

Exploring Affordable Housing Alternatives

Community Workshop
March 25 , 2025



WELCOME!

- Housekeeping Items
- Introductions
 - AHA Team
 - City Staff
 - City Officials

Your Role Today and Tomorrow - Stay Involved!

- Today's meeting
 - Update on Village tailored strategies
 - Recap and progress
 - Questions and answers
 - Worksheets and feedback
- After today
 - Drafting amendment
 - Public hearings



BACKGROUND

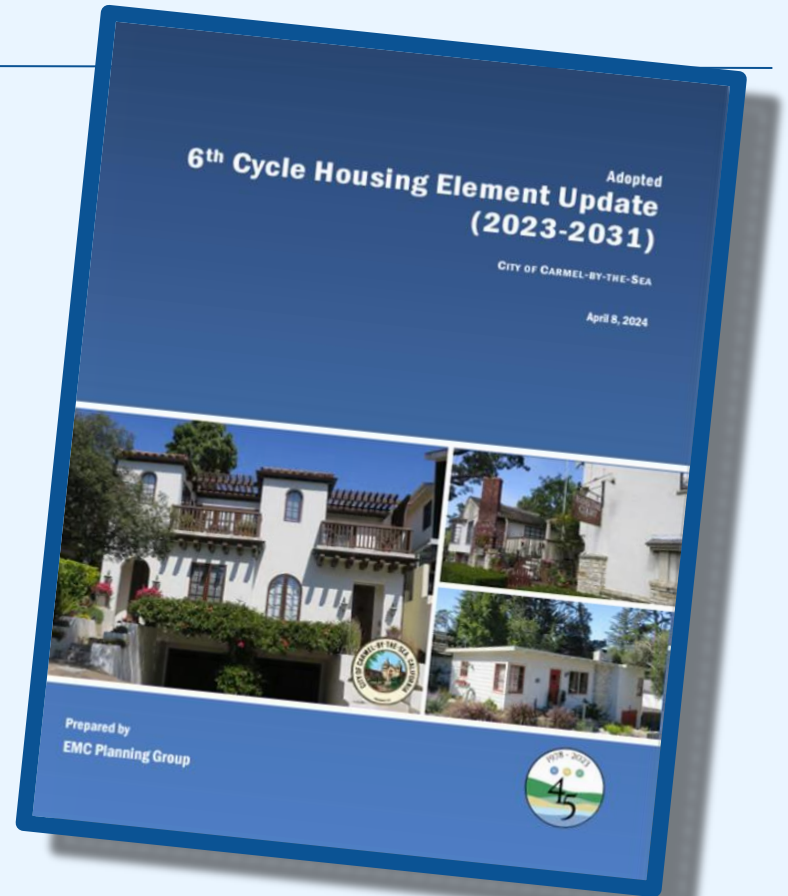
- Why Are We Here?
- Where Are We Going?

Why Are We Here?

- Housing Element adopted April 8, 2024
- Sunset Center & Vista Lobos - **149 affordable units**
 - Meet **State deadline**
- Community pushback & Council response
 - Issues with developing City sites
- Council Resolution to amend Housing Element
 - Work with AHA Resident Group
 - Replace City sites with better options
 - **Urgency** = 2025 RFP deadline
- Need to find **replacement sites/units**
- State will need to re-certify our Housing Element
- Get **creative** to disperse affordable units

Overview of a Housing Element

- What is a Housing Element?
 - **Planning Document**
 - Projected vs. Constructed Units
- Sites Inventory list
 - **Potential** for development
- Programs
 - **Incentivize** development
- Process to adopt and amend
 - City Council
 - State Housing Department (HCD)



Amendment Overview

- AHA/City/consultant team have been **meeting more than weekly** since early 2024!
 - **Preserve** scarce public land
 - **Distribute** housing through village, at human **scale**, following **traditional** land use patterns
 - **Replace** shrinking population to bring back **locals**: teachers, nurses, firefighters, service pros
 - **Learned** along the way, for example income distribution became key to solution
- **Positive** HCD feedback
 - Holding **bi-weekly meetings** to go sequentially through our strategies
 - Turning **constraints into opportunities**
 - **Partnering** for **Carmel solution** - leveraging State flexibility - not Sacramento solution
- We are optimistic about achieving our initial goal (149 units) and more
 - Beating the looming **deadlines** of HE6, like RFP
 - Creating a **multi-cycle** approach tailored for Carmel, addressing other issues when possible
 - Overall better plan for **integrated** homes and neighbors.

proposed PROGRAMS

- ADUs
- Hotels
- Downtown Sites
- Church Sites

Accessory Dwelling Units - Updating our Numbers

- Original Housing Element's ADU #'s understated five-year trends - HCD updated from 4.5 to new 8.4/year
- **Result:** increased projection from 34 ADUs to 60 ADUs for the amendment; up to 75 units possible with expanded programs & incentives
- Momentum underway with new ADU State Laws, permits issued - with 54% of ADU permits were conversions of existing structures, *plus* City staff is revising our local ADU Ordinance

ADU - Adding Proposed Programs & Incentives

1. Multi-Year Property Deed Restriction - receive recommend priority water credits, reduced permit fees (more in first 2 years)
2. Renter Match Services - to partner with Carmel Foundation, Identify qualified low-income applicants and support
3. Amnesty for unpermitted units (new legislation) plus pre-sales inspections (common in most jurisdictions)
4. Stakeholder Education, Awareness & Tools - home owners, realtors, architects, and all-in-one “*Considering ADU’s Guide*”



Accessory Dwelling Units - Questions

Responses and Feedback Requested



- 1) What critical programs, tools or incentives are needed to considering a new ADU on your residential property?
- 2) What are the challenges to considering converting your studio, cottage, garage or externally accessible room to an ADU?
- 3) If you are a Village Second Home Owner, is it valuable to have a responsible renter in the ADU on your property?
- 4) Will priority access to ADU water credits with a multi-year affordable Deed restriction be a motivation?
- 5) If appropriate for your property, what are the barriers to considering renting an existing or future ADU?

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Hotel Program - Recap

- Program 1.3.B, in the Housing Element, is enhanced:
 - Focus on conversion of older and underperforming overnight visitor accommodations (hotels) into mixed income affordable housing
 - Incentivize transfer of development rights (hotel rooms) to other Village sites - new locations or add to existing, aligned with existing zoning
 - Community feedback requested scattered small sites protecting Village Character

Hotel Program - Progress

- Feedback
 - Hotel owners, affordable housing & hotel developers - positive support with strong interest
 - HCD - supports this unique approach, methodology for underperforming hotels, and criteria for amount of affordable housing
- Accomplishments
 - Includes hotel properties on less than 0.5 acres
 - Financial model of a sample 15 room hotel produced high return on investment
 - Identified 379 underperforming hotel rooms across 15 hotels potential
 - Targeted production of affordable units from 130 to 160
- Enhancements
 - Privately funded - no public subsidy or tax credits needed
 - Partnership with the Carmel Foundation (applicants & support)
 - Hotel Residential Suite option
 - Water priority, swift permitting, and reduced development fees

Hotel Program - Questions

1. What are your thoughts on the proposed conversion of older hotels into mixed-income affordable housing?
2. How do you feel about the program details provided today?
3. Has this program adequately addressed community concerns?
4. If a conversion is in your neighborhood, what do you care most about?
5. Do you have additional ideas to help make this program a success?



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Downtown data mapping + “Safaris” = our secret sauce

- We created a database and an iPhone app
- **Resident volunteers** have comprehensively mapped every commercial parcel and leasable space in the downtown
 - **Hundreds of volunteer hours**
- Discoveries
 - Live/work concept
 - 8,000 sf lots - à la Trevett Court

A Space
135012-5

Team Member (from Parcel): Victoria Beach

Business Name: Vacant commercial space

Suite / Unit Number (e.g., #3, B, or NA): NA

Use: Vacant

Location: Off-street and/or upper story

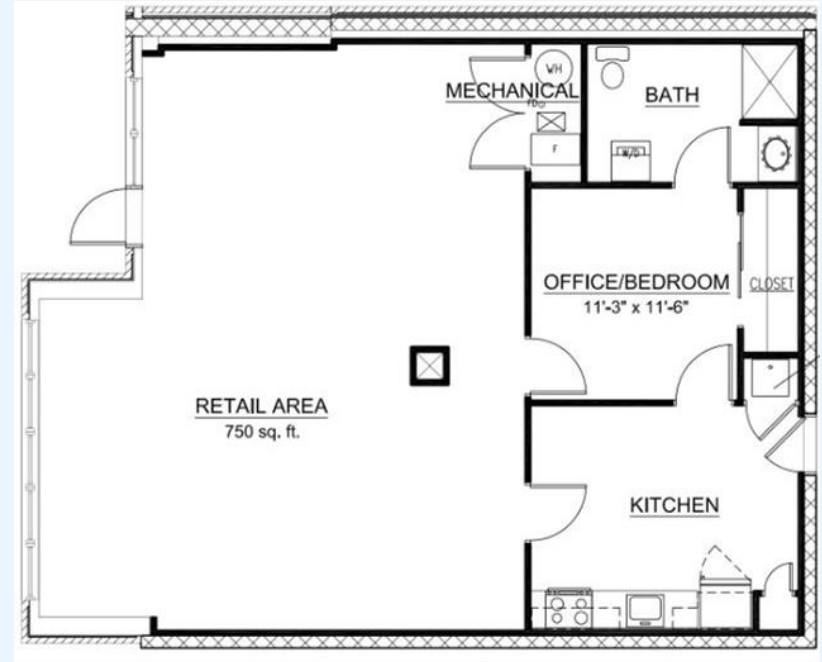
Utilization Level: Vacant / empty or for lease

Live/Work Prospect? (Notes): Strong potential as a live/work space. Estimated 250-350 sf.

The screenshot shows a data entry form for a commercial space. The form is titled 'A Space' and has the ID '135012-5'. It contains several fields: 'Team Member (from Parcel)' with the value 'Victoria Beach'; 'Business Name' with 'Vacant commercial space'; 'Suite / Unit Number (e.g., #3, B, or NA)' with 'NA'; 'Use' with a dropdown menu showing 'Vacant'; 'Location' with a dropdown menu showing 'Off-street and/or upper story'; 'Utilization Level' with a dropdown menu showing 'Vacant / empty or for lease'; and 'Live/Work Prospect? (Notes)' with the text 'Strong potential as a live/work space. Estimated 250-350 sf.'.

Live/work


- **Proposal: Create a new “live/work” housing type downtown**
 - **Hybrid** use category: commercial storefront with residential space in rear
 - **Requirement:** live/work space would be deed-restricted affordable
 - **Eligible spaces:**
 - Off-street space
 - Upper story space
 - **Incentives:** water + higher rent



Live/work

- **A win-win:** for landlords, tenants, and the community
- **Progress**
 - “New” program: created after the last community meeting
 - Positive meeting with HCD
 - Expected production:
 - Mostly studios and 1 BRs
 - Mostly moderate and low income; some very low income

Mixed-Income Housing Downtown

- **Proposal: Offer incentives to owners to create mixed-income housing**
 - **Mixed-income:** ~75% market rate, ~25% affordable
 - **Incentives:**
 - **Higher density:** Currently, a 100% affordable project qualifies for 88 du/ac; the proposal here is to offer the same for mixed-income projects – building height and FAR restrictions still apply
 - **Water:** Offer water for deed-restricted affordable units and for the market rate units needed to make the investment viable
 - **Applications:** conversion, addition, or redevelopment
 - **Small, Carmel-scale buildings**
 - Pushing HCD to drop the min site size from 21,780 sf  8,000 sf
 - **Higher bedroom counts = more families**

Redevelopment

Trevvett Court

| | |
|--------------------|--|
| Year Built | 2010 |
| Lot Size | 8,000 sf |
| Total Units | 14 units |
| Density | 76 du/ac |
| FAR | 1.09 |
| Ownership | Owned and managed by the Carmel Foundation |
| Funding | No public funding |



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Downtown

- **Progress**

- “New” program: created after the last community meeting
 - Created a comprehensive database of every commercial property in Carmel
 - Met with local brokers and local construction firm
 - Built initial financial models
 - Expected production: ~75% market rate, ~25% affordable; studios to 3-bedroom units
 - Met with HCD earlier today
 - **What’s next:** revise the “Sites Inventory” (Table C-3)

Downtown - Questions

- What is your overall reaction to the live/work proposal?
- How do you feel about adding units downtown through conversion and/or redevelopment?
- Initial financial models show that 75% of the units would need to be market rate to make the development of the affordable units financially viable. What are your thoughts on that?

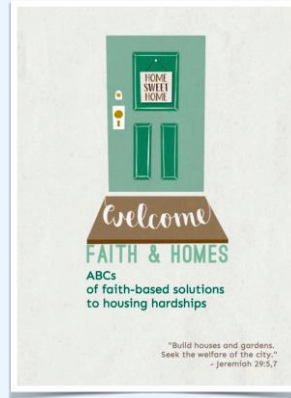


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Churches - update

- 2024 HE6: just one church site with single family concept (9 units)
- 21 Aug 2024: Community Meeting
 - State legally encourages church housing
 - CBTS = 15.6 acres (2.5%) / 5 church sites
 - General community support
- 11 Nov 2024: Faith & Homes Summit: ABCs of faith-based solutions
 - Dr. Penny Nixon on benefits, Laura Davis Esq. on legalities, Sibley Simon on funding
 - ~30 attendees: architects, builders, city, volunteers, pro speakers
 - 100% church attendance
 - Most churches set housing as highest priority
- 27 Nov 2024: Resource Toolkit distributed
- 27 Jan 2025: 5 legal “Accommodations” studies
 - Alphabet soup of laws in support: SB4, AB1851, AB1287, GC65915-18, GC65589.5, etc.
- 28 Jan 2025: HCD meeting on Churches
 - Discussion involved potential of 81-121 units
 - 60 units is more realistic



specific ACCOMMODATIONS

general ACCOMMODATIONS

ACCOMMODATIONS

All Saints' Episcopal Church

| |
|---------------|
| 10-14 units |
| 15-20 units |
| 21-25 units |
| 26-30 units |
| 31-35 units |
| 36-40 units |
| 41-45 units |
| 46-50 units |
| 51-55 units |
| 56-60 units |
| 61-65 units |
| 66-70 units |
| 71-75 units |
| 76-80 units |
| 81-85 units |
| 86-90 units |
| 91-95 units |
| 96-100 units |
| 101-105 units |
| 106-110 units |
| 111-115 units |
| 116-120 units |
| 121-125 units |
| 126-130 units |
| 131-135 units |
| 136-140 units |
| 141-145 units |
| 146-150 units |
| 151-155 units |
| 156-160 units |
| 161-165 units |
| 166-170 units |
| 171-175 units |
| 176-180 units |
| 181-185 units |
| 186-190 units |
| 191-195 units |
| 196-200 units |
| 201-205 units |
| 206-210 units |
| 211-215 units |
| 216-220 units |
| 221-225 units |
| 226-230 units |
| 231-235 units |
| 236-240 units |
| 241-245 units |
| 246-250 units |
| 251-255 units |
| 256-260 units |
| 261-265 units |
| 266-270 units |
| 271-275 units |
| 276-280 units |
| 281-285 units |
| 286-290 units |
| 291-295 units |
| 296-300 units |

5th St. Church & 5th Avenue

102 7 1/2

Churches - next steps / questions

- **Spring-Summer 2025:** ongoing actions
 - Individual meetings with churches for legal and program support
 - Possible follow-up church summit about financial resources
 - Explore charitable trust for tax-exempt donation support
 - Coordination with The Carmel Foundation for possible management support
 - Volunteer architect match-ups and sketch exercises for feasibility support
 - Physical feasibility homework for HCD
- **Today:** questions
 - Any overall questions on how faith-based housing works?
 - Any general feedback on how churches / city should approach this strategy?
 - Any church connections that could help?
 - Any ideas for making a charitable trust successful?



Conclusion

- AHA/City collaboration successful
- We are confident in achieving our initial goal (total 149)
 - Positive HCD feedback
 - Turning constraints into opportunities - Customized for Carmel
- Outcome = Overall better housing solution
 - Learned along the way
 - Distribute housing more appropriately
 - Replace shrinking population
- Next steps
 - Draft Language
 - Public Hearings
 - Adoption
- **None of us are experts - need community feedback...**

Q&A



● ADU

- What critical programs, tools or incentives are needed to consider a new ADU on your residential property?
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- Has this program adequately addressed community concerns?
- If a conversion is in your neighborhood, what do you care most about?
- Do you have additional ideas to help make this program a success?

● DOWNTOWN

- What is your overall reaction to the Live/Work program?
- What are your thoughts about adding units downtown through conversion and/or redevelopment?
- What are your thoughts on encouraging market rate units (perhaps ~75%) to make affordable units financially viable?

● CHURCH

- Any overall questions on how faith-based housing works?
- Any general feedback on how churches / city should approach this strategy?
- Any church connections that could help?
- Any ideas for making a charitable trust successful?