

October 10, 2023

City of Pacific Grove  
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RE: [Pacific Grove Public Review Draft Housing Element](#)

City of Pacific Grove Housing Team:

LandWatch has reviewed [Pacific Grove Public Review Draft Housing Element](#) (HE). We support the goals to make it easier to build housing to meet the Regional Housing Needs Allocation (RHNA). Specifically, we support any program which will result in higher densities and a reduction in governmental constraints for infill units not on environmentally sensitive lands.

We agree that the report's conclusions in the section titled "Prioritization of Contributing Factors" – the factors deemed most crucial to addressing fair housing issues – recognize the immediate challenges. These include community opposition to affordable housing, the scarcity of affordable housing choices, and the constraints associated with public transportation and its connectivity to the broader region.

**In broad terms, Monterey County residents need multifamily housing, not more single-family homes, especially in Pacific Grove.**

Monterey County has a housing problem: the housing local governments have approved is misaligned with the housing needs of local working families and individuals, especially those who work in Pacific Grove.

According to the [U.S. Census](#) Monterey County's median household income is \$82,000. A rule of thumb is that for a home to be affordable it should cost 2.5-3 times your annual income. For the average family in our county, they can afford a \$250,000 home. However, the [median price](#) of a home in Monterey County is almost \$900,000 and in Pacific Grove \$1.2 million—impossibly expensive for most working families. [Census data](#) shows that almost 3,000 people commute daily into Pacific Grove, likely to work. Those daily trips generate very significant greenhouse gas emissions.

For both equity and environmental reasons, [LandWatch](#) and others have advocated for more multifamily housing, which by its design is far more affordable than single family housing. Single

family homes by and large serve the needs of investors, 2<sup>nd</sup> home owners, and Bay Area commuters, not local working families and individuals. Indeed, it's been reported that a significant number of homes in Pacific Grove are vacant.

Unfortunately, Monterey County and its 12 cities have consistently approved single-family rather than multifamily housing. See Monterey County Housing Pipeline, which documents more than 21,000 residential housing units that have been entitled (approved) but not yet been built. Almost all of the approved units are single family homes. There are another 13,000 units for which entitlements are being sought, and most of these are also single-family homes. The data show a dire shortage of multifamily rentals, the costs (rents) of which align much more closely with median incomes in the County than the costs (mortgages) of single-family homes.

Set forth below are comments on specific programs.

### **Objective standards and findings for architectural, design, and development review**

The discussion of Program 3, Architectural Review and Program 12, Zoning Code Amendments, uses the terms “architectural review” and “design review.” We assume that these are synonymous. We support the development of objective standards to guide this review. However, we suggest that objective design or architectural standards be applied to all residential development, not just to multi-family and mixed-use projects as proposed in Programs 3 and 12.

The Housing Element acknowledges that findings 4 and 5 for major use permits (i.e., use permits that must go to the Planning Commission) require subjective judgments. (HE, p. 1-53.) So does finding 3, which calls for an unnecessary, standardless, and subjective determination of detrimental effects on health, safety, and welfare for use permits. The Housing Element states that an unspecified program would revise findings 4 and 5 to provide objective standards and certainty. It is unclear whether that program is Program 12, which calls for objective findings related to neighborhood character for “major use permits.” Assuming that the referenced program is Program 12, it should be revised to specify that all findings for a major use permit, including finding 3, be revised to ensure that they are made on the basis of objective standards.

Furthermore, Program 12 should include the requirement that the objective standards to guide these findings be specified so that developers can have certainty and so that permitting delay can be avoided.

Finally, the Housing Element does not state whether use permits issued administratively currently require subjective determinations. We assume they do. If so, the program should require development of objective standards for administrative use permits.

### **Use permits**

The use permit requirement for two-family dwellings in R-2 zones and for dwelling groups of 3 or more families in R-3 and R-4 districts should be eliminated. These types of residential

developments should be permitted by-right based on objective standards in these residential zones.

We support the proposed elimination of use permits for multi-family residential uses in residential R-3 and R-4 zones. However, the use permit requirement for multi-family residential development in commercial and industrial zones should also be eliminated. The Use permit requirement for dwelling groups of 3 or more families should also be eliminated in commercial and industrial zones. All of these types of residential developments should be permitted by-right based on objective standards in commercial and industrial zones.

Eliminating use permit requirements and providing for approval of projects based on objective design and development standards will increase certainty and reduce permitting delay for projects.

### **Ministerial permitting**

Except in environmentally sensitive areas and areas subject to gentrification or loss of historic sites, the city should provide for ministerial review of residential projects.

Discretionary review, including CEQA reviews, should continue for projects on environmentally sensitive sites, e.g., habitat for endangered, rare or threatened species; farmland of statewide and local importance; wetlands; earthquake/seismic hazard zones; federal, state, and local preserved lands, NCCP and HCP plan areas, and conservation easements; riparian areas; Department of Toxic Substances Control (DTSC) facilities and sites; landslide hazard, flood plains and, floodways; and wildfire hazard as determined by the Department of Forestry and Fire Protection. (See, e.g., Gov. Code § 65913.4(a)(6)(B) through (K) [sites excluded from ministerial permitting in SB 35].)

Concerns for gentrification and historic resources should be addressed by continuing to require discretionary review for projects on existing affordable housing, mobile home sites, or historic resources. (See, e.g., Gov. Code § 65913.4(a)(7), (10) [SB 35].) Otherwise, infill residential projects should be ministerially permitted.

### **Minimum densities**

We support the proposed establishment of minimum densities in the Downtown District, Forest Hill District, and in R-4 (high density residential) districts. We suggest that the City establish minimum densities of at least 2/3 of the maximum density in R-2 and R-3 districts. Minimum densities will help ensure attainment of the RHNA targets and create incentives for development of units that are affordable by design, even if they are not deed restricted.

### **Density priority over development standards**

Development standards should not inhibit attainment of maximum densities. The City should borrow from AB 2295 by adopting a provision that limits applicable development and design review standards to just those objective standards that do not preclude attainment of the allowed

density and height for each district. Where FAR, lot coverage, or setbacks would preclude attainment of the maximum density, these development standards should be relaxed.

### **Local density bonus**

The City should provide density bonuses that exceed those mandated by the State Density Bonus Law. For example, the City could provide a 50% bonus for projects providing 8% very low-income units instead of the state DBL's 27.5% bonus. Such an approach is being taken by Sand City, which is proposing a 250% density bonus as long as 15% of the units are affordable to lower income households.

Density bonuses should also be provided for projects that are likely to result in more affordable units, even if these units are not deed-restricted. For example, the City should provide a density bonus for an extended commitment to accept housing vouchers or for a commitment to maintain a multi-family project as a rental project rather than developing as or converting to for-sale units.

In addition, the City should increase the number of concessions given at specified levels of affordability beyond the number mandated by the State DBL.

The City is in a position to add value to real property by increasing its effective development density. The City should provide developers with strong incentives to use that added value to build more affordable units.

### **Affordable housing overlay**

We support creation of an affordable housing overlay with development incentives for affordable housing in the Forest Hill district as was proposed in the City's 5<sup>th</sup> Cycle Housing Element in Program 2.3. c. The program should be re-adopted and revised to require that the City actually implement this overlay in the next cycle, not merely to require that the City "consider" it.

### **Consolidation**

We suggest consolidating the 16 subzones of the R1, R2, R3, and R4 zones into 4 zones and assigning these the maximum density permitted.

*Table 1-33 Residential Land Use Controls within Pacific Grove* lists zoning districts, with a land use category and a specific maximum density. The R-1 Zoning District, is subdivided into a land use category of 4 distinct Low Density Residential subzones (LDR1.0 LDR2.0 LDR4.4 LDR5.4 ), with varying densities ranging from 1 unit per acre, up to 5.4 units per acre. The medium density, R-2 zoning district has 8 subzones ranging from "MDR7.0 - MDR17.4" with densities from 7 to 17.4 units per acre. The high density R3 and R4 zones have 4 subzones ranging from 19.8 – to 29.0 units per acre. The table should be revised to specify

- R-1 LDR4.5 - 4.5 units per acre

- R-2 MDR17.4 – 17.4 units per acre
- R-3, R4 HDR29.0 – 29 units per acre

As noted, the City can add value by allowing higher densities, which will encourage housing production.

### **Site inventory**

Overall, we support the selection of sites, but we question the feasibility of Site 49, previously owned by the federal government, designated as a protective area, and considered as an Environmentally Sensitive Habitat Area (ESHA) by the Coastal Commission.

We are also concerned that so many low income units (28 units VLI, and 28 units LI) were assigned to this parcel and that 412 low income units (almost 100% of LI RHNA) were assigned to the “Other Districts,” most of which outside the Downtown core, and with limited public transportation services, similar to site 49. This siting approach appears inconsistent with affirmatively supporting fair housing since it tends to segregate lower income households and to do so farther from amenities and opportunities.

Thank you for this opportunity to comment.

Regards,



Michael DeLapa  
Executive Director

### **Links:**

- U.S. Census on median incomes - <https://www.census.gov/quickfacts/montereycountycalifornia>
- Median house price - [https://www.realtor.com/realestateandhomes-search/Monterey-County\\_CA/overview](https://www.realtor.com/realestateandhomes-search/Monterey-County_CA/overview)
- U.S. Census data on inflow/outflow - <https://onthemap.ces.census.gov/>
- Monterey County Housing Pipeline - [https://docs.google.com/spreadsheets/d/19O\\_Ots5AENGh3FOi92lpxFXS\\_Z5K2NIc/edit?usp=sharing&oid=100606220151891883986&rtpof=true&sd=true](https://docs.google.com/spreadsheets/d/19O_Ots5AENGh3FOi92lpxFXS_Z5K2NIc/edit?usp=sharing&oid=100606220151891883986&rtpof=true&sd=true)