



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

**AGENDA REPORT**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Bill Peake and Rudy Fischer, Council Members  
**MEETING DATE:** March 7, 2018  
**SUBJECT:** New City Council Housing Goal  
**CEQA STATUS:** Does not constitute a “Project” under California Environmental Quality Act (CEQA) Guidelines Section 15378

**RECOMMENDATION**

Adopt a new City Council Housing Goal and corresponding strategies.

**DISCUSSION**

The City’s recently adopted Housing Element guides us with “goals, policies, programs and objectives” to aid in focusing on achievable goals related to affordable housing. Those goals include:

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 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.

In addition to these incentives for affordable housing projects, the City must adhere to the State Density Bonus Law, 2017 Government Code Chapter 65915; as well as adopted through Chapter 23.79 (Density Bonus Regulations) of the City’s Zoning Code. Under state Density Bonus Law, applicants are eligible for a range of density bonuses up to 35% and the State mandates that local jurisdictions are required to offer incentives (reduction in parking, height, and setback) based on a percentage of affordable units in the development.

Currently the CEDD Housing Division administers several programs that help to improve, preserve and increase the supply of affordable housing in the City. The Housing Division applies for and receives grants for housing studies and programs, monitors compliance with City restrictions on affordable housing units, and coordinates the City’s efforts to develop and maintain senior housing opportunities. Housing Programs include: Housing Rehabilitation Loan Program, Sewer Loan Program, Emergency Home Repairs Loan Program, and the Affordable Housing Monitoring Program.

The Community and Economic Development Director acts as the City's liaison in negotiations for developments that may include increases in affordable housing units.

The Community and Economic Development Director actively pursues development projects that may increase the housing stock in the City, even though there are very few opportunities for development in the City. Property owners are encouraged to consider all allowable development standards within the zoning district.

Development of market rate and work force level housing is just as important as affordable housing given the overall statewide scarcity of housing. The adoption of the Accessory Dwelling Unit (ADU) Ordinance last year helped pave a new way for private property owners to add units to the City's potential available housing stock.

City Council can further and better address the need for new housing opportunities through the adoption of a Housing Goal with corresponding strategies.

Proposed goal is:

- **Housing:** Support maintenance of our existing housing and additional affordable housing

Proposed strategies are:

- Convene a Housing Public Forum to act as a sounding board for assessing community support of different ideas and approaches to improving the supply of housing in Pacific Grove.
- Develop relationships with regional housing partners to understand how the City can access and leverage support and services. Explore potential funding sources. (i.e. Community Foundation for Monterey County, Monterey Bay Economic Partnership, CA Department of Housing and Community Development, and SB 2 Building Homes and Jobs Act grants)
- Adopt an ordinance that specifies how compliance with the state density bonus law is implemented.
- Consider regulatory (zoning) changes to promote affordable housing development, such as adopting an Inclusionary Housing Ordinance or allocating water to affordable housing projects.
- Review City compliance with new state housing law (e.g. Senate Bill 35 Wiener)

Some of the desired results of these strategies may be:

1. Increase the inventory of affordable rental units through regulatory development incentives and expanding funding sources and partnerships
2. Preserve the long-term affordability and physical condition of the existing stock of housing
3. Support opportunities to obtain and sustain affordable homeownership

The Council's adoption of the Housing Goal will make housing a priority and will guide Council members and staff to pursue resources and negotiate development projects in line with these goals. Without making this a Goal, staff will be unable to focus on new housing opportunities.

**OPTIONS**

1. Take no action.
2. Provide alternate direction to staff

**FISCAL IMPACT**

The CEDD budget will be amended as part of the mid-year budget process. Additional funds to support this goal may be provided through a future revenue source or grant to be determined at a later date.

**GOAL ALIGNMENT**

Proposed Housing Goal

RESPECTFULLY SUBMITTED:



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Bill Peake  
Council Member



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Rudy Fischer  
Council Member

REVIEWED BY:



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Ben Harvey  
City Manager