

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF HOUSING POLICY DEVELOPMENT**

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September 3, 2026

Brandon Swanson, City Administrator  
City of Carmel-by-the-Sea  
P.O. Box CC  
Carmel-by-the Sea, CA 93921

Dear Brandon Swanson:

**RE: City of Carmel-by-the-Sea's 6<sup>th</sup> Cycle (2023-2031) Adopted Amendment to the Housing Element**

Thank you for submitting the City of Carmel-by-the-Sea's (City) amendment to the housing element adopted July 7, 2026, and received for review on July 20, 2026. Pursuant to Government Code section 65585, the California Department of Housing and Community Development (HCD) is reporting the results of its review. In addition, HCD considered comments from the California Housing Defense Fund pursuant to Government Code section 65585 subdivision (c).

On April 25, 2024, HCD found the City's housing element in substantial compliance with State Housing Element Law (Gov. Code, § 65580 et seq) and as of this writing, the City continues to substantially comply with State Housing Element Law. This adopted amendment does not impact HCD's April 25, 2024 finding of substantial compliance and was found to be substantially the same as the draft amendment that was reviewed by HCD on May 28, 2026. As a result, the adopted housing element with its amendments continue to meet the requirements of State Housing Element Law. This finding of substantial compliance has remained unchanged since HCD's April 25, 2024 review.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate. Please be aware, any revisions to the element must be posted on the local government's website and to email a link to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting to HCD.

Additionally, the City must continue timely and effective implementation of all programs including but not limited to the following:

- Program 1.1B (Development of Small Sites)
- Program 1.1C (Live/Work Housing)
- Program 1.1D (Mixed-Income Incentive Program)
- Program 1.1E (Affordable Housing on Religious Facility Properties)
- Program 1.1F (Hotel-to-Residential Conversion (Hotel 'Key' Transfer))
- Program 1.1.G (Hotel Employee Housing Program)
- Program 1.1.H (Accessory Dwelling Units (ADU))
- Program 1.2A (Water Distribution Prioritization for Affordable Housing)
- Program 1.2.B (Address Infrastructure Constraints)
- Program 1.3.B (Employee Housing)
- Program 1.3.E (Emergency Shelters)
- Program 1.4.A (Modify or Eliminate Onerous Use Permits)
- Program 1.4.B (Objective Design and Development Standards)
- Program 2.1.A (Incentives for Mixed-Use Development)
- Program 2.1.D (Affordable Housing Trust Fund)
- Program 3.1.A (Mixed-Use Affordable Housing)
- Program 3.1.B (Extremely Low-Income Households)
- Program 3.1.C (Density Bonus)
- Program 3.1.E (Reduced Parking Requirements)
- Program 3.1.F (Expedited Processing Procedures)
- Program 3.1.G (Establish Minimum Densities)
- Program 3.2.A (Reasonable Accommodation)
- Program 3.2.B (Housing Mobility)
- Program 3.2.C (Family Friendly Housing)
- Program 3.3.A (Transitional and Supportive Housing)
- Program 3.3.B (Low Barrier Navigation Centers)
- Program 3.3.C (Residential Care Facilities)
- Program 3.3.D (Single-Room Occupancy)

The City must monitor and report on the results of these and other programs through the annual progress report, required pursuant to Government Code section 65400. Please be aware, Government Code section 65585, subdivision (i) grants HCD authority to review any action or failure to act by a local government that it determines is inconsistent with an adopted housing element or housing element law. This includes failure to implement program actions included in the housing element. HCD may revoke housing element compliance if the local government's actions do not comply with state law.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant, the Affordable Housing and Sustainable Communities program, and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City continues to meet housing element requirements for these and other funding sources.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide technical assistance. For information, please see the Technical Advisories issued by the Governor's Office of Land Use and Climate Innovation at: <https://www.lci.ca.gov/planning/general-plan/guidelines.html>.

HCD appreciates the hard work and diligence of the City in the housing element update and acknowledges and appreciates the extensive collaboration and innovative approaches employed during the entirety of this process. HCD wishes the City success in implementing its housing element and looks forward to following its progress through the General Plan annual progress reports pursuant to Government Code section 65400. If you have any questions or need additional technical assistance, please contact Rogelio Martinez, of our staff, at [Rogelio.Martinez@hcd.ca.gov](mailto:Rogelio.Martinez@hcd.ca.gov).

Sincerely,



Paul McDougall  
Senior Program Manager