resides at the site, and where the property is available for short term guests for no more than 90 days in a single license year (365 days).**

**“STR Type C” is a term that shall mean a short term rental unit licensed for transient use of residential property for remuneration where the property owner resides at the site, and where only a single room or set of rooms on the property site is available for short term guests for an unlimited period provided the site is simultaneously occupied by the property owner.**

**7.40.20 Allowed Use.**

**(a)** Transient use of residential property for remuneration is allowed pursuant to Chapter 23.64 PGMC or this chapter; provided, that a separate transient use license has first been granted and validly maintained for each transient use site.

**(b)** **Each Transient Use License must meet all the requirements of this Chapter. Transient Use Licenses are issued for a term. If no expiration date is shown, each shall expire on March 31. A Transient Use License may be extended or renewed for a subsequent year if there have not been more than two verified (by City Official) complaints received. Transient Use Licenses issued and current as of March 31, 2016 shall expire on March 31, 2017.**

**(c)** **For the purposes of this Chapter, the City recognizes and sets discrete requirements for each of three different classes of Transient Use Licenses. These are “STR Type A”, “STR Type B” and “STR Type C”.**

**(d)** Each contract or tenancy that allows transient use shall identify the name, address, phone and e-mail contact information of at least one responsible tenant who has been informed of, and has agreed to abide by occupancy, parking and other limits that apply to that transient use. The owner

or owner representative shall make a record of the motor vehicle license number of each motor vehicle used by an occupant of the transient use site, and shall upon request provide that information to the City manager or his delegated agent.

(e) For each initial transient use license application, and each annual license renewal, the applicant and each property owner shall submit an inspection report to the City that provides and verifies information, in the form and manner required by the Chief Building Official, to ensure the property is safe and habitable for its intended use, including verification of adequate egress from sleeping quarters and common areas, installation of accessible fire extinguishers, and a carbon monoxide alarm on each level, and that the property exists in accord with appropriate land use and building permits.

(f) The owner or owner representative shall cause notice of the application or any license renewal, and of any hearing on the application or renewal to be posted and mailed to notify neighbors within 300 feet of the transient use licensed site. The notice shall include a statement of the maximum number of guests permitted to stay in the short term unit.

#### 7.40.25 License Caps and Density Limits.

(a) License Cap. The maximum number of STR Type A licenses allowed within the residential districts of the City shall be 250. If applications exceeding this number are received, the City manager shall place the excess number on a STR license waiting list and process those in order of receipt as licenses become available. The maximum number of Type B and Type C Transient Use Licenses is not limited by this Chapter

(b) Density Limit. A STR Type A license shall not be issued if granting that STR Type A license would cause the STR Type A density limit to be exceeded for that residential zoning, provided however, no STR density limit shall apply to the Ocean View Boulevard and Mermaid Avenue..

The following density limits shall apply:

(1) One STR Type A license per parcel. This limit shall not apply to any duplex, to a property governed by the duly adopted bylaws of a City-approved home owners association (HOA), or to properties held as tenants in common.

(2) STR Type A licenses shall be further limited based on existing residential zoning district. Type A licenses shall be limited in all of the R-1 and R-2 Districts to a total of 104 licenses. R-3 and R-4 Districts are limited to a total of 146 licenses.

(3) A second or subsequent STR Type A license shall be approved only if the total number of such licenses does not exceed 15% per block on which it is located.

(4) In the case where the number of STR Type A licenses currently exceed the 15% per block density measure, the existing licenses on that particular block shall be limited to a total of 150 room nights per year.

**(5) Commencing on March 31, 2022, all STR Type A Licenses issued in the R-1-B-4 District shall be subject to a Use Permit due to the sensitive habitat located in the vicinity.**

**7.40.030 Limits on Transient Use.**

Transient use of residential property for remuneration allowed by Chapter 23.64 PGMC or this chapter shall be subject to each and every limitation in this section:

(a) Each contract or tenancy that enables transient use shall be in writing, and identify thereon the name, address, phone and e-mail contact information of (1) the owner, (2) the owner representative, and (3) at least one responsible tenant occupying the transient use site who shall be responsible for all limits required by this chapter;

(b) Each contract or tenancy that allows transient use shall identify the name, address, phone and e-mail contact information of at least one responsible tenant who has been informed by the owner or owner representative of the occupancy, parking and other limits that apply to transient use by this chapter **and shall be informed of residential parking and noise limits, including but not limited to PGMC §11.96.010, the City codes that regulates unlawful noises;**

(c) The transient use site (1) shall be used and maintained in a manner consistent with the character of the neighborhood, (2) shall not impair the desirability of investment or occupation of the surrounding neighborhood, and (3) shall not have displayed thereon any sign that indicates the property is used or available for transient or short-term rental purposes;

(d) Owner and owner representative shall each use their best efforts, and respond in a reasonable and timely manner, to ensure that every occupant of the transient use site does not create or contribute to unreasonable use of the property, cause unreasonable noise or disturbance, engage in disorderly or unlawful conduct, or overcrowd the site;

(e) The owner or owner representative shall be on-call full time to manage the property and shall be able to be physically present at the transient use site within 30 minutes of request during any time the property is occupied for transient use. Within 24 hours of the time an initial call is attempted, the owner or owner representative shall use his or her best efforts to prevent the recurrence of such conduct by the occupants and take corrective action to address any violation. Failure to respond timely to two or more complaints regarding tenant violations is grounds for penalties as set forth in this chapter;

(f) The maximum number of occupants aged 18 or older authorized to stay overnight at any transient use site shall be limited to two persons per bedroom, plus one additional person per site.

(g) Each designated on-site parking space at a transient use site shall be made available for use by overnight occupants of that site **and any on-site driveway must be available for the use of the renters of the site; and (h) The maximum size party, event or large group gathering allowed at the transient use site shall not exceed two times the maximum number of occupants**

(aged 18 or older) authorized to stay overnight at that site, as shown on the STR license, and in no event shall exceed 20 persons; and

(h) Amplified sound that is audible beyond the property boundaries of the short-term rental dwelling is prohibited; and

(i) Auctions, commercial functions, and other similar events are prohibited at the short-term rental property.

**7.40.040      *Transient Use License.***

It is unlawful for any person to transact and carry on any business relating to or supporting the transient use of residential property in the City without first having procured a transient use license from the City to do so, and paying the license fee and any other fees associated with approval of an application of a license, ~~hereinafter prescribed~~, and also without complying with any and all applicable provisions of this chapter. A transient use license, however, shall not be required for any lawfully established bed and breakfast inn, motel, hotel, or timeshare development.

**7.40.050      *Display of Transient Use License.***

The owner or owner representative shall cause a copy of the transient use license to be displayed in a prominent location within the interior of the transient use site, and shall provide a copy to each responsible tenant. Each Internet or online ad, sign, circular, card, telephone book, or newspaper advertisement that indicates or represents a transient use site is available for transient or short-term rental purposes shall prominently display thereon the transient use license number assigned to that site by the City of Pacific Grove.

**7.40.060      *Separate Properties.***

A separate transient use license shall be obtained for each separate transient use site. A single transient use license may be issued for ~~multiple~~ a maximum of residential dwelling units under identical ownership at a single site. In all other circumstances, a separate license shall be required for each transient use. A transient use license shall authorize the licensee to transact and carry on transient use of residential property only at the location and in the manner and subject to the limits designated in such license.

**7.40.070      *Contents of license.***

Every person required to have a license under the provisions of this chapter shall make application to the ~~collector of the City~~ and tender payment of the prescribed application and license fee. Thereafter, in accord with the provisions of this chapter, the ~~collector~~ City shall issue to such person a license which shall contain the following information:

(a) The name and contact information of the owner to whom the license is issued, and the name and contact information for the owner representative;

(b) The transient use site licensed; **and whether the license is a “STR Type A”, “STR Type B” or “STR Type C”**

(c) The date of the expiration of such license;

(d) The maximum number of occupants aged 18 or older who are authorized to stay overnight at that transient use site in accordance with the number of bedrooms on site;

(e) The maximum number of motor vehicles allowed for use by overnight occupants at that transient use site based on the available on-site parking as shown on the application site plan;

(f) Such other administrative information as may be necessary for the enforcement of the provisions of this chapter.

#### **7.40.080 Application - First license.**

**Each short-term rental license shall be in the name of the owner of the real property upon which the short-term rental use is to be permitted.** When a person first makes an application for a license pursuant to this chapter, such person shall furnish to the ~~City collector~~ a sworn statement, upon a form provided by the ~~City collector~~, setting forth the following information:

(a) The address of the transient use site to which the license shall apply, and all places of residence of the owner(s) of same;

(1) In the event an application is made for issuance of a license to a person doing business under a fictitious name, the application shall set forth the names and places of residence of those owning the business;

(2) In the event an application is made for the issuance of a license to a corporation or a partnership, the application shall set forth the names and places of residence of the principal officers and all partners thereof;

(b) Each application shall set forth such information as may be therein required by the City collector and deemed necessary to estimate the annual transient occupancy tax to be charged for that property; **The owner and applicant shall maintain City business licenses at all times, and shall agree to collect and remit transient occupancy taxes on all gross receipts pertaining to the property.**

(c) Each application shall identify the name, address, phone and e-mail contact information of the owner and the owner representative;

(d) Each application shall include a site plan, which **labels each room and the structure of the property, including** ~~shows~~ the number of bedrooms and the number of ~~on-street and~~ off-street parking spaces;

(e) An **certification** affidavit **signed by the owner** affirming that smoke detectors are installed in all sleeping quarters and common areas and that fire extinguishers are accessible **and a**

**carbon monoxide alarm is installed on each level,** to protect the health and safety of the occupants of the transient use site and the applicant shall provide access and information to the fire inspector as needed to ensure health and safety for occupants of the transient use site; and

(f) Such further information which the City collector may require to enable proper administration of the license.

The applicant shall remit all required annual fees in accord with the master fee schedule set by council resolution. The applicant shall agree to renew and/or amend the license in accord with the requirements of this chapter, and if there is a change in any material fact stated in the application.

#### **7.40.90          *Renewal license.***

(a) In all cases, the applicant for the renewal of a license shall submit to the collector on or before ~~July~~ **March** 1st, an application for renewal containing a sworn statement upon a form to be provided by the collector, setting forth such information concerning the applicant's transient occupancy activity during the preceding calendar year as may be required by the collector to enable him or her to verify the amount of the transient occupancy tax paid by said applicant pursuant to the provisions of this chapter. **Evidence that a site has not been used for at least 90 days for transient use during the preceding 12 months shall cause non-renewal of a STR Type A license and the applicant may request an STR Type B License.**

(b) The property owner shall remit the annual license fee, as set by resolution, at the same time as the renewal application. The property owner applicant shall submit an annual affidavit affirming that smoke detectors are installed and maintained in all sleeping quarters and common areas, and that fire extinguishers are accessible, **and a carbon monoxide alarm is installed on each level.** The property owner shall provide access and information to the inspector as may be needed to ensure health and safety for occupants of the transient use site, **including verification of adequate egress from sleeping quarters and common areas, and installation of accessible fire extinguishers, and a carbon monoxide alarm on each level.**

#### **7.40.100          *Change to license information.***

A request to amend any information provided on the license issued pursuant to this chapter shall be made within 14 days of any change of owner, a change of the owner representative, a change in any material fact upon which the license was issued, or if any other person acquires an ownership interest in the transient use site.

#### **7.40.110          *Evidence of transient occupancy of residential property.***

When any owner, owner representative or other person makes use of Internet services, signs, circulars, cards, telephone books, or newspapers, and/or advertises, holds out, or represents that he or she allows transient occupancy of residential property in the City, and such person fails to

provide a sworn statement to the City collector that he or she does not allow transient occupancy of residential property in the City after being requested to do so by the City collector, then such information shall be considered prima facie evidence that he or she is conducting a business in the City of allowing transient occupancy of residential property. Until proper evidence to the contrary is presented to the City collector, the City collector shall be entitled to presume that residential property is subject to the license required by this chapter, and/or that the transient use of residential property has occurred at the transient use site.

**7.40.120**      *Statements and records.*

No statement shall be conclusive as to the matters set forth therein, nor shall the filing of such statement keep the City from collecting by appropriate action taxes and/or fees that are due and payable hereunder. In the event that the City collector deems it necessary, he or she may require that a licensee or applicant for a license submit verification of financial information necessary to calculate the transient occupancy tax due, or at the option of the licensee or applicant, may authorize the City collector to examine records or business transactions to compute the transient occupancy tax that is owed.

**7.40.130**      *Failure to file statement or corrected statement.*

If any person fails to file any required statement within the time prescribed, or if after demand therefor made by the City collector he or she fails to file a corrected statement, or if any person subject to the tax imposed by this chapter fails to apply for a license, the City collector may determine the amount of tax due from such person by means of such information as he or she may be able to obtain and shall give written notice thereof to such person. Delinquent payment shall be subject to penalties calculated in the same manner as set forth in PGMC 7.04.200.

**7.40.140**      *Payment of transient occupancy tax.*

The owner or owner representative shall remit the transient occupancy tax as set forth in Chapter 6.09 PGMC.

**7.40.150**      *Appeal of Tax.*

Any person aggrieved by any decision of the City collector with respect to the amount of the transient occupancy tax or fees associated thereto may appeal to the administrative enforcement hearing officer panel by filing a notice of appeal with the City clerk within 15 days after receipt of written notice from the City collector. The hearing officer assigned by the panel shall thereupon fix a time and place for hearing such appeal. The City clerk shall give notice to such person of the time and place of hearing by serving it personally or by depositing in the United States Post Office at Pacific Grove, California, postage prepaid, addressed to such person at his or her last known address. The hearing officer shall have authority to determine all questions raised by such appeal; provided, however, that no such determination shall conflict with any substantive provision of this chapter.

**7.40.160**      *Additional power of City collector.*

In addition to all other power conferred upon the collector, he or she shall have the power, for good cause shown:

(a) To extend the time for filing any required sworn statement or application for a period not exceeding 30 days, and in such case to waive any penalty that would otherwise have accrued; and

(b) Whenever any fee, tax or penalty pursuant to this chapter is due and payable but has not been satisfied in full within 90 days and/or has not been successfully challenged by a timely writ of mandate, such amounts shall constitute a lien against the real property, and be subject to the processes set forth in PGMC 1.19.270 through 1.19.290, inclusive.

**7.40.170 License nontransferable - Changed location.**

No license issued pursuant to this chapter shall be transferable to any other person or location.

**7.40.180 License denial or revocation.**

Any application for a license may be denied, and any license issued pursuant to this chapter may be revoked, ~~as hereinafter provided, unless su~~ substantial evidence shall be ~~is presented as to why the application should not be denied, or the license should not be revoked for any of the following reasons,~~ including but not limited to:

(a) A false material statement or misrepresentation has been made in, or in support of, the application;

(b) A change occurs in any material fact upon which the license was issued that has not been reported to the City as a change to the required license content within 14 days;

(c) The transient use site, or any other location owned by the owner or applicant, has been the site of a violation of any provision of law, or otherwise fails to meet sanitation or health standards of the neighborhood, within the two years immediately preceding;

(d) The owner or applicant has violated any provision of the municipal code or any provision of the Health and Safety Code, within the two years immediately preceding;

(e) The owner, owner representative or applicant has been convicted of any crime involving moral turpitude;

(f) The owner, owner representative or applicant has failed to timely respond to two or more complaints regarding limits on transient use as required by PGMC 7.40.030 within the two years immediately preceding.

(g) The site does not meet the definition of dwelling unit as per PGMC23.64.350(5).

**(h) The owner, applicant, guest or any occupant of a STR site allows or facilitates a party, event or large group gathering at that site that exceeds two times the maximum number of occupants (aged 18 or older) authorized to stay overnight at that transient use site, as shown on the STR license.**

**(i) The owner, applicant, guest or any occupant of a STR site regularly engages in disorderly conduct, violates provisions of this code or any state law pertaining to noise, disorderly conduct, or uses illegal drugs.**

#### **7.40.190 ~~City Manager Review~~ Appeal of Revocation or Suspension.**

Any person who has been denied a license or to whom notice of revocation or suspension of a license has been mailed may **appeal to the administrative enforcement hearing panel under Chapter 1.19, pursuant to a request for hearing under PGMC 1.19.090.** ~~before the City manager. Notice of the proceeding shall conform to PGMC 1.12.010, and the hearing shall conform to the process set at PGMC 1.16.090 and following. The hearing officer shall have authority to determine all questions raised by such appeal; provided, however, that no such determination shall conflict with any substantive provision of this Chapter..~~ The City manager, in that event, shall give each applicant or licensee at least 10 days' written notice of hearing. The City manager's decision, after hearing, shall be final. Any applicant or license holder whose license shall have been denied or revoked shall be ineligible for a two-year period from applying for a new license. No person whose license has been revoked shall continue to engage in or carry on the activity for which the license was granted, unless and until such license has been reinstated or reissued. The decision of the **hearing officer** ~~City manager~~ shall be final. **Notice of the decision, and the opportunity for judicial review, shall conform to PGMC 1.20.010,**

#### **7.40.200 Penalties.**

Penalties as set forth in Chapter 1.16 PGMC, or the administrative process set forth in Chapter 1.19 PGMC, may be imposed for failure to comply with the provisions of Chapter 23.64 PGMC or this chapter, with respect to:

(a) Any owner, owner representative, or person who transacts or carries on any activity relating to or supporting the transient use of residential property in the City without first having procured and complied with a transient use license from the City so to do and paying all applicable license fees shall be subject to administrative penalties as set forth in Chapter 1.19 PGMC, **including administrative penalties imposed by a Hearing Officer for violation of any provision of this code in an amount not to exceed a maximum of \$2,500 per day for each continuing violation, exclusive of administrative costs, interest and restitution for compliance re-inspections, for any related series of violations, and/or** forfeiture of all rents received during the period transient use was allowed without a transient use license, whichever amount is greater; or

(b) Any owner, owner representative, or person who carries on any activity that advertises to the surrounding neighborhood that the site has been licensed to allow, or is used for, transient

occupancy, and who has failed to timely remedy this violation in response to two or more complaints, shall be subject to administrative penalties; or

(c) Any owner, owner representative, responsible tenant or person who allows a transient use site to be used or maintained in a manner detrimental to the peace, public health, safety or general welfare of persons or property of the neighborhood or the public, and fails to timely remedy this violation in response to two or more complaints; or

(d) Any owner, owner representative, responsible tenant or person who allows impermissible or inappropriate behavior at the transient use site or action that exceed the limits on transient use set by PGMC 7.40.030 following two or more complaints; or

(e) Limits upon administrative penalties in PGMC 1.19.200 shall not apply to any violation of this chapter.

**7.40.210 Liens.**

Whenever the amount of any penalty, forfeiture, and/or administrative cost imposed by a hearing officer pursuant to this chapter or to Chapter 1.19 PGMC has not been satisfied in full within 90 days and/or has not been successfully challenged by a timely writ of mandate, this obligation shall constitute a lien against the real property on which the violation occurred, and be subject to the processes set forth in PGMC 1.19.270 through 1.19.290, inclusive.

SECTION 4. If any provision, section, paragraph, sentence, clause or phrase of this ordinance, or any part thereof, or the application thereof to any person or circumstance is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance, or any part thereof, or its application to other persons or circumstances. The City Council hereby declares that it would have passed and adopted each provision, section, paragraph, subparagraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, paragraphs, subparagraphs, sentences, clauses or phrases, or the application thereof to any person or circumstance, be declared invalid or unconstitutional.

SECTION 5. In accord with Article 15 of the City Charter, this ordinance shall become effective immediately upon adoption on second reading.

SECTION 6. The Planning Commission, at a meeting held on or about twelve months following enactment of this ordinance, shall review the effects of this ordinance and submit recommendations to the City Council as to amendments that may be appropriate.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE THIS \_\_\_\_ day of \_\_\_\_\_, 2016, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

\_\_\_\_\_  
BILL KAMPE, Mayor

ATTEST:

\_\_\_\_\_  
SANDRA KANDELL, Deputy City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
DAVID C. LAREDO, City Attorney



**CITY OF PACIFIC GROVE**  
 300 FOREST AVENUE  
 PACIFIC GROVE, CALIFORNIA 93950  
 TELEPHONE (831) 648-3190 • FAX (831) 648-3184

## Notice of Intent to Adopt a MITIGATED Negative Declaration

**Project Title: Transient Use and Home Sharing Zoning Amendments**

**Lead Agency/Owner/Applicant: City of Pacific Grove**

**Project Location: Citywide**

**APN: Citywide**

**Permit Type: Zoning Code Amendments**

**Project Description: The proposed project is an amendment to the City's zoning regulations regarding transient use of residential property and home sharing.**

### Public Review Period:

Friday, February 12, 2016 through Monday, March 14, 2016

### Written Comments or questions should be sent to:

Terri C. Schaeffer, Housing Program Coordinator

City of Pacific Grove

300 Forest Avenue

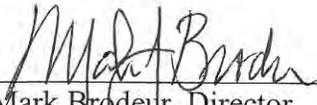
Pacific Grove, CA 93950

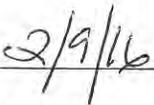
E-mail at [tschaeffer@cityofpacificgrove.org](mailto:tschaeffer@cityofpacificgrove.org)

### Negative Declaration

Notice is hereby given that the project described above has been reviewed in accordance with the State of California Public Resources Code, the California Environmental Quality Act, the Pacific Grove General Plan, and Title 23 (Zoning) of the Pacific Grove Municipal Code. Based on this review, a Proposed Negative Declaration is hereby made on this project. The reason for this determination is that the project will not result in significant adverse impacts to the environment. The Proposed Negative Declaration and Initial Study are on file at the Community Development Department, 300 Forest Avenue, Pacific Grove, California, 93950 (831) 648-3190 and on the City's website at: [www.cityofpacificgrove.org/planning](http://www.cityofpacificgrove.org/planning)

Hearing dates on the proposed MITIGATED Negative Declaration are yet to be determined, and will be held at the City of Pacific Grove, City Hall, 300 Forest Avenue, Pacific Grove, California 93950.

  
 \_\_\_\_\_  
 Mark Brodeur, Director  
 Community and Economic Development Dept.

  
 \_\_\_\_\_  
 Date

# Notice of Completion & Environmental Document Transmittal

Mail to: State Clearinghouse, P.O. Box 3044, Sacramento, CA 95812-3044 (916) 445-0613  
 For Hand Delivery/Street Address: 1400 Tenth Street, Sacramento, CA 95814

<b>SCH #</b>
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**Project Title:** Transient Use and Home Sharing Zoning Amendment

Lead Agency: <u>City of Pacific Grove</u>	Contact Person: <u>Mark Brodeur</u>
Mailing Address: <u>300 Forest Avenue</u>	Phone: <u>831-648-3189</u>
City: <u>Pacific Grove</u> Zip: <u>93950</u>	County: <u>Monterey</u>

**Project Location:** County: Monterey City/Nearest Community: Pacific Grove  
 Cross Streets: citywide Zip Code: 93950

Longitude/Latitude (degrees, minutes and seconds): \_\_\_\_\_ ° \_\_\_\_\_ ' \_\_\_\_\_ " N / \_\_\_\_\_ ° \_\_\_\_\_ ' \_\_\_\_\_ " W Total Acres: \_\_\_\_\_  
 Assessor's Parcel No.: citywide Section: \_\_\_\_\_ Twp.: \_\_\_\_\_ Range: \_\_\_\_\_ Base: \_\_\_\_\_  
 Within 2 Miles: State Hwy #: \_\_\_\_\_ Waterways: Pacific Ocean  
 Airports: \_\_\_\_\_ Railways: \_\_\_\_\_ Schools: \_\_\_\_\_

**Document Type:**

CEQA: <input type="checkbox"/> NOP	<input type="checkbox"/> Draft EIR	NEPA: <input type="checkbox"/> NOI	Other: <input type="checkbox"/> Joint Document
<input type="checkbox"/> Early Cons	<input type="checkbox"/> Supplement/Subsequent EIR	<input type="checkbox"/> EA	<input type="checkbox"/> Final Document
<input checked="" type="checkbox"/> Neg Dec	(Prior SCH No.) _____	<input type="checkbox"/> Draft EIS	<input type="checkbox"/> Other: _____
<input type="checkbox"/> Mit Neg Dec	Other: _____	<input type="checkbox"/> FONSI	

**Local Action Type:**

<input type="checkbox"/> General Plan Update	<input type="checkbox"/> Specific Plan	<input type="checkbox"/> Rezone	<input type="checkbox"/> Annexation
<input type="checkbox"/> General Plan Amendment	<input type="checkbox"/> Master Plan	<input type="checkbox"/> Prezone	<input type="checkbox"/> Redevelopment
<input type="checkbox"/> General Plan Element	<input type="checkbox"/> Planned Unit Development	<input type="checkbox"/> Use Permit	<input type="checkbox"/> Coastal Permit
<input type="checkbox"/> Community Plan	<input type="checkbox"/> Site Plan	<input type="checkbox"/> Land Division (Subdivision, etc.)	<input checked="" type="checkbox"/> Other: <u>code amendment</u>

**Development Type:**

<input type="checkbox"/> Residential: Units _____ Acres _____	<input type="checkbox"/> Transportation: Type _____
<input type="checkbox"/> Office: Sq.ft. _____ Acres _____ Employees _____	<input type="checkbox"/> Mining: Mineral _____
<input type="checkbox"/> Commercial: Sq.ft. _____ Acres _____ Employees _____	<input type="checkbox"/> Power: Type _____ MW _____
<input type="checkbox"/> Industrial: Sq.ft. _____ Acres _____ Employees _____	<input type="checkbox"/> Waste Treatment: Type _____ MGD _____
<input type="checkbox"/> Educational: _____	<input type="checkbox"/> Hazardous Waste: Type _____
<input type="checkbox"/> Recreational: _____	<input checked="" type="checkbox"/> Other: <u>Zoning Code amendment</u>
<input type="checkbox"/> Water Facilities: Type _____ MGD _____	

**Project Issues Discussed in Document:**

<input type="checkbox"/> Aesthetic/Visual	<input type="checkbox"/> Fiscal	<input type="checkbox"/> Recreation/Parks	<input type="checkbox"/> Vegetation
<input type="checkbox"/> Agricultural Land	<input type="checkbox"/> Flood Plain/Flooding	<input type="checkbox"/> Schools/Universities	<input type="checkbox"/> Water Quality
<input type="checkbox"/> Air Quality	<input type="checkbox"/> Forest Land/Fire Hazard	<input type="checkbox"/> Septic Systems	<input type="checkbox"/> Water Supply/Groundwater
<input type="checkbox"/> Archeological/Historical	<input type="checkbox"/> Geologic/Seismic	<input type="checkbox"/> Sewer Capacity	<input type="checkbox"/> Wetland/Riparian
<input type="checkbox"/> Biological Resources	<input type="checkbox"/> Minerals	<input type="checkbox"/> Soil Erosion/Compaction/Grading	<input type="checkbox"/> Growth Inducement
<input type="checkbox"/> Coastal Zone	<input type="checkbox"/> Noise	<input type="checkbox"/> Solid Waste	<input type="checkbox"/> Land Use
<input type="checkbox"/> Drainage/Absorption	<input type="checkbox"/> Population/Housing Balance	<input type="checkbox"/> Toxic/Hazardous	<input type="checkbox"/> Cumulative Effects
<input type="checkbox"/> Economic/Jobs	<input type="checkbox"/> Public Services/Facilities	<input type="checkbox"/> Traffic/Circulation	<input type="checkbox"/> Other: _____

**Present Land Use/Zoning/General Plan Designation:**

citywide

**Project Description:** *(please use a separate page if necessary)*

Amendment to existing regulations regarding transient use of residential property and home sharing

Note: The State Clearinghouse will assign identification numbers for all new projects. If a SCH number already exists for a project (e.g. Notice of Preparation or previous draft document) please fill in.

**Reviewing Agencies Checklist**

Lead Agencies may recommend State Clearinghouse distribution by marking agencies below with and "X".  
If you have already sent your document to the agency please denote that with an "S".

- |                                                                      |                                                                              |
|----------------------------------------------------------------------|------------------------------------------------------------------------------|
| <input type="checkbox"/> Air Resources Board                         | <input type="checkbox"/> Office of Historic Preservation                     |
| <input type="checkbox"/> Boating & Waterways, Department of          | <input type="checkbox"/> Office of Public School Construction                |
| <input type="checkbox"/> California Emergency Management Agency      | <input type="checkbox"/> Parks & Recreation, Department of                   |
| <input type="checkbox"/> California Highway Patrol                   | <input type="checkbox"/> Pesticide Regulation, Department of                 |
| <input type="checkbox"/> Caltrans District # _____                   | <input type="checkbox"/> Public Utilities Commission                         |
| <input type="checkbox"/> Caltrans Division of Aeronautics            | <input type="checkbox"/> Regional WQCB # _____                               |
| <input type="checkbox"/> Caltrans Planning                           | <input type="checkbox"/> Resources Agency                                    |
| <input type="checkbox"/> Central Valley Flood Protection Board       | <input type="checkbox"/> Resources Recycling and Recovery, Department of     |
| <input type="checkbox"/> Coachella Valley Mtns. Conservancy          | <input type="checkbox"/> S.F. Bay Conservation & Development Comm.           |
| <input checked="" type="checkbox"/> Coastal Commission               | <input type="checkbox"/> San Gabriel & Lower L.A. Rivers & Mtns. Conservancy |
| <input type="checkbox"/> Colorado River Board                        | <input type="checkbox"/> San Joaquin River Conservancy                       |
| <input type="checkbox"/> Conservation, Department of                 | <input type="checkbox"/> Santa Monica Mtns. Conservancy                      |
| <input type="checkbox"/> Corrections, Department of                  | <input type="checkbox"/> State Lands Commission                              |
| <input type="checkbox"/> Delta Protection Commission                 | <input type="checkbox"/> SWRCB: Clean Water Grants                           |
| <input type="checkbox"/> Education, Department of                    | <input type="checkbox"/> SWRCB: Water Quality                                |
| <input type="checkbox"/> Energy Commission                           | <input type="checkbox"/> SWRCB: Water Rights                                 |
| <input type="checkbox"/> Fish & Game Region # _____                  | <input type="checkbox"/> Tahoe Regional Planning Agency                      |
| <input type="checkbox"/> Food & Agriculture, Department of           | <input type="checkbox"/> Toxic Substances Control, Department of             |
| <input type="checkbox"/> Forestry and Fire Protection, Department of | <input type="checkbox"/> Water Resources, Department of                      |
| <input type="checkbox"/> General Services, Department of             | <input type="checkbox"/> Other: _____                                        |
| <input type="checkbox"/> Health Services, Department of              | <input type="checkbox"/> Other: _____                                        |
| <input type="checkbox"/> Housing & Community Development             |                                                                              |
| <input type="checkbox"/> Native American Heritage Commission         |                                                                              |

**Local Public Review Period (to be filled in by lead agency)**

Starting Date February 12, 2016 Ending Date March 14, 2016

**Lead Agency (Complete if applicable):**

Consulting Firm: _____	Applicant: <u>City of Pacific Grove</u>
Address: _____	Address: <u>300 Forest Avenue</u>
City/State/Zip: _____	City/State/Zip: <u>Pacific Grove, CA 93950</u>
Contact: _____	Phone: <u>831-648-3189</u>
Phone: _____	

Signature of Lead Agency Representative:  Date: 2/9/16

Authority cited: Section 21083, Public Resources Code. Reference: Section 21161, Public Resources Code.

## City of Pacific Grove Initial Study / Environmental Checklist

### I. PROJECT SUMMARY

1. **Project title:** Transient Use and Home Sharing Zoning Amendment
2. **Lead agency name & address:** City of Pacific Grove  
300 Forest Avenue  
Pacific Grove, CA 93950
3. **Contact person & phone number:** Mark Brodeur, Community & Economic Development Director  
831-648-3189
4. **Project location:** City of Pacific Grove (citywide)  
(see Exhibit 1)
5. **Project sponsor's name & address:** City of Pacific Grove  
300 Forest Avenue  
Pacific Grove, CA 93950
6. **General plan designation:** NA (citywide)
7. **Zoning:** NA (citywide)

### 8. Project Description:

The proposed project is an amendment to the City's zoning regulations regarding transient use of residential property and home sharing (see Attachments 1 and 2).

Background. In 2010, Chapter 7.40 and Chapter 23.64 of the Pacific Grove Municipal Code ("PGMC") were amended by Ordinance 10-001 to regulate transient use of residential property within residential zones, and required those sites to hold an annual license from the City. The transient use licensing program, coupled with enhanced enforcement, was intended to regulate and control this activity.

In October, 2015 a City Task Force was convened to elicit public input to examine short term rental issues in depth and to recommend needed changes to the program. The Task Force held weekly open meetings from October to December 2015. Based on comments from the Task Force and the public, the City proposes to adopt revisions to the Municipal Code related to transient use of residential property and home sharing.

Analysis of Potential Environmental Impacts of the Project. This Initial Study/Negative Declaration ("IS/ND") evaluates the potential environmental impacts of the proposed revisions to the City's regulations for transient residential use and home sharing. Certain aspects of the proposed amendments do not require environmental analysis under CEQA. For example:

- CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies unless those charges would be used to fund capital projects (CEQA Guidelines Sec. 15273).

Therefore, establishment or changes to City administrative fees associated with issuance of permits or licenses for the short-term rental of existing housing units do not require CEQA review.

- Inspections to check for performance of an operation, or quality, health, or safety of a project are exempt from CEQA pursuant to Guidelines Sec. 15309.
- City actions to enforce or revoke a license or other entitlement for use or enforcement of a law, general rule, standard, or objective, administered or adopted by the regulatory agency are exempt from CEQA review pursuant to Guidelines Sec. 15321.
- Pursuant to CEQA Guidelines Sec. 15378, "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. "Project" does not include "*Organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.*" Therefore, some aspects of the proposed regulations represent administrative activities that are not subject to CEQA review.
- In evaluating potential economic or social effects of the proposed regulations, this IS/ND reflects CEQA Guidelines Sec. 15382, which states:

*"Significant effect on the environment" means a substantial, or potentially substantial, adverse change in any of the physical conditions within the area affected by the project, including land, air, water, minerals, flora, fauna, ambient noise, and objects of historic or aesthetic significance. An economic or social change by itself shall not be considered a significant effect on the environment. A social or economic change related to a physical change may be considered in determining whether the physical change is significant.* (emphasis added)

Economic or social changes (such as a reduction in property values or effects on neighborhood social interactions) are not considered to be significant environmental impacts under CEQA unless those changes contribute to a significant physical impact. It is important to note that CEQA analysis represents one factor in the City Council's decisions regarding transient use regulations; however, the Council may consider factors other than environmental impacts, such as economic or social impacts, in reaching its final decision.

Exhibit 2 summarizes the proposed changes to City regulations and the City's determination as to whether these changes have the potential to result in physical environmental impacts, and therefore require environmental analysis pursuant to CEQA. Changes that could result in potential environmental impacts are analyzed in the Environmental Checklist and related discussion (Section II below), while those changes that are exempt from CEQA review for the reasons described above are not addressed further in this IS/ND.

9. **Surrounding land uses and setting:**

Various (citywide)

10. **Other public agencies whose approval is required (e.g., permits, financing approval, or participation agreement.)**

California Coastal Commission

DRAFT

Exhibit 1  
Project Location



**Exhibit 2  
Summary of Proposed Changes and Potential Environmental Impacts**

Municipal Code Section	Proposed Changes	Do the Proposed Changes Have the Potential to Result in Physical Environmental Impacts?
23.64.350 Transient use of residential property for remuneration	Retitles this section from "Prohibition of transient use of residential property for remuneration" to "Transient use of residential property for remuneration"	No. The proposed change is administrative and would have no effect on the physical environment, therefore no analysis is required. (CEQA Guidelines Sec. 15378)
7.40.005 Statement of Purpose	Adds general statement of purpose for the ordinance	No. The proposed change is administrative and would have no effect on the physical environment, therefore no analysis is required. (CEQA Guidelines Sec. 15378)
7.40.010 Definitions	Adds a definition of 3 categories of short term rentals based on whether the property owner resides at the site, the number of days per year the unit is available for short-term guests, and whether only a single room or set of rooms is available for short-term use.	Yes. These definitions would be used in determining whether license caps and density limits are applicable and are analyzed in the Environmental Checklist in connection with Sec. 7.40.25 of the proposed ordinance.
7.40.020 Allowed Use	(b) Identifies term of licenses	No. This provision would amend a procedural licensing requirement and is exempt from CEQA review. (CEQA Guidelines Sec. 15321)
	(c) References the definitions in Sec. 7.40.010	Yes. This change cross-references the definitions listed in Sec. 7.40.010 and is analyzed in the Environmental Checklist in connection with Sec. 7.40.25.
	(e) Requires inspection reports to verify conformance with health and safety standards including egress, fire extinguishers, carbon monoxide alarms, and compliance with land use and building permits	No. This provision requires inspections to ensure compliance with existing health and safety standards, therefore no analysis is required. (CEQA Guidelines Sec. 15309)
	(f) Requires that notice of license applications be provided to neighbors within 300 feet of the transient use site.	No. The proposed change would establish a procedural requirement and would have no effect on the physical environment, therefore no analysis is required. (CEQA Guidelines Sec. 15378)
7.40.025 License Caps & Density Limits	Establishes limits on the number of STR Type A licenses that may be issued both citywide and on any block face.	Yes. These provisions are analyzed in the Environmental Checklist.
7.40.030 Limits on Transient Use	(b) Requires notice to short-term rental property tenants of existing parking and noise limits	No. The proposed change would establish a procedural requirement and would have no effect on the physical environment, therefore no analysis is required. (CEQA Guidelines Sec. 15378)
	(g) Establishes driveway use limitations for short-term rental properties	Yes. These provisions are analyzed in the Environmental Checklist.
	(h) Establishes occupancy limits for short-term rental properties	Yes. These provisions are analyzed in the Environmental Checklist.

**Exhibit 2  
Summary of Proposed Changes and Potential Environmental Impacts**

Municipal Code Section	Proposed Changes	Do the Proposed Changes Have the Potential to Result in Physical Environmental Impacts?
	(i) Establishes limits on amplified sound for short-term rental properties	Yes. These provisions are analyzed in the Environmental Checklist.
	(j) Establishes limits on commercial uses for short-term rental properties	Yes. These provisions are analyzed in the Environmental Checklist.
7.40.040 Transient Use License	Clarifies fee requirements for transient use licenses	No. This provision would amend license fees and is exempt from CEQA review. (CEQA Guidelines Sec. 15273)
7.40.060 Separate Properties	Clarifies applicability of licenses	No. The proposed change would clarify administrative licensing requirements and would have no effect on the physical environment, therefore no analysis is required. (CEQA Guidelines Sec. 15378)
7.40.070 Contents of Licenses	Clarifies license requirements	No. The proposed change would clarify administrative licensing requirements and would have no effect on the physical environment, therefore no analysis is required. (CEQA Guidelines Sec. 15378)
7.40.080 Application - First License	Clarifies license, notice, certification and CO alarm requirements	No. The proposed change would clarify administrative licensing requirements and would have no effect on the physical environment, therefore no analysis is required. (CEQA Guidelines Sec. 15378)
7.40.090 Renewal License	Clarifies license, notice, certification and public safety requirements	No. The proposed change would clarify administrative licensing requirements and would have no effect on the physical environment, therefore no analysis is required. (CEQA Guidelines Sec. 15378)
7.40.180 License denial or revocation	Establishes additional grounds for license denial or revocation	No. This provision would amend administrative license denial and revocation procedures and is exempt from CEQA review. (CEQA Guidelines Sec. 15321)
7.40.190 Appeal of revocation or suspension	Revises appeal procedures	No. This provision would amend administrative license denial and revocation appeal procedures and is exempt from CEQA review. (CEQA Guidelines Sec. 15321)
7.40.200 Penalties	Clarifies administrative penalties	No. This provision would amend administrative fees and is exempt from CEQA review. (CEQA Guidelines Sec. 15273)
23.64.370 Home Sharing	Allows the rental of a portion of a single-family home to a maximum of 2 adults and their children for 30 days or less when the owner or long-term resident also resides in the dwelling.	Yes. These provisions are analyzed in the Environmental Checklist.

**ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:**

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a 'Potentially Significant Impact' as indicated by the checklist on the following pages.

<input type="checkbox"/> Aesthetics	<input type="checkbox"/> Agriculture & Forest Resources	<input type="checkbox"/> Air Quality
<input type="checkbox"/> Biological Resources	<input type="checkbox"/> Cultural Resources	<input type="checkbox"/> Geology/Soils
<input type="checkbox"/> Greenhouse Gas Emissions	<input type="checkbox"/> Hazards & Hazardous Materials	<input type="checkbox"/> Hydrology/Water Quality
<input type="checkbox"/> Land Use/Planning	<input type="checkbox"/> Mineral Resources	<input type="checkbox"/> Noise
<input type="checkbox"/> Population/Housing	<input type="checkbox"/> Public Services	<input type="checkbox"/> Recreation
<input type="checkbox"/> Transportation/Traffic	<input type="checkbox"/> Utilities/Service Systems	<input type="checkbox"/> Mandatory Findings of Significance

**DETERMINATION:**

On the basis of this initial evaluation:

I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.

I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.

I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.

I find that the proposed project MAY have a 'Potentially Significant Impact' or 'Potentially Significant Unless Mitigated' Impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.

I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or Mitigation measures that are imposed upon the proposed project, nothing further is required.

Mark J. Brodeur  
Signature

Mark J. Brodeur  
Printed name

2/9/16  
Date

Director  
Title

## II. ENVIRONMENTAL CHECKLIST

- 1) A brief explanation is required for all answers except 'No Impact' answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A 'No Impact' answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g., the project falls outside a fault rupture zone). A 'No Impact' answer should be explained where it is based on project-specific factors as well as general standards (e.g., the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis).
- 2) All answers must take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.
- 3) Once the lead agency has determined that a particular physical impact may occur, then the checklist answers must indicate whether the impact is potentially significant, less than significant with mitigation, or less than significant. 'Potentially Significant Impact' is appropriate if there is substantial evidence that an effect may be significant. If there are one or more 'Potentially Significant Impact' entries when the determination is made, an EIR is required.
- 4) 'Negative Declaration: Less Than Significant With Mitigation Incorporated' applies where the incorporation of mitigation measures has reduced an effect from 'Potentially Significant Impact' to a 'Less Than Significant Impact.' The lead agency must describe the mitigation measures, and briefly explain how they reduce the effect to a less than significant level (mitigation measures from Section XVII, 'Earlier Analyses,' may be cross-referenced).
- 5) Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration. Section 15063(c)(3)(D). In this case, a brief discussion should identify the following:
  - a) Earlier Analysis Used. Identify and state where they are available for review.
  - b) Impacts Adequately Addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis.
  - c) Mitigation Measures. For effects that are 'Less than Significant with Mitigation Measures Incorporated,' describe the mitigation measures which were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the project.
- 6) Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g., general plans, zoning ordinances). Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.
- 7) Supporting Information Sources: A source list should be attached, and other sources used or individuals contacted should be cited in the discussion.
- 8) This is only a suggested form, and lead agencies are free to use different formats; however, lead agencies should normally address the questions from this checklist that are relevant to a project's environmental effects in whatever format is selected.
- 9) The explanation of each issue should identify:
  - a) the significance criteria or threshold, if any, used to evaluate each question; and
  - b) the mitigation measure identified, if any, to reduce the impact to less than significance.

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact or Not applicable
<b>I. AESTHETICS –Would the project:</b>				
a) Have a substantial adverse effect on a scenic vista?			<b>X</b>	
<b>(a) Less Than Significant Impact.</b> Exceptional scenic vistas are present in Pacific Grove. However, the City's existing development regulations codified in the Pacific Grove Municipal Code and Local Coastal Program adequately address potential effects of the construction of new structures and remodeling of existing structures on these vistas. The proposed amendment would not change these requirements, nor would a change in the term of residential occupancy result in a substantial change to scenic vistas, therefore impacts would be less than significant. No mitigation measures are required.				
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?			<b>X</b>	
<b>(b) Less Than Significant Impact.</b> Exceptional scenic resources are present in Pacific Grove. However, the City's existing development regulations codified in the Pacific Grove Municipal Code and Local Coastal Program adequately address potential effects of the construction of new structures and remodeling of existing structures on these resources. The proposed amendment would not change these requirements, nor would a change in the term of residential occupancy result in a substantial change to scenic resources, therefore impacts would be less than significant. No mitigation measures are required.				
c) Substantially degrade the existing visual character or quality of the site and its surroundings?			<b>X</b>	
<b>(c) Less Than Significant Impact.</b> Attractive visual character is a hallmark of Pacific Grove. Existing regulations require that transient use sites (1) <i>shall be used and maintained in a manner consistent with the character of the neighborhood</i> , (2) <i>shall not impair the desirability of investment or occupation of the surrounding neighborhood</i> , and (3) <i>shall not have displayed thereon any sign that indicates the property is used or available for transient or short-term rental purposes</i> (PGMC Sec. 7.40.030.c) and failure of owners to comply with these requirements shall be grounds for denial or revocation of a transient use license (PGMC Sec. 7.40.030.c). These existing requirements substantially reduce the potential for transient use sites to degrade the visual character or quality of the surrounding neighborhood, and no change to these requirements is proposed, therefore impacts would be less than significant. No mitigation measures are required.				
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?			<b>X</b>	
<b>(d) Less Than Significant Impact.</b> The City's existing development regulations codified in the Pacific Grove Municipal Code and Local Coastal Program adequately address potential effects of light and glare generated by residential uses. The proposed amendment would not change these requirements, nor would a change in the term of residential occupancy result in a substantial increase to light and glare, therefore impacts would be less than significant. No mitigation measures are required.				

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact or Not applicable
<b>II. AGRICULTURE AND FOREST RESOURCES – Would the project:</b>				
<i>In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Dept. of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state's inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment project; and the forest carbon measurement methodology provided in the Forest Protocols adopted by the California Air Resources Board.</i>				
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?				X
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?				X
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)) or timberland (as defined in Public Resources Code section 4526)				X
d) Result in loss of forest land or conversion of forest land to non-forest use?				X
e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?				X
<b>(a-e) No Impact.</b> There are no agricultural or forestry resources in the City, therefore the proposed amendment would have no impact on agriculture or forest resources. No mitigation measures are necessary.				

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact or Not applicable
<b>III. AIR QUALITY – Would the project:</b>				
<i>Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations.</i>				
a) Conflict with or obstruct implementation of the applicable air quality plan?			X	
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?			X	
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?			X	

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact or Not applicable
d) Expose sensitive receptors to substantial pollutant concentrations?			X	
e) Create objectionable odors affecting a substantial number of people?			X	
<p><b>(a–e) Less than Significant Impact.</b> Air quality emissions are typically comprised of short-term construction emissions and long-term operational emissions.</p> <p><u>Short-term Construction Emissions</u>                      The proposed amendment would revise regulations for the short-term rental of existing dwelling units and would not authorize additional development. The City's existing development regulations codified in the Pacific Grove Municipal Code and Local Coastal Program adequately address potential effects due to construction emissions. Therefore, the impacts on short-term construction emissions or odors would be less than significant. No mitigation measures are necessary.</p> <p><u>Long-term Operational and Mobile Source Emissions</u>                      The ordinance would not change land use intensity or development standards, therefore there would not be a substantial increase in long-term operational emissions from area sources (e.g. energy use) and/or from mobile sources. Impacts to long-term operational and mobile source emissions would be less than significant and no mitigation measures are required.</p>				

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact or Not applicable
<b>IV. BIOLOGICAL RESOURCES –</b>				
<b>Would the project:</b>				
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?				X
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or US Fish and Wildlife Service?				X
c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?				X
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?				X

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact or Not applicable
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?				X
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?				X
<b>(a-f) No Impact.</b> The proposed amendment would revise regulations for the short-term rental of existing dwelling units and would not authorize additional development. The City's existing development regulations codified in the Pacific Grove Municipal Code and Local Coastal Program adequately address potential effects on biological resources. Therefore, the proposed project would not result in significant impacts and no mitigation measures are necessary.				

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact or Not applicable
<b>V. CULTURAL RESOURCES – Would the project:</b>				
a) Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5?				X
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5?				X
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?				X
d) Disturb any human remains, including those interred outside of formal cemeteries?				X
<b>(a-d) No Impact.</b> The proposed amendment would revise regulations for the short-term rental of existing dwelling units and would not authorize additional development. The City's existing development regulations codified in the Pacific Grove Municipal Code and Local Coastal Program adequately address potential effects on cultural resources. Therefore, the proposed project would not result in significant impacts and no mitigation measures are necessary.				

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact or Not applicable
<b>VI. GEOLOGY AND SOILS -- Would the project:</b>				
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:				
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and				X

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact or Not applicable
Geology Special Publication 42.				
ii) Strong seismic ground shaking?				X
iii) Seismic-related ground failure, including liquefaction?				X
iv) Landslides				X
b) Result in substantial soil erosion or the loss of topsoil?				X
c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?				X
d) Be located on expansive soil, as defined in Table 18- I-B of the Uniform Building Code (1994), creating substantial risks to life or property?				X
e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water?				X
<p><b>(a-e) No Impact.</b> The proposed amendment would revise regulations for the short-term rental of existing dwelling units and would not authorize additional development. The City's existing development regulations codified in the Pacific Grove Municipal Code and Local Coastal Program adequately address potential effects on geology and soils. Therefore, the proposed project would not result in significant impacts and no mitigation measures are necessary.</p>				

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact or Not applicable
<p><b>VII. GREENHOUSE GAS EMISSIONS –</b>  <b>Would the project:</b></p>				
a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?			X	
b) Conflict with any applicable plan, policy or regulation of an agency adopted for the purpose of reducing the emissions of greenhouse gases?			X	
<p><b>(a-b) Less Than Significant Impact.</b> The proposed amendment would revise regulations for the short-term rental of existing dwelling units and would not authorize additional development. The City's existing development regulations codified in the Pacific Grove Municipal Code and Local Coastal Program adequately address potential effects related to greenhouse gasses. Therefore, potential impacts of the proposed project would be less than significant and no mitigation measures are necessary.</p>				

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact or Not applicable
<b>VIII. HAZARDS AND HAZARDOUS MATERIALS – Would the project:</b>				
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?			X	
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?			X	
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?			X	
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?			X	
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?			X	
f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?			X	
g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?			X	
h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?			X	
<p><b>(a-h) Less Than Significant Impact.</b> The proposed amendment would revise regulations for the short-term rental of existing dwelling units and would not authorize additional development. The City's existing development regulations codified in the Pacific Grove Municipal Code and Local Coastal Program adequately address potential effects related to hazards and hazardous materials. The nearest airport (Monterey Regional Airport) is approximately 3 miles east of the City limits. Therefore, potential impacts of the proposed project would be less than significant and no mitigation measures are necessary.</p>				

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact or Not applicable
<b>IX. HYDROLOGY AND WATER QUALITY – Would the project:</b>				
a) Violate any water quality standards or waste discharge requirements?			X	
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?			X	
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site?			X	
d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site?			X	
e) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?			X	
f) Otherwise substantially degrade water quality?			X	
g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?			X	
h) Place within a 100-year flood hazard area structures which would impede or redirect flood flows?			X	
i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?			X	
j) Inundation by seiche, tsunami, or mudflow?			X	
<p><b>(a-j) Less Than Significant Impact.</b> The proposed amendment would revise regulations for the short-term rental of existing dwelling units and would not authorize additional development. The City's existing development regulations codified in the Pacific Grove Municipal Code and Local Coastal Program adequately address potential effects related to hydrology and water quality. Therefore, potential impacts of the proposed project would be less than significant and no mitigation measures are necessary.</p>				

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact or Not applicable
<b>X. LAND USE AND PLANNING – Would the project:</b>				
a) Physically divide an established community?			<b>X</b>	
<b>(a) Less Than Significant Impact.</b> The proposed amendment would revise regulations for the short-term rental of existing dwelling units and would not authorize additional development. Therefore, the project would not physically divide established communities in Pacific Grove. No mitigation measures are necessary.				
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?			<b>X</b>	
<b>(b) Less Than Significant Impact.</b> Applicable land use plans, policies or regulations include the Municipal Code, the General Plan and the Local Coastal Program.				
<p><u>Pacific Grove Municipal Code</u>                      The proposed project would amend sections of the Pacific Grove Municipal Code to revise existing regulations for the short-term rental of residential property. These revisions would not result in significant physical impacts on the environment, as discussed elsewhere in this Initial Study.</p> <p><u>Pacific Grove General Plan</u>                      The Pacific Grove General Plan provides a framework for future growth and development within the City. The Land Use Element includes goals and polices calling for orderly, well-planned, and balanced development consistent with the historic nature of Pacific Grove, the capacity of the City's infrastructure, and ability to assimilate new growth. General Plan land use policies relevant to the proposed project include the following:</p> <p style="padding-left: 40px;">Policy 2. Ensure that new development is compatible with adjacent existing development.</p> <p style="padding-left: 40px;">Policy 3. Balance a property owner's ability to develop with the desirability of maintaining neighborhood character</p> <p style="padding-left: 40px;">Policy 15. Encourage land uses that generate revenue to the City while maintaining a balance with other community needs, such as housing, open space, and recreation.</p> <p>Because the proposed project would not result in a change in land use or authorize new development that is not already permitted by existing regulations, it would not conflict with the goals and policies of the City's General Plan. In addition, short-term residential rentals are currently permitted by the City, and the proposed modifications to existing regulations include the following provisions to better ensure compatibility of short-term rentals with adjacent properties and maintain neighborhood character:</p> <ul style="list-style-type: none"> <li>• <u>Tenant contact information.</u> Existing regulations require that each contract or tenancy that allows transient use shall identify the name, address, phone and e-mail contact information of at least one responsible tenant who has been informed by the owner or owner representative of the occupancy, parking and other limits that apply to transient use. The owner is required to record the license numbers of tenants' vehicle(s) and must provide that information to the City upon request. (Section 7.40.020.d).</li> <li>• <u>Inspection Report.</u> The proposed revisions would require that upon initial license application</li> </ul>				

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<p>and each renewal application, the property owner must submit an inspection report verifying that the property is in conformance with appropriate land use and building permits (Section 7.40.020.e).</p> <ul style="list-style-type: none"> <li> <p><b>Use, maintenance and signs.</b> Existing regulations require that a transient use site (1) shall be used and maintained in a manner consistent with the character of the neighborhood, (2) shall not impair the desirability of investment or occupation of the surrounding neighborhood, and (3) shall not have displayed thereon any sign that indicates the property is used or available for transient or short-term rental purposes (Section 7.40.030.c). Failure to comply with these requirements are grounds for license denial or revocation (Section 7.40.180)</p> </li> <li> <p><b>License classifications and numerical limits.</b> The proposed revisions would establish three different classes of Transient Use Licenses: "STR Type A", "STR Type B" and "STR Type C" (Section 7.40.010) and would establish the following license caps and density limits on STR Type A licenses (Section 7.40.025):</p> <p><i>(a) License Cap. The maximum number of STR Type A licenses allowed within the City shall be 260. If applications exceeding this number are received, the city manager shall place the excess number on a STR license waiting list and process those in order of receipt as licenses become available. The maximum number of Type B and Type C Transient Use Licenses is not limited by this Chapter</i></p> <p><i>(b) Density Limit. A STR Type A license shall not be issued if granting that STR Type A license would cause the STR Type A density limit to be exceeded for that area, provided however, no STR density limit shall apply to the Ocean View Boulevard and Mermaid Street areas designated as High Density (24.8 DU/Acre).</i></p> <p><i>The following density limits shall apply:</i></p> <p><i>(1) One STR Type A license per parcel. This limit shall not apply to any duplex, to a property governed by the duly adopted bylaws of a City-approved home owners association (HOA), or to properties held as tenants in common.</i></p> <p><i>(2) A second or subsequent STR Type A license shall be approved only if the total number of such licenses does not exceed 15% of the Block Face on which it is to be located.</i></p> </li> <li> <p><b>On-street parking.</b> The proposed revisions would establish requirements to substantially reduce potential impacts to the availability of on-street parking (Section 7.40.030.g and h).</p> </li> <li> <p><b>Limit on overnight guests.</b> Existing regulations establish limits on the number of overnight guests who may occupy a short-term rental (Section 7.40.030.f). No change to these existing regulations is proposed.</p> </li> <li> <p><b>Limit on size of gatherings.</b> The proposed revisions would limit the maximum size of a party, event or group gathering at a transient use site (Section 7.40.030.i)</p> </li> <li> <p><b>Prohibition of commercial events.</b> The proposed revisions would prohibit auctions, commercial functions and similar events at a short-term rental property (Section 7.40.030.k)</p> </li> <li> <p><b>Limit on amplified sound.</b> The proposed revisions would prohibit amplified sound that is audible beyond the property boundaries of short-term rental units (7.40.030.j) and would require that tenants be informed of noise limits (Section 7.40.030.b).</p> </li> <li> <p><b>Owner responsibilities.</b> Existing regulations require that owners shall use their best efforts, and respond in a reasonable and timely manner, to ensure that every occupant of the transient use site does not create or contribute to unreasonable use of the property, cause unreasonable noise or disturbance, engage in disorderly or unlawful conduct, or overcrowd the site (Section 7.40.030.d). Existing regulations further require that the owner or owner representative shall be</p> </li> </ul>				

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<p>on-call full time to manage the property and shall be able to be physically present at the transient use site within 30 minutes of request during any time the property is occupied for transient use. Within 24 hours of the time an initial call is attempted, the owner or owner representative shall use his or her best efforts to prevent the recurrence of such conduct by the occupants and take corrective action to address any violation. Failure to respond timely to two or more complaints regarding tenant violations is grounds for penalties as set forth in this chapter (Section 7.40.030.e).</p> <p>In addition, the proposed regulations would help to generate revenue for the City in conformance with Policy 15.</p> <p>These provisions of the proposed amendment would substantially reduce potential impacts to a level that is less than significant and no mitigation measures are required.</p> <p><u>Pacific Grove Local Coastal Program Land Use Plan</u>                      The City of Pacific Grove is located in the coastal zone as defined by the California Coastal Commission (CCC). The Local Coastal Program Land Use Plan (LUP) is required under the provisions of the California Coastal Act of 1976, as amended, for all areas within the state's coastal zone. The LUP for Pacific Grove was adopted by the City Council on June 7, 1989, as an element of the City's General Plan and consists of a land use plan, zoning ordinance, zoning district maps and other ordinances, which when taken together, meet the requirements of, and implement the provisions and policies of the Coastal Act at the local level.</p> <p>The Coastal Act requires that lower cost visitor and recreational facilities be protected, encouraged and, where feasible, provided, and gives preference to development providing public recreational opportunities (Section 30213). Because the proposed amendment would continue to allow short-term lodging opportunities for costal visitors in private residences, it would be consistent with the City's LUP and CCC policies promoting access to the City's beaches. Therefore, the proposed project would not conflict with the City's LUP and impacts would be less than significant. No mitigation is required.</p>				
<p>c) Conflict with any applicable habitat conservation plan or natural community conservation plan?</p>				<b>X</b>
<p><b>(c) No Impact.</b> There are no Habitat Conservation Plans or Natural Community Conservation Plans in effect within the City. No impacts would occur and no mitigation is required.</p>				

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact or Not applicable
<p><b>XI. MINERAL RESOURCES -- Would the project:</b></p>				
<p>a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?</p>				<b>X</b>
<p>b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?</p>				<b>X</b>
<p><b>(a-b) No Impact.</b> No known mineral resources are located within the City of Pacific Grove nor designated in the City's General Plan or other land use plan. Therefore, the proposed project would have no impact on mineral resources. No mitigation is required.</p>				

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact or Not applicable
<b>XII. NOISE – Would the project result in:</b>				
a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?			X	
b) Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?			X	
c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?			X	
d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?			X	
<p><b>(a-d) Less than Significant Impact.</b> The proposed amendment would not authorize new development or change existing regulations regarding construction or mechanical equipment noise. However, potential noise impacts could occur if occupants were to engage in activities or behavior that is disruptive to adjacent residents, such as shouting or playing loud music outdoors. It is not possible to quantify or predict in any meaningful way the differences between long-term residents and short-term tenants with regard to human-generated noise. However, in order to address this concern, the proposed regulations include the following provisions intended to minimize such noise impacts:</p> <ul style="list-style-type: none"> <li>• <u>Limit on overnight guests.</u> Existing regulations establish limits on the number of overnight guests who may occupy a short-term rental (Section 7.40.030.f). No change to these existing regulations is proposed.</li> <li>• <u>Limit on size of gatherings.</u> The proposed revisions would limit the maximum size of a party, event or group gathering at a transient use site (Section 7.40.030.i)</li> <li>• <u>Prohibition of commercial events.</u> The proposed revisions would prohibit auctions, commercial functions and similar events at a short-term rental property (Section 7.40.030.k)</li> <li>• <u>Limit on amplified sound.</u> The proposed revisions would prohibit amplified sound that is audible beyond the property boundaries of short-term rental units (7.40.030.j) and would require that tenants be informed of noise limits (Section 7.40.030.b).</li> <li>• <u>Owner responsibilities.</u> Existing regulations require that owners shall use their best efforts, and respond in a reasonable and timely manner, to ensure that every occupant of the transient use site does not create or contribute to unreasonable use of the property, cause unreasonable noise or disturbance, engage in disorderly or unlawful conduct, or overcrowd the site (Section 7.40.030.d). Existing regulations further require that the owner or owner representative shall be on-call full time to manage the property and shall be able to be physically present at the transient use site within 30 minutes of request during any time the property is occupied for transient use. Within 24 hours of the time an initial call is attempted, the owner or owner representative shall use his or her best efforts to prevent the recurrence of such conduct by the occupants and take corrective action to address any violation. Failure to respond timely to two or more complaints regarding tenant violations is grounds for penalties as set forth in this chapter (Section 7.40.030.e).</li> </ul> <p>These provisions would substantially reduce potential noise impacts to a level that is less than</p>				

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact or Not applicable
significant and no mitigation measures are required.				
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?				X
f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?				X
<b>(e-f) No Impact.</b> The project area is not in the vicinity of a private airstrip; therefore, no noise impacts would occur and no mitigation is required.				

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<b>XIII. POPULATION AND HOUSING – Would the project:</b>				
a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?				X
b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?				X
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?				X
<b>(a-c) No Impact.</b> The proposed amendment would not authorize new development or induce substantial population growth. No existing housing units or people would be displaced as a result of the amendment. Therefore, the proposed project would have no impact housing and population. No mitigation is required.				

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<b>XIV. PUBLIC SERVICES</b>				
a) Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:				
Fire protection?			X	
Police protection?			X	
Schools?				X

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact or Not applicable
Parks?			X	
Other public facilities?			X	
<p><b>Less than Significant Impact.</b> As noted in Section X.b (Land Use and Planning), the proposed amendment would impose more restrictive regulations on the short-term rental of residential units such as limits on the number and density of short-term rental licenses, the number of occupants, the number of vehicles, and noise. Existing regulations require that the property owner or representative be on-call full-time to manage the property and be available to respond to violations at the site within 30 minutes. The proposed revisions would substantially reduce potential impacts on fire protection, police protection, parks and other public facilities to a level that is less than significant. Because short-term tenants do not attend local schools, no impact on schools would occur. No mitigation is required.</p>				

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact or Not applicable
<b>XV. RECREATION</b>				
a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?			X	
b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?			X	
<p><b>(a-b) Less Than Significant Impact.</b> Short-term rental of residential units is currently permitted in the City subject to licensing requirements. The proposed amendment would impose more restrictive regulations on short-term rentals such as limits on the number and density of short-term rental licenses and the number of occupants per unit. The amendment would not authorize additional development or increase land use intensity, therefore potential impacts on existing parks and recreational facilities would be less than significant and no mitigation is necessary.</p>				

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact or Not applicable
<b>XVI. TRANSPORTATION/TRAFFIC –</b>				
<b>Would the project:</b>				
a) Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system. Including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?			X	
b) Conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standards			X	

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact or Not applicable
established by the county congestion management agency for designated roads or highways?				
c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?			X	
d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?			X	
e) Result in inadequate emergency access?			X	
f) Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?			X	
<b>(a-f) Less than Significant Impact.</b> Short-term residential rentals are currently permitted in the City subject to obtaining a transient use license. The proposed amendment would not authorize new development and would impose more restrictive regulations on the short-term rental of residential units such as limits on the number and density of short-term rental licenses, the number of occupants, and parking requirements. Therefore potential impacts would be less than significant and no mitigation is required.				

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact or Not applicable
<b>XVII. UTILITIES AND SERVICE SYSTEMS – Would the project:</b>				
a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?			X	
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?			X	
c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?			X	
d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?			X	
e) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?			X	

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No impact or Not applicable
f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?			X	
g) Comply with federal, state, and local statutes and regulations related to solid waste?			X	
<b>(a-g) Less Than Significant Impact.</b> The proposed amendment would revise existing regulations for the short-term rental of residential units. No new development or increase in land use intensity would be authorized by the proposed amendment, therefore impacts to utilities and service systems would be less than significant. No mitigation measures are required.				

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No impact or Not applicable
<b>XVII. MANDATORY FINDINGS OF SIGNIFICANCE</b>				
a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?				X
<b>No Impact.</b> The proposed amendment would modify current regulations for the short-term rental of existing residential units located in developed areas. Because no new construction would be authorized by the amendment, no impacts to fish and/or wildlife species or historical resources would occur.				
b) Does the project have impacts that are individually limited, but cumulatively considerable? ('Cumulatively considerable' means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?			X	
<b>Less than Significant Impact.</b> The proposed amendment would modify current regulations for the short-term rental of existing residential units located in developed areas. No new construction would be authorized by the amendment, and the proposed regulations would be more restrictive than currently exist with respect to the number and occupancy of short-term rentals, therefore cumulative impacts would be less than significant.				
c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?			X	
<b>Less than Significant Impact.</b> The proposed amendment would modify current regulations for the short-term rental of existing residential units located in developed areas. No new construction would be authorized by the amendment, and the proposed regulations would be more restrictive than currently exist with respect to the number and occupancy of short-term rentals. Therefore, potential impacts on human beings, either direct or indirect, would be less than significant.				

**Attachment 1**  
**Draft Transient Use Ordinance**

**Attachment 1**

**ORDINANCE NO. 2016-**

**AN ORDINANCE OF THE CITY OF PACIFIC GROVE  
AMENDING MUNICIPAL CODE SECTION 23.64.350 AND  
CHAPTER 7.40 RELATED TO THE LICENSE PROCESS FOR  
TRANSIENT USE OF RESIDENTIAL PROPERTY**

**FACTS**

1. Before 2010, many residential properties within the City violated then-existing limits on the transient use of residential property for remuneration.

2. In 2010, Chapter 7.40 and Chapter 23.64 of the Pacific Grove Municipal Code (PGMC) were amended by Ordinance 10-001 to regulate transient use of residential property within residential zones, and required those sites to hold an annual license from the City. The transient use licensing program, coupled with enhanced enforcement, was intended to regulate and control this activity.

3. Since 2010, online host sites such as VRBO, Airbnb, and others have become increasingly popular means to market homes available for transient use. As demand has increased, the City has experienced a dramatic increase in license applications. The 2010 regulations did not anticipate nor adequately address the surge in short-term rental activity, both licensed and unlicensed. Although 190 sites are presently licensed for this use, these sites do not exceed 4% of the City's total housing stock.

4. In October, 2015 a City Task Force was convened to elicit public input to examine short term rental issues in depth and to recommend needed changes to the program. The Task Force held open meetings every Wednesday from October 28 to December 2, 2015. The matter was returned to Council for direction at its meeting of December 16, 2015 at which time public comment was received from 40 members of the public. The matter was referred to Planning Commission at its meeting of January 7<sup>th</sup> and 20<sup>th</sup> meeting where additional public comment was received.

4. This ordinance amends Chapter 7.40 and Chapter 23.64 of the Municipal Code.

5. The Planning Commission reviewed this ordinance and recommends the Council adopt it.

6. The City prepared an Initial Study and Mitigated Negative Declaration to review ordinance pursuant to the California Environmental Quality Act (CEQA), and this Ordinance has been mitigated to a point where the proposed project will not have the potential to significantly degrade the environment; will have no significant impact on long-term environmental goals; will have no significant cumulative effect upon the environment; and will not cause substantial adverse effects on human beings, either directly or indirectly.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF  
PACIFIC GROVE:**

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SECTION 1. The foregoing factual recitals are adopted as findings of the City Council.

SECTION 2. Existing Municipal Code section 23.64.350 of Chapter 23.64, shall be re-titled “Transient use of residential property for remuneration” and shall be amended by the deletion of all text shown in ~~strikeout text~~ and by the addition of all text shown in bold, italic, underscored text (***bold, italic, underscored text***), as follows:

(a) Definitions. For the purpose of this chapter certain terms used herein shall have the meanings set forth in this chapter, and such meanings shall prevail in case of conflict with the definitions set forth in Chapter 23.08 PGMC.

- (1) “Person” means an individual, a group of individuals, or an association, firm, partnership, corporation or other entity, public or private.
- (2) “Owner” means the person who possesses fee title to a transient use site.
- (3) “Owner representative” means any person authorized by the owner to fully manage the transient use site.
- (4) “Remuneration” means compensation, money, rent, or other bargained for consideration given in return for occupancy, possession or use of real property.
- (5) “Residential property” means any dwelling unit, except those dwelling units lawfully established as second units established pursuant to Chapter 23.80 PGMC or as part of a bed and breakfast inn, motel, hotel, timeshare development, or other transient use.
- (6) “Responsible tenant” means a person aged 18 or older who has received notice of occupancy, parking and other limits and regulations that apply to the transient use site, and who has agreed to be responsible to ensure that impermissible or inappropriate behavior does not occur at the transient use site.
- (7) “Transient” means a period of time less than 30 consecutive calendar days.
- (8) “Transient use of residential property” means the commercial use, by any person, of residential property for transient lodging uses where the term of occupancy, possession or tenancy of the property by the person entitled to such occupancy, possession or tenancy is less than 30 consecutive calendar days.
- (9) “Transient use site” and “transient use” mean property occupied and used for transient or short-term rental purposes.
- (10) “Use” means the purpose for which land or premises of a building thereon is designed, arranged or intended, or for which it is or may be occupied or maintained.

(b) Transient use of residential property for remuneration is prohibited, except (1) as otherwise expressly permitted by this title, or (2) when such use is permitted by a transient use license issued in accord with Chapter 7.40 PGMC.

(c) Liability and Enforcement.

- (1) Any owner, owner representative, responsible tenant, person acting as agent, real estate broker, real estate sales agent, property manager, reservation service or otherwise who uses, arranges, or negotiates for the use of residential property in violation of the provisions of this chapter is guilty of an infraction for each day in which such residential property is used, or allowed to be used, in violation of this chapter.

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- (2) Any owner, owner representative, responsible tenant, or other person who uses, or allows the use of, residential property in violation of the provisions of this chapter is guilty of an infraction for each day in which such residential property is used, or allowed to be used, in violation of this chapter.
- (3) Violations of this chapter may be prosecuted pursuant to Chapter 1.16 PGMC, or enforced pursuant to Chapter 1.19 PGMC.
- (4) Penalties may be assessed for violations as provided in Chapters 1.16, 1.19, and/or 7.40 PGMC. The maximum limits set for administrative penalties in PGMC 1.19.200, however, shall not apply to any violation of this chapter or Chapter 7.40 PGMC.

SECTION 3. A new Municipal Code Chapter 7.40, entitled “Transient Use License,” shall be amended by the deletion of all text shown in ~~strikeout text~~ and by the addition of all text shown in bold, italic, underscored text (***bold, italic, underscored text***), as follows:

### 7.40.005      *Statement of Purpose.*

*The purpose of this chapter is to establish a permitting process, together with appropriate standards that regulate short-term rental of single-family and multi-family dwellings in residential districts, to minimize negative secondary effects of short-term rental use on surrounding neighborhoods; and to preserve the character of neighborhoods in which any such use occurs. This chapter addresses traffic, noise and density; ensures health, safety and welfare of neighborhoods as well as of renters and guests patronizing short-term rentals; and imposes limits on the number of permits issued to ensure long-term availability of the affordable housing stock. This chapter also sets regulations to ensure enforcement of these standards, and collection and payment of fees and transient occupancy taxes.*

*This chapter shall not provide any property owner with the right or privilege to violate any private conditions, covenants or restrictions applicable to the owner’s property that may prohibit the use of such owner’s residential property for short-term rental purposes as defined in this chapter.*

*The city council finds adoption of a comprehensive code to regulate issuance of and conditions attached to short-term rental permits is necessary to protect the public health, safety and welfare. The purposes of this chapter are to provide a permit system and to impose operational requirements in order to minimize the potential adverse impacts of transient uses on residential neighborhoods*

*The city council finds the regulation of short term rental uses , including its nontransferability provisions, to be a valid exercise of the city’s police power in furtherance of the legitimate governmental interests documented in this chapter.*

### 7.40.010      *Definitions.*

The terms “owner,” “owner representative,” “person,” “remuneration,” “residential property,” “responsible tenant,” “transient,” “transient use,” “transient use of residential property,” and

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“transient use site” as used in this chapter shall be given the same definition as those terms in PGMC 23.64.350.

“STR Type A” is a term that shall mean a short term rental unit licensed for transient use of residential property for remuneration where the property owner does not reside at the site, and where the property is available for short term guests for an unlimited period throughout its term.

“STR Type B” is a term that shall mean a short term rental unit licensed for transient use of residential property for remuneration where the property owner resides at the site, and where the property is available for short term guests for no more than 90 days in a single license year (365 days).

“STR Type C” is a term that shall mean a short term rental unit licensed for transient use of residential property for remuneration where the property owner resides at the site, and where only a single room or set of rooms on the property site is available for short term guests for an unlimited period provided the site is simultaneously occupied by the property owner.

### 7.40.20 Allowed Use.

(a) Transient use of residential property for remuneration is allowed pursuant to Chapter 23.64 PGMC or this chapter; provided, that a separate transient use license has first been granted and validly maintained for each transient use site.

(b) Each Transient Use License must meet all the requirements of this Chapter. Transient Use Licenses are issued for a term. If no expiration date is shown, each shall expire on March 31. No guarantee is given or implied that Transient Use License will be extended or renewed for a term subsequent to its expiration. Transient Use Licenses issued and current as of February 15, 2016 shall expire on March 31, 2017. Those Licenses shall not be subject to revisions to this Chapter until after March 31, 2017.

(c) For the purposes of this Chapter, the city recognizes and sets discrete requirements for each of three different classes of Transient Use Licenses. These are “STR Type A”, “STR Type B” and “STR Type C”.

(d) Each contract or tenancy that allows transient use shall identify the name, address, phone and e-mail contact information of at least one responsible tenant who has been informed of, and has agreed to abide by occupancy, parking and other limits that apply to that transient use. The owner or owner representative shall make a record of the motor vehicle license number of each motor vehicle used by an occupant of the transient use site, and shall upon request provide that information to the city manager or his delegated agent.

(e) For each initial transient use license application, and each license renewal, the applicant and each property owner shall submit an inspection report to the City that provides and verifies information, in the form and manner required by the Chief Building Official, to ensure the property is safe and habitable for its intended use, including verification of adequate egress from sleeping quarters and common areas, installation of accessible fire extinguishers, and a carbon

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monoxide alarm on each level, and that the property exists in accord with appropriate land use and building permits.

(e) The owner or owner representative shall cause notice of the application or any license renewal, and of any hearing on the application or renewal to be posted and mailed to notify neighbors within 300 feet of the transient use licensed site. The notice shall include a statement of the maximum number of guests permitted to stay in the short term unit.

### 7.40.25 License Caps and Density Limits.

(a) License Cap. The maximum number of STR Type A licenses allowed within the residential districts of the City shall be 250. If applications exceeding this number are received, the city manager shall place the excess number on a STR license waiting list and process those in order of receipt as licenses become available. The maximum number of Type B and Type C Transient Use Licenses is not limited by this Chapter

(b) Density Limit. A STR Type A license shall not be issued if granting that STR Type A license would cause the STR Type A density limit to be exceeded for that residential zoning, provided however, no STR density limit shall apply to the Ocean View Boulevard and Mermaid Avenue..

The following density limits shall apply:

(1) One STR Type A license per parcel. This limit shall not apply to any duplex, to a property governed by the duly adopted bylaws of a City-approved home owners association (HOA), or to properties held as tenants in common.

(2) STR Type A licenses shall be further limited based on existing residential zoning district. Type A licenses shall be limited in all of the R-1 and R-2 Districts to a total of 104 licenses. R-3 and R-4 Districts are limited to a total of 146 licenses.

(3) A second or subsequent STR Type A license shall be approved only if the total number of such licenses does not exceed 15% per block on which it is located.

(4) Commencing on March 30, 2022, no STR Type A Licenses will be issued in the R-1-B-4 District due to the sensitive nature of the surrounding habitat.

### 7.40.030 Limits on Transient Use .

Transient use of residential property for remuneration allowed by Chapter 23.64 PGMC or this chapter shall be subject to each and every limitation in this section:

(a) Each contract or tenancy that enables transient use shall be in writing, and identify thereon the name, address, phone and e-mail contact information of (1) the owner, (2) the owner

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representative, and (3) at least one responsible tenant occupying the transient use site who shall be responsible for all limits required by this chapter;

(b) Each contract or tenancy that allows transient use shall identify the name, address, phone and e-mail contact information of at least one responsible tenant who has been informed by the owner or owner representative of the occupancy, parking and other limits that apply to transient use by this chapter **and shall be informed of residential parking and noise limits, including but not limited to PGMC §11.96.010, the City codes that regulates unlawful noises;**

(c) The transient use site (1) shall be used and maintained in a manner consistent with the character of the neighborhood, (2) shall not impair the desirability of investment or occupation of the surrounding neighborhood, and (3) shall not have displayed thereon any sign that indicates the property is used or available for transient or short-term rental purposes;

(d) Owner and owner representative shall each use their best efforts, and respond in a reasonable and timely manner, to ensure that every occupant of the transient use site does not create or contribute to unreasonable use of the property, cause unreasonable noise or disturbance, engage in disorderly or unlawful conduct, or overcrowd the site;

(e) The owner or owner representative shall be on-call full time to manage the property and shall be able to be physically present at the transient use site within 30 minutes of request during any time the property is occupied for transient use. Within 24 hours of the time an initial call is attempted, the owner or owner representative shall use his or her best efforts to prevent the recurrence of such conduct by the occupants and take corrective action to address any violation. Failure to respond timely to two or more complaints regarding tenant violations is grounds for penalties as set forth in this chapter;

(f) The maximum number of occupants aged 18 or older authorized to stay overnight at any transient use site shall be limited to two persons per bedroom, plus one additional person per site;

~~(g) A maximum of two motor vehicles shall be allowed on street at the transient use site by the responsible tenant or any other occupant between the hours of 6:00 p.m. and 6:00 a.m. **if no on-site parking is provided;** and~~

~~(hg) Each designated on-site parking space at a transient use site shall be made available for use by overnight occupants of that site **and any on-site driveway must be available for the use of the renters of the site; and**~~

~~**(h) The maximum size party, event or large group gathering allowed at the transient use site shall not exceed two times the maximum number of occupants (aged 18 or older) authorized to stay overnight at that site, as shown on the STR license, and in no event shall exceed 20 persons; and**~~

~~**(i) Amplified sound that is audible beyond the property boundaries of the short-term rental dwelling is prohibited; and**~~

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(j) Auctions, commercial functions, and other similar events are prohibited at the short-term rental property.

### 7.40.040      *Transient Use License.*

It is unlawful for any person to transact and carry on any business relating to or supporting the transient use of residential property in the city without first having procured a transient use license from the city to do so, and paying the license fee and any other fees associated with approval of an application of a license, hereinafter prescribed, and also without complying with any and all applicable provisions of this chapter. A transient use license, however, shall not be required for any lawfully established bed and breakfast inn, motel, hotel, or timeshare development.

### 7.40.050      *Display of Transient Use License.*

The owner or owner representative shall cause a copy of the transient use license to be displayed in a prominent location within the interior of the transient use site, and shall provide a copy to each responsible tenant. Each Internet or online ad, sign, circular, card, telephone book, or newspaper advertisement that indicates or represents a transient use site is available for transient or short-term rental purposes shall prominently display thereon the transient use license number assigned to that site by the city of Pacific Grove.

### 7.40.060      *Separate Properties.*

A separate transient use license shall be obtained for each separate transient use site. A single transient use license may be issued for multiple a maximum of residential dwelling units under identical ownership at a single site. In all other circumstances, a separate license shall be required for each transient use. A transient use license shall authorize the licensee to transact and carry on transient use of residential property only at the location and in the manner and subject to the limits designated in such license.

### 7.40.070      *Contents of license.*

Every person required to have a license under the provisions of this chapter shall make application to the collector of the city and tender payment of the prescribed application and license fee. Thereafter, in accord with the provisions of this chapter, the collector city shall issue to such person a license which shall contain the following information:

- (a) The name and contact information of the owner to whom the license is issued, and the name and contact information for the owner representative;
- (b) The transient use site licensed; and whether the license is a "STR Type A", "STR Type B" or "STR Type C"
- (c) The date of the expiration of such license;

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(d) The maximum number of occupants aged 18 or older who are authorized to stay overnight at that transient use site in accordance with the number of bedrooms on site;

(e) The maximum number of motor vehicles allowed for use by overnight occupants at that transient use site based on the available on-site parking as shown on the application site plan;

(f) Such other administrative information as may be necessary for the enforcement of the provisions of this chapter.

### 7.40.080      *Application - First license.*

Each short-term rental permit shall be in the name of the owner of the real property upon which the short-term rental use is to be permitted. When a person first makes an application for a license pursuant to this chapter, such person shall furnish to the city collector a sworn statement, upon a form provided by the city collector, setting forth the following information:

(a) The address of the transient use site to which the license shall apply, and all places of residence of the owner(s) of same;

(1) In the event an application is made for issuance of a license to a person doing business under a fictitious name, the application shall set forth the names and places of residence of those owning the business;

(2) In the event an application is made for the issuance of a license to a corporation or a partnership, the application shall set forth the names and places of residence of the principal officers and all partners thereof;

(b) Each application shall set forth such information as may be therein required by the city collector and deemed necessary to estimate the annual transient occupancy tax to be charged for that property; The owner and applicant shall maintain city business licenses at all times, and shall agree to collect and remit transient occupancy taxes on all gross receipts pertaining to the property.

(c) Each application shall identify the name, address, phone and e-mail contact information of the owner and the owner representative;

(d) Each application shall include a site plan, which labels each room and the structure of the property, including shows the number of bedrooms and the number of on-street and off-street parking spaces;

(e) An certification affidavit signed by the owner affirming that smoke detectors are installed in all sleeping quarters and common areas and that fire extinguishers are accessible and a carbon monoxide alarm is installed on each level, to protect the health and safety of the occupants of the transient use site and the applicant shall provide access and information to the fire inspector as needed to ensure health and safety for occupants of the transient use site; and

(f) Such further information which the city collector may require to enable proper administration of the license.

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The applicant shall remit all required annual fees in accord with the master fee schedule set by council resolution. The applicant shall agree to renew and/or amend the license in accord with the requirements of this chapter, and if there is a change in any material fact stated in the application.

### 7.40.90 *Renewal license.*

(a) In all cases, the applicant for the renewal of a license shall submit to the collector on or before ~~July~~ March 1st, an application for renewal containing a sworn statement upon a form to be provided by the collector, setting forth such information concerning the applicant's transient occupancy activity during the preceding calendar year as may be required by the collector to enable him or her to verify the amount of the transient occupancy tax paid by said applicant pursuant to the provisions of this chapter. *Evidence that a site has not been used for at least 90 days for transient use during the preceding 12 months shall cause non-renewal of a STR Type A license and the applicant may request an STR Type B License.*

(b) The applicant shall remit the annual license fee, as set by resolution, at the same time as the renewal application. The *property owner* applicant shall submit an annual affidavit affirming that smoke detectors are installed and maintained in all sleeping quarters and common areas, and that fire extinguishers are accessible, *and a carbon monoxide alarm is installed on each level.* The *owner and* applicant shall provide access and information to the inspector ~~as may be needed~~ to ensure health and safety for occupants of the transient use site, *including verification of adequate egress from sleeping quarters and common areas, and installation of accessible fire extinguishers, and a carbon monoxide alarm on each level.*

### 7.40.100 *Change to license information.*

A request to amend any information provided on the license issued pursuant to this chapter shall be made within 14 days of any change of owner, a change of the owner representative, a change in any material fact upon which the license was issued, or if any other person acquires an ownership interest in the transient use site.

### 7.40.110 *Evidence of transient occupancy of residential property.*

When any owner, owner representative or other person makes use of Internet services, signs, circulars, cards, telephone books, or newspapers, and/or advertises, holds out, or represents that he or she allows transient occupancy of residential property in the city, and such person fails to provide a sworn statement to the *City collector* that he or she does not allow transient occupancy of residential property in the city after being requested to do so by the *City collector*, then such information shall be considered prima facie evidence that he or she is conducting a business in the city of allowing transient occupancy of residential property. Until proper evidence to the contrary is presented to the *City collector*, the *City collector* shall be entitled to presume that residential

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property is subject to the license required by this chapter, and/or that the transient use of residential property has occurred at the transient use site.

### **7.40.120**      *Statements and records.*

No statement shall be conclusive as to the matters set forth therein, nor shall the filing of such statement keep the city from collecting by appropriate action taxes and/or fees that are due and payable hereunder. In the event that the City collector deems it necessary, he or she may require that a licensee or applicant for a license submit verification of financial information necessary to calculate the transient occupancy tax due, or at the option of the licensee or applicant, may authorize the City collector to examine records or business transactions to compute the transient occupancy tax that is owed.

### **7.40.130**      *Failure to file statement or corrected statement.*

If any person fails to file any required statement within the time prescribed, or if after demand therefor made by the City collector he or she fails to file a corrected statement, or if any person subject to the tax imposed by this chapter fails to apply for a license, the City collector may determine the amount of tax due from such person by means of such information as he or she may be able to obtain and shall give written notice thereof to such person. Delinquent payment shall be subject to penalties calculated in the same manner as set forth in PGMC 7.04.200.

### **7.40.140**      *Payment of transient occupancy tax.*

The owner or owner representative shall remit the transient occupancy tax as set forth in Chapter 6.09 PGMC.

### **7.40.150**      *Appeal of Tax.*

Any person aggrieved by any decision of the City collector with respect to the amount of the transient occupancy tax or fees associated thereto may appeal to the administrative enforcement hearing officer panel by filing a notice of appeal with the city clerk within 15 days after receipt of written notice from the City collector. The hearing officer assigned by the panel shall thereupon fix a time and place for hearing such appeal. The city clerk shall give notice to such person of the time and place of hearing by serving it personally or by depositing in the United States Post Office at Pacific Grove, California, postage prepaid, addressed to such person at his or her last known address. The hearing officer shall have authority to determine all questions raised by such appeal; provided, however, that no such determination shall conflict with any substantive provision of this chapter.

### **7.40.160**      *Additional power of City collector.*

In addition to all other power conferred upon the collector, he or she shall have the power, for good cause shown:

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(a) To extend the time for filing any required sworn statement or application for a period not exceeding 30 days, and in such case to waive any penalty that would otherwise have accrued; and

(b) Whenever any fee, tax or penalty pursuant to this chapter is due and payable but has not been satisfied in full within 90 days and/or has not been successfully challenged by a timely writ of mandate, such amounts shall constitute a lien against the real property, and be subject to the processes set forth in PGMC 1.19.270 through 1.19.290, inclusive.

### 7.40.170      *License nontransferable - Changed location.*

No license issued pursuant to this chapter shall be transferable to any other person or location.

### 7.40.180      *License denial or revocation.*

Any application for a license may be denied, and any license issued pursuant to this chapter may be revoked, ~~as hereinafter provided, unless substantial evidence~~ *shall be* ~~is~~ presented as to why the application should not be denied, or the license should not be revoked for any of the following reasons, including but not limited to:

(a) A false material statement or misrepresentation has been made in, or in support of, the application;

(b) A change occurs in any material fact upon which the license was issued that has not been reported to the city as a change to the required license content within 14 days;

(c) The transient use site, or any other location owned by the owner or applicant, has been the site of a violation of any provision of law, or otherwise fails to meet sanitation or health standards of the neighborhood, within the two years immediately preceding;

(d) The owner or applicant has violated any provision of the municipal code or any provision of the Health and Safety Code, within the two years immediately preceding;

(e) The owner, owner representative or applicant has been convicted of any crime involving moral turpitude;

(f) The owner, owner representative or applicant has failed to timely respond to two or more complaints regarding limits on transient use as required by PGMC 7.40.030 within the two years immediately preceding.

(g) The site does not meet the definition of dwelling unit as per PGMC23.64.350(5).

(h) The owner, applicant, guest or any occupant of a STR site allows or facilitates a party, event or large group gathering at that site that exceeds two times the maximum number of occupants (aged 18 or older) authorized to stay overnight at that transient use site, as shown on the STR license.

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(i) The owner, applicant, guest or any occupant of a STR site regularly engages in disorderly conduct, violates provisions of this code or any state law pertaining to noise, disorderly conduct, or uses illegal drugs.

### 7.40.190 ~~City Manager Review Appeal of Revocation or Suspension.~~

Any person who has been denied a license or to whom notice of revocation or suspension of a license has been mailed may appeal to the administrative enforcement hearing panel under Chapter 1.19, pursuant to a request for hearing under PGMC 1.19.090. ~~before the city manager. Notice of the proceeding shall conform to PGMC 1.12.010, and the hearing shall conform to the process set at PGMC 1.16.090 and following. The hearing officer shall have authority to determine all questions raised by such appeal; provided, however, that no such determination shall conflict with any substantive provision of this Chapter.~~ The city manager, in that event, shall give each applicant or licensee at least 10 days' written notice of hearing. ~~The city manager's decision, after hearing, shall be final.~~ Any applicant or license holder whose license shall have been denied or revoked shall be ineligible for a two-year period from applying for a new license. No person whose license has been revoked shall continue to engage in or carry on the activity for which the license was granted, unless and until such license has been reinstated or reissued. The decision of the hearing officer ~~city manager~~ shall be final. Notice of the decision, and the opportunity for judicial review, shall conform to PGMC 1.20.010,

### 7.40.200 Penalties.

Penalties as set forth in Chapter 1.16 PGMC, or the administrative process set forth in Chapter 1.19 PGMC, may be imposed for failure to comply with the provisions of Chapter 23.64 PGMC or this chapter, with respect to:

(a) Any owner, owner representative, or person who transacts or carries on any activity relating to or supporting the transient use of residential property in the city without first having procured and complied with a transient use license from the city so to do and paying all applicable license fees shall be subject to administrative penalties as set forth in Chapter 1.19 PGMC, including administrative penalties imposed by a Hearing Officer for violation of any provision of this code in an amount not to exceed a maximum of \$2,500 per day for each continuing violation, exclusive of administrative costs, interest and restitution for compliance re-inspections, for any related series of violations, and/or forfeiture of all rents received during the period transient use was allowed without a transient use license, whichever amount is greater; or

(b) Any owner, owner representative, or person who carries on any activity that advertises to the surrounding neighborhood that the site has been licensed to allow, or is used for, transient occupancy, and who has failed to timely remedy this violation in response to two or more complaints, shall be subject to administrative penalties; or

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(c) Any owner, owner representative, responsible tenant or person who allows a transient use site to be used or maintained in a manner detrimental to the peace, public health, safety or general welfare of persons or property of the neighborhood or the public, and fails to timely remedy this violation in response to two or more complaints; or

(d) Any owner, owner representative, responsible tenant or person who allows impermissible or inappropriate behavior at the transient use site or action that exceed the limits on transient use set by PGMC 7.40.030 following two or more complaints; or

(e) Limits upon administrative penalties in PGMC 1.19.200 shall not apply to any violation of this chapter.

**7.40.210 Liens.**

Whenever the amount of any penalty, forfeiture, and/or administrative cost imposed by a hearing officer pursuant to this chapter or to Chapter 1.19 PGMC has not been satisfied in full within 90 days and/or has not been successfully challenged by a timely writ of mandate, this obligation shall constitute a lien against the real property on which the violation occurred, and be subject to the processes set forth in PGMC 1.19.270 through 1.19.290, inclusive.

SECTION 4. If any provision, section, paragraph, sentence, clause or phrase of this ordinance, or any part thereof, or the application thereof to any person or circumstance is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance, or any part thereof, or its application to other persons or circumstances. The City Council hereby declares that it would have passed and adopted each provision, section, paragraph, subparagraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, paragraphs, subparagraphs, sentences, clauses or phrases, or the application thereof to any person or circumstance, be declared invalid or unconstitutional.

SECTION 5. In accord with Article 15 of the City Charter, this ordinance shall become effective immediately upon adoption on second reading.

SECTION 6. The Planning Commission, at a meeting held on or about twelve months following enactment of this ordinance, shall review the effects of this ordinance and submit recommendations to the City Council as to amendments that may be appropriate.

PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE THIS \_\_\_\_ day of \_\_\_\_\_, 2016, by the following vote:

AYES:

NOES:

ABSENT:

**Attachment 1**

APPROVED:

\_\_\_\_\_  
BILL KAMPE, Mayor

ATTEST:

\_\_\_\_\_  
Sandra Kandell, Deputy City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
DAVID C. LAREDO, City Attorney

**Attachment 2**  
**Draft Home Sharing Ordinance**

**Attachment 2**

**ORDINANCE NO. 15-**

**AN ORDINANCE OF THE CITY OF PACIFIC GROVE AMENDING  
THE PACIFIC GROVE MUNICIPAL CODE AT PGMC §23.64 TO ALLOW AND  
REGULATE HOME SHARING**

**FACTS**

1. The Pacific Grove Municipal Code (PGMC) controls land use and zoning through PGMC Title 23, "Zoning."
2. Title 23 allows for the transient use of residential property. Home sharing, by which the resident of a home provides accommodations for less than 30 days to unrelated guests, while the owner or long-term tenant is present, is one possible type of transient use of residential property commonly considered in Pacific Grove and elsewhere.
3. The City Council has the authority to legalize home sharing.
5. To ensure home sharing fully considers the health and safety of the short-term tenants, and preserves or enhances the existing character of the neighborhood in which the home is shared, it is desirable for the City to adopt regulations similar to, but in some ways different from, those regulations adopted for motels, hotels, bed and breakfasts, and other short-term transient uses. Such standards, conditions and regulations established by Council shall be in addition to and harmonious with the Coastal Act and the City's General Plan.
6. Enactment of this ordinance action is a Project, as defined by California Environmental Quality Act (CEQA), and is exempt according to Section 15301 Class 1, since amendments proposed by these ordinances do not result in any new or significant impacts to the environment because they are either more protective or procedural in nature.

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF  
PACIFIC GROVE:**

SECTION 1. The foregoing Facts are adopted as findings of the City Council as though set forth fully herein.

SECTION 2. Existing Municipal Code section of Chapter 23.64 "General Provisions and Exceptions" shall be amended by the addition of Section 23.64.370, "Home Sharing," as follows:

- (a) Definitions. For the purposes of this section, certain terms used herein shall have the meanings set forth below or in section 23.64.350, and such meanings shall prevail in case of conflict with the definitions set forth in Chapter 23.08 PGMC.
  - (1) "Guest" means a person who rents a bedroom and ancillary facilities at a home sharing site

## Attachment 2

- (2) “Home sharing” means an activity whereby Residents host Guests in their homes, for compensation, for periods of 30 consecutive days or less, while at least one of the dwelling unit’s Residents lives in the dwelling unit.
  - (3) “Home sharing site” means property occupied and used for home sharing purposes.
  - (4) “Resident” means a person legally residing in a dwelling unit in excess of 30 consecutive days. Such Resident may be the owner or a tenant living there with the approval of the owner.
- (b) Home sharing for remuneration is allowed pursuant to this chapter, provided that a separate home sharing permit has first been granted and validly maintained for each home sharing site.
  - (c) Each home sharing permit shall meet all requirements of this section, including:
    - (1) Each “Home Sharing” permit shall be subject to the following conditions:
      - a) Home sharing is limited to single family dwellings in any residential or commercial zone. Home sharing is not permitted in dwelling units lawfully established as second units established pursuant to Chapter 23.80 PGMC; any accessory unit to a dwelling unit, condominium, multi-family dwelling unit or any other “tenants in common” dwelling unit; any room, detached rooms, or a portion of a residential unit that does not provide both kitchen and bathroom facilities; or as part of a bed and breakfast inn, motel, hotel, timeshare development, or other transient use.
      - b) The resident shall also occupy the home throughout the duration of any home sharing;
      - c) A maximum of one bedroom in the home may be rented to adults; a second bedroom may be rented to children as part of the same contract;
      - d) No more than 2 adults shall occupy the rented bedroom;
      - e) Guest(s) shall have exclusive use of the rented bedroom(s) and shared use of a full bathroom and kitchen;
      - f) Neither bedrooms nor bathrooms shall not contain cooking facilities;
      - g) A designated on-site parking space for use by overnight guests, if it exists, or one parking space on any on-site driveway, if it exists.
    - (2) Owner or owner representative of any qualifying residential property may submit an application to the City for an administrative home sharing permit, along with payment of the approved fees, an affidavit affirming that smoke detectors are installed and maintained in all sleeping quarters and common areas, that fire extinguishers are accessible, and a carbon monoxide alarm is installed on each level. The owner or owner representative shall provide access and information to a certified inspector to ensure health and safety of the home share site, prior to issuance of the permit; a report verifying inspection of the site has occurred, and that the Home Sharing site conforms to all requirements of PGMC Section 23.64.370.
    - (3) A home sharing permit shall continue in force, as long the conditions are met, except upon cancellation by the owner or owner representative, or upon the sale or transfer of the property.
    - (4) Once a permit is approved, all transient occupancy taxes as set forth in Chapter 6.09 PGMC, and fees, as adopted from time to time in the City’s Master Fee Schedule shall be collected and remitted to the City, applicable.

**Attachment 2**

- (5) Evidence of transient occupancy of a permitted home sharing site, statements and records, failure to file statement or corrected statement, payment of transient occupancy tax, appeal of tax, additional power of City, permit nontransferability, permit denial or revocation, appeal of revocation or suspension, penalties, and liens, shall be as provided in sections 7.40.110 through 7.40.210, inclusive.
- (d) Liability and Enforcement. For the purposes of this section, liability and enforcement shall be the same as PGMC section 23.64.350 (c).

SECTION 3. In accord with Article 15 of the City Charter, this ordinance shall take effect thirty days following passage and adoption hereof.

SECTION 4. The City Manager and City Clerk are directed to perform all tasks necessary to implement this ordinance. This measure may, but shall not be required to, cause republication of the Pacific Grove Municipal Code.

SECTION 5. If any provision, section, paragraph, sentence, clause, or phrase of this ordinance, or any part thereof, or the application thereof to any person or circumstance is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance, or any part thereof, or its application to other persons or circumstances. The City Council hereby declares that it would have passed and adopted each provision, section, paragraph, subparagraph, sentence, clause, or phrase thereof, irrespective of the fact that any one or more sections, paragraphs, subparagraphs, sentences, clauses, or phrases, or the application thereof to any person or circumstance, be declared invalid or unconstitutional.

**PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE** this \_\_\_\_ day of \_\_\_\_\_, 2015, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

\_\_\_\_\_  
BILL KAMPE, Mayor

ATTEST:

\_\_\_\_\_  
SANDRA KANDELL, Deputy City Clerk

**Attachment 2**

APPROVED AS TO FORM:

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DAVID C. LAREDO, City Attorney