



# CITY OF CARMEL-BY-THE-SEA

## Housing Element Update 2023-2031



Housing Ad Hoc Committee Community Meeting  
Wednesday, May 24, 2023  
City Hall Council Chambers, 5:30 – 7:30pm



# Agenda

- Housing Element Overview
- Demographics
- Needs Analysis
- Policy Description
- Sites Overview
- Next Steps: Timeline

**Housing  
Opportunities  
Made  
Easier** 

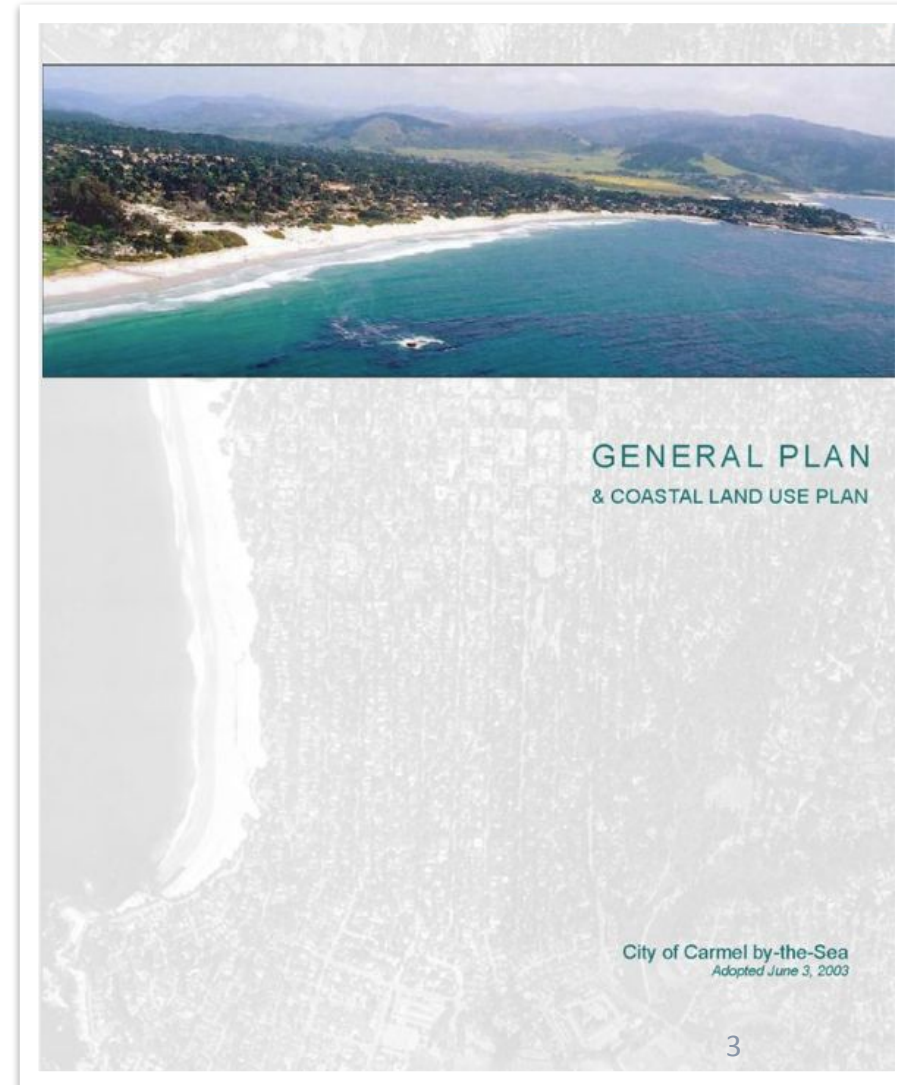


# Housing Element Overview

The Housing Element is part of the General Plan

1. Land Use\* and Community Character
2. Circulation\*
3. **Housing\***
4. Coastal Access and Recreation Element
5. Coastal Resource Management
6. Public Facilities and Services
7. Open Space\* and Conservation\*
8. Environmental Safety\*
9. Noise\*

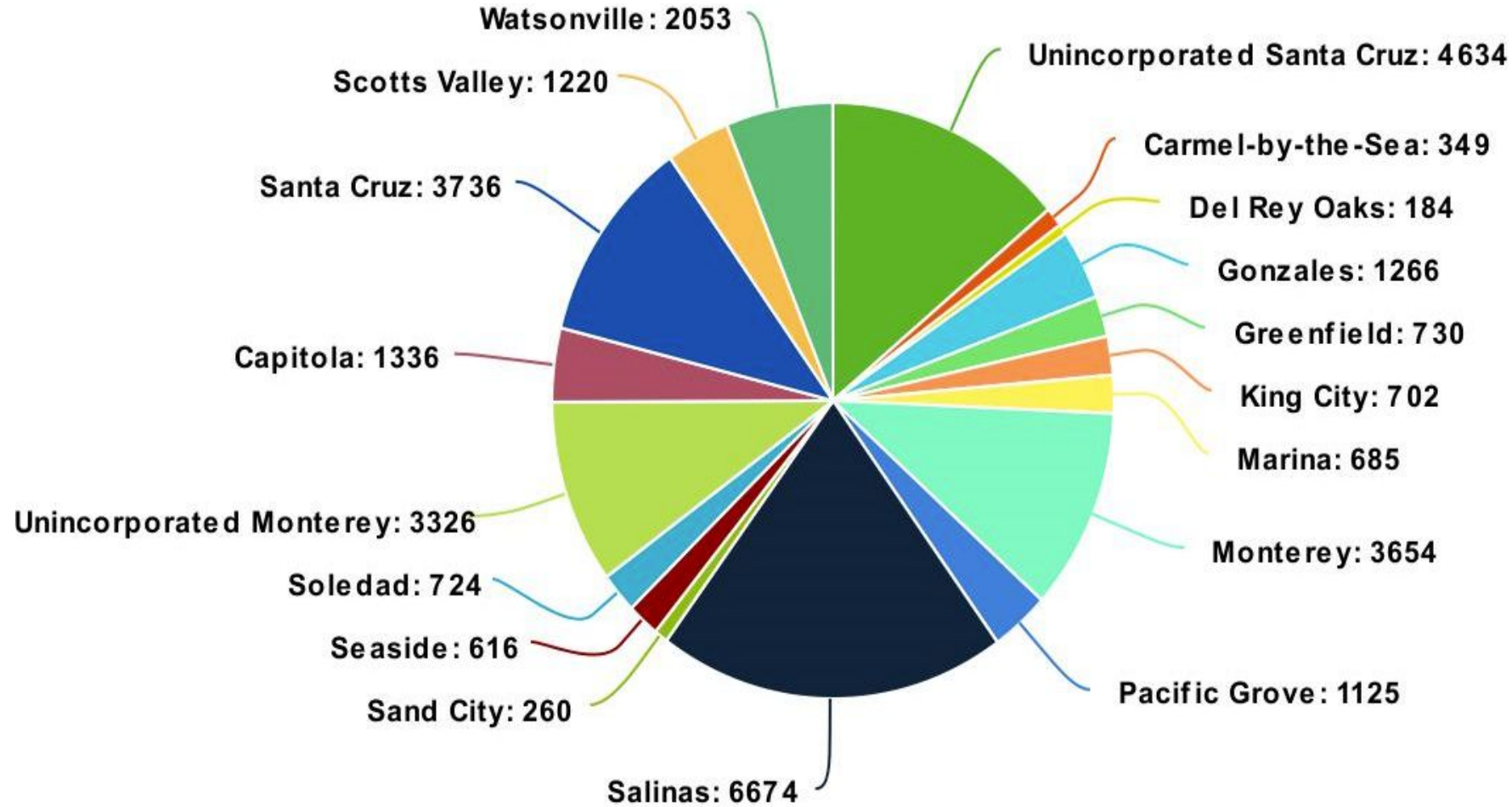
\* State mandated elements





# Regional Housing Needs Allocation (RHNA)

Region	Total
Monterey County	33,274
<b>Carmel-By-The-Sea</b>	<b>349</b>
Del Rey Oaks	184
Gonzales	1,266
Greenfield	730
King City	702
Marina	685
<b>Monterey</b>	<b>3,654</b>
<b>Pacific Grove</b>	<b>1,125</b>
Salinas	6,674
Sand City	260
Seaside	616
Soledad	724
Unincorporated Monterey	3,326
Santa Cruz County	
<b>Capitola</b>	<b>1,336</b>
Santa Cruz	3,736
Scotts Valley	1,220
Watsonville	2,053
Unincorporated Santa Cruz	4,634





# Affordable Housing

- “Affordable” = < 30 % of gross income on housing, including utilities.
- Allows workers to live closer to their jobs; families to raise children; family members with disabilities to be supported; and residents to age in place.
- Ties into our Climate Action & Implementation Plans (shorter worker commutes = lower Vehicle Miles Traveled).





# Monterey County-Area Median Income

Income Level	1-Person	2-Person	3-Person	4-Person
Extremely Low	\$23,900	\$27,300	\$30,700	\$34,100
Very Low	\$39,800	\$45,500	\$51,200	\$56,850
Low	\$63,700	\$72,800	\$81,900	\$91,000
Moderate	\$75,650	\$86,500	\$97,300	\$108,100
Area Median Income	\$63,050	\$72,800	\$81,900	\$90,100

EXAMPLE:  
 A person working full time  
 (40 hours a week) making  
 minimum wage \$15.50 =  
**\$32,240**



# Demographics: Who lives in Carmel-by-the-Sea?

## Race & Ethnicity

- **87% Non-Hispanic White**
- 8% Hispanic or Latino
- 5% Asian

## Age Characteristics

Majority of population are middle aged or seniors

- **43% aged 65+**
- 22% aged 35-54
- 14% aged 55-64

## Persons with a Disability

- 12% of the population
- **50% are aged 65+**

Only **HIGHLIGHTS** are provided with this slide. Full data is included with the Public Draft.

## Household Type

- **Married-couple family households makeup 47%**
- Single-person households makeup 40%
- Other 13%

## Housing Tenure

- **Owner households makeup 57%**
- Renter households makeup 43%

## Housing Availability/Vacancy

- **50% vacancy rate**
- 80% of vacant units for seasonal, recreational or occasional use

## Household Income: Carmel-by-the-Sea AMI

- **62% of households are Above Moderate-Income earners (greater than 100% AMI)**
- 10% of households are Moderate-Income earners (80-100% AMI)
- **28% of households are Lower-Income earners (50-80% AMI)**
  - 7% of households are Extremely Low-Income (ELI) earners (<30% AMI) (ELI is a subset of lower-income)





# Housing Needs Assessment

**Overcrowding Defined: A household with more than one person per room excluding bathrooms and kitchens; Severe overcrowding includes units with more than 1.5 persons per room.**

- 6% of households experience severe overcrowding (approx. 182)
- **10% of renter households experience severe overcrowding (approx. 152)**
- 2% of owner households experience severe overcrowding (approx. 30)

**Cost Burden Defined: Households spending more than 30% of gross income on housing; Severe cost burden is measured as households spending more than 50%.**

- **23% of households are cost burdened; 23% severely cost burdened = 46% of population are cost-burdened (approx. 1,395 households)**
- 24% of renter households are cost burdened; 23% severely cost burdened
- 23% of owner households are cost burdened; 22% severely cost burdened

## Housing Type

- **90% Single-family detached**
- 10% Multifamily

## Housing Permits Issued 2015-2022

- **18 Above Moderate-Income Units total**

Source: DOF, Table 2: E-5  
1/1/2023 Population  
3,033 households





# Median Home Value Comparison

Jurisdiction	Median Home Value				Percent Change 2019-2022
	2019	2020	2021	2022	
Monterey County	\$561,490	\$632,834	\$735,469	\$778,164	39%
<b>Carmel-by-the-Sea</b>	<b>\$1,299,387</b>	<b>\$1,450,127</b>	<b>\$1,912,421</b>	<b>\$2,070,835</b>	<b>59%</b>
Del Rey Oaks	\$630,204	\$701,060	\$779,099	\$840,663	33%
Seaside	\$550,015	\$616,786	\$690,126	\$729,055	33%
Pacific Grove	\$943,900	\$1,032,675	\$1,237,054	\$1,294,881	37%

SOURCE: Zillow Home Value Index, 2019-2022

NOTE: Housing value estimates were taken from December for years 2019-2022.



# Average Rent by Number of Bedrooms

Unit Type	Average Rents	Fair Market Rents (HUD)	Difference
Studio	\$2,200	\$2,112	+\$88
One bedroom	\$2,500	\$2,194	+\$306
Two bedrooms	\$4,000	\$2,675	+\$1,325
Three bedrooms	\$5,459	\$3,790	+\$1,669
Four + bedrooms	n/a	\$4,144	n/a

SOURCE: Zillow, 2023; HUD, Fair Market Rent Documentation System, 2023

NOTE: Zillow rental value estimates were taken from March 2023. Fair Market Rent values are based on Salinas, CA MSA



# To Affirmatively Further Fair Housing:

1. Public agencies must examine existing and future policies, plans, programs, rules, practices, and related activities and *create meaningful actions* and *proactive changes to promote more inclusive communities*.
2. An essential component of California's 6th Cycle Housing Element update is to *facilitate deliberate action* to explicitly address, combat, and relieve disparities resulting from past patterns of segregation.

For more information:

[https://www.hcd.ca.gov/community-development/affh/docs/affh\\_document\\_final\\_4-27-2021.pdf](https://www.hcd.ca.gov/community-development/affh/docs/affh_document_final_4-27-2021.pdf)



# Fair Housing Issues

- **Significantly lower proportions of racial and ethnic minorities compared to Monterey County and the AMBAG region**
  - Contributing Factor (Why?):
    - Lack of Diverse Housing Stock (i.e. SF, MF, ADU, etc.)
    - Lack of Affordable Housing
- **Lack of Affordable Housing for Special Needs groups**
  - Contributing Factor (Why?):
    - Low Availability of Diverse Housing Stock
    - Lack of Affordable Housing suitable for Individuals with Disabilities
    - Lack of Transitional and Supportive Housing/Emergency Shelters
- **Fair Housing Enforcement**
  - Contributing Factor (Why?):
    - Lack of access to information about fair housing rights
    - Limited knowledge of fair housing by residents

Want to learn more about this subject?





# 6th Cycle Programs:

- Improve upon 5th Cycle Programs
- Update the Municipal Code to address changes in State law
- Expand housing variety (type and size)
- Increase the likelihood of housing development over the next 8 years



# Programs for Consideration:

1. Amend the A-2 Zoning District (Sunset Center property) to include development standards for senior housing.
2. Create an Affordable Housing Overlay Zone (AHOZ) in Commercial Districts with a minimum required density of 33 dwelling units per acre.
3. Eliminate the Use Permit requirements for multi-family development in AHOZ.
4. Create a Water Distribution Policy to prioritize water allocations to support affordable housing goals.
5. Incentivize Hotel Manager's Units with a bonus hotel room (increase hotel room cap to enable).

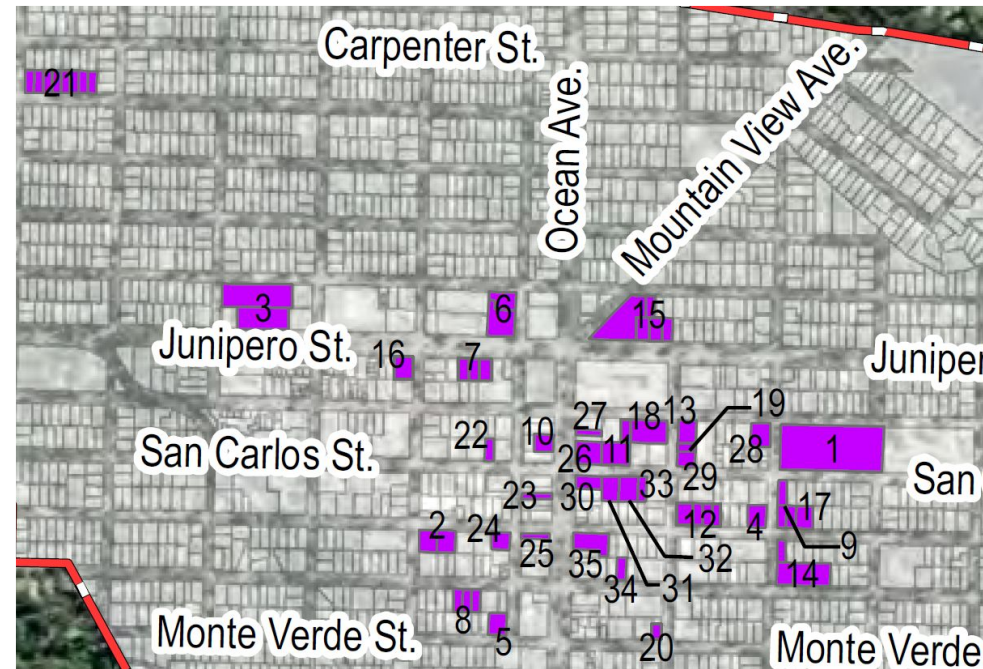
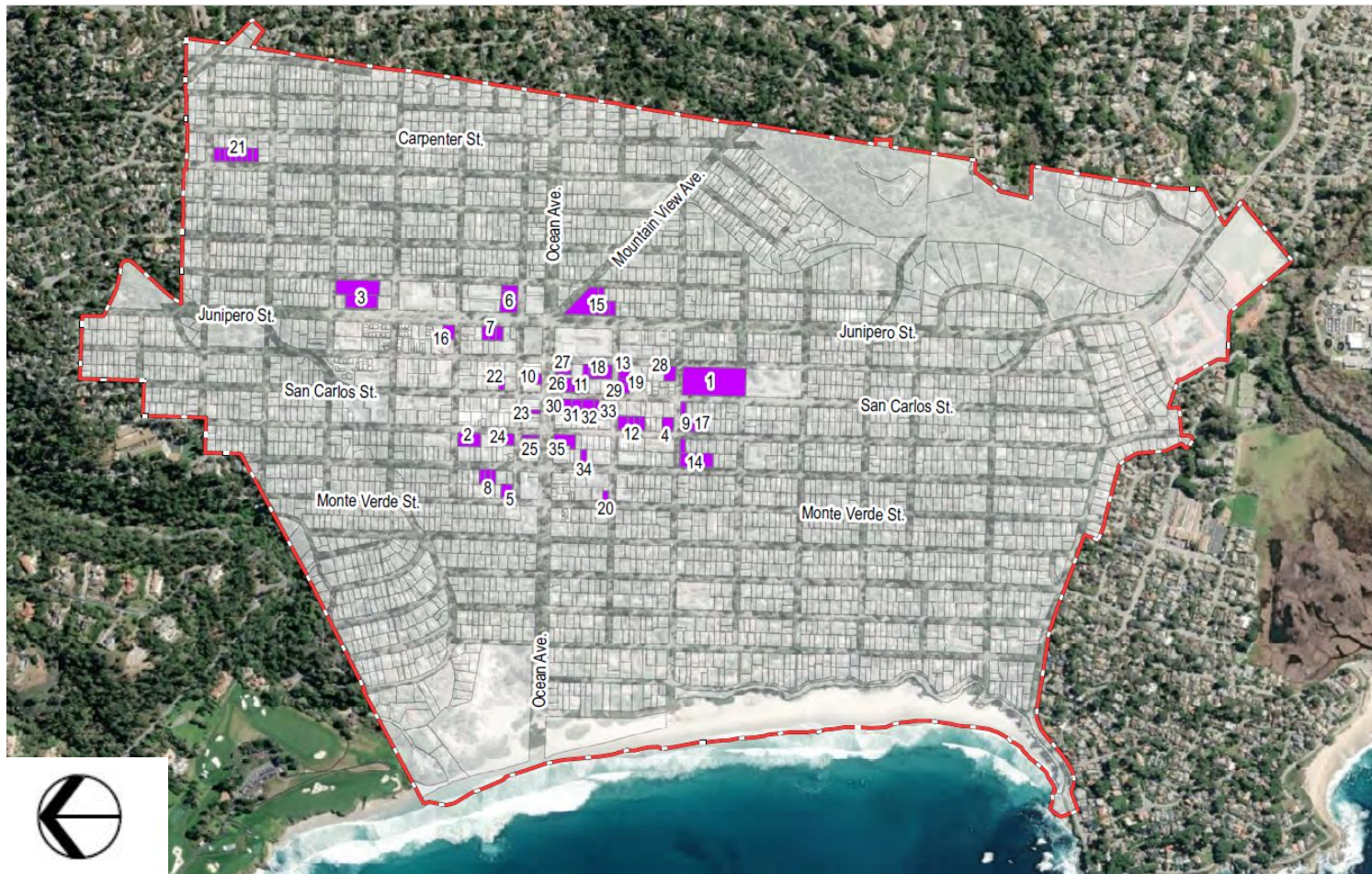


# Programs for Consideration (continued):

6. Augment R-1 Motel (Conversion) Development Transfer Rights program (incentivize with higher density).
7. Create pre-approved ADU plans and other incentives to facilitate ADU construction.
8. Adopt Objective Design Standards for downtown **affordable** projects that produce new housing units.
9. Establish an Affordable Housing Trust Fund.
10. Develop a City-managed affordable housing oversight program.



# Draft Sites Inventory



 Sites Inventory Parcels





# Process for Sites Consideration:

1. Housing Feasibility Study by ECONorthwest (17 sites)
2. Infill Opportunities Unique to Carmel-by-the-Sea
  - Single story buildings, parking lots
3. Employee Housing at Local Hotels
4. Accessory Dwelling Units
5. 5th Cycle Sites

Identifying opportunity sites for private development of 349 new housing units over the next 8 years.



# Housing Feasibility Study – 17 Sites

- Sunset Center Lots
- Ulrika Plaza
- Public Works / Vista Lobos
- Carmel Realty (NE Dolores & 8th)
- Pine Inn Lot
- Bruno's Market
- Three Garages on Junipero
- First Church of Christ Lot
- Misc. City-owned sites





# Housing Feasibility Study – 17 Sites



- Red Cross
- Cafe Carmel / ALL 1-story downtown bldgs
- Wells Fargo
- 7<sup>th</sup> & Dolores
- 7<sup>th</sup> & Mission (GBG)
- Carmel Foundation
- Carmel Presbyterian
- 5<sup>th</sup> & Junipero



# Initial Draft: All Possible Capacity via Programs

Site Type	Number of Sites	Acreage
Multi-family Sites	21 sites	8.64
Other Commercial Infill Sites	14 sites	2.05
<b>Sub-total</b>	<b>35 sites</b>	<b>10.89 acres</b>

Hotel Conversion	46 units	n/a
ADUs	72 units	n/a
<b>Sub-total</b>	<b>118 units</b>	<b>n/a</b>

<b>Grand Total (Target)</b>	<b>349 - 419 units (RHNA + 20% buffer)</b>
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# 2023-2031 Housing Element Timeline

## June 2023:

- 30 day public review period for Draft Housing Element
- June 15th Joint PC & CC Workshop: Review Draft Housing Element
- Collect Public Comments on Draft Housing Element
- Environmental Review (CEQA) with Project Description

## July 2023:

- Consolidate Public Comments for HCD submittal
- July 11th CC Meeting to review Draft Housing Element with Public Comments
- Submit Draft Housing Element to HCD for 90-day review



# Stakeholder Survey

City of Carmel-by-the-Sea  
Stakeholder Survey



Cuidad de Carmel-by-the-Sea  
Encuesta de Partes Interesadas





# Ad Hoc Housing Committee



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<https://ci.carmel.ca.us/post/long-range-planning-initiatives>

<https://homecarmelbythesea.com/>



CITY OF CARMEL-BY-THE-SEA

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# Stay Involved!

- Sign up for the “Housing” email listserv
- Look for future meeting announcements in the City Administrator’s “Friday Letter” and the Carmel Pine Cone
- Slides from this presentation will be posted on the City website at <https://ci.carmel.ca.us/post/long-range-planning-initiatives>
- Visit our dedicated Housing Element Update website at <https://homecarmelbythesea.com/>
- Take the survey





# Stay Involved!

**Thank you for participating in the process today!**

**Housing  
Opportunities  
Made  
Easier** 