



CITY OF CARMEL-BY-THE-SEA

6th Cycle Draft Housing Element 2023-2031 Update



City Council Meeting
Tuesday, August 1, 2023
City Hall 4:30pm



6th Cycle Draft Housing Element: Timeline to date

October 2022 Housing Ad Hoc Committee appointed

November 2022 1st community meeting

February 2023 ECONorthwest report, professional services agreement with EMC, and 2nd community meeting

April 2023 3rd community meeting

May 2023 4th community meeting

June 2023 5th community meeting w/City Council & Planning Commission

July 2023 policy direction from the City Council

August 2023 draft housing element complete



6th Cycle Draft Housing Element: Public Comments

- Collecting feedback from the community since November 2022 to inform this 6th cycle Draft Housing Element
- 10 question survey released in May 2023
- 157 survey responses (Attachment 2, Appendix H)
- Hosted a booth in June 2023 at the Farmer's Market
- Hand delivered surveys to approx. 25 businesses
- Posted flyers with QR codes at multiple locations throughout the village
- Included a link to the survey in multiple editions of the Friday Letter
- Dedicated project website with the ability to submit comments
- Public Comment Report (67 pages) (Attachment 3)



6th Cycle Draft Housing Element: Reader's Guide

Reader's Guide updated (August 1, 2023)

- Key Project Dates
- Summary of additions/revisions by chapter and appendix

6th Cycle 2023-2031 Housing Element Update Draft Summary / Reader's Guide August 1, 2023

The City is progressing with its Housing Element update project, with a Draft 6th Cycle 2023-2031 Housing Element presented to the City Council on August 1, 2023. Below you will find key project dates and a high-level overview of the Draft document, which responds to public comments received on the previously released Public Review Draft during the 30-day review period (June 5th to July 6th).

Key Project Dates (updated)

Aug 1st: City Council meeting to review revised Draft Housing Element
Aug 2nd: Submit Draft Housing Element to the State Department of Housing and Community Development (HCD) for a 90-day review period
Sept 15th: 45-day check-in with HCD for a status update
Oct 31st: 90-day review by HCD complete

Overview of the Draft 6th Cycle 2023-2031 Housing Element

Chapter 1 - Introduction - Minor Revisions

- Added section on the Public Review Draft and Stakeholder Survey.

Chapter 2 - Goals, Policies, and Programs - Notable revisions below

- Added maps as *Figures* throughout the chapter.
- Clarified *timeframes* throughout the chapter.
- Added **Program 1.3.D** specific to *Overnight Visitor Accommodation - Employee Housing Program* (program language previously included within Program 1.3.C Accessory Dwelling Units).
- Added **Program 1.3.H: Prepare Checklist and Procedures for SB35** (State requirement).
- Added **Program 1.3.I: Implement State law SB-10** opportunities on three R-1 sites (Red Cross, American Legion, and First Church of Christ Scientist) per Council direction received on July 11, 2023.
- Substantially revised **Program 1.4.A: Eliminate Unnecessary Use Permit Requirements**.
- Removed **Program 2.4.B: Residential Inspection Services**.
- Substantially revised **Program 3.1.G: Housing Priority Overlay District**.

Chapter 3 - Housing Needs and Constraints (20 pages) has been eliminated as the information was duplicative of Appendix B.

Chapter 4 - Sites Inventory (6 pages) has been eliminated as the information was duplicative of Appendix C.

Chapter 5 - Energy and Resource Conservation (9 pages) has become Appendix G.

Appendix A - Housing Needs and Fair Housing Report - No substantive changes

- Expanded on the history of segregation.



6th Cycle Draft Housing Element: Summary of Changes

- **Format revisions**
 - Chapter 3 Housing Needs & Constraints (20 pages) eliminated. Refer to Appendix B.
 - Chapter 4 Sites Inventory (6 pages) eliminated. Refer to Appendix C.
 - Chapter 5 Energy & Resource Conservation has become Appendix G.
- **Content additions/revisions (substantive)**
 - Chapter 2: Goals, Policies, & Programs (revisions)
 - Appendix C: Vacant and Available Sites (revisions)
 - Appendix G: Energy & Resource Conservation (previously Ch. 5)
 - Appendix H: Stakeholder Survey (NEW)



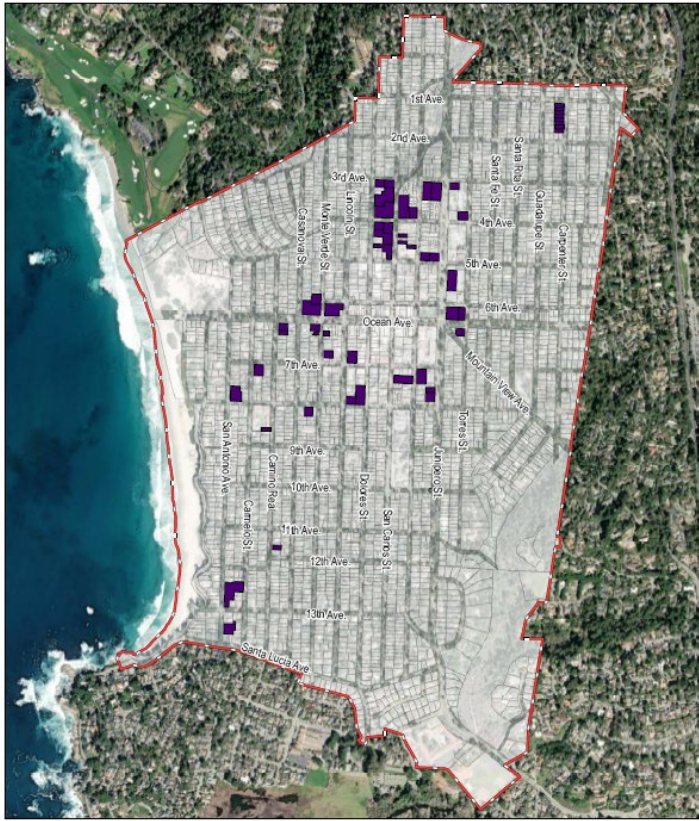
6th Cycle Draft Housing Element: Chapter 2

Chapter 2: Goals, Policies, & Programs

- **Added** maps (placeholders in current draft)
- **Refined** timeframes for program completion
- **Added** Program 1.3.D Overnight Visitor Accommodation-Employee Housing Program
- **Added** Program 1.3.H Prepare Checklist and Procedures for SB35
- **Added** Program 1.3.I Implement State law SB-10
- **Removed** Program 2.4.B Residential Inspection Services
- **Revised** Program 1.4.A Eliminate Unnecessary Use Permit Requirements
- **Revised** Program 3.1.G Housing Priority Overlay District



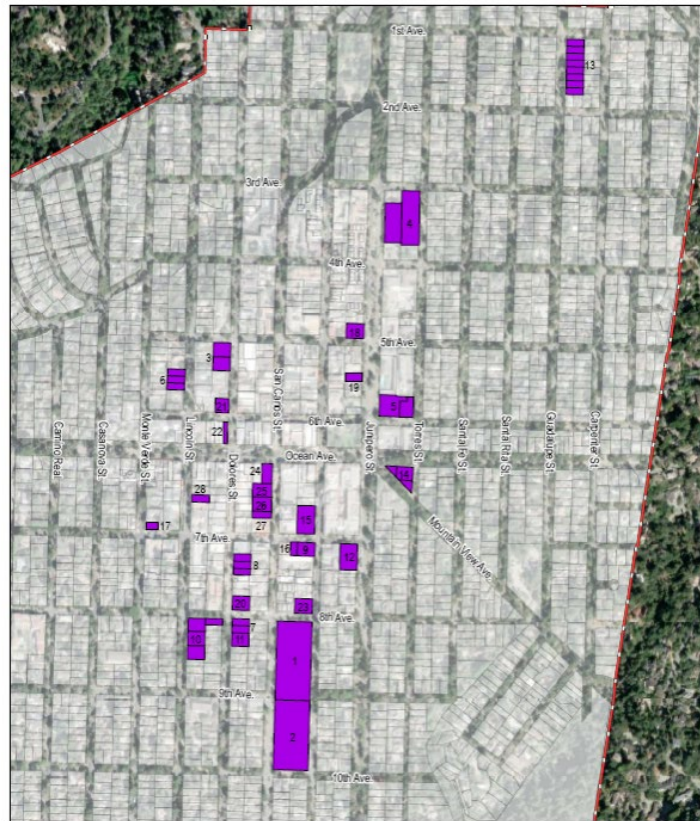
6th Cycle Draft Housing Element: Maps



Source: Monterey County GIS 2023, Google Earth 2023

Visitor Accommodations
 City Limit

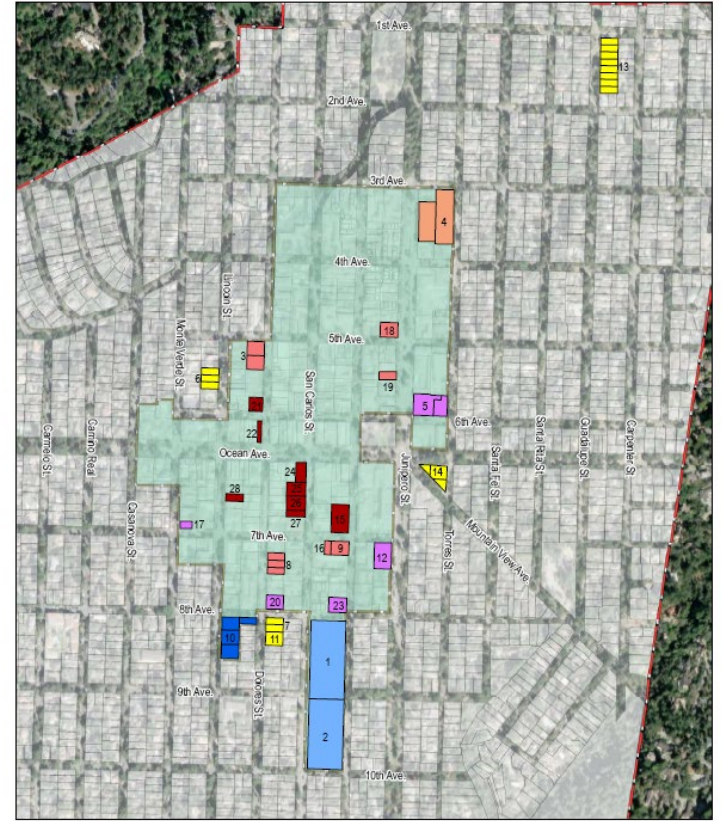
E M C **Figure 2-2**
Existing Overnight Visitor Accommodation Map
Carmel Housing & Safety Element Update



Source: ESRI 2023, Google Earth 2023

City Limit
 Site Inventory Parcel

E M C **Figure C-1**
Site Inventory Map
Carmel Housing & Safety Element Update



Source: Monterey County GIS 2023, Google Earth 2023

Service Commercial (SC)
 Multi-Family Residential (R-4)
 Community and Cultural District (A-2)
 Single-Family Residential (R-1)
 Central Commercial (CC)
 Senior Citizen Facility District (A-3)
 City Limit
 Overlay District

E M C **Figure C-3**
Housing Priority Overlay and Zoning
Carmel Housing & Safety Element Update



6th Cycle Draft Housing Element: Timeframes

Year 2024

- Development on Small Sites (1.1.C)
- Amend the A-2 District (1.3.E)
- Manufactured Homes (1.3.F)
- SB10 (1.3.I)
- Use Permit Amendments (1.4.A)
- Mixed Use Incentives 2.1.A)
- Density Bonus (3.1.C)
- Reduced Parking (3.1.E)
- Expedited Processing (3.1.F)
- Overlay Zoning District (3.1.G)
- Transitional & Supportive Housing (3.3.A)
- Low Barrier Navigation (3.3.B)

Year 2025

- Water Distribution Priority (1.2.A)
- Objective Design Standards (1.4.C)
- Affordable Housing Monitoring (2.1.C)
- Fees (3.1.D)

Year 2026

- Hospitality Employee Housing (1.3.D)

Year 2028

- ADU standardized plans (1.3.C)

Year 2031

- All remaining programs



6th Cycle Draft Housing Element: Chapter 2

Program 1.3.D – Overnight Visitor Accommodation - Employee Housing Program

The City has a number of overnight visitor accommodation (motels, hotels, inns) properties that would greatly benefit from incorporating affordable on-site employee housing. [Figure 2-2](#) shows existing overnight visitor accommodation locations, and the corresponding list can be found in [Appendix C](#). These units would alleviate the current lack of housing that many employees that work in overnight accommodations in Carmel face. As an incentive to commercial overnight visitor accommodation property owners to provide on-site affordable employee housing, the City will offer an additional overnight accommodation room for every onsite housing unit created. This incentive will serve to increase affordable rental housing, offset the loss of revenues for the business owners, and maintain visitor-serving coastal access. The City will amend the Municipal Code as follows:

- Allow at least one on-site affordable employee housing unit in conjunction with one new overnight visitor accommodation room per unit;

Timeframe: December 2026
Quantified Objective: 31 units
Responsible Party: Community Planning and Building Department
Funding Source: General Fund

(Formerly Program 3-5.3.c: Subordinate Units)



6th Cycle Draft Housing Element: Chapter 2

Program 1.3.H: Prepare Checklist and Procedures for SB35

Government Code section 65913.4 allows qualifying development projects with a specified proportion of affordable housing units to move more quickly through the local government review process and restricts the ability of local governments to reject these proposals. SB 35 does not apply within the Coastal Zone. Carmel-by-the-Sea is entirely within the Coastal Zone. If SB-35 becomes applicable to Coastal Zone areas, the City will create a SB35 checklist and written procedures for processing SB35 applications to ensure efficient and complete application processing.

<i>Quantified Objective:</i>	<i>N/A</i>
<i>Timeframe:</i>	<i>Within 6 months of any change to the law that would impact the City</i>
<i>Responsible Party:</i>	<i>Community Planning and Building Department</i>
<i>Funding Source:</i>	<i>General Fund</i>

(NEW)



6th Cycle Draft Housing Element: Chapter 2

Program 1.3.I: Implement state law SB-10 Opportunities to Maximize Feasibility of Development in Strategic Locations.

SB10 encourages strategic density within neighborhoods. There are at least three larger sites zoned single-family (R-1) near the commercial core that could be developed with multi-family units with the implementation of SB-10. Figure 2-3 maps the three potential sites.

<i>Quantified Objective:</i>	<i>18 units</i>
<i>Timeframe:</i>	<i>Adoption of Municipal Code amendments by December 2024</i>
<i>Responsible Party:</i>	<i>Community Planning and Building Department</i>
<i>Funding Source:</i>	<i>General Fund</i>

(NEW)

Figure 2-3 Potential SB-10 Opportunity Sites



6th Cycle Draft Housing Element: Chapter 2

Program 1.4.A: Eliminate Unnecessary Use Permits - AFFH

Multi-family and duplex housing units constituted approximately 13 percent of Carmel’s housing stock. The use permit (UP) (or conditional use permit (CUP)) requirement is implemented as an additional regulatory tool and adds extra regulations, review, and required findings, to a variety of development standards that affect multi-family development. Municipal Code Chapter 17.64 Findings Required for Permits and Approvals includes a broad list of applicable conditional uses and incentives. There are opportunities to reduce redundancies and facilitate residential construction while still enabling development to meet City regulations. For example, a use permit is required in:

- Municipal Code Section 17.64.190 Residential Construction at Densities Between 33 and 44 Units per Acre;
- Municipal Code Section 17.64.230 Affordable Housing – Residential Construction at Densities Between 45 and 88 Units Per Acre for developments the request a bonus density or a density bonus; and
- Municipal Code Section 17.14.150 Building Height requires a use permit for additional underground floors used for parking vehicles, storage and mechanical equipment. The additional use permit requirement can affect how much parking can be accommodated and limit the number of units.

The City will explore eliminating UP requirements to remove a constraint to the development of multi-family residential units in conjunction with Program 3.1.G A Housing Priority Overlay District.

<i>Quantified Objective:</i>	<i>50 units</i>
<i>Timeframe:</i>	<i>Adoption of Municipal Code amendments by December 2024</i>
<i>Responsible Party:</i>	<i>Community Development Department</i>
<i>Funding Source:</i>	<i>General Fund</i>

(Formerly Program 3-2.1.d: Multi-Family Residential Development Review)



6th Cycle Draft Housing Element: Chapter 2

Program 3.1.G: A Housing Priority Overlay Zoning District - AFFH

Overlay districts are zoning districts established by the City to carry out specific purposes. Overlay districts can be constraints to development, or they can be used as a tool to encourage certain types of development. Currently, the City does not have an overlay district to encourage housing in the commercial districts. An overlay that requires a minimum density of 33 du/ac in the Central Commercial (CC), Service Commercial (SC), Residential and Limited Commercial (RC) District, and R-4 District encourages a higher unit yield and improves the financial viability of the project by increasing the unit count. Minimum density is also a tool that works to ensure the limited available land in the City is used in an efficient manner and lower densities are avoided.

The City will revise and incorporate into this new overlay zoning district all Municipal Code sections addressing affordable housing, including but not limited to Municipal Code Sections 17.64.190 Residential Construction at Densities Between 33 and 44 Units Per Acre, 17.64.220 Affordable Housing – Residential Construction at Densities Between 45 and 88 Units Per Acre, 17.64.230 Single-Family Dwellings in the SC and RC Districts, 17.14.030 (Land Use Regulations), and 17.14.230 (Affordable Housing); and to include incentives found elsewhere within the Municipal Code and 6th Cycle Housing Element programs including:

- Water distribution priority (Program 1.2.A);
- Parking reduction/waiver (Program 3.1.E);
- Fee waiver/reductions (Program 3.1.D);

- FAR incentive (Program 2.1.A); and
- Establish a minimum density of 33 du/ac.

<i>Quantified Objective</i>	<i>100 units</i>
<i>Timeframe:</i>	<i>Adoption of Municipal Code amendments by December 2024</i>
<i>Responsible Party:</i>	<i>Community Planning and Building Department</i>
<i>Funding Source:</i>	<i>General Fund</i>

(NEW)

Figure 2-4 The Housing Priority Overlay Zoning District

[Map to be inserted prior to HCD submittal]



6th Cycle Draft Housing Element: Appendix C

Appendix C: Vacant and Available Sites

- **Removed** 10 sites, and **added** 3 new sites
 - Sunset Center South, AT&T Building, Forest Cottages Specific Plan
 - Total # of sites reduced from 35 to 28
- **Designated** 3 sites as **SB-10** lots
 - First Church of Christ, Red Cross, American Legion
- **Added** names to locations for additional description
- **Reduced** projections for hospitality employee housing (46 to 31)
- **Reduced** projections for accessory dwelling units (72 to 34)
- **Added** projection for hotel transfer and conversions (33)

Table C-3 Housing Sites Inventory

Site #	Location (Reference to ECO NW Study)	APN	Zoning	General Plan	Acreege	Applied Density (DU/AC)	Total Realistic Capacity	Very Low	Low	Moderate	Above Moderate
Primary Underutilized Sites											
1	Sunset Center Lots Site (#1), NE Corner of San Carlos & 8th	010143001000	A-2	OS/ Rec Cultural	1.02	33	33	--	17	16	--
2	Sunset Center Lots Site (#1), NE Corner of San Carlos & 8th	010143001000	A-2	OS/ Rec Cultural	1.02	33	33	--	17	16	--
3	Ulrika Plaza Site (#2), SW Corner of Dolores & 5th	010138003000	SC	CC	0.37	33	12	--	--	--	12
		010138021000									
4	City Public Works Site (Vista Lobos) (#3), W/S Torres between 3rd & 4 th , and E/S Junipero between 3rd & 4th	010104001000	R-4	MFR	1.28	33	42	35	--	--	7
		010104004000									
5	Bruno's Market Site (#6) NE Corner of Junipero & 6 th , and NW Corner of Torres & 6th	010095013000	RC	RC	0.53	33	17	12	5	--	--
		010095012000									
6	First Church of Christ Parking Lot (#8), Lincoln 2-4 NW of 6th	010212027000	SB-10	SFR	0.28	33	9	--	9	--	--
		010212004000									
		010212026000									
7	Red Cross Site (#9), SE Corner of Dolores & 8th	010144015000	SB-10	SFR	0.18	33	5	--	--	--	5
		010144016000									
8	JB Pastor Building, Dolores 2-4 SE of 7 th (#12)	010145012000	SC	CC	0.46	33	11	--	--	--	11
		010145024000									
		010145023000									
9	Girl Boy Girl, SW Corner of Mission & 7 th (#13)	010142001000	SC	CC	0.18	33	5	--	--	--	5
10	Carmel Foundation Site (#14), NE Corner of Lincoln & 8th	010149012000	A-3	SFR	0.62	33	20	10	10	--	--
		010149010000									
		010149011000									
		010149001000									



Site #	Location (Reference to ECO NW Study)	APN	Zoning	General Plan	Acreage	Applied Density (DU/AC)	Total Realistic Capacity	Very Low	Low	Moderate	Above Moderate
11	American Legion Site, Dolores 2 SE 8th	010144014000	SB-10	SFR	0.18	33	5	--	--	--	5
12	AT&T Building SW Corner of Junipero & 7th	010087012000	RC	RC	0.35	33	11	--	--	--	11
13	Carmel Resort Inn, SE Corner of Guadalupe & 1st, Guadalupe 2-8 SE of 1st	010021014000	R-1	SFR	0.74	20	8	--	--	--	8
		010021013000									
		010021012000									
		010021011000									
		010021030000									
		010021031000									
		010021032000									
010021033000											
14	Forest Cottages Specific Plan, NE Corner of Ocean & Mountain View	010085004000	R-1	SFR	0.30	20	6		2		4
		010085005000									
		010085003000									
Subtotal Primary Underutilized Sites					8.16		242	98	54	16	74
Sites Recycled from 5th Cycle											
15	Court of the Fountains NW Corner Mission & 7th	010141003000	CC	CC	0.37	33	12	--	--	--	12
16	First American Title 7th 2 SW of Mission	010142013000	SC	CC	0.07	33	2	--	--	--	2
17	Office building NE Corner Monte Verde & 7th	010191004000	RC	RC	0.07	33	2	--	--	--	2
18	Yafa NW Corner Junipero & 5th	010097007000	SC	CC	0.18	33	5	--	--	--	5
19	Three Garages Site (#7)	010098004000	SC	CC	0.33	33	3	--	--	--	3
20	Carmel Realty Office Site (#4)	010145008000	RC	RC	0.19	33	6	--	--	--	6

Added site name to aid with future identification.

Site #	Location (Reference to ECO NW Study)	APN	Zoning	General Plan	Acreage	Applied Density (DU/AC)	Total Realistic Capacity	Very Low	Low	Moderate	Above Moderate
	NE Corner 8 th & Delores										
21	Parashis Building NW Corner Dolores & 6th	010138006000	CC	CC	0.13	33	4	--	--	--	4
22	The Agency NW Corner Ocean & Dolores	010139001000	CC	CC	0.09	33	2	--	--	--	2
23	Sunset Terrace NW Corner Mission & 8th	010142006000	RC	RC	0.19	33	6	--	--	--	6
24	Enzo's San Carlos 2 SW of Ocean	010146001000	CC	CC	0.15	33	4	--	--	--	4
25	Doud Arcade San Carlos 2 SW of Ocean	010146002000	CC	CC	0.18	33	5	--	--	--	5
26	Paseo San Carlos Square San Carlos 2 NW of 7th Ave	010146003000	CC	CC	0.18	33	5	--	--	--	5
27	Paseo San Carlos Square San Carlos 2 NW of 7th Ave	010146004000	CC	CC	0.09	33	2	--	--	--	2
28	Carmel Office Supply & Business Center Lincoln SE of Ocean	010147010000	CC	CC	0.09	33	2	--	--	--	2
Subtotal Recycled Sites							60				60
TOTAL							302	98	54	16	134
Hospitality Employee Housing							31	8	12	11	0
Overnight Visitor Accommodation Transfer of Development							33	8	0	0	25
ADUs							34	11	11	11	3
Subtotal Other							82	19	23	22	20
GRAND TOTAL							400	117	92	68	182
RHNA							349	113	74	44	118
Difference							51	15	18	24	64
Difference (Percent)							115%	113%	124%	154%	154%

SOURCE: City of Carmel-by-the-Sea; EMC Planning Group Inc.



6th Cycle Draft Housing Element: Timeline going forward

August 2023:

Submit Draft Housing Element to HCD

August-October 2023:

90-day HCD review period; City begins CEQA review

November 2023:

City responds to HCD comments and resubmits revised draft

December 2023:

AMBAG deadline for certification by HCD

120-day grace period for jurisdictions working on revisions

Winter 2024:

Receive substantial compliance letter from HCD, City Council adoption of Housing Element, HCD certification

2023-2031:

Implementation and annual progress reporting to HCD



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Sign up for the “Housing” email listserv and “Friday Letter” by City Administrator Chip Rerig

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Sign up to receive the City Administrator’s Friday Letter and email updates on the topics you are interested in.

Sign Me Up!

Newsletter Archive

Visit our project website at:
<https://homecarmelbythesea.com/>



THE END

Housing
Opportunities
Made
Easier





6th Cycle Draft Housing Element

Sites included in the **Public Review Draft** and **removed** from the HCD Initial Review Draft:

- Pine Inn parking lot (#5)
- Cafe Carmel (#10)
- Wells Fargo (#11)
- Carmel Presbyterian Church (#15)
- San Carlos 2 NE of 6th (#22)
- Ocean 4 NW of San Carlos (#23)
- SEC Ocean & San Carlos (#26)
- Ocean 2 SE Mission (#27)
- SEC San Carlos & 7th (#29)
- SWC Ocean & Dolores (#35)

Sites included in the **Public Review Draft** and **renamed** in the HCD Initial Review Draft:

Public Review Draft

Esperanza 7th & Dolores Site (#12)

7th & Mission Site (#13)

NW Corner Mission & 7th (#18)

7th 2 SW Mission (#19)

NE Corner Monte Verde & 7th (#20)

NW Corner Junipero & 5th (#16)

NW Corner Dolores & 6th (#24)

NW Corner Ocean & Dolores (#25)

NW Corner Mission & 8th (#28)

San Carlos 2 SW of Ocean (#30)

San Carlos 2 SW of Ocean (#31)

San Carlos 2 NW of 7th (#32)

San Carlos 2 NW of 7th (#33)

Lincoln SE of Ocean (#34)

HCD Initial Review Draft

JB Pastor Building (#8)

Girl Boy Girl (#9)

Court of the Fountains (#15)

First American Title (#16)

Office Building (#17)

Yafa (#18)

Parashis Building (#21)

The Agency (#22)

Sunset Terrace (#23)

Enzo's (#24)

Doud Arcade (#25)

Paseo San Carlos (#26)

Paseo San Carlos (#27)

Carmel Office Supply & Business Center (#28)