



CITY OF CARMEL-BY-THE-SEA

6th Cycle Housing Element Amendment: Adoption Hearings

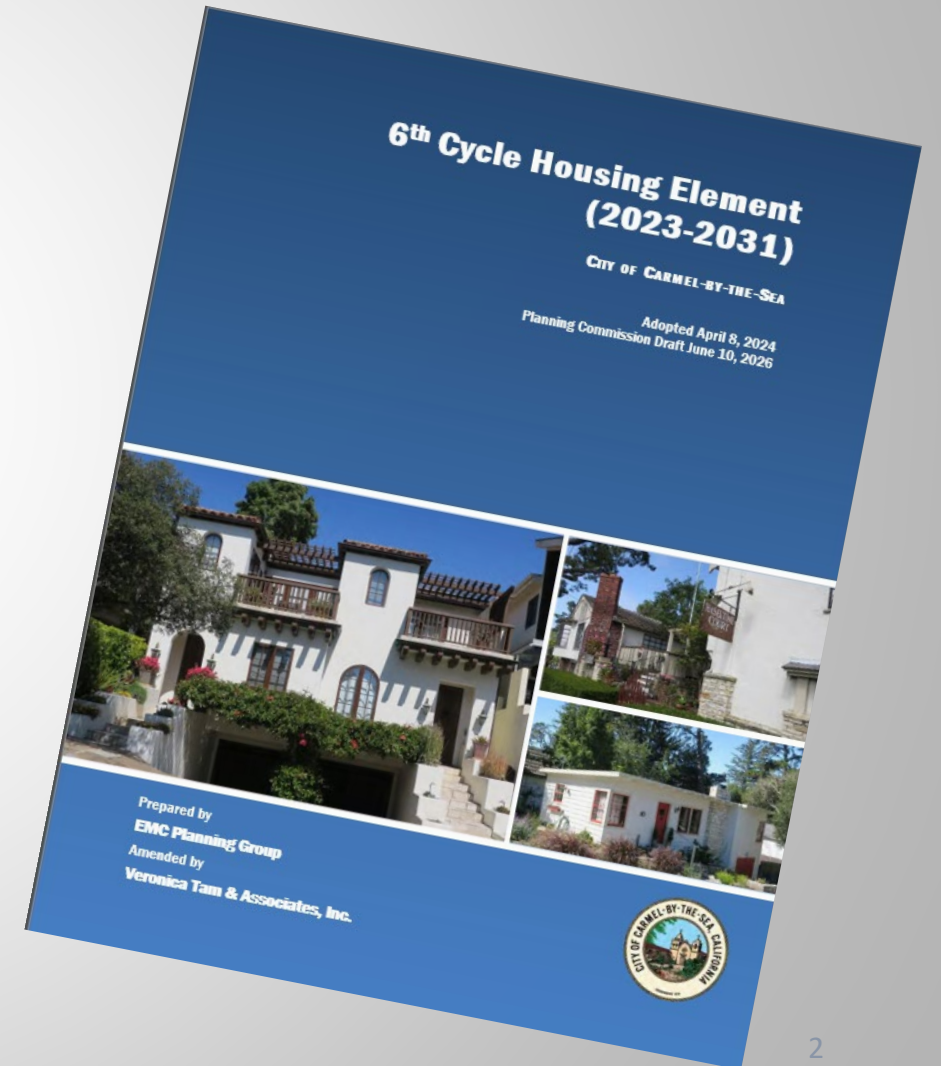
City Council Meeting
July 7, 2026



Housing Element Amendment

The City Council is being asked to:

- Consider the Planning Commission's recommendation
 - Environmental Review
 - General Plan/Housing Element Amendment
- Consider a Resolution to adopt an Addendum to the Mitigated Negative Declaration
- Consider a Resolution to approve the Housing Element Amendment





Amendment Timeline

- 6th cycle Housing Element was adopted in April 2024
- Directed to begin exploring an Amendment in July 2024
- HCD issued a letter of substantial compliance in May 2026 (22 months)
- Proceed with adoption hearings



Public Comments:
November 2025
March 2026
May 2026

<https://ci.carmel.ca.us/post/housing>



The Five Strategies: Leveraging Constraints into Opportunities

Hotel-to-Residential
Conversion
(Hotel 'Key' Transfer)

Downtown Mixed-
Income
Incentive Program

Downtown
Live/Work Program
(new)

Accessory
Dwelling Units

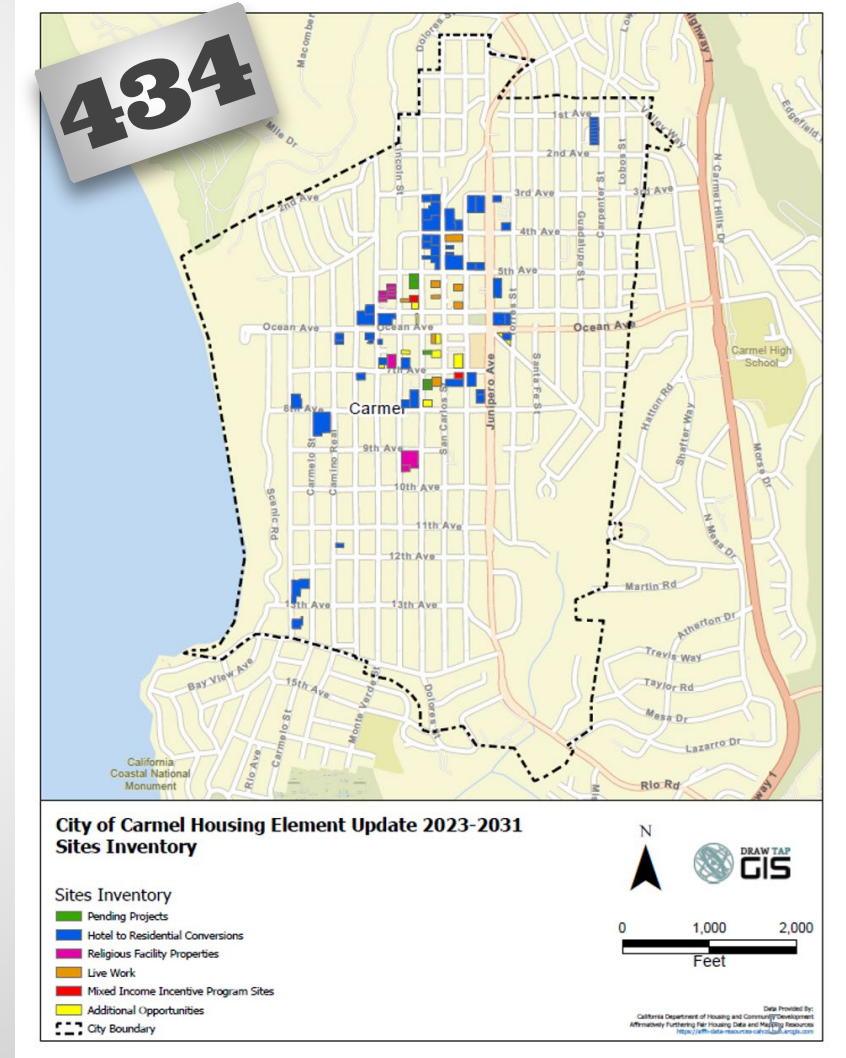
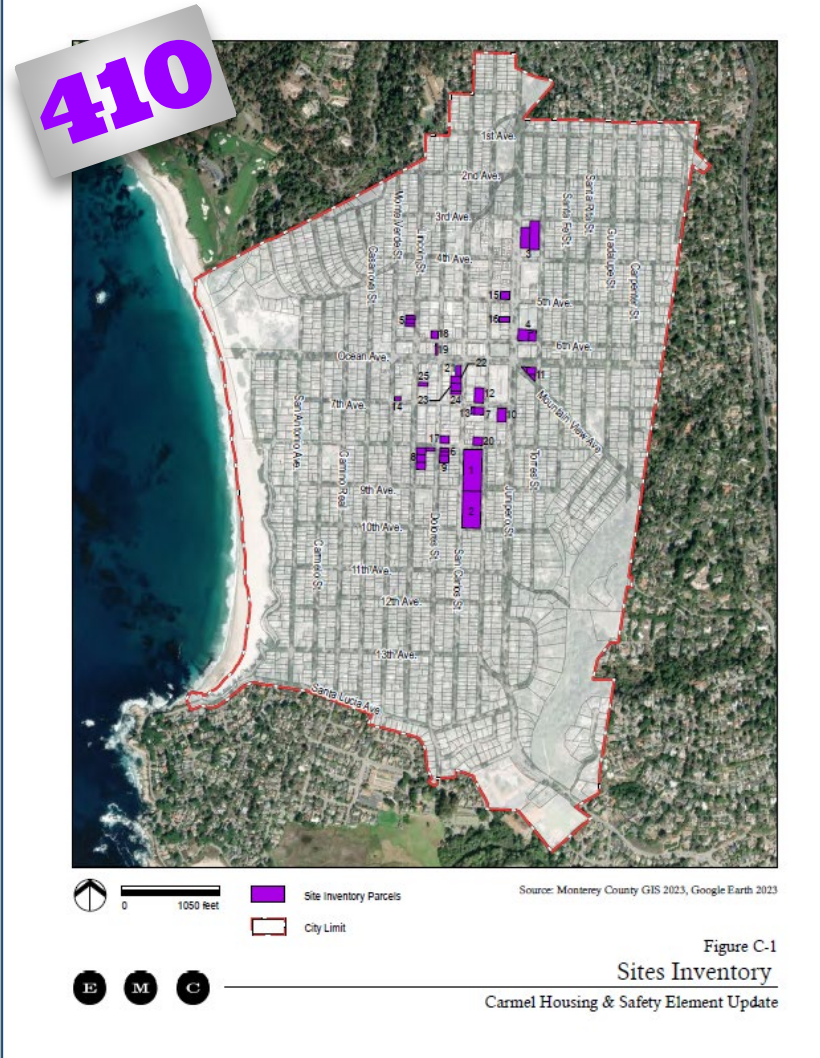
Housing on
Religious Facility
Owned Property



Housing Sites Inventory

Adopted

Proposed





Housing Units

	Very Low	Low	Moderate	Above Moderate	Total
RHNA	113	74	44	118	349
Adopted HE	114 (+1)	87 (+13)	58 (+14)	151 (+33)	410 (+61)
HE Amendment	135 (+22)	136 (+62)	63 (+19)	152* (+34)	434 (+85)

*52 permits for new housing units have been issued for this planning period for a total of 152

 Buffer = 



Housing Affordability

What is considered
affordable?



2026 Annual Income Limits

Monterey County

2026 Annual Income Limits for Monterey County						
Income Limits	Acutely Low 0-15%	Extremely Low 16-30%	Very Low 31-50%	Low 51-80%	Area Median Income	Moderate 81-120%
No. of People						
1	\$ 11,600	\$ 32,850	\$ 54,750	\$ 87,600	\$ 77,350	\$ 92,800
2	\$ 13,300	\$ 37,550	\$ 62,600	\$ 100,100	\$ 88,400	\$ 106,100
3	\$ 14,950	\$ 42,250	\$ 70,400	\$ 112,600	\$ 99,450	\$ 119,350
4	\$ 16,600	\$ 46,900	\$ 78,200	\$ 125,100	\$ 110,500	\$ 132,600
5	\$ 17,950	\$ 50,700	\$ 84,500	\$ 135,150	\$ 119,350	\$ 143,200
6	\$ 19,250	\$ 54,450	\$ 90,750	\$ 145,150	\$ 128,200	\$ 153,800

Source: 2026 State Income Limits (May 29, 2026)

➔ Affordability is based on the Area Median Income for a household of four.



2026 Monthly Rent Limits

Monterey County

2026 Monthly Rent Limits for Monterey County						
Income Limits	Acutely Low 0-15%	Extremely Low 16-30%	Very Low 31-50%	Low 51-80%	Area Median Income	Moderate 81-120%
No. of People						
1	\$ 290.00	\$ 821.25	\$ 1,368.75	\$ 2,190.00	\$ 1,933.75	\$ 2,320.00
2	\$ 332.50	\$ 938.75	\$ 1,565.00	\$ 2,502.50	\$ 2,210.00	\$ 2,652.50
3	\$ 373.75	\$ 1,056.25	\$ 1,760.00	\$ 2,815.00	\$ 2,486.25	\$ 2,983.75
4	\$ 415.00	\$ 1,172.50	\$ 1,955.00	\$ 3,127.50	\$ 2,762.50	\$ 3,315.00
5	\$ 448.75	\$ 1,267.50	\$ 2,112.50	\$ 3,378.75	\$ 2,983.75	\$ 3,580.00
6	\$ 481.25	\$ 1,361.25	\$ 2,268.75	\$ 3,628.75	\$ 3,205.00	\$ 3,845.00

30-percent of Monthly Income Limit

2026 Market Rate Rents for Zip Code 93921				
Efficiency	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
\$ 3,070	\$ 3,210	\$ 3,790	\$ 4,980	\$ 5,430

Source: 2026 Fair Market Rent Salinas, CA MSA Small Area FMRs



Housing Element Amendment

The Five Strategies



Hotel-to-Residential Projected Housing Units

161

(out of 948+)

Hotel Room Conversion Potential	Rooms/Units
Hotel Rooms within Group 4 and 5 (Underperforming)	379
Hotel Rooms to Housing Units Conversions (85%)	322
Hotel Conversions During 6th Cycle Planning Period (50%)	161
Income Mix	
Very Low Income (25%)	40
Low Income (25%)	40
Moderate Income (25%)	40
Above Moderate Income (25%)	41



Downtown Mixed-Income Projected Housing Units

12

- 2 sites proposed to be included for RHNA credit
 - Su Vecino Court and GBG building
 - Program available throughout the commercial district

Site No. APN/ Parcel Size	Property Name	Zoning	General Plan Land Use	Property Owner Interest	Utilization (% Vacant or Under- utilized)	Condition	Year Built	Improvement to Land Value Ratio	FAR < / = 50% of Allowable	Units @ 40 du/ac	Income Distribution
M-1 010-138-020 8,000 SF	Su Vecino Court	Central Commercial (CC)	Core Commercial	Yes	0%	C4	1963	0.55	No	6	1/1/1/3
M-2 010-142-001 8,000 SF	GBG building	Service Commercial (SC)	Core Commercial	Yes	0%	C3	1975	0.51	Yes	6	1/1/1/3
Total										12	
Note: 1/1/1/3 = 1 Very Low, 1 Low, 1 Moderate, 3 Above Moderate											



Downtown Live/Work Projected Housing Units

78

Site No. APN	Property Name	GP/ Zoning	General Plan Land Use	Property Owner Interest	Condition	Year Built	Improvement to Land Value Ratio	Potential Live/ Work Spaces	Conversion Rate Applied	Total Potential Units
L-1 010-135-026	Serena Court	Central Commercial (CC)	Core Commercial	Yes	C4	1972	0.69	7	100%	7
L-2 010-146-017	Doud Arcade	Central Commercial (CC)	Core Commercial	Yes	C5	1930	2.02	12	100%	12
L-3 010-131-027	Villa Carmel mixed use	Residential & Limited Commercial (RC)	Residential/ Commercial	Yes	C4	1987	0.66	13	100%	13
L-4 010-135-028	Eastwood Building	Service Commercial (SC)	Core Commercial	Yes	C4	1972	0.69	8	100%	8
L-5 010-138-010	El Prado de Su Vecino	Service Commercial (SC)	Core Commercial	Yes	C4	1968	1.07	10	100%	10
L-6 010-145-018	Stonehouse Terrace	Service Commercial (SC)	Core Commercial	Yes	C3	1978	5.49	12	100%	12
L-7 010-132-003	Tejido Building	Central Commercial (CC)	Core Commercial	No	C4	1973	1.26	10	75%	8
L-8 010-132-016	Ivy Courtyard	Central Commercial	Core Commercial	No	C4	1976	0.50	10	75%	8
Totals								82		78 (6 ELI/ 29 VL/ 39 L)



Accessory Dwelling Units Projected Housing Units

70

Table A. Number of Building Permits Issued By Year for the 6th Cycle Planning Period

	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
Estimated	–	–	10	10	10	10	10	10	10	70
Actual	13 / 5*	21	15							41

*Only permits issued after July 1 count towards the 6th cycle RHNA. However, the total number of permits for 2023 (13) was used when calculating the average between 2019 and 2024.

- Average 10.2 ADUs issued building permits per year between 2019 and 2024
- Projecting 10 ADUs per year over the next 7 years (2025 - 2031)
- Affordable breakdown: $21/21/21/7 = 70$ units



Religious Facilities

65

Site No.*	Church Address	APNs	Site Size	General Plan Land Use	Zoning	Allowable Density	Height	Estimated Capacity (Excluding Density Bonus)
C-1	All Saints' Episcopal SWC Dolores Street & 9 th Avenue	010-157-012 010-157-013	1.01	Single Family Residential	Single Family Residential (R-1)	20 du/ac	2-Story 24 feet	20 Lower Income
C-2	First Church of Christ, Scientist Monte Verde 2 NE of 6 th Avenue	010-212-004 010-212-021 010-212-026 010-212-027 010-212-028 010-212-029 010-212-030	0.63	Single Family Residential	Single Family Residential (R-1)	20 du/ac	2-Story 24 feet	13 Lower Income
C-3	Church of the Wayfarer NWC Lincoln & 7 th Avenue	010-191-002	0.37	Residential/ Commercial	Residential and Limited Commercial (RC)	88 du/ac	2-Story 26 feet	32 Lower Income
	Total		2.01					65 Lower Income (6 ELI/29 VL/30 L)



Sites Inventory Summary

No Net Loss:
Gov. Code
Sec. 65853

Table C-38 Summary of Sites Inventory

	Very Low- Income Units	Low- Income Units	Moderate- Income Units	Above Moderate- Income Units	Total Units
RHNA Figures					
Total RHNA	113	74	44	118	349
Credits (ADUs and Pipeline Projects)	13	13	13	29	68
Remaining RHNA	100	61	31	89	281
ADUs	21	21	21	7	70
Hotel Conversion	40	40	40	41	161
Church Properties	33	32	0	0	65
All Saints' Episcopal	10	10	0	0	20
First Church of Christ, Scientist	7	6	0	0	13
Church of the Wayfarer	16	16	0	0	32
Live/Work Units	39	39	0	0	78
Mixed-Income Incentive Program	2	2	2	6	12
Other Housing Opportunities	0	2	0	46	48
Forest Cottages Specific Plan	0	2	0	4	6
Other Market Rate Scattered Sites	0	0	0	42	42
Total Capacity	135	136	63	100	434
Over Remaining RHNA	35	75	32	11	153
% Over Remaining RHNA	35%	123%	103%	12%	54%

Source: City of Carmel-by-the-Sea, Community Planning & Building Department

Buffer:
15-30%
recommended





Environmental Review

- Housing Element update/amendment is a General Plan Amendment
- General Plan Amendment is a project under CEQA
- Mitigated Negative Declaration (MND) adopted by City Council Resolution 2024-028
- Initial Study/ Addendum prepared
 - Analysis and conclusions of the adopted IS/MND remain unchanged
 - Mitigation measures remain adequate



Recommendation

Staff recommends the Planning Commission:

1. Adopt a Resolution (Attachment 1) recommending that the City Council adopt a Resolution approving an Addendum (Exhibit A to Attachment 1) to the adopted Mitigated Negative Declaration and associated Mitigation Monitoring and Reporting Program for the 6th cycle 2023-2031 Housing Element Amendment; and
2. Adopt a Resolution (Attachment 2) recommending that the City Council adopt a Resolution to amend the General Plan by adopting the 6th cycle 2023-2031 Housing Element Amendment (Exhibit A to Attachment 2) in compliance with State Housing Element Law.



Contact Information



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Housing Resources:
<https://ci.carmel.ca.us/post/housing>

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