

Adopted
**6th Cycle Housing Element Update
(2023-2031)**

CITY OF CARMEL-BY-THE-SEA

April 8, 2024



Prepared by
EMC Planning Group



ADOPTED

6TH CYCLE HOUSING ELEMENT UPDATE (2023-2031)

CITY OF CARMEL-BY-THE-SEA

PREPARED FOR

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1.1 Introduction

Carmel-by-the-Sea is a community with a high quality of life, a healthy environment, and renowned architecture. The long-term vitality of Carmel-by-the-Sea and the local economy depend upon the availability of various types of housing to satisfy the community's local housing needs while continuing to be a vacation destination for all. As Carmel-by-the-Sea looks towards the future, increasing the range and diversity of housing options is integral to the City's success. This Housing Element serves as a continuation of the City's commitment to ensuring new opportunities for residential development, as well as preserving and enhancing existing neighborhoods, and continuing to protect the natural environment.

Located on the Monterey Peninsula and incorporated in 1916, Carmel-by-the-Sea is a bijou coastal community boasting sweeping views of the Pacific Ocean, acclaimed architecture, and a strong residential character. The City has nearly 50 historic properties within the centralized commercial district, primarily dating to the turn of the 20th century and the 1920-1930s period. Residences throughout the one-square-mile village span a range of construction eras but are collectively appreciated for their architectural aesthetic. As a result of its beauty, the City is a popular tourism and second-home destination. Approximately 51 percent of housing units are for seasonal, recreational, or occasional use, creating high barriers of entry to the housing market for local renters.

This 2023-2031 Housing Element represents the City of Carmel-by-the-Sea's intent to plan for the housing needs of the community while meeting the State's housing goals as set forth in [Article 10.6 of the California Government Code](#) (Section 65580-65589.11). The California State Legislature has identified the attainment of a decent home and a suitable living environment for every Californian as the State's major housing goal. The Carmel-by-the-Sea 6th Cycle Housing Element represents a sincere and creative effort to meet State housing mandates within the constraints of an established and nearly built-out community with limited land availability, coastal hazards, and extraordinarily high costs of land and housing.

Pursuant to state law, the Housing Element must be updated periodically according to statutory deadlines. This 6th Cycle Housing Element covers the planning period 2023 through 2031 and replaces the City's 5th Cycle Housing Element that covered the period 2015 through 2023.

Per State Housing Element law, the document must be periodically updated to:

- Outline the community’s housing production objectives consistent with State and regional growth projections;
- Describe goals, policies and implementation strategies to achieve local housing objectives;
- Examine the local need for housing with a focus on special needs populations;
- Identify adequate sites for the production of housing serving various income levels;
- Analyze potential constraints to new housing production;
- Evaluate the Housing Element for consistency with other General Plan elements; and
- Evaluate Affirmatively Furthering Fair Housing.

1.2 California’s Housing Crisis

The 6th Cycle Housing Element update comes at a critical time because California is experiencing a housing crisis, and as is the case for all jurisdictions in California, Carmel-by-the-Sea is committed to playing its part in meeting the growing demand for housing. In the period 2020 through 2045, the AMBAG region is projected to add 36,544 jobs,¹ which represents a nine (9) percent increase. These changes will increase demand for housing across all income levels, and if the region can’t identify ways to significantly increase housing production, it risks worsening the burden for existing lower-income households, many of whom do not have the luxury or skill set to move to a new job center but that are nonetheless faced with unsustainable increases in housing cost.

If the region becomes less competitive in attracting workers and increasingly unaffordable to lower-income workers and seniors, then social and economic segregation will worsen, only exacerbating historic patterns of housing discrimination, racial bias, and segregation. This potentiality has become so acute in recent years that the California Legislature addressed the issue with new legislation in 2018. Assembly Bill (AB) 686 requires all state and local agencies to explicitly address, combat, and relieve disparities resulting from past patterns of housing segregation to foster more inclusive communities. This is commonly referred to as Affirmative Furthering Fair Housing, or AFFH (more on this below).

“There’s a movement in California now called ‘Yes, In My Backyard,’ and I’d love to see us join that.”

May 24, 2023 Housing Ad Hoc
Committee Community Meeting
Attendee

¹ Source: AMBAG, November 18, 2022. “Final 2022 Regional Growth Forecast”

Carmel-by-the-Sea has had moderate success in meeting its housing needs. In the last Housing Element cycle (2015 to 2022 – 2023 pending²), for example, 18 housing units were constructed in the City, which represented 58 percent of its Regional Housing Needs Allocation (RHNA) of 31 new housing units. Of the units built, none were affordable to lower- and moderate-income households,³ and 100 percent were affordable to above moderate-income households.

1.3 Regional Housing Needs Allocation

For the eight-year time frame covered by this Housing Element Update (2023-2031), the Department of Housing and Community Development (HCD) has identified the region’s housing need as 33,274 units. The total number of housing units assigned by HCD is separated into four income categories that cover housing types for all income levels, from very low-income households to market rate housing.⁴ This calculation is based on population projections produced by the California Department of Finance as well as adjustments that incorporate the region’s existing housing need. Per Government Code Section 65583(a), the Housing Element must also provide quantification and analysis of projected housing needs for extremely low-income households. The number of units for the extremely low-income level is not assigned by HCD, but is left for quantification by the local jurisdiction. This calculation is based on the HCD approved methodology⁵, assuming that 50 percent of very low-income households qualify as extremely low-income households.

Almost all jurisdictions in the Monterey Bay Area received a larger RHNA this cycle compared to the last cycle, primarily due to changes in state law that led to a considerably higher Regional Housing Needs Determination (RHND) compared to previous cycles.

On November 8, 2022, AMBAG’s adopted RHNA Methodology was approved by HCD. For Carmel-by-the-Sea, the RHNA to be planned for this cycle is 349 units, a substantial increase from the last cycle. [Table 1-1 Regional Housing Needs Allocation](#) shows the RHNA for Carmel-by-the-Sea for the period 2023 through 2031.

² Source: November 8, 2022 HCD letter to AMBAG. Local governments may credit new units approved, permitted, and/or built beginning from the start date of the RHNA projection period, June 30, 2023, towards their RHNA

³ Source: City of Carmel-by-the-Sea HCD Annual Reports and City staff.

⁴ HCD divides the RHND into the following four income categories:

Very Low income: 0-50% of Area Median Income

Low income: 50-80% of Area Median Income

Moderate income: 80-120% of Area Median Income

Above Moderate income: 120% or more of Area Median Income

⁵ <https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/extremely-low-income-housing-needs>

Table 1-1 Regional Housing Needs Allocation

Income Group	Percentage of Area Median Income (AMI)	Share
Extremely Low Income ⁶	<30	57
Very Low Income	<50	56
Low Income	51-80	74
Moderate Income	81-120	44
Above Moderate Income	121 +	118
Total		349

SOURCE: AMBAG

1.4 Affirmatively Furthering Fair Housing

In 2018, Assembly Bill (AB) 686, established an independent state mandate to affirmatively further fair housing (AFFH). Assembly Bill (AB) 686 extends requirements for federal grantees and contractors to “affirmatively further fair housing,” including requirements in the Federal Fair Housing Act, to public agencies in California. Affirmatively furthering fair housing is defined specifically as taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity by replacing segregated living patterns with truly integrated and balanced living patterns; transforming racially and ethnically concentrated areas of poverty into areas of opportunity; and fostering and maintaining compliance with civil rights and fair housing laws.

Assembly Bill (AB) 686 requires public agencies to:

- Administer their programs and activities relating to housing and community development in a manner to affirmatively further fair housing;
- Not take any action that is materially inconsistent with the obligation to affirmatively further fair housing;
- Ensure that the program and actions to achieve the goals and objectives of the Housing Element affirmatively further fair housing; and
- Include an assessment of fair housing in the Housing Element.

The requirement to Affirmatively Further Fair Housing (AFFH) is derived from The Fair Housing Act of 1968, which prohibited discrimination concerning the sale, rental, and financing of housing based on race, color, religion, national origin, or sex—and was later amended to include familial status and disability. The 2015 U.S. Department of Housing and Urban Development (HUD) Rule

⁶ Extremely low-income RHNA is found as a subset within the very low-income category for all other tables in this document

to Affirmatively Further Fair Housing and California Assembly Bill (AB)686 (2018) mandate that each jurisdiction takes meaningful action to address significant disparities in housing needs and access to opportunity. AB 686 requires that jurisdictions incorporate AFFH into their Housing Elements, which includes inclusive community participation, an assessment of fair housing, a site inventory reflective of AFFH, and the development of goals, policies, and programs to meaningfully address local fair housing issues.

An AFFH analysis was prepared and is included as an Appendix to this Housing Element (see [Appendix A](#)).

Defining Segregation

Segregation is the separation of different demographic groups into different geographic locations or communities, meaning that groups are unevenly distributed across geographic space. This report examines two spatial forms of segregation: neighborhood-level segregation *within* a local jurisdiction and city-level segregation *between* jurisdictions in the Monterey Bay Area.

Neighborhood-level segregation (*within* a jurisdiction, or *intra-city*): Segregation of race and income groups can occur from neighborhood to neighborhood *within* a city. For example, if a local jurisdiction has a population that is 20 percent Latinx, but some neighborhoods are 80 percent Latinx while others have nearly no Latinx residents, that jurisdiction would have segregated neighborhoods.

City-level segregation (*between* jurisdictions in a region, or *inter-city*): Race and income divides also occur *between* jurisdictions in a region. A region could be very diverse with equal numbers of White, Asian, Black, and Latinx residents, but the region could also be highly segregated with each city comprised solely of one racial group.

There are many factors that have contributed to the generation and maintenance of segregation. Historically, racial segregation stemmed from explicit discrimination against people of color, such as restrictive covenants, redlining, and discrimination in mortgage lending. This history includes many overtly discriminatory policies made by federal, state, and local governments (Rothstein 2017). Segregation patterns are also affected by policies that appear race-neutral, such as land use decisions and the regulation of housing development.

Segregation has resulted in vastly unequal access to public goods such as quality schools, neighborhood services and amenities, parks and playgrounds, clean air and water, and public safety (Trounstine 2015). This generational lack of access for many communities, particularly people of color and lower income residents, has often resulted in poor life outcomes, including lower educational attainment, higher morbidity rates, and higher mortality rates (Chetty and Hendren 2018, Ananat 2011, Burch 2014, Cutler and Glaeser 1997, Sampson 2012, Sharkey 2013).

Segregation Patterns in the Monterey Bay Area

Across the Monterey Bay Area, Hispanic and Black residents are significantly more segregated from other racial and income groups. The highest levels of racial segregation occur between the Hispanic and Black populations. The analysis completed for this report indicates that the amount of racial segregation both *within* Monterey Bay Area cities and *across* jurisdictions in the region has slightly increased since the year 2010.

Segregation and Land Use

It is difficult to address segregation patterns without an analysis of both historical and existing land use policies that impact segregation patterns. Land use regulations influence what kind of housing is built in a city or neighborhood (Lens and Monkkonen 2016, Pendall 2000). These land use regulations in turn impact demographics: they can be used to affect the number of houses in a community, the number of people who live in the community, the wealth of the people who live in the community, and where within the community they reside (Trounstine 2018). Given disparities in wealth by race and ethnicity, the ability to afford housing in different neighborhoods, as influenced by land use regulations, is highly differentiated across racial and ethnic groups (Bayer, McMillan, and Reuben 2004).⁷

Segregation in the Carmel-by-the-Sea

The following are highlights of demographics as they apply to Carmel-by-the-Sea. For further information regarding the history of racial segregation, please refer to [Appendix A](#).

- As of 2019, White residents are the most segregated compared to other racial groups as measured by the isolation index. White residents live in neighborhoods where they are less likely to come into contact with other racial groups;
- As of 2019, Non-Hispanic White individuals comprise 87 percent of Carmel-by-the-Sea's population followed by Hispanic or Latino (8 percent) and Asian populations (5 percent);
- The City has no populations identifying as American Indian, Alaska Native, Native Hawaiian or Other Pacific Islander; and
- Black or African American non-Hispanic individuals represent less than 1 percent of the City's population.

⁷For the source data, see U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B19013B, Table B19013D, B19013H, and B19013I.

Carmel-by-the-Sea’s General Plan and Municipal Code historically emphasized single-family residential development patterns and consequently, the City offers a limited variety of housing types with 87 percent single family detached units. Historically, this type of development contributed to segregation patterns, including in Carmel-by-the-Sea, due to, among other factors, the higher purchase costs that accompany single-family homes. Financing for single-family properties favored educated higher income earners and as a result purchasing property in the City remained out of reach for many lower income households and led to the demographics seen in the City today. While Carmel-by-the-Sea’s population demographics are not as diverse as other jurisdictions within Monterey County and restrictive covenants were not enacted specifically in the City, enacting policies and programs that promote AFFH and highlight the community’s assets could attract individuals to the area, encourage those that work in the City to live there as well, and assist lower-income households that are currently living in the community. Currently, 28 percent of households within Carmel-by-the-Sea are considered lower-income.

"I urge you to enthusiastically embrace this opportunity to do exactly what you've come up with because Carmel really needs it, and it didn't happen that Carmel turned out to be a wealthy white exclusive community by accident. It was purposeful. "

May 24, 2023 Housing Ad Hoc
Committee Community
Meeting Attendee

Regional Segregation

The following are highlights of regional segregation metrics as they apply to Carmel-by-the-Sea:

- The City has a higher share of White residents than other jurisdictions in the Monterey Bay Area as a whole, a lower share of Latinx residents, a lower share of Black residents, and a lower share of Asian/Pacific Islander residents; and
- Regarding income groups, the City has a lower share of very low-income residents than other jurisdictions in the Monterey Bay Area as a whole, a lower share of low-income residents, a lower share of moderate-income residents, and a higher share of above moderate-income residents.

1.5 Overview of Planning Efforts

This section provides an overview of planning and legislative efforts that provide the context for development of the 6th Cycle Housing Element.

Effectiveness of Previous Housing Element

The 2015 Housing Element identified a Regional Housing Needs Allocation of 31 housing units in Carmel-by-the-Sea between 2015 and 2023. The RHNA was divided into the following income categories:

- 7 units affordable to extremely low- and very low-income households;
- 5 units affordable to low-income households;
- 6 units affordable to moderate-income households; and
- 13 units affordable to above moderate-income households.

During the 2015–2023 planning period, 18 new above moderate-income units were added to the City’s housing stock, and no units were added in the moderate, low or very low-income categories⁸. This indicates that residential growth for extremely and very low-income households was slower than anticipated, which may be in part due to a lack of water resources, the COVID pandemic, the cost of land and construction, and the overall lack of interest to develop affordable housing in the community. As a result, housing costs continued to increase substantially due to low supply, and affordability became more elusive.

The goals, objectives, policies, and actions in the 2015 Housing Element complied with State Housing Law and provided proper guidance for housing development in the City. In the 2023 Housing Element update, objectives for each of the goals will be modified as appropriate to more specifically respond to the housing environment in Carmel-by-the-Sea from 2023-2031. Policies will also be modified as needed to respond to current Housing Element Law and existing and anticipated residential development conditions. See [Appendix E](#) for a complete review and analysis of Carmel-by-the-Sea’s 5th Cycle Housing Element (2015-2023).

New State Laws Affecting Housing

While the City has taken steps throughout the 5th Cycle to increase housing production locally, the State passed numerous laws to address California’s housing crisis during the same period. As the State passes new legislation in the remainder of the 5th Cycle and during the 6th Cycle, the City will continue to amend the Municipal Code; to monitor and evaluate policies and programs designed to meet State requirements; and to proactively implement new policies and programs to help increase housing production citywide.

In 2019, several bills were signed into law that include requirements for local density bonus programs, the Housing Element, surplus lands, accessory dwelling unit (ADU) streamlining, and removing local barriers to housing production. The City implemented changes required by state law, through amendments to the Municipal Code. The following is a summary of recent legislation and

⁸ [RHNA Progress Report - 5th Cycle RHNA Progress Report - California Open Data](#)

proposed City activities that will further the City’s efforts to increase housing production during the 6th Cycle. Please see the section above for a discussion of Assembly Bill (AB) 686 (Affirmatively Furthering Fair Housing).

Climate Change and RHNA Methodology

Per statute, Assembly Bill (AB) 1445 (2023) amends California Government Code Section 65584.04 and would require Councils of Governments to consider including the impacts of climate change as a factor when developing the methodology for allocating regional housing need. Regions would specifically need to consider emergency evacuation route capacity, wildfire risk, and sea level rise, but could also consider any other climate change-related factor. Although this does not apply to the current RHNA, it could affect the 7th Cycle allocation.

Incentives for Accessory Dwelling Units

In 2020, AB 686, AB 587, AB 671, AB 881, and SB 13 further incentivize the development of accessory dwelling units (ADUs) through streamlined permits, reduced setback requirements, increased allowable square footage, reduced parking requirements, and reduced fees. The City last amended the Municipal Code in 2017 to address ADUs and is currently following state law while preparing additional amendments to the Municipal Code.

ADUs and JADUs make economic sense for many of us and could account for scores of new units in the next 8 years.

November 17, 2022 Housing Ad Hoc Committee Community Meeting Attendee

In 2023, the City intends to further amend the standards for ADUs and JADUs, consistent with state Law, to encourage conversion of guest houses to ADUs and promote construction of new units. Further the City will develop pre-approved, standardized ADU plans to make construction more affordable and will continue to include the HD ADU handbook on the City’s website.

Low-Barrier Navigation Centers

AB 101 (2019) requires jurisdictions to allow “low-barrier navigation centers” ByRight in areas zoned for mixed uses and in nonresidential zones permitting multifamily uses, if the center meets specified requirements. A low-barrier navigation center is a service-enriched shelter focused on moving unhoused people into permanent housing. The center provides temporary living facilities while case-managers connect individuals to public benefits, health services, and housing. The City’s Municipal Code will be amended to comply with state law.

Surplus Public Land

AB 1255 and AB 1486 (2020) seek to identify and prioritize state and local surplus lands available for housing development affordable to lower-income households. City-owned land was considered through preparation of the adequate sites inventory of the 6th Cycle Housing Element. These sites may be developed over time or possibly leased for development.

In 2019, Governor Gavin Newsom signed an executive order to identify State owned sites to help address the California housing crisis.

Accelerated Housing Production

Assembly Bill (AB) 2162 (2018) and Senate Bill (SB) 2 (2019) address various methods and funding sources that jurisdictions may use to accelerate housing production.

Priority Processing

SB 330 (2019) enacts changes to local development policies, permitting, and processes that will be in effect through January 1, 2025. SB 330 places new criteria on the application requirements and processing times for housing developments; prevents localities from decreasing the housing capacity of any site, such as through downzoning or increasing open space requirements, if such a decrease would preclude the jurisdiction from meeting its RHNA housing targets; prevents localities from establishing non-objective standards; and requires that any proposed demolition of housing units be accompanied by a project that would replace or exceed the total number of units demolished. Additionally, any demolished units that were occupied by lower-income households must be replaced with new units affordable to households with those same income levels.

Housing and Public Safety

In response to SB 379 (2015) and other recent state legislation, local jurisdictions must update their safety element to comprehensively address climate adaptation and resilience (SB 379 and SB 1035, 2018) and identify evacuation routes (SB 99 and AB 747, both 2019). These updates are triggered by the 6th Cycle Housing Element update. This Housing Element will contain an evaluation of the existing safety element and programming actions to update the safety element to satisfy the new state requirements. Also, as sites are identified and analyzed for inclusion in the City's housing site inventory, special attention will be paid to the risk of wildfire and the need for evacuation routes. In this way, the City will coordinate updates between the elements, so that future development is directed into areas that avoid or reduce unreasonable risks while also providing needed housing and maintaining other community planning goals.

Disadvantaged Communities

In 2011, the Governor signed SB 244 which requires local governments to make determinations regarding “disadvantaged unincorporated communities,” defined as a community with an annual median income that is less than 80 percent of the statewide annual median household income. The City has determined that there are no unincorporated islands or fringe or legacy communities that qualify as disadvantaged communities inside or near its boundaries.

Consistency with General Plan

The City of Carmel-by-the-Sea adopted a comprehensive update to its General Plan in 2003 in conjunction with the adoption of their Local Coastal Plan. Additional, element-specific, updates

were completed in 2009 and 2015. The General Plan is a long-range planning document that serves as the “blueprint” for development for local jurisdictions in California. All development-related decisions in the City must be consistent with the General Plan, and if a development proposal is not consistent with the plan, then it must be revised or the plan itself must be amended.

State law requires a community’s General Plan to be internally consistent. This means that the Housing Element, although subject to special requirements and a different schedule of updates, must function as an integral part of the overall General Plan, with consistency between it and the other General Plan elements. From an overall standpoint, the development projected under this Housing Element is consistent with the other elements in the City’s current General Plan.

Many housing needs can only be addressed on a comprehensive basis in concert with other community concerns such as infill development or mixed-use incentives, for example, which must consider land use, traffic, parking, design, and other concerns as well.

The City’s Housing Element is being updated at this time in conformance with the 2023-2031 6th Cycle update for jurisdictions in the Association of Monterey Bay Area Governments (AMBAG) region. The Housing Element builds upon the other General Plan elements and contains policies to ensure that it is consistent with other elements of the General Plan. As portions of the General Plan are amended in the future, the plan (including the Housing Element) will be reviewed to ensure that internal consistency is maintained.

1.6 Public Participation

The primary purpose of this chapter is to describe the effort made by the City of Carmel-by-the Sea to engage all economic segments of the community (including residents and/or their representatives) in the development and update of the Housing Element. This public participation effort also includes formal consultation, pursuant to Government Code §65352.3, with representatives from the Tribal Nations that are present and active in Monterey County. It is also responsive to AB 686 (2018, Affirmatively Furthering Fair Housing), which requires local jurisdictions, as they update their Housing Elements, to conduct public outreach to equitably include all stakeholders in the Housing Element public participation program.

The mission of the Housing Ad Hoc Committee is to provide guidance as the City updates the Housing Element of its General Plan. The Committee will participate in public outreach and education; consider opportunities and incentives for the development of affordable housing; and explore creative, tailored solutions to meet the City’s workforce and range of other housing needs while preserving the character of Carmel-by-the-Sea.

Karen Ferlito and Bobby Richards,
Housing Ad Hoc Committee
Councilmembers

The 6th Cycle RHNA numbers are a monumental change for all California communities, and the success of the update process hinges in part on a community outreach and engagement program that was robust, inclusive, and meaningful. The City’s community engagement program has included an initial presentation to the City Council, a series of Housing Ad Hoc Committee community meetings, stakeholder outreach, direct contact with interested residents and property owners, and online/virtual participation. Key components of the interactive engagement plan include: Housing Element website, <http://www.HOMECarmelbytheSea.com> where all updates are provided as well as community engagement opportunities.

H.O.M.E. Carmel-by-the-Sea website

Housing Opportunities Made Easier (HOME) at HOMECarmel (homecarmelbythesea.com) is a dedicated website that provides a portal to all of the housing -element-related public engagement activities that are available to members of the public. This includes information on housing element basics, community ideas board, property owner interest forms, site surveys, site selection details, and materials from community workshops.

- **Q&A.** Received questions in a managed space that accommodated messages throughout the iterative brainstorming process.
- **Ideas Board.** Promoted brainstorming among community members to suggest creative ways to achieve our RHNA goals.
- **Interactive Site Inventory Mapping.** Allowed community members an opportunity to examine proposed housing sites and suggest alternative solutions via an interactive online mapping tool. The site inventory mapping tool was advertised on the H.O.M.E. Carmel-by-the-Sea website in addition to other City communication outlets and made available through engage.emcplanning.com/homecarmelpotentialsitesinventory.
- **Surveys.** Encouraged community-members to voice their opinions in a convenient way that also helped City staff understand what areas of the City need more encouragement to participate. Aggregate data also helped the City understand generally who is participating with the outreach tools. All surveys were advertised on the H.O.M.E. Carmel-by-the-Sea website in addition to other City communication outlets. City staff also walked the City and handed out flyers to hospitality workers in an effort to increase the demographics of community members taking the Stakeholder Survey. The Stakeholder Survey was available in both English and Spanish.
 - **Stakeholder Survey.** Released for public engagement on May 24, 2023 to solicit input from Carmel-by-the-Sea residents, property owners, business owners, employees, community activists, and visitors. The stakeholder survey closed July 6. The Housing Element will contain updated policies and programs as guided by the public’s perspective.

- **Property Owner Interest Form.** Released for public engagement on April 6, 2023 to develop a list of property owners interested in building an accessory dwelling unit (ADU) or junior accessory dwelling unit (JADU). A list of interested property owners will be added to [Appendix C – Sites Inventory](#) when the survey is closed July 6.

Community Meetings

The City hosted a series of community meetings to inform and educate the public on the 2023-2031 6th Cycle Housing Element Update planning process and collect community feedback. These meetings are ongoing and continue to guide the policies and programs to ensure Carmel-by-the-Sea’s character and values are upheld.

- **November 17, 2022 Housing Ad Hoc Committee Community Meeting.** Hosted to introduce the 2023-2031 6th Cycle Housing Element Update to community residents.
- **February 7, 2023 City Council Meeting.** Presentation on preliminary housing feasibility report and Housing Element update status.
- **February 28, 2023 Housing Ad Hoc Committee Community Meeting.** Hosted to discuss development constraints and potential incentives.
- **April 6, 2023 Housing Ad Hoc Committee Community Meeting.** Hosted to discuss current 5th Cycle Housing Element policies and programs, HOME Carmel unveiling and walk through, and introduction to AFFH.
- **May 24, 2023 Housing Ad Hoc Committee Community Meeting.** Hosted to discuss housing needs, fair housing, sites inventory, and policies and programs to address the needs.
- **June 15, 2023 Joint City Council/Planning Commission/Housing Ad Hoc Community Meeting.** Hosted to discuss the Public Draft Housing Element, the 30-day Public Comment Period, and next steps in the planning process.
- **July 11, 2023 City Council Meeting.** Update on the Housing Element Public Review Draft and discuss revision to the document after the 30-day comment period and review the City’s response to public comments on the Public Draft.
- **August 1, 2023 City Council Meeting.** Update on the Housing Element planning process and review of full Initial Draft Housing Element prior to submittal to HCD for 90-day review.

If you rewind the clock 30 years, we did have 4,000 or more full-time residents in this town so it’s not like that’s impossible. But the world is different now, the number of cars has increased, etc., so there will be interesting balances and challenges as we add people to our community, which is going to be a great thing.

November 17, 2022
Housing Ad Hoc Committee
Community Meeting
Attendee

- **November 13, 2023 Housing Ad Hoc Community Meeting.** Hosted to review the comment letter from HCD.
- **January 9, 2023 City Council Meeting.** Update on revisions to the Housing Element in response to the comment letter from HCD, and next steps in the certification process.
- **March 5, 2024 City Council Meeting.** Update on revisions to the Housing Element in response to February 7, 2024 review meeting with HCD, and next steps in the certification process.

Public Participation to Affirmatively Furthering Fair Housing

The Carmel-by-the-Sea public participation program was also responsive to AFFH, which requires local jurisdictions to conduct public outreach to equitably include all stakeholders in the Housing Element public participation program (see the discussion above for more complete information on AFFH).

The organizations listed in [Appendix E](#) were contacted initially with an invitation to further connect. There were more opportunities for deeper connection with some of the Community Based Organizations (CBOs) included with the list.

The City emphasized the power of public participation during the public draft 30-day review period. Community members were informed that their comments would be included in the public record that will be read by decision-makers and reviewed by HCD, with transparent obligation to be responsive to comments as part of the preliminary draft submittal to HCD.

Further, the City has maintained outreach with interested community members through constant contact email blasts, updating the community on the progress of the Housing Element Update planning process. This includes updates related to community workshops; Housing Ad Hoc Committee, Planning Commission, and City Council meetings; draft housing element revisions; meetings with HCD reviewers; and CEQA noticing. Additionally, the City has made extensive efforts to ensure the community is able to easily understand the content within this Housing Element and follow the revisions process by providing “Reader’s Summary Guides,” which breakdown complex sections of the element. These include sections such as, the AFFH analysis; goals, policies, and programs; and the sites inventory.

Tribal Consultation

This public participation effort also includes formal consultation, pursuant to Government Code §65352.3, with representatives from the Esselen Nation that is present and active in Monterey County. Consultation is in process.

Public Review of Draft and Final Housing Element

Public Comment Review Period

As required by HCD, the Draft Housing Element was available for 30-days of public review from June 5, 2023 to July 6, 2023. The Draft Housing Element was posted on the City of Carmel website and the dedicated Housing Element website (homecarmelbythesea.com) and a number of public comments were received. Additionally, a joint City Council and Planning Commission Committee meeting was held on June 15, 2023 where verbal public comments were accepted on the Draft Housing Element.

Public comments received during the 30-day public review period can be found in the Public Comment Report, along with responses. The HCD Initial Draft has been updated as needed to reflect the comments received by the public.

Stakeholder Survey

The City of Carmel published a Stakeholder Survey to gather input from community members. The goal of the survey was to inform the City of Carmel-by-the-Sea what housing needs exist and to solicit community members input on how to achieve the RHNA. The survey was made available in English and Spanish and was posted on the dedicated Housing Element website (homecarmelbythesea.com). The Stakeholder survey was available from May 24, 2023 to July 6, 2023. 156 responses were received in English and 1 response was received in Spanish. See [Appendix H](#) for an in-depth discussion of the Stakeholder Survey results.

Overall, survey respondents indicated a need for more diverse housing types within the City (apartments, condominiums, ADUs and senior housing). Survey respondents encourage the use of second story buildings for housing within the Commercial District, especially for affordable units, and indicate a need for expanded City services to distribute information about affordable units. When asked if property owners would consider adding an ADU to their property, many responded that lots are too small, however, a number of property owners did indicate interest if the permitting was streamlined, fees were lowered, or financial assistance was provided.

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2.0 Goals, Policies, and Programs

2.1 Introduction

The City is responsible for enabling the production of housing by reducing regulatory barriers, providing incentives, and supporting programs that create or preserve housing, especially for vulnerable populations. To enable the construction of quality housing, the City has identified the following goals:

- Goal HE-1 Facilitate Housing Construction
- Goal HE-2 Protect Affordable Housing and Improve the Housing Stock
- Goal HE-3 Provide Opportunities for New Affordable and Other Special Needs Housing
- Goal HE-4 Exemplify Sustainable Development and Energy Conservation
- Goal HE-5 Publicize Housing Needs and Resources

The City's demographic and housing needs assessment, including contributing factors to housing disparities, formed an integral part of program development. Highlights include: the predominant age group in 2019 was between 65 to 74 years of age; the population was comprised of over 85 percent White individuals; the unemployment rate was 0.1 percent; above-moderate households made up the majority of households at 62 percent; and 57 percent of total households were owner occupied and 43 percent renter occupied. Of note, 23 percent of household are cost burdened and 23 percent are severely cost burdened. Detailed information is provided in Appendix A.

Additionally, the majority of the sites identified in the Site Inventory were not identified in the 5th Cycle Housing Element. The Policies and Programs below are intended to reduce the regulatory barriers to redevelop of these sites and to demonstrate the City is taking measures to ensure construction of more units, in the 6th cycle.

2.2 What's New

This section provides an overview of significant new policy and program directions being taken by the City of Carmel-by-the-Sea to address housing issues in the community and the larger Monterey Bay Area.

Affirmatively Furthering Fair Housing

The new policy direction that the City will undergo during the 6th Cycle Housing Element Update involves addressing historic economic and racial segregation patterns. In 2018, the California Legislature established an independent state mandate to affirmatively further fair housing (AFFH). Affirmatively furthering fair housing is defined specifically as taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity by replacing segregated living patterns with truly integrated and balanced living patterns; transforming racially and ethnically concentrated areas of poverty into areas of opportunity; and fostering and maintaining compliance with civil rights and fair housing laws.

Contributing Factors

The following contributing factors that impact fair housing and affirmatively furthering fair housing (AFFH) within the City were identified and prioritized as follows:

High Priority

- Lack of affordable housing;
- Lack of adequate housing stock that meets the needs of residents;
- Jobs-worker imbalance;
- Lack of accessible units for individuals with disabilities;
- Lack of Transitional and Supportive Housing/Emergency Shelters;
- There is a lack of developable land, and the City is subject to additional coastal zone regulations;
- Lack of racial and ethnic diversity within the City; and
- Cost of land, materials, and labor which limit profitability of affordable housing.

Medium Priority

- Lack of access to information about fair housing rights; and
- Limited knowledge of fair housing by residents.

More detailed AFFH information is located in Appendix A. The City of Carmel-by-the-Sea is adopting new policies and programs through the update of this 6th Cycle Housing Element, to align with the state's new AFFH mandate. Policies and programs that support this alignment are identified with the letters "AFFH."

2.3 Program Overview and Quantified Objectives

Quantified Objectives estimate the number of units likely to be constructed, rehabilitated, or conserved/preserved by income level during the planning period. The Quantified Objectives do not represent a ceiling on development, but rather set a target goal for the jurisdiction to achieve, based on needs, resources, and constraints. These objectives will focus communication between the City and HCD with future Annual Progress Reports (APRs). HCD does not require that all objectives must be met, rather, it is a goal that enables objective assessments about program effectiveness so the City can make informed determinations to continue, modify, or delete programs with the next Housing Element update Cycle. [Table 2-1, Quantified Objectives](#), provides an estimate of the number of units likely to be constructed, rehabilitated or conserved/preserved in Carmel-by-the-Sea in the 6th Cycle.

Table 2-1 Quantified Objectives Summary

Income Category	New Construction	Rehabilitation*	Conservation/ Preservation**
Extremely Low	61	-	-
Very Low	60	5	-
Low	93	5	50
Moderate	61	6	-
Above Moderate	135	400	-
Total	410	416	50

SOURCE: City of Carmel-by-the-Sea 2023

NOTES: *The City has approximately 3,800 residential units, 60 (or about one percent) of which are affordable units. Each year the City processes approximately 100 building permits for remodels, additions, and other construction, which rehabilitates the existing housing stock. For the lower-income categories rehabilitation goals, the City assumes that one percent of the total permits processed will be for affordable units. Under these assumptions, the City would rehabilitate two units of affordable housing a year or approximately 16 units throughout the 2023-2031 planning cycle. This represents approximately 30 percent of the City's existing affordable housing inventory.

**The City has no units at risk of converting to market rate during this planning cycle.

2.4 Goals, Policies and Programs

Community input has been and continues to be an integral part of the development of policies and programs for the 6th Cycle Housing Element. The purpose of this section is to set forth goals, policies, and programs to further the development of housing for all income levels in the community. The Implementation Programs listed below provide a workplan for programs to ensure timely implementation and tracking. The following programs are will be implemented city-wide, unless otherwise specified below.

GOAL H1 FACILITATE HOUSING CONSTRUCTION

Policy 1.1: Ensure adequate sites are available to **meet the City's projected housing growth needs.**

Program 1.1.A: Adequate Sites

The City has a RHNA or growth need of 113 units affordable to Extremely Low- and Very Low-Income households. The City's General Plan and Municipal Code provide for housing types at appropriate densities to accommodate the RHNA. The City will encourage and facilitate the development of new units consistent with the RHNA by continuing to work with housing providers such as the Carmel Foundation and will actively find new organizations to partner with. The City also offers incentives and concessions outlined in Programs listed below.

The Planning Division shall annually evaluate and report to the City Council on the City's progress in meeting its Housing Element objectives, as well as remain in compliance with the no-net loss requirements of Government Code Section 65863.

Quantified Objective: 61 Extremely Low, 60 Very Low, 93 Low, 61 Moderate and 135 Above Moderate-Income housing units

Timeframe: Maintain adequate sites to meet RHNA through June 2031

Responsible Party: Community Planning and Building Department

Funding Source: General Fund

(Formerly Program 3-3.1.a: Adequate Sites)

"... The land as it exists now, the way it's zoned, could support the 349 units, plus the buffer. So, the question then is how do we get people excited about developing some of those units?"

That's where these programs and processes come into play and that's why we need to amend the Municipal Code, to codify those things..."

May 24, 2023 Housing Ad Hoc

Program 1.1.B: City-Owned Sites - AFFH

The City plans to pursue three (3) sites (#1, #2, and #3 in the Sites Inventory) over the next five years for the potential development of 149 total units over the three sites (124 affordable to lower-income households and 25 for moderate-income households). These sites would remain in City ownership and are anticipated to be made available for development through long-term leases. These sites are locations for affordable housing that would advance the City's goal of providing diverse housing types, including senior housing. Projects undertaken throughout the 2023-2031 Housing Element planning period will be processed in accordance with the requirements of the Surplus Land Act and all other applicable State laws. Please note there are no State-owned or Federally-owned sites within Carmel-by-the-Sea.

The City will assess the appropriateness of and consider implementing the following: outreach opportunities with housing developers, requests for proposals, development incentives, fee waivers, priority process, and financial assistance (when available) to facilitate and incentivize developers to develop housing units on City-owned sites.

The City has an existing long-term lease with the Carmel Foundation, which manages 50 affordable apartment units for seniors (55+). The lease has benefitted the community, and the City would like to expand the number of affordable housing in the City through the use of the three identified sites. Specific planned actions by the City include the establishment of development standards (for the Sunset Center sites, specifically), development of a project description, publication of an RFP, selection of a development partner, entering into an Exclusive Negotiation Agreement, processing land use entitlements and development agreements, building permit issuance, and construction. Council approval is required and public participation will take place for each step in this process.

Specific actions the City is committed to:

- Establish and implement development standards for Sunset Center (Sites #1 and #2) by December 2025;
- Develop project description and establish an RFP process and solicit developers by December 2025;
- Target Exclusive Negotiating Agreement by December 2026; and
- Target land use entitlements issuance by December 2028.

If by December 2026, the City has not established the necessary developer agreements, the City will pursue the following alternative actions to enable the development of the sites for affordable housing:

- Increase outreach efforts with non-profit affordable housing developers beginning January 2027;
- Re-issue RFP and solicit developers by December 2027;
- Identify additional/alternative sites;

- Pursue funding opportunities such as Permanent Local Housing Allocation (PLHA), Multifamily Super NOFA, IIG Small Jurisdictions, CDBG Funds, and HOME Investment Partnerships to assist with entitlement and building permit fees (ongoing); and
- Develop incentives for developers, including 60-day approval timeline; clear development standards; full cooperation with City staff and elected and appointed officials; accelerated approval process; waiving parking standards for multi-family development.

The length of time it takes to gain entitlement approvals can drastically impact the financial feasibility of development projects. The developer incentives outlined above are intended to shorten the period of time between submittal of entitlement applications and issuance of occupancy, in order to enable the development of multi-family residential units.

Quantified Objective: 39 Extremely Low, 39 Very Low, 46 Low, 25 Moderate Income units
Timeframe: Complete investigations and potential partnerships by December 2026; Pursue alternative actions by August 2027
Responsible Party: Community Planning and Building Department
Funding Source: General Fund
(Formerly 3-3.1.b: Surplus Sites)

Program 1.1.C: Development on Small Sites

Small sites can be difficult to develop particularly when development standards don't adequately take into account small lot dimensions. The City will continue to offer incentives and concessions that facilitate development on small sites in the commercial and multi-family districts, including density bonuses that allow for development up to 88 du/ac. Presently, Carmel Municipal Code Section 17.14.060 (Central Commercial (CC) District Regulations Applicable) waives off-street parking entirely for apartments in the CC district. In the Service Commercial (SC) District, the required parking for an affordable housing unit is ½ space per unit and for senior housing it is ⅓ space per unit. Senior housing also has a guest parking requirement of 1 space per 4 housing units. The City will further evaluate the residential parking requirements in the Service Commercial (SC) and Residential & Limited Commercial (RC) zoning districts to help facilitate market rate housing. Alternative parking programs such as bike and/or car share, or free or discounted bus passes, will be evaluated to offset reduced parking.

Quantified Objective: 35 Very Low-Income units with reduced parking
Timeframe: Complete evaluations by December 2024
Responsible Party: Community Planning and Building Department
Funding Source: General Fund
(Formerly 3-3.1.c: Development on Small Sites)

Program 1.1.D: Allow Religious Institution Affiliated Housing Development

In 2020, the California legislature passed Assembly Bill (AB) 1851 and AB 2244 in 2022, which encourage the use of religious facility sites (including parking lots) for housing developments and prohibit jurisdictions from requiring replacement parking when used for qualified development. State law defines “religious institution affiliated housing” as housing that is on religious institution property and is eligible for a State density bonus, meaning it has elements of affordability.

Consistent with AB 1851 and AB 2244, the City will amend the Zoning Ordinance to allow religious institution-affiliated housing development projects by-right as an accessory use to a permitted religious institution use, allow these uses at densities up to 33 dwelling units per acre, and update the parking requirements consistent with State law. The City commits to modifying standards and make making other modifications as needed to achieve the maximum allowed densities.

If no application for housing on a religious institution/faith-based site is received by December 2025, the City will expand outreach efforts to be conducted annually. This may include direct mailings to faith-based sites highlighting current successful affordable housing units on other faith-based sites, as well as available City grants and loans for such housing and human services endeavors.

Quantified Objective: 1 Extremely Low, 1 Very Low, 1 Low, 3 Moderate, and 3 Above Moderate Income units

Timeframe: Amend the Zoning Ordinance by December 2026; Annual Outreach

Responsible Party: Community Planning & Building Department Funding

Funding Source: General Fund

(NEW)

Program 1.1.E: City Partnership with the Carmel Foundation to Develop Affordable Housing

To ensure the City is able to meet its RHNA, the City is committed to working with the Carmel Foundation to enable the development of 21 lower-income residential units (identified as Site #8 in Appendix C). The City will meet annually with the Carmel Foundation to identify funding sources to support redevelopment of the site with affordable residential units; provide guidance on the housing needs of the community to construct housing types/units that meet the need; and support the Foundation’s efforts to serve Carmel-by-the-Sea community members.

If at mid-cycle the necessary land entitlements and building permits are not completed, the City will reallocate the anticipated 21 lower-income units for Site #8 by utilizing City-owned sites or another available public or private site to construct the residential units to accommodate the RHNA. The City is committed to the following actions:

- Distributing the 21 lower-income units on City-owned sites including but not limited to Sunset Center Sites #1 and #2, Vista Lobos Sites #3, or another available public or private site by June 2028; and
- Conducting outreach to non-profit developers and identifying funding sources such as, CDBG, HOME, PLHA, and the Housing Trust Fund to support the development of affordable residential units (ongoing; beginning with the City’s partnership with the Carmel Foundation).

Quantified Objective: 11 Very Low-Income units and 10 Low-Income units

Timeframe: Review Site #8 development status by December 2027; Implement alternative measures by June 2028

Responsible Party: Community Planning and Building Department

Funding Source: General Fund

(Formerly 3-3.1.c: Development on Small Sites)

Policy 1.2: Continue to monitor and work cooperatively with regional agencies to augment infrastructure in a manner that provides adequate capacity for existing and new housing needs while preserving and improving the unique visual character of the City.

Program 1.2.A: Water Distribution Prioritization for Affordable Housing – AFFH

Perhaps the greatest constraint to housing production in Carmel-by-the-Sea is the lack of water. The City’s Regional Housing Needs Allocation (RHNA) of 349 units for the 2023-2031 planning period is estimated to require approximately 40 acre feet of water.

Potable water is a fundamental infrastructure need for housing and is a limited resource in Carmel-by-the-Sea. Water is regulated by the State Water Resources Control Board (SWRCB) and the Monterey Peninsula Water Management District (MPWMD). Few developed sites have available water credits sufficient to accommodate construction of additional residential units, and the City’s own water allocation is quite limited. Further, due to the current State imposed cease-and-desist order in Carmel, California American Water (Cal-Am) is not permitted to set new water meters at this time. In an effort to address water constraints, the City will:

- Support efforts by the MPWMD to expand the water supply with new water sources that will support affordable housing development (December 2027).
- Work cooperatively with MPWMD to implement water conservation methods through the building permit process (e.g., low-flow fixtures, instant hot water heaters, cisterns/rain gardens) to augment water for new development projects. The City has received many building permit applications for remodels and refurbishments of older homes, which would result in water conservation implementation, and is supportive of new water supplies. The City and MPWMD will measure the amount of water conserved on an annual and ongoing basis.

- Work cooperatively with MPWMD to establish a procedure to prioritize water allocation for housing developments that include affordable units for lower-income households (December 2026). From its own modest water allocation of approximately 1.6 acre-feet, the City will grant water allocation priority to those projects that assist the City in meeting its share of the regional housing need for lower- and moderate-income households. A City policy to clearly reflect water allocation priority and incentives for Extremely Low, Very Low, Low and Moderate-Income households will be adopted (December 2026).

Quantified Objective: Prioritize 193 affordable units for water
Timeframe: Adopt policy by June 2025
Responsible Party: Community Planning and Building Department
Funding Source: General Fund
(Formerly Program 3-3.2: Address Infrastructure Constraints)

Program 1.2.B: Address Infrastructure Constraints

Ensuring the City’s infrastructure is modernized and can accommodate future growth is a critical charge of local governments. Much of the City’s infrastructure is nearing the end of its lifecycle and crafting Capital Improvement Programs that effectively manage infrastructure is imperative. Additionally, the City experienced significant power outages during the 2022-2023 winter season that negatively impacted the City at large. The City’s Public Works Department continues to improve City infrastructure including road maintenance and storm drains, through the City’s 5-Year Capital Improvement Plan process. The City will continue to work cooperatively with outside agencies, including the Pacific Gas and Electric Company (PG&E), the Carmel Area Wastewater District (CAWD), and California American Water (Cal-AM), to continue to maintain and upgrade the City’s infrastructure.

The City of Carmel proposes the following actions and timeline to address infrastructure constraints during the 6th Cycle:

- The City of Carmel will collaborate with and support the undergrounding of electrical wires by PG&E in an effort to provide consistent power. The City is working with PG&E to develop an undergrounding plan estimated to be complete within 10-15 years for a small portion of the City, with the remainder of the City’s electrical wires anticipated to be undergrounded in the next 20-30 years.
 - **Quantified Objective: Underground a small portion of the electrical wires by December 2034, and work with PG&E to underground the remainder over the next 20-30 years.**
- The City will implement drainage and street improvements, including ADA ramps and sidewalk slope improvements through the Capital Improvement Process.

- o **Quantified Objective:** The City will invest \$2.065 million in drainage improvements and \$6.7 million in street improvements by December 2026.

Timeframe: City’s 5-Year Capital Improvement Process through June 2031
Responsible Party: Public Works Department
Funding Source: General Fund
(Formerly Program 3-3.2: Address Infrastructure Constraints)

Policy 1.3: Reduce or eliminate governmental constraints on the provision of affordable housing. Direct public funding resources to the conservation of existing housing units in neighborhoods where continued residential use is appropriate.

Program 1.3.A: Condominium Conversions - AFFH

The City will continue to implement the condominium conversion ordinance, which restricts the conversion of apartments to condominiums to preserve the lower-cost rental housing options (i.e., apartments) within the City. Apartments cannot be converted to condominiums unless a new apartment is being created to offset the conversion.

Quantified Objective: Preserve rental units
Timeframe: Continued ordinance implementation through June 2031
Responsible Party: Community Planning and Building Department
Funding Source: General Fund
(Formerly Program 3-5.3.a: Condominium Conversions)

Program 1.3.B: Overnight Visitor Accommodation (Conversion) Development Transfer Rights - AFFH

Pursuant to Coastal Zone requirements, the City has recognized existing overnight visitor accommodations (hotels/motels, inns, bed and breakfasts and other various lodging options) as an important coastal visitor asset and economic base in the community. There are a number of older, overnight visitor accommodations in the R-1, CC, RC, and SC zoning districts, including some that are non-conforming. [Appendix C](#) provides a list of existing eligible overnight visitor accommodation locations. Property owners of these establishments are encouraged to consider rehabilitating these sites as multi-family rental residences. These properties are distributed throughout the City and this policy would diversify the housing stock through more cost-effective means of rehabilitating and refurbishing existing buildings.

The City will incentivize both the transfer of development rights of overnight visitor accommodations to other sites within commercial zoning districts and conversion of existing overnight visitor accommodation properties to multi-family residences that include 15 percent lower-income units. The same number of overnight visitor accommodation rooms to serve coastal visitor access in the City will be retained while increasing the affordable multi-family housing rental stock.

The City will conduct outreach to property owners in addition to meeting annually with non-profit affordable housing developers to identify eligible sites that can be converted from overnight visitor accommodation to multi-family housing, and help to identify funding to enable the conversion of overnight uses to permanent affordable housing.

If at mid-cycle the City has not received any applications to transfer development rights or to convert existing properties to permanent affordable housing, the City will evaluate the funds in the housing trust fund and partner with a non-profit to identify eligible properties for purchase.

Quantified Objective: 33 units converted from overnight visitor accommodation rooms to housing units

Timeframe: Mid-cycle review in June 2027

Responsible Party: Community Planning and Building Department

Funding Source: General Fund

(Formerly Program 3-4.1.b Conversion of R-1 Motels)

Program 1.3.C: Accessory Dwelling Units - AFFH

The City's ADU ordinance was last updated in 2017 (Ord. 2017-10 § 1 (Exh. A), 2017). Carmel-by-the-Sea is currently following the requirements of State law in the review and approval of ADUs and JADUs. The City is in the process of updating its ADU Ordinance to incorporate state laws that have expanded since 2017, and to clarify the ADU permitting process for property owners.

The City recognizes that ADUs provide affordable housing options for family members, seniors, students, in-home health care providers, and other small household types. ADUs can also be useful to generate additional rental income for the homeowner, making homeownership more financially feasible. It's also important to note that 80 percent of Carmel-by-the-Sea's vacant units are for seasonal, recreational, or occasional (second home) use. ADU and JADU development on properties used for occasional use adds to the permanent rental housing stock and provides on-site oversight for second home properties. The City includes the Housing and Community Development Department ADU Handbook on the Planning Department website to offer technical assistance to interested property owners.

Pre-approved, standardized plans can eliminate the costs of designing a custom ADU, and assures property owners the unit type and size is already approved by the City. Pre-approved plans can also make construction more affordable if the designs are using materials that are easily sourced and standard sized.

To further promote ADU development the City will implement to the following:

- The City is on track to adopt an updated ADU Ordinance by the end of 2024. The City will also amend the Municipal Code to reflect current State ADU law in a timely manner as new relevant state laws are adopted during the planning cycle.

Timeframe: Ordinance adopted by December 2024

- Develop pre-approved, standardized ADU plans available on the City’s website to further incentive the construction of ADUs.

Quantified Objective: 5 Extremely Low, 5 Very Low, 10 Low, 10 Moderate, and 4 Above Moderate-Income units

Timeframe: December 2026
Responsible Party: Community Planning and Building Department
Funding Source: General Fund
(Formerly Program 3-5.3.c: Subordinate Units)

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. [Appendix C](#) provides a list of existing overnight visitor accommodation locations. These units would alleviate the current lack of housing that many hospitality employees that work in Carmel face. As an incentive to the owners/operators of motels, hotels, and inns to provide on-site affordable employee housing, the City will offer an additional overnight accommodation room for each 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 to allow at least one on-site affordable employee housing unit in conjunction with one new overnight visitor accommodation room.

The City will conduct outreach with overnight visitor accommodation property owners to better discern the viability of the incentive program by December 2024.

If at mid-cycle, the City has not received any building permits identifying construction of an on-site employee housing unit, the City will amend the Municipal Code to require an on-site deed-restricted affordable housing unit be developed, in conjunction with one new overnight visitor accommodation room upon receiving a building permit.

Quantified Objective: 4 Extremely Low, 4 Very Low, 12 Low, 11 Moderate-Income employee housing units by December 2031

Timeframe: Amend Municipal Code by December 2026
Responsible Party: Community Planning and Building Department
Funding Source: General Fund
(Formerly Program 3-5.3.c: Subordinate Units)

Program 1.3.E: Amend the A-2 Zoning District - AFFH

The Community and Cultural Center Zoning District, A-2, allows senior housing (55+) as a permitted use in addition to uses that provide cultural and community activities associated with the arts, education and recreation; however, development standards are not specified for the A-2 district

and design review is required. The lack of development and design standards adds uncertainty and can significantly lengthen the development process. Amending the A-2 zoning district with clear setbacks, height, and objective design standards will add clarity and remove a development constraint. The City will amend the Municipal Code to include clear development and design standards for the A-2 zoning district to encourage affordable senior housing.

Quantified Objective: 25 Extremely Low, 25 Very Low, 35 Low, and 8 Moderate-Income units

Timeframe: Adoption of Municipal Code amendments by December 2025

Responsible Party: Community Planning and Building Department

Funding Source: General Fund

(NEW)

Program 1.3.F: Employee Housing

As stated in Appendix A there are no farmworkers or agricultural employment in Carmel-by-the-Sea. Accordingly, the City has not identified a need for specialized farmworker housing beyond overall programs for housing affordability.

In compliance with Employee Housing Act (Health and Safety Code § 17000 et seq.) Sections 17021.5 and 17021.6, the City of Carmel-by-the-Sea will amend the Municipal Code to include a definition for employee housing that permits employee housing for six or fewer employees to be treated as a single-family structure and permitted in the same manner as other dwellings of the same type in the same zone.

Quantified Objective: N/A

Timeframe: Adoption of Municipal Code amendments by December 2024

Responsible Party: Community Planning and Building Department

Funding Source: General Fund

(NEW)

Program 1.3.G: Manufactured Homes on a Foundation System

The City currently permits manufactured homes on a foundation system on lots zoned for conventional single-family residential dwellings pursuant to state law [Government Code 65852.3](#). Manufactured homes represent an affordable and cost-effective form of housing. The City will amend the Municipal Code to include manufactured homes as a permitted use in the R-1 zoning district subject to the same development standards to which a conventional single-family residential dwelling on the same lot would be subject.

Quantified Objective: 8 Low Income units

Timeframe: Adoption of Municipal Code amendments by December 2024

Responsible Party: Community Planning and Building Department

Funding Source: General Fund

(NEW)

Program 1.3.H: Senate Bill 35 and Senate Bill 423 Processing Procedure

According to Senate Bill (SB) 35, Statutes of 2017, jurisdictions that have insufficient progress toward their lower-income RHNA must accommodate a streamlined ministerial approval process for proposed developments with at least 50 percent affordability. Early implementation of SB 35 did not apply to coastal cities. However, in October 2023, SB 423 was signed into order, expanding SB 35 measures to include cities located in the coastal zone and extending the operation of the streamlined ministerial approval process to January 1, 2036.

Eligibility requirements for a development in the coastal zone include the following:

- The development that is located in a coastal zone satisfies the conditions to obtain a coastal development permit; and
- A public agency with coastal development permitting authority to approve a coastal development permit if it determines that the development is consistent with all objective standards of the local government’s certified local coastal program, as specified;

Changes made by SB 423 would apply in a coastal zone on or after January 1, 2025.

In compliance with SB 35 and SB 423, the City will establish a standard procedure for processing eligible development projects.

Quantified Objective: N/A
Timeframe: Adoption of Municipal Code amendments by December 2024
Responsible Party: Community Planning and Building Department
Funding Source: General Fund
(NEW)

Program 1.3.I: Implement State Law SB 10 Opportunities to Maximize Feasibility of Development in Strategic Locations.

SB 10 encourages strategic density within neighborhoods. Three (3) underutilized sites currently zoned R-1 and located on the periphery of the commercial district are occupied by non-residential uses that could accommodate multi-family housing with the implementation of SB 10. The City will work with the property owners to zone these sites for development under the provisions of SB 10, including a by-right process, requiring no discretionary review. These sites include Site #5 (First Church of Christ Parking Lot), Site #6 (American Red Cross), and Site #9 (American Legion).

Quantified Objective: 4 Extremely Low, 3 Very low, 6 Low, 3 Moderate, and 3 Above Moderate-Income units
Timeframe: Adoption of Municipal Code amendments by December 2024
Responsible Party: Community Planning and Building Department
Funding Source: General Fund
(NEW)

Program 1.3.J: Emergency Shelters

In compliance with AB 2339 Statutes of 2022, the City will amend Title 17 to define emergency shelters and clearly state they are a permitted use by-right, requiring no discretionary review in the CC, SC, and RC commercial districts.

Quantified Objective: N/A
Timeframe: Adoption of Municipal Code amendments by December 2024
Responsible Party: Community Planning and Building Department
Funding Source: General Fund
(NEW)

Program 1.3.K: Forest and Beach Commission Required Findings

To remove potential constraints to the development of multi-family housing, the City will review and modify the Forest and Beach Commission required findings to ensure they do not impede multi-family development on the basis of base floor area.

Quantified Objective: N/A
Timeframe: Adoption of Municipal Code amendments by December 2024
Responsible Party: Community Planning and Building Department
Funding Source: General Fund
(NEW)

Policy 1.4: Improve Development Review and Approval Processes

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 eliminate UP requirements to remove the constraint to the development of multi-family residential units, and licensed residential care facilities of seven or more persons. Additionally, the City will remove subjective language from the required findings for UP and adopt objective findings to promote approval certainty.

Quantified Objective: 50 Moderate-Income units
Timeframe: Adoption of Municipal Code amendments by December 2024
Responsible Party: Community Development Department
Funding Source: General Fund
(Formerly Program 3-2.1.D: Multi-Family Residential Development Review)

Program 1.4.B: Objective Design and Development Standards - AFFH

The City currently relies upon mostly subjective design guidelines for new single-family residences. In the commercial and multi-family districts, less detailed subjective design guidelines are in place. The City’s residential and commercial design guidelines are being updated this year to provide clarity and more objectivity. The lack of objective design guidelines creates a higher level of subjectivity for multi-family affordable projects.

The lack of Objective Design and Development Standards poses a constraint to residential development. Guidelines that are subjective increase uncertainty and risk for housing developers. Objective Design and Development Standards provide a measure of clarity that proposed developments will be measured against, and provide the community with assurance that developments will conform with measurable objective standards. The City will create Objective Design and Development Standards for multi-family housing projects that include at least one deed-restricted affordable housing unit.

In November 2023, the City received an \$85,000 REAP 2.0 Local Suballocation Grant — which will be used to pursue the creation and adoption of Objective Design and Development Standards (ODDS) to reduce governmental constraints presently limiting the production of affordable housing. Once adopted, the City's ODDS will be used to review and approve housing projects with at least 20 percent affordable units (units for very-low, low, and moderate-income households) on sites identified within the City's draft 2023-2031 6th Cycle Housing Element. The City's expectation, and desired intent, is that having ODDS in place will incentivize and accelerate the construction of multi-family affordable housing projects in the City's downtown zones, including the Central Commercial (CC), Service Commercial (SC), Residential & Limited Commercial (RC), and Multi-family Residential (R-4), which all fall within the Potential Opportunity Area identified by Moving Forward Monterey Bay 2045.

Quantified Objective: N/A
Timeframe: Adoption of Objective Design Guidelines by December 2025

Responsible Party: Community Planning and Building Department
Funding Source: General Fund
(NEW)

GOAL H2 PROTECT AFFORDABLE HOUSING AND IMPROVE THE HOUSING STOCK

Policy 2.1: Maintain and encourage expansion of permanent residential housing stock in the Residential and Commercial Districts.

Program 2.1.A: Incentives for Mixed-Use Development - AFFH

Providing additional development capacity of any type increases project feasibility. In order to better incentivize affordable residential development, the City will amend the Municipal Code to increase the floor area bonuses from 15 to up to 25 percent for projects that include housing for Moderate, Low or Very-Low-income households. The City will also distribute informational materials promoting the floor area bonus and other applicable incentives.

Quantified Objective: 5 Moderate-Income units
Timeframe: Adoption of Municipal Code amendments by December 2024
Responsible Party: Community Planning and Building Department
Funding Source: General Fund
(Formerly Program 3-2.1.a)

Program 2.1.B: Permanent Housing - AFFH

Short-term rentals can provide valuable coastal visitor-serving access; however, units used as short-term rentals preclude the establishment of permanent housing. The City also has a significant percentage of the housing stock that remains vacant for part of the year due to second home ownership. This creates a significant barrier for current and potential residents to enter the local housing market and further limits opportunities to correct the housing crisis, address diversity, and provide inclusive housing options.

The City's ordinance prohibiting short-term, transient rentals and timeshares of residential dwellings in the R-1 District and allowing a limited number of short-term rentals in the commercial areas has successfully limited the proliferation of these uses. The City will continue to implement these ordinances. In an effort to address the high rate of second home ownership, the City will promote Accessory Dwelling Units and Junior Accessory Dwelling Units (see Programs 1.3.C and 1.3.D) to add affordable rental units on properties that may otherwise lie vacant, and will establish an Affordable Housing Trust Fund (see Program 2.1.D).

Quantified Objective: Preservation of permanent housing and affordable units
Timeframe: Continued ordinance implementation through June 2031

Responsible Party: Community Planning & Building Department/City Administrator
Funding Source: General Fund
(Formerly Program 3-4.1.a)

Program 2.1.C: Monitor Affordable Housing Stock - AFFH

The City will develop a City-managed Affordable Housing Oversight Program and continue to monitor affordable housing projects and work with the owners to preserve affordability through identification of funding sources and/or opportunities for partnerships with other housing providers. The program will formalize annual monitoring of the affordable housing stock throughout the city to ensure affordable housing is being protected and provided as required by [Government Code Section 65590](#). The City will update its databases to better track data on new construction, demolition, conversion and replacement housing units for low- and moderate-income households including the following:

- The number of new housing units approved for construction;
- The number of low- and moderate-income housing units required to be provided in new housing developments;
- The number of existing residential dwelling units occupied by low- and moderate-income households that have been authorized to be demolished or converted; and
- The number of low- and moderate-income housing units required to be replaced (of those units being demolished or converted).

Additionally, in compliance with AB 1397, the City will adopt a policy to require replacement housing units subject to the requirements of Government Code section 65915, subdivision (c)(3) when any new housing development project occurs on a site meeting the any of the following conditions: 1) currently has residential uses or within the past five years has had residential uses that have been vacated or demolished, 2) was subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of low or very low-income, 3) subject to any other form of rent or price control through a public entity’s valid exercise of its police power, or 4) is occupied by low or very low-income households. Quantified Objective: Monitor 50 Lower-Income housing units

Timeframe: Develop program by June 2025
Responsible Party: Community Planning and Building Department
Funding Source: General Fund
(Formerly Program 3-5.3.d: Monitor Affordable Housing Stock)

Program 2.1.D: Establish Affordable Housing Trust Fund - AFFH

The City currently relies on outside agencies and organizations to fund affordable housing projects. However, in an effort to establish a City-funded source dedicated to supporting the creation, maintenance, and rehabilitation of affordable units, the City will explore the creation of an Affordable Housing Trust Fund. Sources of funding could include increasing the existing Transit Occupancy Tax (TOT) or dedicating a portion of existing TOT to affordable housing, property transfer tax, sales tax, vacancy tax or other funding source.

Quantified Objective: \$1,000,000
Timeframe: Establish Fund by June 2031
Responsible Party: City Administrator
Funding Source: General Fund
(NEW)

"I believe a vacancy tax should be proposed to the voters, which can go toward funding affordable housing. The City needs to frame affordable housing in a positive way. I feel like people's aversion to affordable housing in their communities is just a public relations failure."

May 24, 2023 Housing Ad Hoc
Committee Community Meeting

Policy 2.2: Preserve and protect the scale of established neighborhoods while encouraging property improvement.

Program 2.2.A: Historic Preservation Educational Programs

Cities have unique characteristics that develop over time. Carmel-by-the-Sea has a distinctive building style and form that existing residents cherish and which serves to attract new residents and visitors. In an effort to continue to encourage improvements to the existing housing stock, the City will continue to promote education programs that improve public understanding of the City's rich cultural and design heritage, and provide zoning flexibility and incentives to facilitate rehabilitation of historic resources. The City will continue to use the Historic Building Code to facilitate residential rehabilitation of historic residences.

Quantified Objective: 50 Low Income rehabilitated historic units
Timeframe: Continued education and ordinance implementation through June 2031
Responsible Party: Community Planning and Building Department
Funding Source: General Fund
(Formerly Program 3-4.3.a: Neighborhood Preservation Educational Programs)

Policy 2.3: Preserve and expand affordable and rental housing opportunities to enable local employees to live in the community where they work.

Program 2.3.A: Preserve and Increase Upper Floor Residential Uses - AFFH

The retail and office landscape is shifting and the City continues to experience retail and office vacancies. This shift represents an opportunity to increase supply of housing as a preferred development form in all Commercial Districts. The City currently prohibits the conversion of existing second-floor residential units to commercial use and requires all newly constructed second-floor space to be used as residential units. Housing over first-floor commercial uses is a particularly suitable solution for underutilized second-floor space. Therefore, the City will proactively work with property owners to encourage conversion of vacant or underutilized upper floors to residential use.

Quantified Objective: 5 Moderate and 110 Above Moderate-Income units
Timeframe: Proactive outreach through December 2031
Responsible Party: Community Planning and Building Department
Funding Source: General Fund
(Formerly Program 3-2.1.b)

Policy 2.4: Preserve the existing housing stock

Program 2.4.A: Housing Rehabilitation and Maintenance Information - AFFH

In order to stay habitable and energy efficient, all buildings need maintenance. When buildings fall into an extreme state of disrepair, a more comprehensive housing rehabilitation procedure is needed. Over the past few years, inflation and building supply chain issues have dramatically increased the cost of building materials. Labor costs have also risen significantly due to a shortage of skilled construction workers and ongoing cost-of-living increases. This results in very costly rehabilitation projects.

In order to assist low-income property owners, the City will distribute information on inspection services, housing rehabilitation programs, and alternative ways to finance home repairs. Based on Code Compliance reports, the City will specifically monitor and conduct outreach to residential units in need of rehabilitation and maintenance throughout the city with a focus on the southern region of the city.

Quantified Objective: 16 Low-Income rehabilitated units
Timeframe: Proactive outreach through June 3031
Responsible Party: Community Planning and Building Department
Funding Source: General Fund
(Formerly Programs 3-1.1.a and 3-1.1.c Housing Rehabilitation and Housing Maintenance)

GOAL H3 PROVIDE OPPORTUNITIES FOR NEW AFFORDABLE AND OTHER SPECIAL NEEDS HOUSING

Policy 3.1: Incentivize affordable housing development, with an emphasis on affordable housing built to accommodate Extremely-Low and Low-Income residents. Encourage the private sector to produce affordable housing.

Program 3.1.A: Mixed-Use Affordable Housing - AFFH

The retail and office landscapes are shifting and this change represents an opportunity to encourage mixed-use developments (housing over first-floor commercial uses) as a preferred development form via community outreach. The City will proactively work with property owners, property managers, and realtors to promote and incentivize upper-floor housing opportunities, including the potential of allowing a third-floor mezzanine for affordable housing. Such development would be subject to appropriate objective design standards, including the City's 30-foot height limit.

The City has identified the following regional affordable housing organizations to include in the discussion of revising design guidelines to promote mixed-use affordable housing in the City.

- County of Monterey Housing Authority Development Corporation (HDC);
- Woodman Development Company, Inc.;
- Community Housing Improvement Systems and Planning Association, Inc. (CHISPA);
- Eden Housing;
- EAH Housing; and
- Mid-Peninsula Housing.

Based on the feedback received by City Staff from the development community, the City will implement the following actions:

- Revise design guidelines based on community and developer feedback;
- Revise approval processes if constraints are identified during feedback gathering; and
- Annually host outreach and FAQ forums for developers and community members.

Quantified Objective: 10 lower-income units

Timeframe: Proactive outreach through June 2031; Revise guidelines and approval processes by December 2027

Responsible Party: Community Planning and Building Department

Funding Source: General Fund

(Formerly 3-2.1.c: Incentives for Mixed Use Affordable Housing)

Program 3.1.B: Housing for Extremely-Low Income Households - AFFH

Providing housing units for Extremely-Low Income (ELI) Households earning 30 percent or less of the Area Median Income (AMI) for Monterey County has proved challenging for the City. The City will continue to place specific emphasis on the provision of multi-family housing and non-traditional housing types such as single-room-occupancy units and transitional housing. The City will encourage development of housing for ELI households through a variety of activities such as targeted outreach to for-profit and non-profit housing developers on at least an annual basis, providing in-kind technical assistance, fee deferrals, expedited/priority processing, identifying grant and funding opportunities, applying for or supporting applications for funding on an ongoing basis, reviewing and prioritizing local funding for developments that include housing for ELI households and/or offering additional incentives to supplement the density bonus provisions in state law.

"I'm pretty passionate about affordable housing and diversity. I think that's what makes a community, and we do lack it. I have kids that live in the community and go to Carmel High School, and I would like to see more of a social, economic, and age difference in our community, personally."

May 24, 2023 Housing Ad Hoc
Committee Community Meeting

The City also has a variety of programs to encourage the development ELI units including Accessory Dwelling Units, a portion of which are affordable by design to Extremely-Low Income Households and Employee Housing. The City has also funded a full-time permanent Associate Planner position through the General Fund to focus on long-range planning and housing needs.

Quantified Objective: 57 Extremely Low-Income units
Timeframe: Fund Associate Planner through June 2031
Responsible Party: Planning and Building Department
Funding Source: General Fund
(Formerly Program 3-5.4.b)

Program 3.1.C: Density Bonus - AFFH

Density bonuses can provide a significant incentive to build affordable housing units. By increasing the number of units permitted to be built on a property, the financial investment required to bring the development to fruition has a higher likelihood of a return. Given the high cost of materials, labor and borrowing costs, increasing the number of units can make the housing project financially feasible.

The City's Density Bonus provisions must be updated to reflect recent changes to State law.

Pursuant to Government Code Section 65915, the City will amend the City’s Density Bonus provisions to be consistent with recent changes to State Density Bonus Law. Additionally, the City will further review and revise local bonus density ordinances to clarify the regulations and increase certainty of applicability.

Quantified Objective: 187 Lower-income units
Timeframe: Adoption of Municipal Code amendments by December 2024
Responsible Party: Community Planning and Building Department
Funding Source: General Fund
(Formerly Program 3-5.4.a: Density Bonus)

Program 3.1.D: Reduced Entitlement and Development Fees - AFFH

Entitlement and development fees paid by project applicants assist in the City’s ability to recover administrative and operating costs; however, these fees may have the unintended consequence of increasing the cost of housing. To encourage the development of affordable housing, the City will waive the parking in-lieu fees for affordable housing units and reduce the planning and building permit fees by up to 25 percent for affordable housing units in commercial areas.

Quantified Objective: Reduced City fees by 25 percent for developments with affordable units
Timeframe: Adopt Fee Schedule by July 2025
Responsible Party: Community Planning and Building Department
Funding Source: General Fund
(Formerly Program 3-5.5.a: Reduced Entitlement and Development Fees)

Program 3.1.E: Reduced Parking Requirements - AFFH

Parking requirements increase costs to residential development and take up valuable space that can be used for housing. The City will continue to offer reduced parking requirements for affordable housing developments. Additionally, the City will waive the parking in-lieu fees for affordable units, clarify the program requirements in the Central Commercial (CC) zoning district, and reduce parking requirements in the Multi-Family Residential (R-4), Residential & Limited Commercial (RC), and Service Commercial (SC) zoning districts.

Quantified Objective: Reduced parking for developments with affordable units
Timeframe: Adoption of Municipal Code amendments by December 2024
Responsible Party: Community Planning and Building Department
Funding Source: General Fund
(Formerly Program 3-5.5.b: Reduced Parking Requirements)

Program 3.1.F: Expedited Processing Procedures - AFFH

Faster permit processing times reduce overall project timelines and allow a project to get to the construction stage in a timely manner. Reducing overall project timelines is critical during this inflationary period where materials and labor costs continue to rise. Additionally, supply chains still have not recovered to pre-pandemic levels and delays in processing can also result in delays in placing orders and receiving materials and securing labor.

To enable a more efficient permit processing system, the City is committed to contracting with a qualified consultant to review the Planning Division's current permitting procedures to identify inefficiencies and make recommendations on process improvements to streamline the permitting process. Based on the consultant's recommendations, the City will update existing permitting procedures including but not limited to the following:

- Implement concurrent permit processing for projects that incorporate several land uses or features that would typically require two or more permit applications, to be concurrently reviewed and approved or disapproved by the highest-level review authority or joint meetings. This will expedite the review process for complex development projects.
- Allow an option for affordable multi-family projects to utilize 3-D modeling or other comparable methods, in lieu of story poles, that provide objective information for the City to assess impacts of development on important coastal scenic view resources;
- Prioritize projects with affordable units, assign a dedicated planner to facilitate the development process, and schedule joint public hearings when multiple decision-making bodies are involved.

Quantified Objective: Shorter processing times by 50 percent for developments with affordable units

Timeframe: Hire consultant by December 2024; Adoption of Municipal Code amendments by June 2026

Responsible Party: Community Planning and Building Department

Funding Source: General Fund

(Formerly Program 3-5.5.c: Expedited Processing Procedures)

Program 3.1.G: Establish Minimum Densities and Ministerial Approval Process - AFFH

Establishing a minimum density can be utilized as a tool to ensure the limited available land in a City is used in an efficient manner and lower densities are avoided. The City's intention for establishing a minimum density in the Commercial and Multi-Family Residential Districts is rooted in enabling the development of more dense housing in the City. Currently, the Commercial District (SC, RC, and CC) permits residential densities of 0-22 dwelling units per acre and the Multi-Family Residential District (R-4) permits a maximum of 33 dwelling units per acre. Effectively, establishing a minimum density in these districts will result in higher yields of residential units. Recent residential development in the City's Commercial District have ranged in densities from 22-33 dwelling units per acre.

The City will revise the Municipal Code for commercial districts (RC, SC, and CC) and the multi-family residential (R-4) district to establish a minimum density of 33 dwelling units per acre, as part of the base zoning. Additionally, the City will restrict new single-family development in the R-4, CC, RC, and SC Districts. Existing single-family dwellings in these districts will be considered legal nonconforming uses.

In addition, and in compliance with Government Code 65583.2(h)(i), sites identified in the site inventory to accommodate the lower-income RHNA category, are subject to by-right development, requiring no discretionary review. By-right means a jurisdiction shall not require:

- Conditional Use Permit;
- Planned Unit Development Permit;
- Design review, other than Objective Development Design Standards; or
- Other discretionary, local government review or approval that would constitute a “project” as defined in Section 2100 of the Public Resources Code (California Environmental Quality Act “CEQA”)

The City is committed to modifying development standards in the commercial and multi-family districts to ensure the standards support the minimum density and do not function as a constraint to meeting the minimum density, as necessary.

Quantified Objective: 14 Extremely Low, 14 Very Low, 11 Low, 22 Moderate, and 110 Above Moderate-Income units

Timeframe: Adoption of Municipal Code amendments by December 2024

Responsible Party: Community Planning and Building Department

Funding Source: General Fund

(NEW)

Policy 3.2: Recognize the special needs of persons with disabilities and the need to retain flexibility in the design review process to accommodate these needs.

Program 3.2.A: Reasonable Accommodation Procedures - AFFH

A reasonable accommodation is any change, exception or adjustment to a rule, policy, practice or service that allows a person with a disability to have an equal opportunity to participate. Information on reasonable accommodation procedures will continue to be provided at City Hall and on the City’s website. The City will evaluate and revise Policy C11-01, which describes procedures to provide reasonable accommodation and will explore reduced or waived permit fees for persons with disabilities in compliance with the provisions of SB 520, in an effort to remove any additional barriers and encourage those with disabilities to apply.

To eliminate subjectivity from the required findings for requests for reasonable accommodation, the City will amend the Municipal Code to remove the findings requirement for requested accommodations stating, “the requested accommodation will not result in a significant and unavoidable negative impact on adjacent uses or structures.”

Further, the City will amend the definition of aggrieved parties in the Municipal Code. An exception for reasonable accommodation appeals will limit the parties eligible to appeal a request for a reasonable accommodation permit to the applicant or the personal beneficiary.

Quantified Objective: 8 applications

Timeframe: Adoption of revised policy and Municipal Code amendment by June 2025

Responsible Party: Community Planning and Building Department

Funding Source: General Fund

(Formerly Program 3-5.1: Reasonable Accommodation Procedures)

Program 3.2.B: Housing Mobility - AFFH

To improve housing mobility and promote more housing choices and affordability throughout Carmel-by-the-Sea, the City will employ a suite of actions to be targeted in lower density areas, including outreach, resources, and other strategies with an overall goal of expanding housing opportunities affordable to extremely low, very low, low, and moderate-income households. This initiative extends beyond programs to meet the City's RHNA in an effort to increase housing mobility. Actions and strategies include:

1. Religious institution/faith-based sites: the City will Facilitate housing on religious institution/faith-based sites. Consistent with AB 1851 and AB 2244, the City will amend the Zoning Ordinance to allow religious institution-affiliated housing development projects by-right as an accessory use to a permitted religious institution use, allow these uses at densities up to 33 dwelling units per acre, and update the parking requirements consistent with State law. The City commits to modifying standards and making other modifications as needed to achieve the maximum allowed densities. If no application for housing on a religious institution/faith-based site is received by December 2025, the City will expand outreach efforts to be conducted annually. This may include direct mailings to faith-based sites highlighting current successful affordable housing units on other faith-based sites, as well as available City grants and loans for such housing and human services endeavors. See Program 1.1.D.
2. Homesharing: Research and pursue a homesharing program, including coordination with non-profits and other organizations to assist with matching tenants with existing homeowners. The City may provide collaborators with data about single-family homes with long-time residents, facilitate presentations at The Carmel Foundation Senior Center, and other outreach assistance. The City will market and take other actions as necessary at least annually with the goal of five opportunities per year.

3. Accessory dwelling units (ADUs) and other "missing middle" housing in lower-density zones: Prepare pre-approved ADU building plans, Publicize ADU and JADU incentives such as reduced permit fees (as established in Program 1.3.C). City will provide information about Government Code 65852.21 and 66411.7 (urban lot splits and two-unit developments), including the relevant objective design standards and streamlined review available for such units, with a target of one application for an additional housing unit each year, the City will provide information that homeowners associations and CC&Rs are preempted by state law and cannot prohibit ADUs or JADUs.
4. Marketing of housing resources and opportunities: Provide housing resources and information available through various City and regional in-person and virtual outlets in multiple languages based on U.S. Census Bureau's American Community Survey indicating languages spoken by Carmel-by-the-Sea residents.
5. Local Universal Design Ordinance: Adopt a local Universal Design Ordinance applicable to single-family, duplex, and tri-plex projects. See Program 3.2.C.
6. Additional Housing Opportunities: Adopt an ordinance to zone certain parcels for up to 10 units of residential density if located in either a transit-rich area or an urban infill site consistent with Government Code Section 65913.5 (SB 10). The ordinance will include a map demarcating the parcels subject to this upzoning. The City will adopt this ordinance no later than December 2025. The objective is to provide opportunities for at least an additional 20 units through this zoning ordinance. See Program 1.3.I.

Quantified Objective: Provide 75 affordable housing opportunities by January 2031.

Timeframe: Annually review overall progress and effectiveness in April and include information in annual report to HCD. If the City is not on track to achieve development of 75 affordable housing units beyond the RHNA goal for the 8-year planning cycle by 2027 (i.e., 37 units built or in process by 2027), the City will consider alternative land use strategies and make necessary amendments to zoning or other land use documents to facilitate a variety of housing choices, including but not limited to, strategies that encourage missing middle zoning (small-scale multi-unit projects up to four-plexes) in addition to lot splits/additional housing units; adaptive reuse, and allowing additional ADUs and/or JADUs, within six months, if sufficient progress toward this quantified objective is not being met.

Responsible Party: Community Planning and Building Department

Funding Source: General Fund

(New)

Program 3.2.C: Local Universal Design Standards – AFFH

Universal design is the design of products and environments to be usable by all people, to the greatest extent possible, without the need for adaptation or specialized design. To ensure accessible housing for all residents, the City will develop Universal Design Standards that incorporate accessibility design features that exceed current California Building Code requirements.

Quantified Objective: N/A
Timeframe: Adoption of Universal Design Standards by June 2026
Responsible Party: Community Planning and Building Department
Funding Source: General Fund
(Formerly Program 3-5.1: Reasonable Accommodation Procedures)

Program 3.2.D: Family Friendly Housing – AFFH

Promote multi-family housing designs and unit mix to attract multigenerational households by encouraging developers to include housing features and more bedrooms (including four-bedroom units), as well as other on-site amenities, such as usable outdoor open space for multigenerational use, and multipurpose rooms that can be used for after-school homework clubs, computer, art, or other resident activities. To address potential displacement of households with four or more persons, the City will research options to expand regulatory incentives to encourage the development of larger units.

Quantified Objective: 15 two-, three-, and four-bedroom units entitled; 15 family friendly designated units
Timeframe: Develop Regulatory Incentive (Mid-Term); Implement Family Friendly Design Guidelines (Ongoing)
Responsible Party: Community Planning and Building Department
Funding Source: General Fund
(Formerly Program 3-5.1: Reasonable Accommodation Procedures)

Policy 3.3: Facilitate the provision of transitional and supportive housing in appropriate districts in the community.

Program 3.3.A: Zoning for Transitional and Supportive Housing - AFFH

Senate Bill (SB) 2 (2007) revised Housing Element law requiring that transitional and supportive housing be permitted as a residential use, subject only to restrictions that apply to other residential dwellings of the same type in the same zone. In compliance with SB 2, the City will continue to allow transitional/supportive housing as a residential use. The City’s Municipal Code permits transitional and supportive housing by-right in all districts that permit residential uses including the CC, SC, RC and R-4 Districts, regardless of the number of persons the facility.

Quantified Objective: N/A
Timeframe: Adoption of Municipal Code amendments by December 2024
Responsible Party: Community Planning and Building Department

**Funding Source: General Fund
(Formerly Program 3-5.8: Zoning for Transitional and Supportive Housing)**

Program 3.3.B: Low-Barrier Navigation Centers - AFFH

Assembly Bill (AB) 101 (2019) provides a pathway to permanent housing for people experiencing homelessness. A “Low Barrier Navigation Center” is a housing first, low-barrier, service-enriched shelter focused on moving people into permanent housing. The shelter provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing. In order to comply with state law, the City will amend the Municipal Code to include the definition for “Low Barrier Navigation Center” and will develop By Right procedures for processing low barrier navigation centers.

Quantified Objective: N/A
Timeframe: Adoption of Municipal Code amendments by December 2024
Responsible Party: Community Planning and Building Department
Funding Source: General Fund
(NEW)

Program 3.3.C: Unlicensed Residential Care Facilities

State law requires local governments to treat licensed residential care facilities (e.g. group homes) with six or fewer residents as a residential use and subject to the same development standards as a single-family dwelling. Furthermore, no conditional use permit, variance, or other zoning clearance shall be required of a residential care facility that serves six or fewer persons that is not also required of a single-family dwelling of the same type in the same zone. The residents and operators of a residential care facility shall be considered a family for the purposes of any law or zoning ordinance that relates to the residential use of a property. However, “six or fewer persons” does not include the operator, the operator’s family, or persons employed as staff. These facilities are licensed and regulated by the State of California.

The City defines Residential Care Facilities as *facilities that require or are licensed by the State of California to provide living accommodations and 24-hour, primarily nonmedical care and supervision for persons in need of personal services, supervision, protection, or assistance. Living accommodations are shared living quarters with or without separate kitchens or bathrooms for each room or unit. This classification includes facilities that are operated for profit as well as those operated by public or nonprofit institutions.*

Residential Care, General. A residential care facility providing 24-hour nonmedical care for more than six persons in need of personal services, supervision, protection, or assistance. This classification includes hospices, board and care homes, and similar establishments that are licensed by the State of California. These types of facilities are **conditionally permitted** in the SC and RC Districts.

Residential Care, Limited. A residential care facility providing 24-hour nonmedical care for six or fewer persons in need of personal services, supervision, protection, or assistance essential for sustaining the activities of daily living. This classification includes only those facilities licensed for residential care by the State of California. These types of facilities are subject to the same regulations as apply to other family residential dwellings in the CC, SC, and RC Districts. In the R-1 District, they are permitted in single-family homes. In the R-4 District, they are permitted by-right with no restrictions.

Residential Care, Senior. A residential care facility providing 24-hour medical or nonmedical care for more than six persons 60 years of age or older in need of personal services, supervision, protection, or assistance for sustaining the activities of daily living. This classification includes nursing homes for the elderly, life care or continuing care homes, and similar facilities licensed for residential care by the State of California. These types of facilities are **conditionally permitted** in the SC, RC, and R-4 Districts.

Recognizing that larger facilities provide necessary supportive environments for a variety of households, the City will amend the Zoning Ordinance to conditionally permit unlicensed facilities of seven or more persons in all zones that allow similar residential uses.

Quantified Objective: Amend the Zoning Ordinance to conditionally permit unlicensed residential care facilities of seven or more persons in all zones that allow similar residential uses
Timeframe: Amend the Zoning Ordinance by December 2024
Responsible Agency: Community Planning and Building Department
Funding Source: General Fund
(NEW)

Program 3.3.D: Single Room Occupancy (SRO) Units

The Carmel Municipal Code will be amended to permit single-room occupancy units as a residential use subject only to those regulations that apply to other residential dwellings of the same type in the same zone. As such, City staff will complete the following schedule of actions to amend the Municipal Code:

- Draft a definition for "single room occupancy unit" to add to the zoning ordinance consistent with the Government Code (November 2024)
- Propose the zoning change amendment to the City Council for approval (December 2024)

Quantified Objective: N/A
Timeframe: Adopt Ordinance by December 2024
Responsible Party: Community Planning & Building Department
Source: General Fund
(NEW)

GOAL H4 EXEMPLIFY SUSTAINABLE DEVELOPMENT AND ENERGY CONSERVATION

Policy 4.1: Support energy and water conservation programs to reduce the consumption of these resources in housing and to reduce housing costs.

Program 4.1.A: Water Conservation - AFFH

Potable water remains scarce and highly regulated in the City and continues to be a major limiting constraint to new development. In order to preserve the City's limited water allocation for new residential units, the City will continue to enforce the Water Management Program through the building permit process, establish the Water Distribution Policy, and provide information to the community on water conservation retrofits and best practices. In addition, the City will provide information on and promote water conservation education through outreach and community engagement, and retrofit rebates provided by the Monterey Peninsula Water Management District.

Quantified Objective: Promote water conservation in 100 existing units
Timeframe: Adoption of policy by June 2031
Responsible Party: Community Planning and Building Department
Funding Source: General Fund
(Formerly 3-5.6.b Water Conservation)

Program 4.1.B: Energy Conservation and Green Building

Conserving energy to reduce stress on the electrical grid and reduce the effects of climate change (i.e. wildfire and flooding) is increasingly critical. The City experienced significant power outages during the 2022-23 winter storms, adjacent areas were flooded, and the past few wildfire seasons have significantly impacted air quality and resulted in evacuations of neighboring communities. The City will continue to review applications for new construction and substantial alterations, taking into consideration solar orientation and access to sunlight. The City will also continue to require compliance with current state building standards for energy efficiency in all new homes. The City will further disseminate information by updating the website annually with related energy conservation and green building information. The City also participates in the Community Wildfire Protection Program and is committed to implementing Program recommendations.

Quantified Objective: Promote energy conservation in 100 existing units
Timeframe: Continued education and compliance through June 2031
Responsible Party: Community Planning and Building Department
Funding Source: General Fund
(Formerly Program 3-5.6.a: Energy Conservation and Green Building)

GOAL H5 PUBLICIZE HOUSING NEEDS AND RESOURCES

Policy 5.1: Support and enforce fair housing laws. Expand fair housing choice by promoting housing opportunities and removing impediments to fair housing.

Program 5.1.A: Fair Housing Services - AFFH

The Fair Housing Act protects people from discrimination when they are renting or buying a home, getting a mortgage, seeking housing assistance, or engaging in other housing-related activities. The California Department of Fair Employment and Housing and the Conflict Resolution and Mediation Center of Monterey County provide fair housing services and information. These agencies advise persons in need of information on housing and employment, mediate landlord/tenant disputes and research complaints about discriminatory housing practices. The City shall coordinate with these agencies to provide printed information about fair housing services at City Hall, on the City's website, and in other public buildings such as the City's two libraries. The City shall also refer inquiries related to fair housing to these agencies and provide fair housing resources at outreach events.

Quantified Objective: 25 referrals/materials distributed
Timeframe: Proactive outreach through June 2031
Responsible Party: Community Planning and Building Department
Funding Source: General Fund
(Formerly Program 3-5.7: Fair Housing Services)

Program 5.1.B: Housing Choice Voucher Program - AFFH

Created by the Housing and Community Development Act of 1978, the Housing Choice Voucher program, formerly known as Section 8, provides assistance to eligible Low- and Moderate-Income families to rent housing in the private market. Eligibility for this program is based on the family's gross annual income and family size. The Housing Choice Voucher rental assistance program is administered by the Housing Authority of Monterey County. The City will continue to facilitate use of the Housing Choice Voucher program in the community by distributing information for the program at City Hall and the Library and making referrals to the Housing Authority.

Quantified Objective: 40 referrals/materials distributed
Timeframe: Proactive outreach through June 2031
Responsible Party: Community Planning and Building Department
Funding Source: General Fund
(Formerly Program 3-5.3.b Section 8 Rental Assistance)

Program 5.1.C: Shared Housing Information - AFFH

Shared housing is another important tool to provide affordable housing units. Shared housing is generally more affordable because a portion of a residence is rented as opposed to an entire unit. Shared housing can also financially help low-income individuals who own their homes and alleviate loneliness. Benefits to Low-Income individuals include provision of safe and secure affordable housing in a high-cost market. The City will continue to distribute informational materials from the Monterey County Housing Authority and the Carmel Foundation, display information at City Hall and other public buildings and posted on the City’s website. The City will also seek out other Shared Housing providers and resources to expand this housing option.

Quantified Objective: 80 referrals/website visits
Timeframe: Proactive outreach through June 2031
Responsible Party: Community Planning and Building Department
Funding Source: General Fund
(Formerly Program 3-5.2: Shared Housing Information)

Program 5.1.D: Farmworker Housing – AFFH

Although the City does not have agricultural uses, and therefore, no housing designated specifically for farmworkers —the City supports the County of Monterey’s efforts to educate the public on resources that are available for agricultural workers. The City has identified the following resources that are available throughout the region for agricultural employees:

- **Spanish Farmworkers Resource Line** – provides information on a variety of issues such as legal help and medication services, stress, resources for farmworkers with disabilities, etc.
- **The Center for Community Advocacy** – an organization whose mission is to support and build leadership within the community and in particular for farmworkers and their families. The Center has worked side by side with farmworkers to help improve their living conditions, advocate to have more affordable housing and access to health services and resources.
- **Farm and Food Worker Relief Program** – Catholic Charities Diocese Monterey is providing direct financial relief to eligible farmworkers in the counties of Monterey, Santa Cruz, San Benito, and San Luis Obispo. The purpose of this program is to provide direct financial relief to eligible field workers, meatpacking workers, livestock workers, and grocery store workers.

Quantified Objective: N/A
Timeframe: Ongoing
Responsible Party: Community Planning and Building Department
Funding Source: General Fund
(NEW)

Policy 5.2: Promote public awareness and foster pride in the history of the village.

Program 5.2.A: Support Community Organizations - AFFH

Community organizations play a pivotal role to provide outreach and services to those facing housing issues. The City will continue to support neighborhood organizations that promote neighborhood involvement, safety and improvement, including but not limited to the Carmel Residents Association, the Carmel Foundation and the Carmel Heritage Society. The City will develop partnerships with these organizations to promote neighborhood enhancement programs, conduct and improve outreach and education, and solicit community input.

Quantified Objective: N/A

Timeframe: Proactive outreach and partnerships through June 2031

Responsible Party: Community Planning and Building Department

Funding Source: General Fund

(Formerly Program 3-4.2.b: Support Neighborhood Organizations)

Housing Needs & Fair Housing Report



APPENDIX

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Appendix A

Housing Needs & Fair Housing Report

A.1 Introduction

The following report provides both the City of Carmel-by-the-Sea Housing Needs Assessment and Fair Housing Assessment. This analysis primarily utilizes U.S. Census Bureau American Community Survey (ACS) 5-Year Estimate data¹ and California Department of Housing and Community Development (HCD) data.

Housing Needs Assessment

The Housing Needs Assessment for the City of Carmel-by-the-Sea provides an in-depth analysis of the City's population, employment, economics, household, and housing stock conditions and characteristics. This assessment develops context for the City's goals, programs, and policies for the 6th Cycle Housing Element.

Fair Housing Assessment

In 2018, Governor Brown signed Assembly Bill (AB 686) which requires departments and agencies to administer programs relating to housing in a way that affirmatively furthers fair housing (AFFH)². As of January 1, 2019, AB 686 extends the obligation to affirmatively further fair housing to all public agencies in the State of California. This affirmative duty is not limited to those agencies with relationships with the federal government and is to be broadly applied throughout agencies at the state and local level. Now, all public agencies must both (1) administer programs and activities relating to housing and community development in a manner that affirmatively furthers fair housing, and (2) take no action inconsistent with this obligation³. AB 686 also made changes to Housing Element Law, requiring Housing Elements and General Plans to incorporate AFFH requirements. Such requirements include an analysis of fair housing outreach and capacity, integration and segregation, access to opportunity, disparate housing needs, and current fair housing practices.

¹ The primary reason for using 2019 data is because this is the data that was primarily being used by HCD in their AFFH datasets for the majority of housing needs data, including data that is pulled from CHAS datasets which range from 2013-2019. Additionally, 2020-2021 Census data may not be representative due to the COVID-19 pandemic. Largely, the data is reported for 2019 as this aligns with the supplemental data HCD has provided and allows for consistent reporting.

² Public agencies receiving funding from the U.S. Department of Housing and Urban Development (HUD) are also required to demonstrate their commitment to AFFH. The federal obligation stems from the fair housing component of the federal Civil Rights Act mandating federal fund recipients to take "meaningful actions" to address segregation and related barriers to fair housing choice.

³ California Department of Housing and Community Development Guidance, 2021, page 9.

Affirmatively Furthering Fair Housing

“Affirmatively furthering fair housing” means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws. The duty to affirmatively further fair housing extends to all of a public agency’s activities and programs relating to housing and community development. (Gov. Code, § 8899.50, subd. (a)(1).)”

SOURCE: California Department of Housing and Community Development Guidance, 2021, page 14.

History of segregation in the region

The United States’ oldest cities have a history of mandating segregated living patterns. Exclusive zoning practices were common in the early 1900s -- courts struck down only the most discriminatory and allowed those that would be considered today to have a “disparate impact” on classes protected by the Fair Housing Act. For example, the 1926 case *Village of Euclid v. Amber Realty Co.* (272 U.S. 365) supported the segregation of residential, business, and industrial uses, justifying separation by characterizing apartment buildings as “mere parasite(s)” with the potential to “utterly destroy” the character and desirability of neighborhoods. At that time, multifamily apartments were the only housing options for people of color, including immigrants.

The Federal Fair Housing Act was not enacted until nearly 60 years after the first racial zoning ordinances appeared in U.S. cities. This coincided with a shift away from federal control over low-income housing toward locally-tailored approaches (block grants) and market-oriented choice (Section 8 subsidies, now called Housing Choice Vouchers)—the latter of which is only effective when adequate affordable rental units are available.

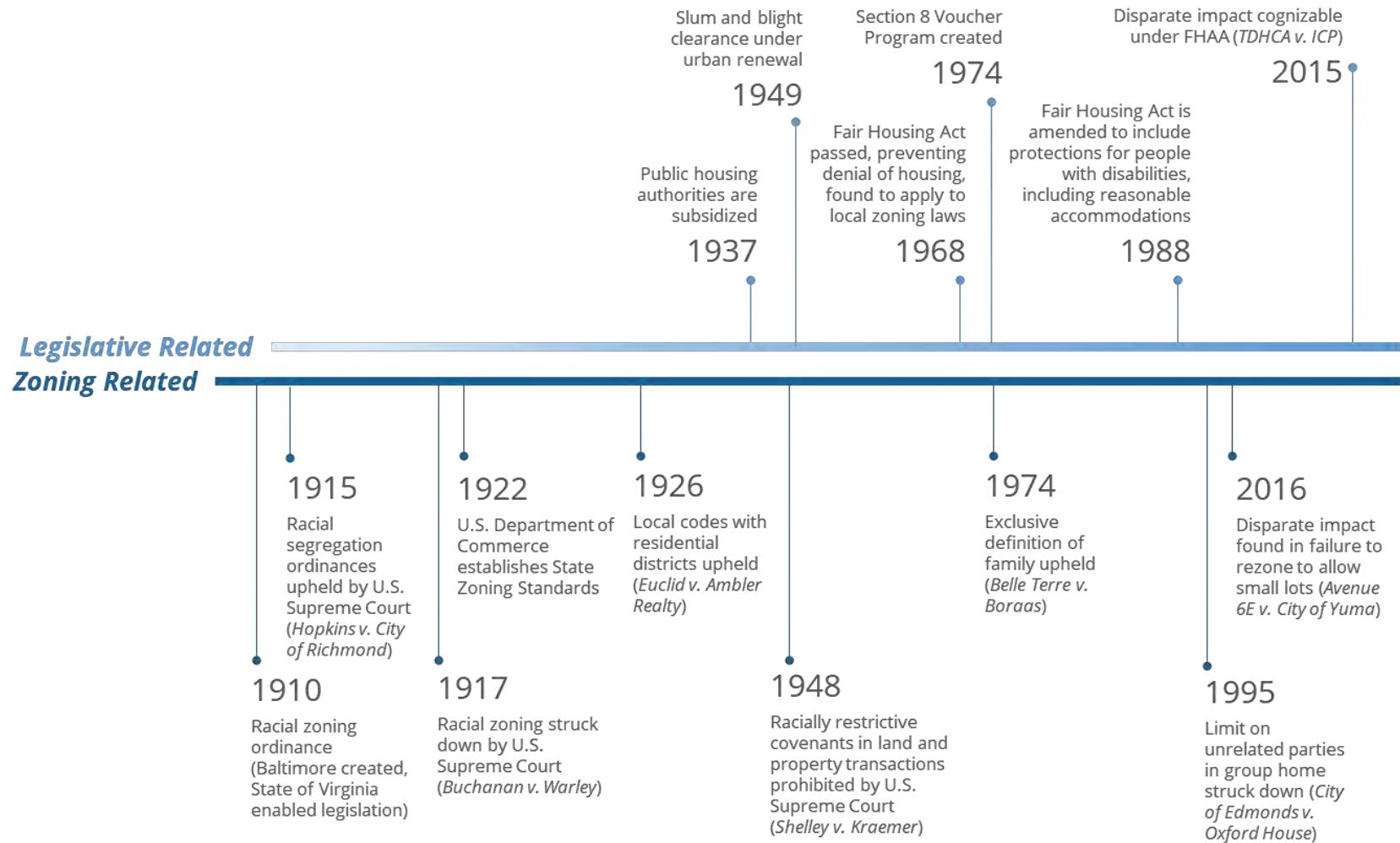
Figure A-1 on the following page provides a timeline of major legal and public actions that have influenced fair access to housing beginning in 1910.

This history of segregation in the region is important not only to understand how residential settlement patterns came about—but, more importantly, to explain differences in housing opportunity among different residents.

In sum, not all residents had equal ability to build housing wealth.

This historically unequal playing field in part determines structural inequities that persist today.

Figure A-1 Major Public and Legal Actions that Influence Fair Access to Housing



SOURCE: Root Policy Research

Monterey County and the Monterey Bay region also have an interesting past, as far as the fight to end racial segregation is concerned. Some of the segregation in the Monterey Bay area can be attributed to historically discriminatory practices, such as racial covenants⁴, redlining⁵, and discriminatory mortgage approvals. While Carmel-by-the-Sea itself does not have a history of racial covenants, the City’s racial characteristics do reflect persistent “structural inequities” in society, and “self-segregation” (i.e., preferences to live near similar people).

Kent Seavey’s 2007 book *Carmel: A History in Architecture* details the history of Carmel-by-the-Sea, from its early settlement by Spanish explorers, to its marketing as a “seaside resort for Catholics” in the 1880s, to the development of the City’s more contemporary history and architectural design. Similar to other jurisdictions within Monterey County, Carmel-by-the-Sea does not have a high level of diversity.

Harold and Ann Gilliam describe the history of Carmel in their 1996 book *Creating Carmel, The Enduring Vision*. Carmel started as an artist town, with notable writers, artists and poets Mary Austin, Sinclair Lewis, Jack London and Robinson Jeffers settling in Carmel-by-the-Sea. They were drawn to Carmel-by-the-Sea for its natural beauty, a quiet town among Monterey pine forest, scenic, rocky coastline, and white sand beaches. The early small cottages of the early 1900’s reflect these humble beginnings, and the evolution of Carmel’s architecture, including, Comstock’s notable fairy-tale style buildings, mirrors the community of artists who resided in Carmel-by-the-Sea. As Carmel-by-the-Sea grew and became a globally known tourist destination land prices began to increase. Gilliam writes, “[a]s expensive homes have replaced Carmel’s traditional cottages, the town’s demographics have changed. The artists and writers who carried on the Sterling tradition... and the low-to-middle-income residents in the old redwood cottages, have been gradually replaced by upscale business people and professionals able to afford the fantastically escalating prices of land”. In addition to historical discriminatory practices that embedded segregated living patterns throughout the Monterey Bay area, it’s also necessary to recognize the historical impacts of colonization and genocide on Indigenous populations and how the effects of those atrocities are still being felt today. Historically, the Monterey Peninsula has been home to indigenous populations for more than 10,000 years. The original inhabitants of present-day Monterey County were the Ohlone (Costanoan), Salinan, and Esselen tribes who have “...lived in communities related by language, family, and custom.”⁶ However, “[d]ue to the devastating policies and practices of a succession of explorers, missionaries, settlers, and various levels of government over the centuries since European expansion, these tribes have lost the vast majority of their population as well as their land.”⁷

⁴ Racial covenants are clauses that were inserted into property deeds to prevent people who were not White from buying or occupying land.

⁵ Redlining is the practice of denying credit to individuals based on race, ethnicity, or other discriminatory practices.

⁶ From *Racial Beachhead: Diversity and Democracy in a Military Town*, by Carol Lynn McKibben, 2012, Stanford University Press.

⁷ From *Indigenous peoples of San Mateo County*. San Mateo County Office of Education.

The lasting influence of these policies and practices have contributed directly to the disparate housing and economic outcomes collectively experienced by Native populations today.⁸

The *Monterey County Weekly* news outlet highlights the past and present effects of restrictive covenants, along with other housing issues such as “the lack of affordable housing, generational wealth inequities and zoning issues,” as potential contributing factors to segregation within the County.⁹ Though restrictive racial covenants were never enacted specifically in Carmel-by-the-Sea (unlike nearby Pebble Beach and Pacific Grove), the City’s population demographics are less diverse than other jurisdictions within Monterey County. Carmel-by-the-Sea’s General Plan and Zoning Ordinance have long emphasized single-family residential patterns and consequently, the City offers a limited variety of housing types with 87 percent single family detached units. Historically, this type of development contributed to segregation patterns in part due to higher purchase costs that accompany single-family homes. Because financing for single-family properties favored educated higher income earners, purchasing property in the City remained out of reach for many lower income households and likely contributed to the demographics seen in the City today.

Enacting policies and programs that promote AFFH and highlight the community’s assets could attract a broader demographic to the area, and encourage those that work in the City to live here as well. As reflected by the 2021 Proclamation of the City Council of Carmel-by-the-Sea: Carmel-by-the-Sea has been and will continue to be enriched and enhanced in its cultural fabric, economic prosperity, and personal understanding of others by having a principled and respectful community standard towards all people.

Carmel-by-the-Sea has been and will continue to be enriched and enhanced in its cultural fabric, economic prosperity and personal understanding of others by having a principled and respectful community standard towards all people.

July 5, 2021

Proclamation of the City Council of
Carmel-By-The-Sea

⁸ From *Systemic Inequality: Displacement, Exclusion, and Segregation*, by Danyelle Solomon, et al., 2019, Center for American Progress.

⁹ From Ribakoff, S. (2022, November 24) A new group sets out to explore the history of racist housing covenants in Monterey County. *Monterey County Weekly*.

Overview of Carmel-by-the-Sea

Over the past 10 years, Carmel-by-the-Sea has experienced growth in both population and jobs¹⁰, which means more housing of various types and sizes is needed to ensure that residents across all income levels, ages, and abilities have a place to call home. While the number of people drawn to the City has steadily increased, housing production has not kept pace with demand, contributing to the housing shortage in the City. The following Housing Needs and Fair Housing Assessment develops context for the goals, programs, and policies that Carmel-by-the-Sea will implement to address inequities in the 6th Cycle Housing Element.

Summary of Population, Employment, Household and Housing Stock Characteristics

The following provides a brief overview of population, employment, household, and housing stock characteristics in Carmel-by-the-Sea. These statistics help inform the existing housing needs in Carmel-by-the-Sea, as well as highlighting past trends and future forecasts to develop proactive policies and programs to address the needs of the community.

- Between 2010-2019, Carmel-by-the-Sea's population increased by 2.8 percent.¹¹
- According to the Association of Monterey Bay Area Governments (AMBAG) 2022 Regional Growth Forecast, Carmel-by-the-Sea, the population is forecast to grow by approximately three (3) percent between 2015 to 2045.
- In 2019, the predominant age group was individuals between 65 to 74 years of age.
- In 2019, the population was comprised of the following racial and ethnic groups: non-Hispanic White individuals (86.5 percent), Hispanic or Latino (8.2 percent), Asian populations (5.2 percent), and Black or African American (0.1 percent).
- According to the AMBAG 2022 Regional Growth Forecast, Carmel-by-the-Sea is projected to experience an employment growth of 17 percent (562 new jobs) between 2015-2045.
- In 2019, the unemployment rate was 0.1 percent; approximately 5 percent less than the County.

The fear factor about 'housing projects' is very high in this community. Even the process of identifying housing sites is a red flag for this community. However, [more detached dwelling units and new residential apartments above commercial spaces] is a continuation of a tradition that is tried and true and proven all over the world and also is the tradition of this community.

February 28, 2023 Housing Ad Hoc
Committee Community Meeting
Attendee

¹⁰ From AMBAG Regional Growth Forecast 2022; 2010 (population: 3,722); 2015 (population 3,854); 2020 (population: 3,949).

¹¹ From U.S. Census Bureau, ACS 5-Year Estimate, 2010-2019

- According to the AMBAG 2022 Regional Growth Forecast, Carmel-by-the-Sea is forecast to have a household growth of approximately one (1) percent by 2045 – an increase of 42 housing units.
- In 2019, the largest household type was married-couple family households (47 percent) single-person households (40 percent), female-headed households (6 percent), Other non-family households (5 percent), and male-headed households (2 percent).
- In 2019, above moderate-income households made up the majority of households in the City (62 percent) followed by lower-income households (28 percent), and moderate-income households (10 percent).
- In 2019, the housing stock was predominantly occupied by owner households (57 percent), compared to renter households (43 percent).
- In 2019, the majority of households (94 percent) do not experience overcrowding. Six (6) percent of households in Carmel-by-the-Sea are severely overcrowded and zero percent are moderately overcrowded.
- In 2019, 23 percent of households are cost burdened and 23 percent are severely cost burdened.
- The 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) data indicates there were approximately 310 extremely low- and very low-income households living in Carmel-by-the-Sea. There are approximately 140 extremely low-income households in Carmel-by-the-Sea, 100 of which are owner-occupied households and 40 extremely low-income renter-occupied households.
- In 2019, senior households makeup 43 percent of all households; 15 percent of seniors rent their homes.
- In 2019, 12 percent of people in Carmel-by-the-Sea have a disability of some kind.
- In 2019, Carmel-by-the-Sea had 70 large households, of which 57 percent are renter-occupied households. Renter-occupied households makeup the majority of all 3-5+ person households.
- In 2019, female-headed family households comprised 75 percent of single-parent households and male-headed households accounted for 25 percent. No single-parent households fell below the poverty level.
- The number of households experiencing homelessness has decreased between 2017 to 2022 from 16 persons to one (1), respectively.
- In 2019, Carmel-by-the-Sea had 3,832 housing units, an approximate 6 percent increase from the 3,606 units that existed in 2010.

- Between 2015 and 2022, 18 housing units were issued permits in Carmel-by-the-Sea which represents 58 percent of the RHNA number of 31 units assigned in the 5th Cycle Housing Element.
- In 2019, the housing stock included the following unit types: 87 percent of homes were single-family detached; 10 percent were multifamily; 2 percent were mobile homes; and 1 percent were single-family attached.
- From 2010 to 2019, the City has experienced a stable vacancy average of 51 percent as a result of tourism and second-home ownership.
- As of 2019, 80 percent of Carmel-by-the-Sea’s vacant units were for seasonal, recreational, or occasional (second home) use.
- In 2022, the median home value was estimated to be \$2,070,835. Home prices increased by 59 percent from 2019 to 2022. This reflects a 20 percent higher increase than the County, which is similar to nearby cities.¹²
- As of 2023, the average rent for an apartment in Carmel-by-the-Sea ranged from \$2,200 (studio) to \$5,459 (three bedrooms).¹³

A.2 Population, Employment, and Household Characteristics

Population characteristics impact current and future housing needs in a community. A city’s population growth, age composition, and race and ethnicity composition help to determine the type and extent of housing needed. The following section provides analysis of population characteristics and local trends that affect housing demand in Carmel-by-the-Sea.

Population Growth

Table A-1 shows population projections through 2045 according to the Association of Monterey Bay Area Governments (AMBAG) 2022 Regional Growth Forecast. In Carmel-by-the-Sea, the population is forecast to grow approximately 3 percent between 2015 to 2045. This reflects 11 percent less than the County, 1 percent more than Pacific Grove, and 56 percent less than Del Rey Oaks¹⁴. Population growth forecasts provide critical insight to the future demands of communities in terms of housing needs, employment, and more.

¹² From Zillow Home Value Index, December 2019-2022

¹³ From Zillow Rental Price Index, March 2023

¹⁴ These two Cities have been chosen for comparison throughout the document based on having comparable population sizes to Carmel-by-the-Sea.

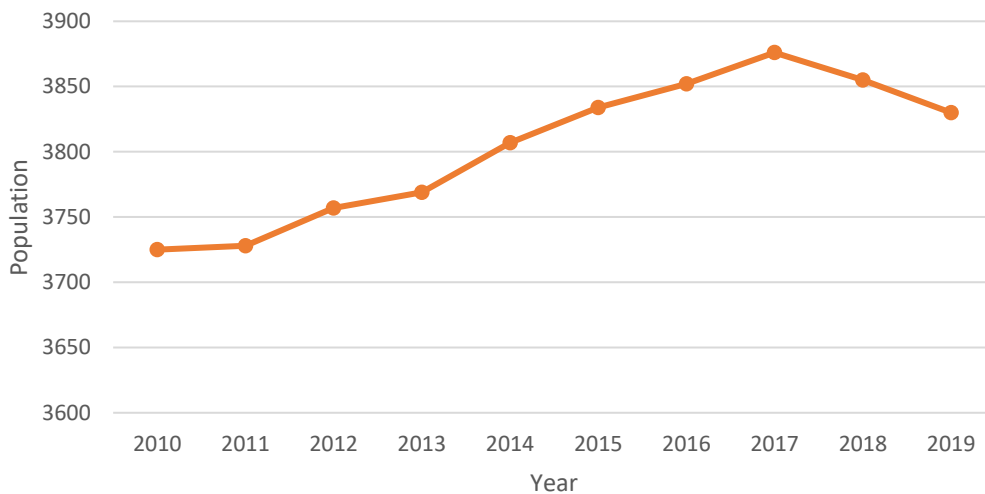
Table A-1 Population Growth Forecast by Jurisdiction, 2015-2045

Jurisdictions	Population							Change 2015-2045	
	2015	2020	2025*	2030*	2035*	2040*	2045*	Numeric	%
Monterey County	430,310	441,143	452,761	467,068	476,028	483,884	491,443	61,133	14%
Carmel-by-the-Sea	3,854	3,949	3,946	3,954	3,964	3,974	3,984	130	3%
Del Rey Oaks	1,663	1,662	1,693	1,734	1,859	2,330	2,650	987	59%
Pacific Grove	15,460	15,265	15,290	15,395	15,530	15,676	15,817	357	2%

SOURCE: AMBAG Regional Growth Forecast, 2022
 NOTE: *Projected growth values

Figure A-2 illustrates population growth in Carmel-by-the-Sea between 2010-2019. Carmel-by-the-Sea’s population increased by 2.8 percent from 2010 to 2019. The City’s population steadily increased from 2010 to 2017 before experiencing a sharp decline through 2019.

Figure A-2 Population Growth, Carmel-by-the-Sea, 2010-2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2010-2019

Age Characteristics

A community’s housing needs are partly determined by preferences of age groups and household types (age, family/non-family, female-headed, etc.). When seeking housing, households may prioritize factors such as size, accessibility, and price. For instance, younger and middle-aged households may seek homes that can accommodate a growing household size, whereas older adults may seek to downsize to an apartment with assistive care services or a smaller, more affordable single-family home. Disabled persons may seek homes that are accessible and include universal

design or visitability features. Overall, the life stages of a population determine the housing stock that is needed in a community.

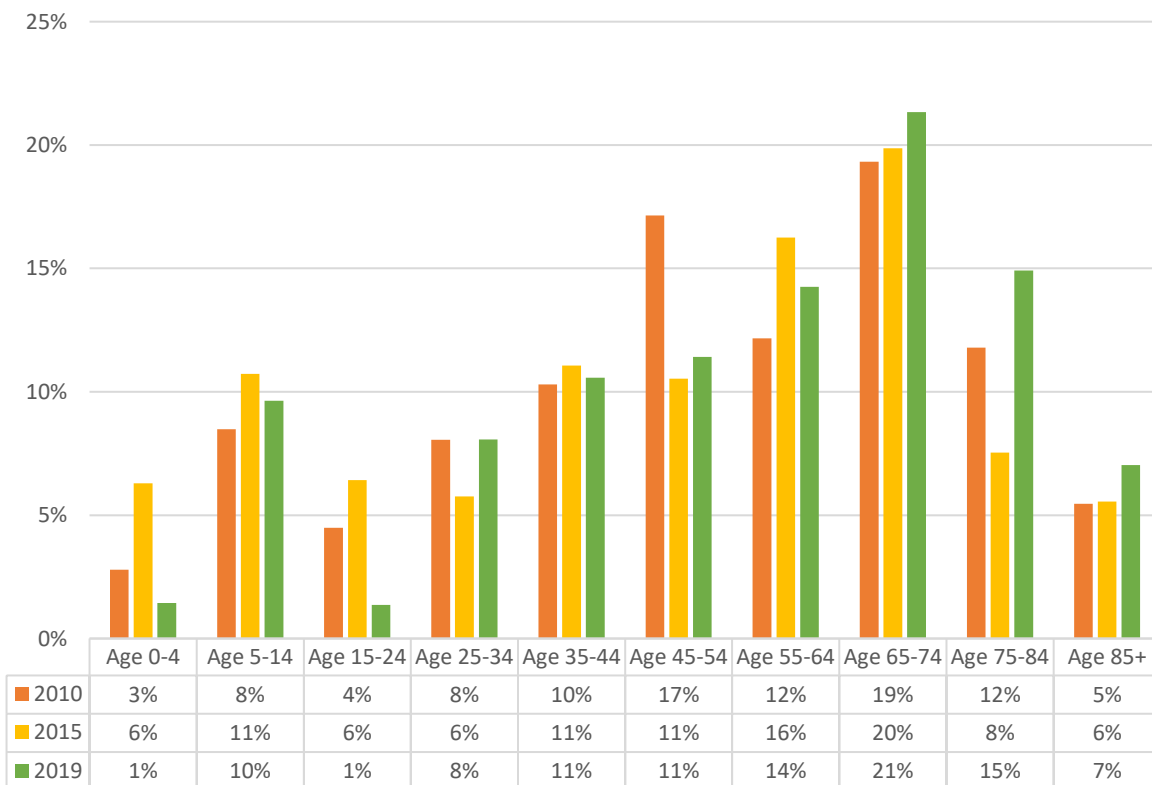
In 2010, Carmel-by-the-Sea’s predominant age group was individuals between 65 and 74 years of age (19 percent).

Figure A-3 shows that between 2010 and 2019, the general age of the population has been slowly increasing, with the most populous age groups in the City being individuals between 55 and 84 years of age. The City’s median age has changed little since 2010, ranging from 56 in 2010, 54 in 2015, and 59 in 2019. Overall, the City’s aging trend suggests a demand for housing geared toward middle-aged to senior groups.

“When I grew up, this was a town of children. All the property owners were parents. All the employees in the stores were parents. So, everything in this town was about children, and we don't have children anymore.”

May 24, 2023 Housing Ad Hoc Committee Community Meeting Attendee

Figure A-3 Population Distribution by Age, Carmel-by-the-Sea, 2010-2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2010, 2015, 2019

Table A-2 shows population age distribution revealing that Carmel-by-the-Sea’s most populous age group in 2019 was individuals 65 to 74 years of age (21 percent). Compared to the County and nearby cities, Carmel-by-the-Sea has the largest 55 to 85+ age group (43 percent) followed by Pacific Grove (27 percent), Del Rey Oaks (23 percent), and the County (13 percent). Since 2010, Carmel-by-the-Sea’s smallest age demographic are those aged 0-14.

Table A-2 Population Age Distribution by Jurisdiction, 2019

Jurisdiction	Population Age									
	0-4	5-14	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
Monterey County	7.3%	14.8%	14.3%	14.4%	13.0%	11.8%	11.1%	7.7%	3.6%	1.9%
Carmel-by-the-Sea	1.4%	9.7%	1.4%	8.1%	10.6%	11.4%	14.3%	21.3%	14.9%	7%
Del Rey Oaks	5.7%	8.3%	5.7%	12.6%	12.5%	13%	18.9%	15.9%	4.4%	2.9%
Pacific Grove	3.5%	12.2%	8.5%	10.0%	10.4%	13.3%	14.7%	16.5%	6.6%	4.3%

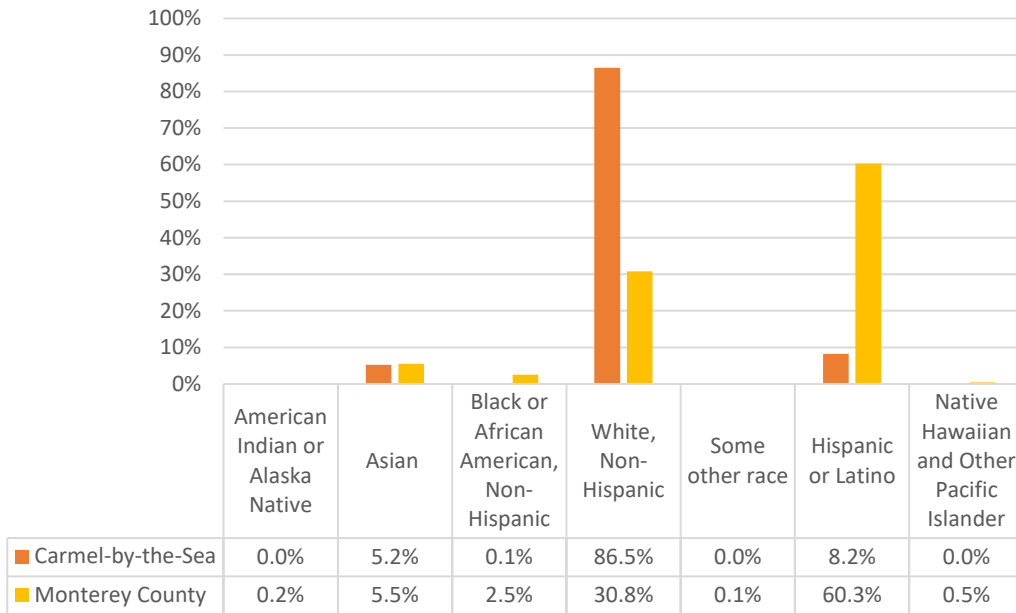
SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2019

Race and Ethnicity Characteristics

Examining the demographic, ethnic, and racial composition of a region is integral to understanding fair housing concerns including access to economic opportunity and safe and affordable housing. Historic exclusionary governmental policies, biased mortgage lending practices, and other tactics have caused racial and ethnic segregation and spatial inequities. This section provides an overview of racial/ethnic composition and segregation patterns within Monterey County and the City of Carmel-by-the-Sea.

Understanding the racial and ethnic composition of a city is vital to ensuring equal opportunity to housing for all groups, inclusive of cultural norms and preferences. An in-depth analysis of race and ethnicity is provided in the Fair Housing Report in [Appendix A. Figure A-4](#) illustrates the racial and ethnic composition of Carmel-by-the-Sea compared to the County.

Figure A-4 Population by Race Compared to the County, 2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2019

When comparing the City and the County, non-Hispanic White and Hispanic or Latino populations are the most represented; however, the County presents more diversity than Carmel-by-the-Sea. Non-Hispanic White individuals comprise 87 percent of Carmel-by-the-Sea’s population followed by Hispanic or Latino (8 percent) and Asian populations (5 percent). In contrast, the County’s largest population is Hispanic or Latino individuals (60 percent) followed by non-Hispanic White (31 percent). The City has no populations identifying as American Indian or Alaska Native or Native Hawaiian or Other Pacific Islander. Black or African American non-Hispanic individuals represent less than 1 percent of the City’s population.

Table A-3 provides a comparison of racial and ethnic composition by jurisdiction. In 2019, Carmel-by-the-Sea (87 percent) and the neighboring City of Pacific Grove (83 percent) had the largest non-Hispanic White populations compared to Del Rey Oaks (75.5 percent) and the County (30.8 percent). Compared to surrounding cities and the County, Carmel-by-the-Sea had the lowest Asian population (5 percent). Overall, Carmel-by-the-Sea is one of the least diverse when compared to the County and the nearby cities of Del Rey Oaks and Pacific Grove.

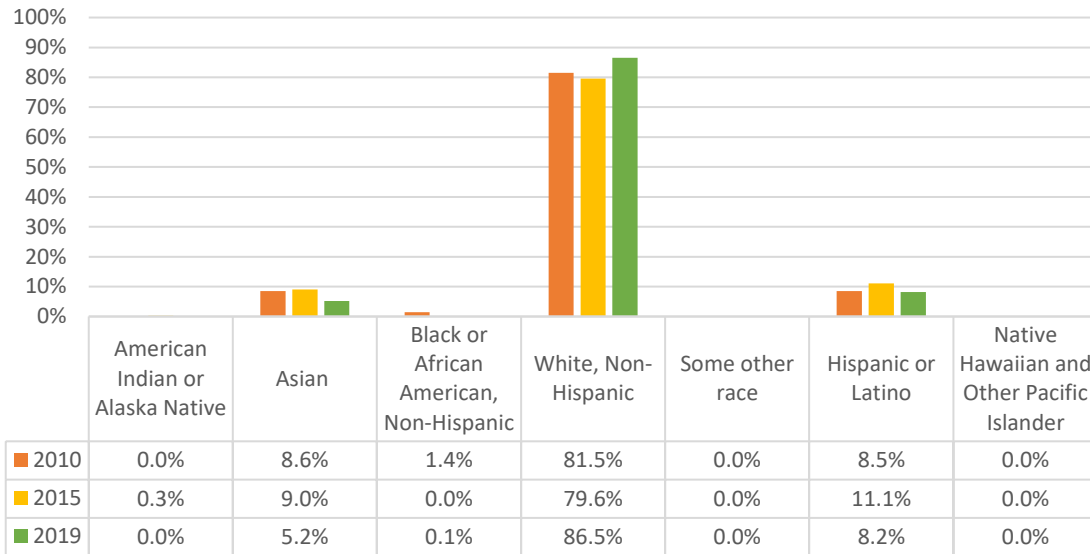
Table A-3 Population by Race by Jurisdiction, 2019

Jurisdiction	American Indian or Alaska Native	Asian, alone	Black or African American, Non-Hispanic	White, Non-Hispanic	Some Other Race	Hispanic or Latino	Native Hawaiian and Other Pacific Islander
Monterey County	0.2%	5.5%	2.5%	30.8%	0.1%	60.3%	0.5%
Carmel-by-the-Sea	0.0%	5.2%	0.1%	86.5%	0.0%	8.2%	0.0%
Del Rey Oaks	0.0%	7.1%	2.5%	75.5%	0.0%	13%	0.3%
Pacific Grove	0.2%	5.8%	1.0%	82.8%	0.0%	10.3%	0.1%

SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2019

When analyzing race and ethnicity in a city, it's important to understand how demographics have changed over time. [Figure A-5](#) illustrates changes in population by race between 2010-2019 in Carmel-by-the-Sea. During this time frame, Carmel-by-the-Sea's population composition experienced fluctuations in nearly all populations, and by 2019 saw a decline in each population except non-Hispanic White. In 2015, the non-Hispanic White population experienced a 2 percent decrease in size, while the Asian and Hispanic or Latino populations increased 2 percent and 3 percent, respectively. In 2019, Carmel-by-the-Sea experienced a 7 percent increase in the non-Hispanic White population, and a decline in both the Asian and Hispanic or Latino populations by 4 percent and 3 percent, respectively. Since 2015, population levels have remained less than 1 percent for Black or African American, American Indian or Alaska Native, Native Hawaiian, and Other Pacific Islander populations in Carmel-by-the-Sea.

Figure A-5 Population by Race, Carmel-by-the-Sea, 2010-2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2010, 2015, 2019

Demographic characteristics such as the racial and ethnic composition of a city are necessary to inform the housing needs of a community inclusive of cultural norms and preferences.

Integration and Segregation

To inform priorities, policies, and actions, the housing element must include an analysis of integration and segregation, including patterns and trends. Integration generally means a condition in which there is not a high concentration of persons of a particular race, color, religion, sex, familial status, national origin, or having a disability or a particular type of disability in a specific geographic area. Segregation generally means the opposite condition, where concentrations of the characteristics described above are high in a specific geographic area.

Integration and Segregation

“Integration generally means a condition in which there is not a high concentration of persons of a particular race, color, religion, sex, familial status, national origin, or having a disability or a particular type of disability when compared to a broader geographic area.

Segregation generally means a condition in which there is a high concentration of persons of a particular race, color, religion, sex, familial status, national origin, or having a disability or a type of disability in a particular geographic area when compared to a broader geographic area.”

SOURCE: California Department of Housing and Community Development Guidance, 2021, page 31.

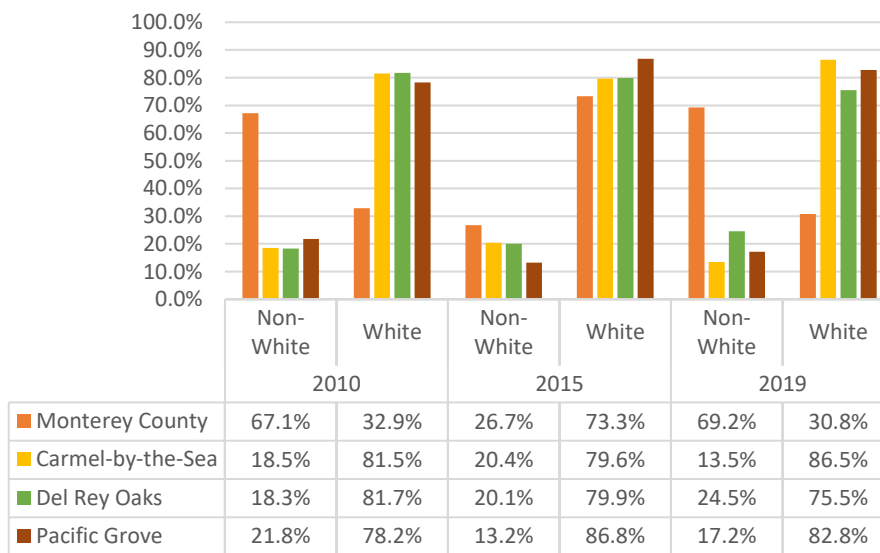
Residential segregation and exclusion, whether by race, ethnicity, disability, or income, is a result of numerous housing policies, practices, and procedures—both public and private—that have had enduring and pervasive negative impacts. Overt and covert housing discrimination through land use policy, shifting housing markets, and patterns of investment and disinvestment, have restricted

meaningful fair housing choice and equitable access to opportunity, particularly for communities of color. Historic patterns of segregation persist in California despite the long-standing federal mandate, established by the Fair Housing Act of 1968, that federal agencies and federal grantees affirmatively further the purposes of the FHA.

Past and present discriminatory policies and practices, including long-term disinvestment, have resulted in neighborhoods with concentrated poverty and poor housing stock, limited access to opportunity, unsafe environmental conditions, underfunded schools, dilapidated infrastructure, and other disproportionately experienced problems. In addition, governmental policies have subsidized the development of segregated, high-resourced suburbs in metropolitan areas by constructing new highway systems—often through lower income communities of color—to ensure access to job opportunities in urban centers. This physical and policy infrastructure supports patterns of discrimination and high levels of segregation that continue to persist in California and across the country. All of these conditions persist despite the over 50-year-old obligation to prohibit discrimination and affirmatively further fair housing.¹⁵

Figure A-6 shows the percentage of non-White and White populations throughout the region from 2010 to 2019.

Figure A-6 Regional Non-White vs. White Population, 2010-2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2010, 2015, 2019

¹⁵ California Department of Housing and Community Development. 2021. AFFH Guidance Memo. https://www.hcd.ca.gov/community-development/affh/docs/affh_document_final_4-27-2021.pdf

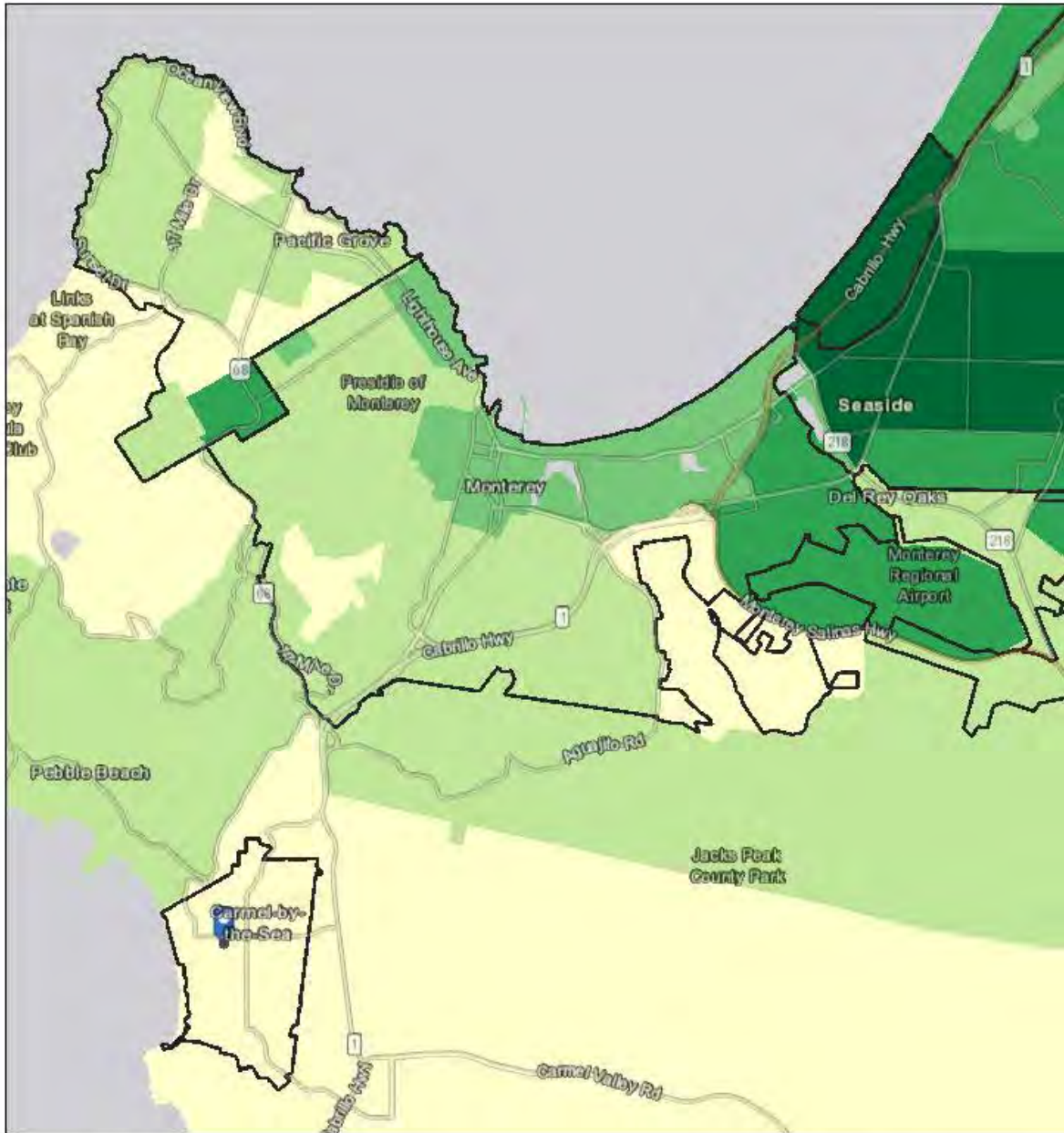
As of 2019, the City of Carmel-by-the-Sea has the highest percentage (86.5 percent) of White residents and the lowest percentage of Non-White residents (13.5 percent) when compared to the County, and the cities of Del Rey Oaks and Pacific Grove. Given the City’s status as being a “Highest Resource” city (see Figure A-17), having the highest median household income (see Figure A-16), and being a majority Senior community, Carmel-by-the-Sea recognizes the need to attract a more diverse population into the City and has identified various community resources and organizations to assist individuals that may have disparities in access to opportunity, and fall into the “special needs” category. A complete breakdown of service providers and community organizations that are available to the special needs populations is available in section A.4 (“Special Needs Groups”) of this Appendix.

Diversity Index

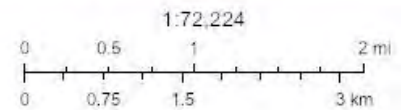
The Diversity Index measures the degree to which the five major ethnic populations (non-Hispanic White, non-Hispanic Black, Asian and Pacific Islander, Hispanic, and Two or more races) are evenly distributed across a geographic area. The index ranges from 0 to 1 – where 0 is low diversity, meaning only one group is present and 1 is high diversity, meaning an equal proportion of all five groups is present).

Figure A-7 below depicts the level of diversity within the City. Carmel-by-the-Sea, along with neighboring jurisdictions have the lowest levels of diversity within the region. Carmel-by-the-Sea has a low level of diversity with 86.5 percent of the population identifying as non-Hispanic White.

Figure A-7 Diversity Index, Carmel-by-the-Sea, 2018



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SOURCE: California Department of Housing and Community Development, AFFH Data Viewer

Racially or Ethnically Concentrated Areas of Poverty and Affluence

A Racially Concentrated Area of Poverty or an Ethnically Concentrated Area of Poverty (R/ECAP) and a Racially Concentrated Area of Affluence (RCAAs) represent opposing ends of the segregation spectrum from racially or ethnically segregated areas with high poverty rates to affluent predominantly White neighborhoods. Historically, HUD has paid particular attention to R/ECAPs as a focus of policy and obligations to AFFH. Recent research out of the University of Minnesota Humphrey School of Public Affairs argues for the inclusion of RCAAs to acknowledge current and past policies that created and perpetuate these areas of high opportunity and exclusion.¹⁶

R/ECAPs

HCD and HUD's definition of a Racially/Ethnically Concentrated Area of Poverty is: A census tract that has a non-White population of 50 percent or more (majority-minority) or, for non-urban areas, 20 percent, AND a poverty rate of 40 percent or more; OR A census tract that has a non-White population of 50 percent or more (majority-minority) AND the poverty rate is three times the average tract poverty rate for the County, whichever is lower.

SOURCE: California Department of Housing and Community Development Guidance, 2021.

It is important to note that R/ECAPs and RCAAs are not areas of focus because of racial and ethnic concentrations alone. This study recognizes that racial and ethnic clusters can be a part of fair housing choice if they occur in a non-discriminatory market. Rather, R/ECAPs are meant to identify areas where residents may have historically faced discrimination and continue to be challenged by limited economic opportunity, and conversely, RCAAs are meant to identify areas of particular advantage and exclusion.

RCAAs

HCD and HUD's definition of an RCAA is a census tract 1) with a percentage of its total White population that is 1.25 times higher than the average percentage of the COG region's White population; and 2) has a median income that is 2 times higher than the COG Area Median Income (AMI). Generally, these are understood to be neighborhoods in which there are both high concentrations of non-Hispanic White households and high household income rates.

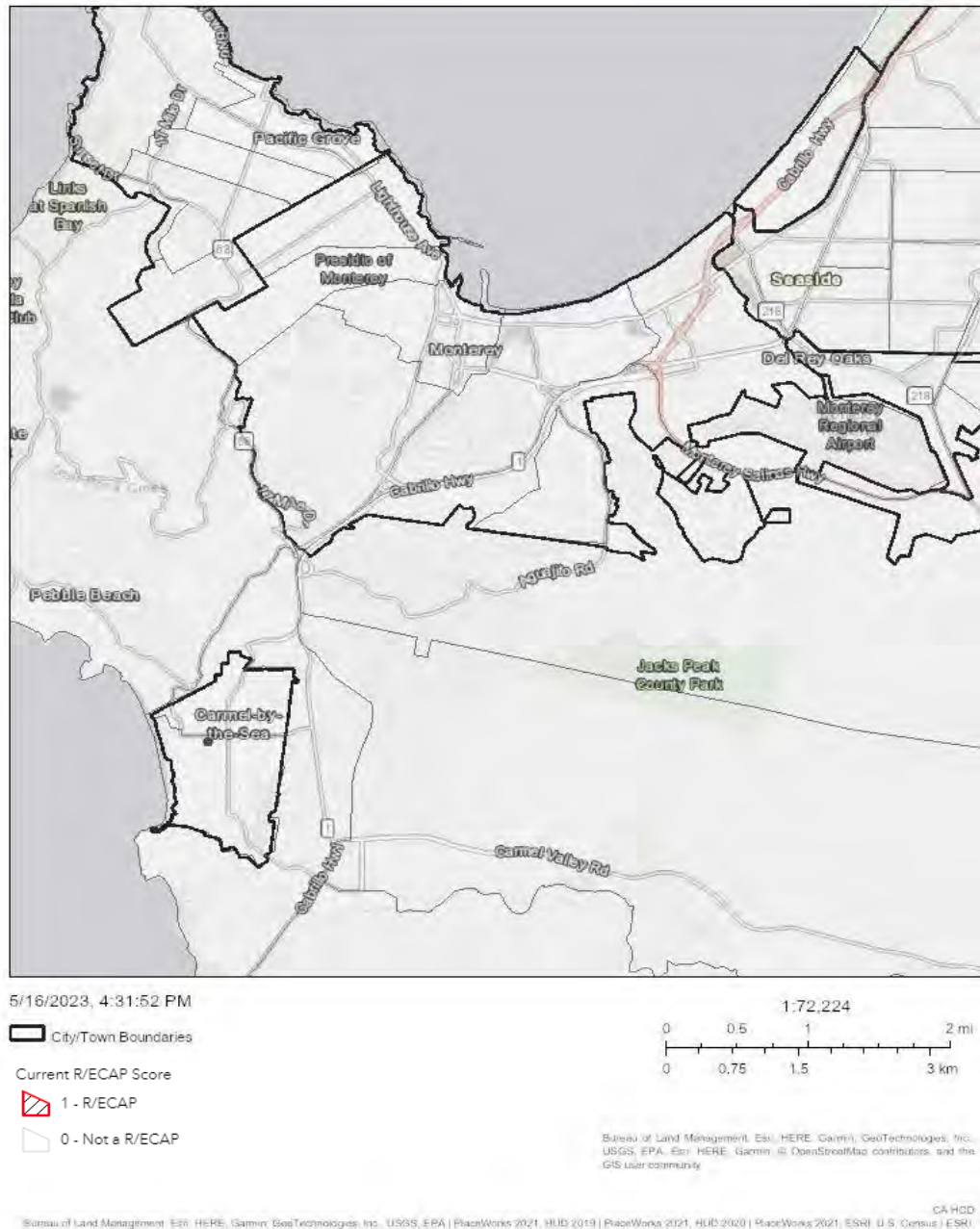
SOURCE: California Department of Housing and Community Development Guidance, 2023

As can be seen in the [Figure A-8](#) and [Figure A-9](#), the City of Carmel-by-the-Sea is not considered a R/ECAP; nor, is the City considered an RCAA. As highlighted previously, Carmel-by-the-Sea does not have a majority-minority population and thus cannot be labelled as a R/ECAP. [Figure A-10](#)

¹⁶ From Goetz, E. G., Damiano, A., & Williams, R. A. (2019). Racially Concentrated Areas of Affluence: A Preliminary Investigation. *Citiescape: A Journal of Policy Development and Research*, 21(1), 99–124

shows that less than or equal to 20 percent of the City’s population is non-White. Though Carmel-by-the-Sea’s percentage of exclusively White population and AMI are higher than the County-wide average, the median income in the City is not high enough for the jurisdiction to be considered an RCAA¹⁷.

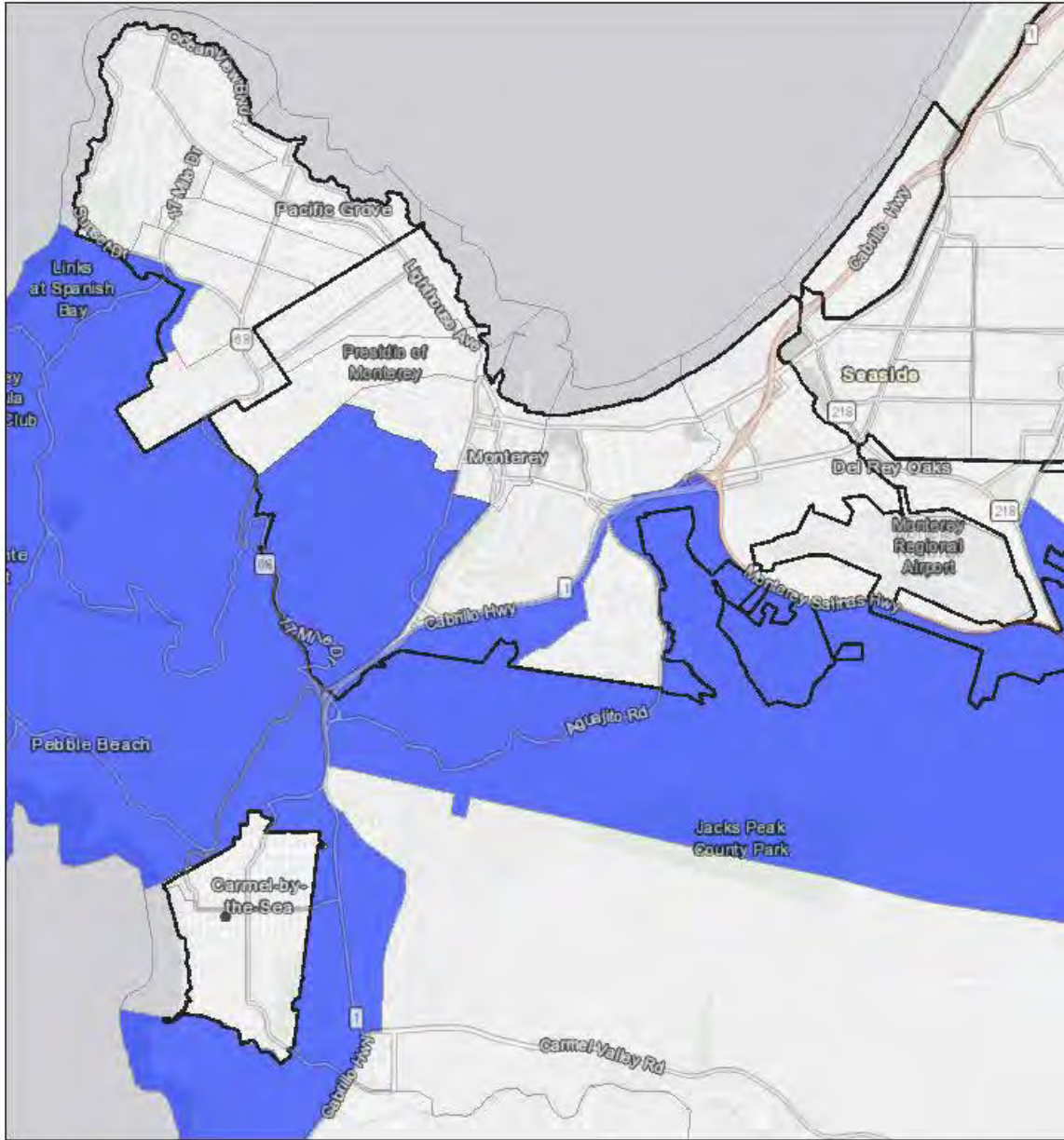
Figure A-8 R/ECAP by Census Tract, Carmel-by-the-Sea, 2009-2013



SOURCE: California Department of Housing and Community Development, AFFH Data Viewer

¹⁷ To be considered an RCAA, census tracts must have a Location Quotient (LQ) of more than 1.25 and a median income 1.5 times higher than the COG AMI or 1.5 times higher than the State AMI, whichever is lower. In this case, Carmel’s median income would need to be 1.5 times greater than the State AMI of \$69,021.

Figure A-9 RCAAs by Census Tract, Carmel-by-the-Sea, 2015-2019



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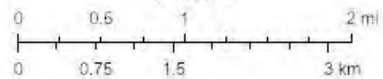
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City/Town Boundaries

(R) Racially Concentrated Areas of Affluence "RCAA" (ACS, 2015 -2019) - Tract

0 - Not a RCAA

1 - RCAA



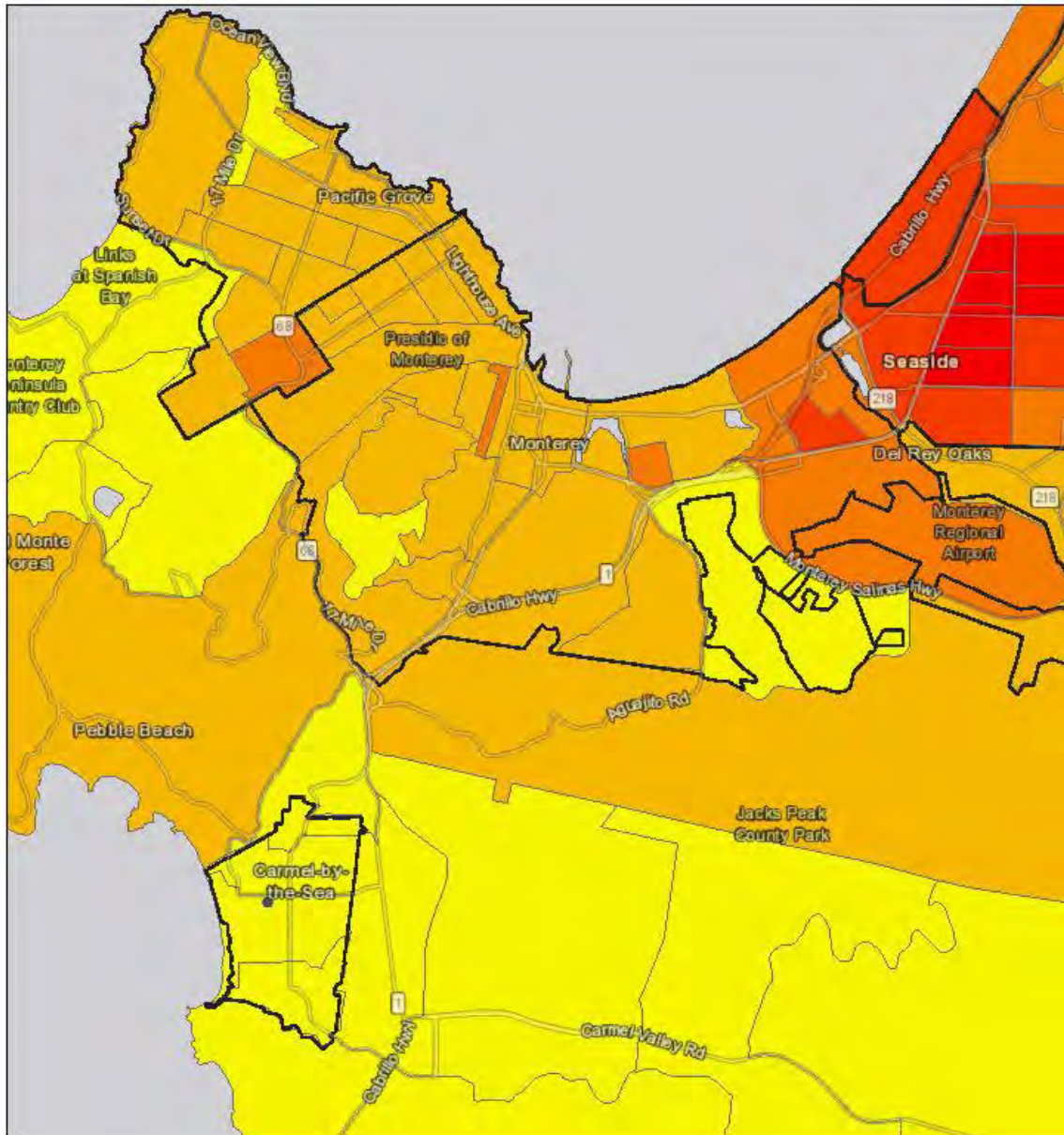
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CA HCD

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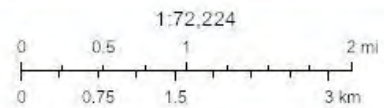
SOURCE: California Department of Housing and Community Development, AFFH Data Viewer

Figure A-10 Percent Non-White by Block Group, Carmel-by-the-Sea, 2018



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- City/Town Boundaries
- (R) Racial Demographics (2018) - Block Group
- ≤ 20%
- 21 - 40%
- 41 - 60%
- 61 - 80%
- > 81%



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CA HCD

Bureau of Land Management, Esri, HERE, Garmin, GeoTechnologies, Inc., USGS, EPA | PlaceWorks 2021, HUD 2020 | PlaceWorks 2021, HUD 2020 | Esri, U.S. Census | Esri

SOURCE: California Department of Housing and Community Development, AFFH Data Viewer

Employment

Employment characteristics can significantly impact the housing needs and trends of a community from income and wage scale to job location and industry. Employment and income are determinates of a population’s ability to purchase housing including the type of housing and size, both of which can induce negative effects such as overpayment and overcrowding. [Table A-4](#) summarizes projected employment growth for Carmel-by-the-Sea, the County, and nearby cities from 2015-2045.

Table A-4 Employment Growth Forecast by Jurisdiction, 2015-2045

Jurisdictions	Population							Change 2015 - 2045	
	2015	2020	2025*	2030	2035*	2040*	2045*	Numeric	Percent
Monterey County	225,268	243,015	245,054	249,613	253,918	258,553	263,437	38,169	17%
Carmel-by-the-Sea	3,353	3,566	3,593	3,674	3,752	3,833	3,915	562	17%
Del Rey Oaks	705	748	753	774	794	815	834	129	18%
Pacific Grove	7,470	8,016	8,061	8,152	8,244	8,343	8,445	975	13%

SOURCE: AMBAG Regional Growth Forecast, 2022

NOTE: *Projected growth values

According to the AMBAG 2022 Regional Growth Forecast, Carmel-by-the-Sea was projected to experience an employment growth of 17 percent (562 new jobs) between 2015-2045. This projected employment growth mirrors the County (17 percent) and is 4 percent higher than Pacific Grove (13 percent), but reflects 1 percent lower than Del Rey Oaks (18 percent). This projected increase in job growth presents an opportunity for cities to construct additional housing options for the existing and future workforce.

[Table A-5](#) shows 2010 and 2019 employment data for Carmel-by-the-Sea by sector. Key findings in employment data include the following:

- Education services, healthcare, and social assistance industries were the largest employers of Carmel-by-the-Sea (28 percent) in both 2010 and 2019, followed by arts, entertainment, recreation, accommodation, and food services (19 percent and 15 percent, respectively);
- Information industries experienced the greatest increase between 2010 and 2019 (585 percent), followed by construction (276 percent);
- Five sectors experienced drastic declines in employment between 2010 and 2019 including finance and insurance, real estate, and rental leasing (137 percent), professional, scientific, management, and administrative services (61 percent), public administration (54 percent), arts, entertainment, recreation, accommodation and food services (35 percent), and education services, healthcare, and social assistance (20 percent);

- Wholesale trade (2 percent) and agriculture, forestry, fishing and hunting, and mining (0 percent) industries experienced the least amount of growth; and
- Overall, there was a 19 percent decrease in employment for Carmel-by-the-Sea residents between 2010 and 2019.

Table A-5 Employment by Sector, Carmel-by-the-Sea, 2010 and 2019

Industry Sector	2010		2019		Percent Change 2010-2019
	People Employed	Percent of City Employment	People Employed	Percent of City Employed	
Agriculture, forestry, fishing and hunting, and mining	0	0%	0	0%	0%
Construction	25	1%	94	7%	276%
Manufacturing	40	2%	67	5%	68%
Wholesale Trade	0	0%	26	2%	2%
Retail Trade	247	14%	213	15%	14%
Transportation and warehousing, and utilities	63	4%	95	7%	51%
Information	14	1%	96	7%	585%
Finance and insurance, real estate, and rental leasing	172	10%	73	5%	-137%
Professional, scientific, management, and administrative services	273	15%	106	7%	-61%
Education services, healthcare, and social assistance	493	28%	394	28%	-20%
Arts, entertainment, recreation, accommodation, and food services	330	19%	216	15%	-35%
Public Administration	112	6%	52	4%	-54%
Total Employment	1,769	100%	1,432	100%	-19%

SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2010, 2019

Balance of Jobs to Workers

A city houses employed residents who either work in the community where they live, or work elsewhere in the region. Conversely, a city may have job sites that employ residents from the same city but more often employ workers commuting from outside of it. One measure of local imbalance is the relationship between workers and jobs. A city with a surplus of workers, “exports” workers to other parts of the region, while a city with a surplus of jobs must conversely “import” them.

Smaller cities will typically have more employed residents than jobs and will export workers as a result, while larger cities tend to have a surplus of jobs and will import workers. To some extent, the

regional transportation system is set up for this flow of workers to the region’s core job centers. At the same time, as the housing affordability crisis has illustrated, local imbalances may be severe, where local jobs and worker populations are out of sync at a sub-regional scale.

A community may offer employment for relatively low-income workers but have relatively few housing options for those workers. Conversely, it may house residents who are low-wage workers but offer few employment opportunities for them. Such relationships may cast extra light on potentially pent-up demand for housing in particular price categories. A relative surplus of jobs relative to residents in a given wage category suggests the need to import those workers, while conversely, surpluses of workers mean the community will export those workers to other jurisdictions. Such flows are not inherently bad, though over time, sub-regional imbalances may appear.

Figure A-11 illustrates earnings of workers in comparison to worker place of residence and place of work in Carmel-by-the-Sea. In 2019, Carmel-by-the-Sea had more low-wage jobs than low-wage residents (where low-wage refers to jobs paying less than \$25,000). At the high end of the wage spectrum (i.e., wages over \$75,000 per year), the City had more high-wage jobs than high-wage residents.¹⁸ This indicates the City is a net-importer of workers for both low- and high-wage jobs. It should be noted that the minimum wage has increased since 2019, from \$12 to \$15.50, thus increasing the annual incomes of full-time workers as well.

Figure A-11 Worker Earnings by Place of Residence & Place of Work, Carmel-by-the-Sea, 2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2019

¹⁸ The source table is top-coded at \$75,000, precluding more fine-grained analysis at the higher end of the wage spectrum.

According to U.S. Census Bureau data reported in a Housing Feasibility Study for the City of Carmel-by-the-Sea by ECONorthwest,¹⁹ a mere 2.6 percent of workers live and work in Carmel-by-the-Sea, while approximately half of all workers live within 10 miles of the City and 26 percent commute from more than 25 miles away.²⁰ Concentrations in hospitality and leisure services may create obstacles for local workers that earn lower-incomes and cannot afford to live in the community. Such imbalances of jobs to housing impacts an individual’s ability to integrate into the community due to long distance travel, excessive costs of travel, and reduced personal time.

Unemployment rates²¹ are essential to understanding the affordability needs of a community when determining housing options. [Table A-6](#) provides a breakdown of unemployment rates for Carmel-by-the-Sea, the County, and nearby cities. Compared to the County and nearby cities, Carmel-by-the-Sea has the lowest unemployment rate with less than 1 percent of unemployed residents. This indicates an approximate 4.8 percent less than the County, 5 percent less than the Del Rey Oaks, and 3.8 percent less than Pacific Grove.

Table A-6 Unemployment Rate, Carmel-by-the-Sea, 2019

Jurisdictions	Unemployment Rate
Monterey County	4.9%
Carmel-by-the-Sea	0.1%
Del Rey Oaks	5.1%
Pacific Grove	3.9%

SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2019

The Monterey Bay Area approved Regional Housing Needs Assessment (RHNA) Methodology is broken down into four income levels:

- Very Low Income (50 percent or less of the County’s median income);
- Low Income (50-80 percent of the County’s median income);
- Moderate Income (80-120 percent of the County’s median income); and
- Above moderate Income (120 and above the County’s median income).

Carmel-by-the-Sea’s RHNA allocation is presented below in [Table A-7](#).

¹⁹ From ECONorthwest, Housing Feasibility Study, 2023

²⁰ From U.S. Census Bureau Longitudinal Employer-Household Dynamics Data

²¹ The term unemployment refers to a person who is actively searching for employment but is not able to find work.

Table A-7 Regional Housing Needs Allocation

Income Group	Percentage of AMI	Share
Extremely Low-Income ²²	<30	57
Very Low-Income	<50	56
Low-Income	50-80	74
Moderate-Income	80-120	44
Above Moderate-Income	120+	118
Total		349

SOURCE: City of Carmel-by-the-Sea, 2023

In Monterey County, the median household income in 2019 was an estimated \$71,015 compared to Carmel-by-the-Sea at \$98,188. [Table A-8](#) lists occupations by mean salary in Monterey County. According to [Table A-8](#), the occupations that fall below 50 percent of the median income are Food Preparation and Serving-Related Occupations; Personal Care and Services Occupations; and Farming, Fishing, and Forestry Occupations. The majority of occupations in Monterey County have an average income that is low (50-80 percent AMI) or very low (<50 percent AMI). If applied to Carmel-by-the-Sea, it should be anticipated that affordable housing is needed to accommodate potential low- and very low-income households.

Household Characteristics

Characteristics of a household include household type and size, income, affordability, and special needs groups. According to HCD, a household is defined as “All persons who occupy a housing unit. The occupants may be a single family, on person living alone, two or more families living together, or any groups of related or unrelated persons who share living arrangements.” Large families, single parent households, female-headed households, or extremely low- and low-income households may be classified as Special Needs groups. Special Needs groups are identified due to the unique nature of household characteristics and potential housing challenges faced. The following section examines household characteristics trends in Carmel-by-the-Sea and the region.

[Table A-9](#) provides an overview of the projected housing units needed in Monterey County, Carmel-by-the-Sea, and nearby cities, Del Rey Oaks and Pacific Grove.²³ Carmel-by-the-Sea is forecast to have a household growth of approximately 1 percent by 2045 – an increase of 42 housing units. Compared to the County, this reflects 18 percent less projected growth and 2 percent less growth than Pacific Grove. Of the nearby cities, the City of Del Rey Oaks has the highest projected increase in housing unit growth at 61 percent.

²² Extremely low-income RHNA is found as a subset within the very low-income category for all other tables in this document.

²³From AMBAG Regional Growth Forecast, 2022

Table A-8 Occupations by Mean Salary, Monterey County, 2019

Occupation	Salary
Management Occupations	\$117,738
Business and Financial Operations Occupations	\$78,900
Computer and Mathematical Occupations	\$96,980
Architecture and Engineering Occupations	\$92,554
Life, Physical, and Social Science Occupations	\$84,516
Community and Social Services Occupations	\$59,549
Legal Occupations	\$103,094
Education, Training, and Library Occupations	\$69,296
Arts, Design, Entertainment, Sports, and Media Occupations	\$56,599
Healthcare Practitioners and Technical Occupations	\$115,486
Healthcare Support Occupations	\$42,625
Protective Service Occupations	\$70,161
Food Preparation and Serving-Related Occupations	\$30,127
Building and Grounds Cleaning and Maintenance Occupations	\$36,330
Personal Care and Service Occupations	\$31,984
Sales and Related Occupations	\$42,099
Office and Administrative Support Occupations	\$44,239
Farming, Fishing, and Forestry Occupations	\$29,901
Construction and Extraction Occupations	\$60,870
Installation, Maintenance, and Repair Occupations	\$54,180
Production Occupations	\$41,905
Transportation and Material Moving Occupations	\$37,144

SOURCE: California Employment Development Division, Occupational Wage data, 2019

Table A-9 Housing Forecast by Jurisdiction, 2015-2045

Jurisdictions	Population							Change 2015 - 2045	
	2015	2020	2025*	2030*	2035*	2040*	2045*	Numeric	Percent
Monterey County	139,177	141,764	146,716	153,852	159,100	162,612	165,328	26,151	19%
Carmel-by-the-Sea	3,417	3,437	3,437	3,442	3,450	3,453	3,459	42	1%
Del Rey Oaks	741	741	762	809	848	1,052	1,195	454	61%
Pacific Grove	8,184	8,201	8,214	8,267	8,336	8,400	8,463	279	3%

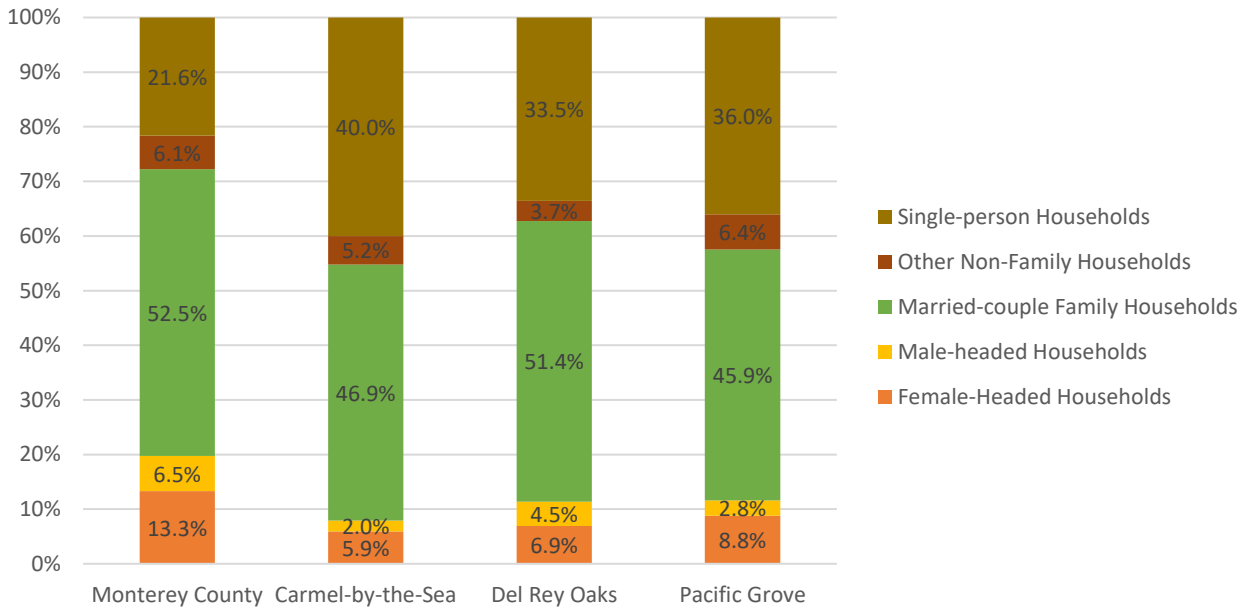
SOURCE: AMBAG Regional Growth Forecast, 2022

NOTE: *Projected growth values

Household Type and Size

Figure A-12 illustrates household characteristics by type in 2019 for Carmel-by-the-Sea, the County, and nearby cities, Del Rey Oaks and Pacific Grove. In Carmel-by-the-Sea, the largest household type was married-couple family households (47 percent) followed by single-person households (40 percent). This is consistent with the County and nearby cities. Carmel-by-the-Sea has the lowest percentage of female-headed households (6 percent) compared to the County (13 percent), Del Rey Oaks (7 percent), and Pacific Grove (9 percent).

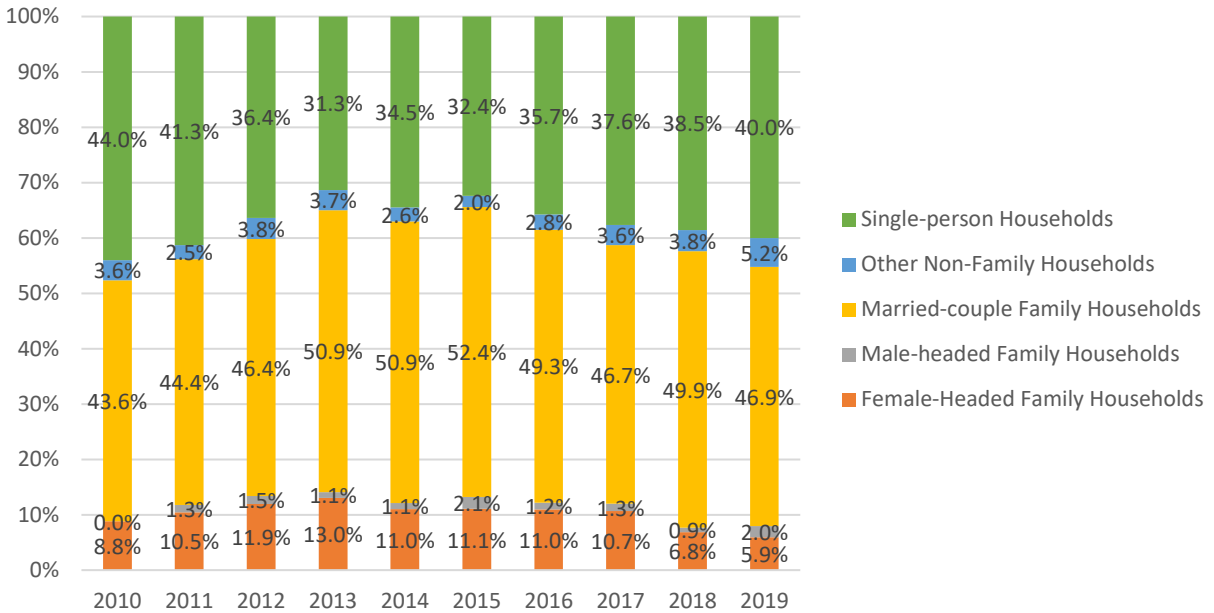
Figure A-12 Household by Type by Jurisdiction, 2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2019

Figure A-13 illustrates household changes between 2010-2019 in Carmel-by-the-Sea. Over the last decade, married-couple family households have remained the largest household type in the City followed by single-person households. Since 2015, married-couple family households have begun declining, while single-person households have increased. Female-headed households experienced the most fluctuation between 2010-2019, showing a steady increase between 2010-2013, then slowly decreasing through 2019 to 6 percent (7 percent decrease between 2013-2019). Male-headed households have slightly increased since 2010 from zero to 2 percent in 2019. These changes in household type over time indicate a need for housing options that appeal to both family-sized and smaller-sized households (keeping affordability in mind).

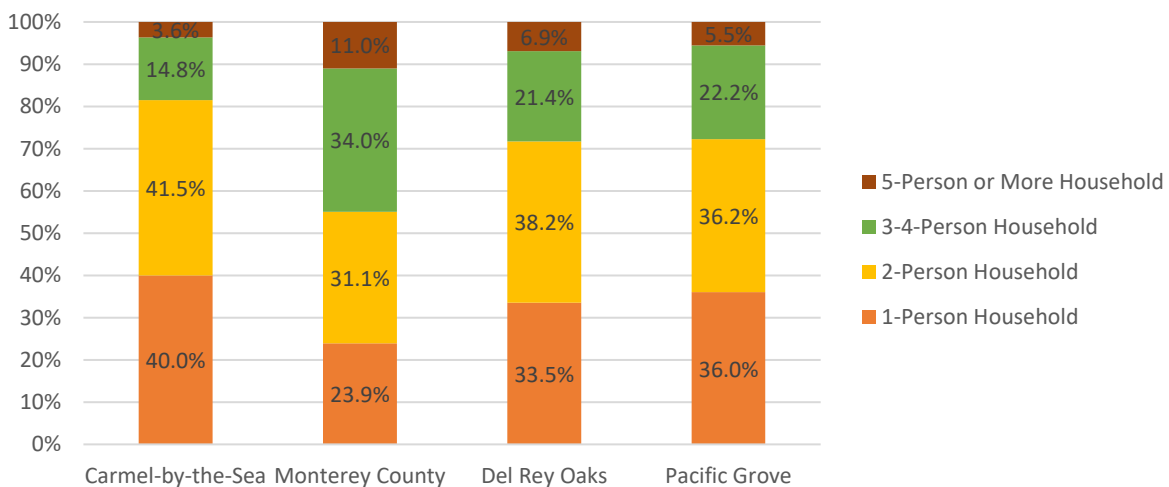
Figure A-13 Changes in Household Type, Carmel-by-the-Sea, 2010-2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2010-2019
 NOTE: Non-family households include unrelated persons living in one housing unit.

Figure A-14 illustrates households by household size for Carmel-by-the-Sea, the County, and nearby cities. Carmel-by-the-Sea’s largest household type according to size is 2-person households (42 percent) followed by 1-person households (40 percent). This is consistent with findings in Figure A-13, with married-couple family households remaining the largest household type since 2010 followed by single-person households. This reflects a demand for affordable housing units appealing to married-couple and single-person households.

Figure A-14 Households by Household Size by Jurisdiction, 2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2019

Household Income

Affordability is a key component in determining the housing needs of a community. Household income determines the ability of a household to purchase or rent a housing unit. However, fluctuating household incomes may result in the need to spend disproportionate amounts of income on housing costs, referred to as overpayment or cost burden. As a result, this may also lead to overcrowding and/or substandard living conditions.

The following are income categories based on area median income (AMI) according to HCD:

- Extremely low-income: households earning 0-30 percent of AMI;
- Very low-income: households earning 30-50 percent of AMI;
- Low-income: households earning 50-80 percent of AMI;
- Moderate-income: households earning 80-100 percent of AMI; and
- Above-moderate income: households earning 100-120 percent of AMI.

Government Code Section 65583(a) defines extremely low-income households as earning 30 percent or below area median income, and considers them as a subset of the very low-income category. The extremely low-, very low-, and low-income groups are referred to as lower-income. In Carmel-by-the-Sea 28 percent of households are considered lower-income.

Table A-10 summarizes households by income category in Carmel-by-the-Sea in 2019. Above moderate-income households make up the majority of households in the City (62 percent) followed by lower-income households (28 percent). Approximately 7 percent of households in Carmel-by-the-Sea identify as extremely low-income. This reflects a need for more affordable housing in the City, and in tandem with Figure A-13 and Figure A-14 findings, it is likely the demand for single-person households is accompanied by a need for affordable options.

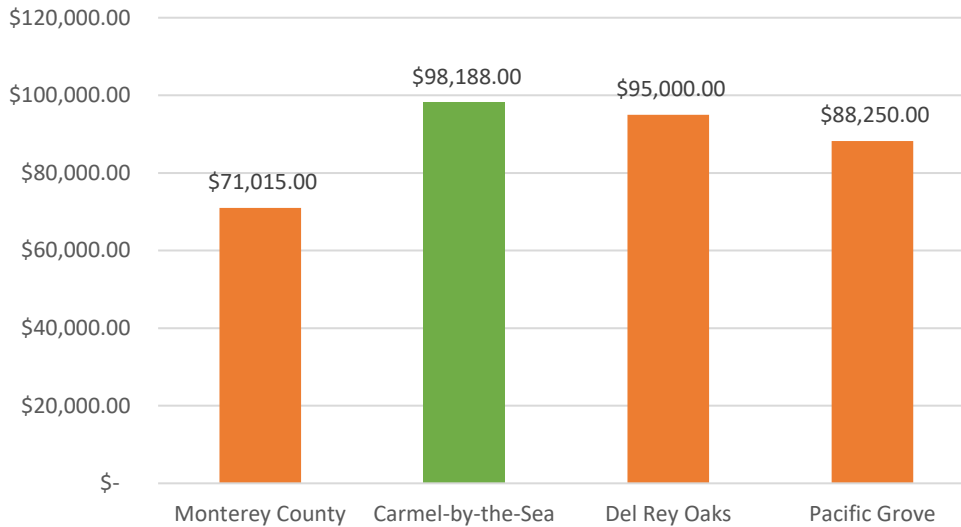
Table A-10 Households by Income Category, Carmel-by-the-Sea, 2019

Income Category (% of County MFI)	Households	Percent
Extremely Low-Income (30% MFI or less)	140	7%
Very Low-Income (30-50% MFI)	170	9%
Low-Income (50-80% MFI)	235	12%
Moderate-Income (80-100% MFI)	185	10%
Above Moderate-Income (>100% MFI)	1,200	62%
Total	1,930	100%

SOURCE: Department of Housing and Urban Development (HUD) Comprehensive Housing Affordability Strategy (CHAS), 2015-2019

Figure A-15 illustrates the median household income in Carmel-by-the-Sea, the County, and nearby cities in 2019. Carmel-by-the-Sea’s median household income was \$98,188 – approximately \$27,173 higher than the County (\$71,015). The City of Del Rey Oaks had the second highest median household income at \$95,000 followed by Pacific Grove at \$88,250. Understanding Carmel-by-the-Sea’s median household income determines what income category households identify with and what affordability levels look like for the community.

Figure A-15 Median Household Income by Jurisdiction, 2019

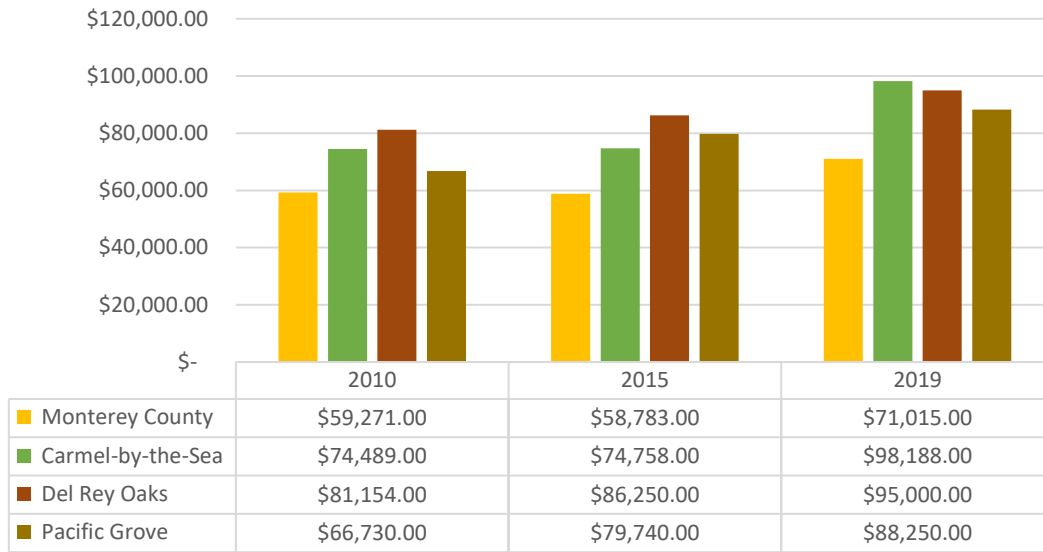


SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2019

Figure A-16 highlights the median household income from 2010 to 2019, throughout the region. Between 2010 and 2015, Carmel-by-the-Sea’s median household income remained relatively stable, and saw a 31.3 percent increase between the years of 2015 and 2019. Compared to other regional jurisdictions, Monterey County has maintained the lowest median household income, showing a slight decrease from 2010 to 2015, and a 20.8 percent increase from 2015 to 2019. The Cities of Del Rey Oaks and Pacific Grove followed similar trends to Carmel-by-the-Sea in that they increased slightly between the years of 2010 and 2015, and then increased significantly between 2015 and 2019.

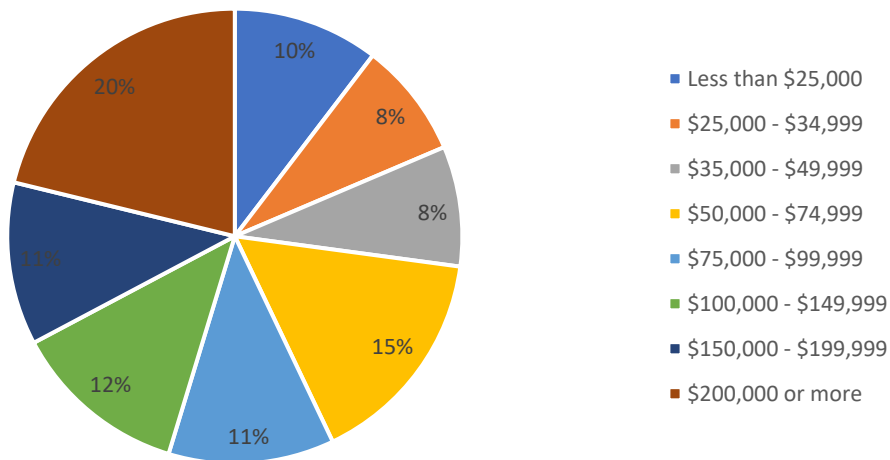
Figure A-17 provides a breakdown of 2019 incomes by category in Carmel-by-the-Sea. Approximately 43 percent of households are earning \$100,000 or more (more than the City’s annual median income). Conversely, 26 percent households earn an annual income less than \$50,000 (\$48,188 less than the City’s annual median income). Approximately 41 percent of households are earning below the City’s annual median income, of which 10 percent earn less than \$25,000.

Figure A-16 Regional Median Household Income, 2010-2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2010, 2015, 2019

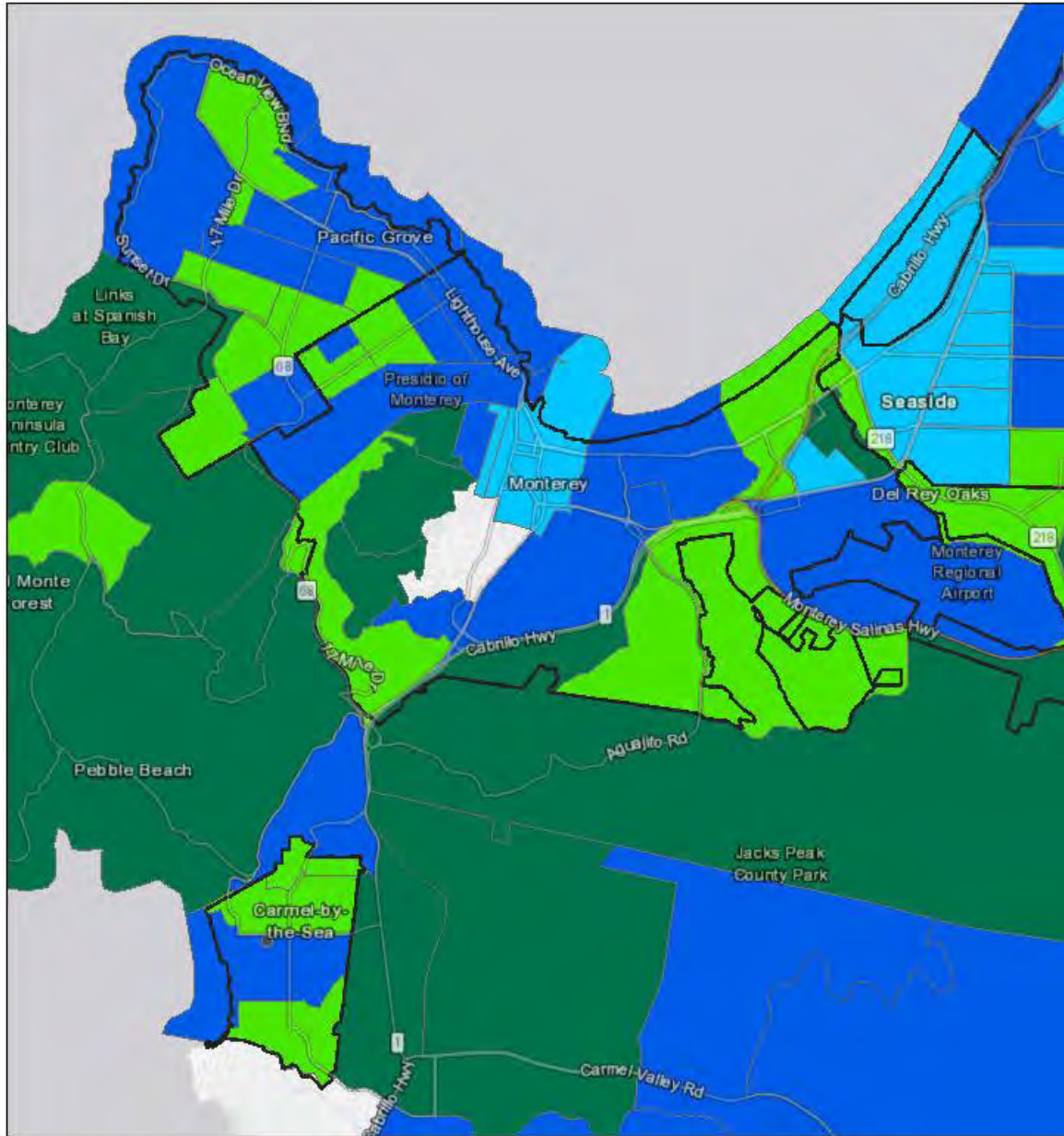
Figure A-17 Income by Category, Carmel-by-the-Sea, 2019








SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2019

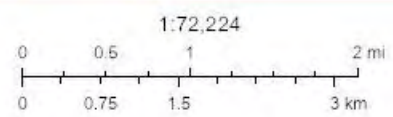
Figure A-18 illustrates median household income across Carmel-by-the-Sea. According to the HCD AFFH Data Viewer, Carmel-by-the-Sea households experience variation in median household income based on location. Households located in the center of the City reportedly earn less than the City’s annual median income (\$98,188) and households located in the north and south earn more (>\$87,100 - <125,000).

Figure A-18 Median Income by Block Group, Carmel-by-the-Sea, 2015-2019



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-  City/Town Boundaries
- (R) Median Income (ACS, 2015-2019) - Block Group
-  < \$55,000
-  < \$87,100 (HCD 2020 State Median Income)
-  < \$125,000
-  Greater than \$125,000



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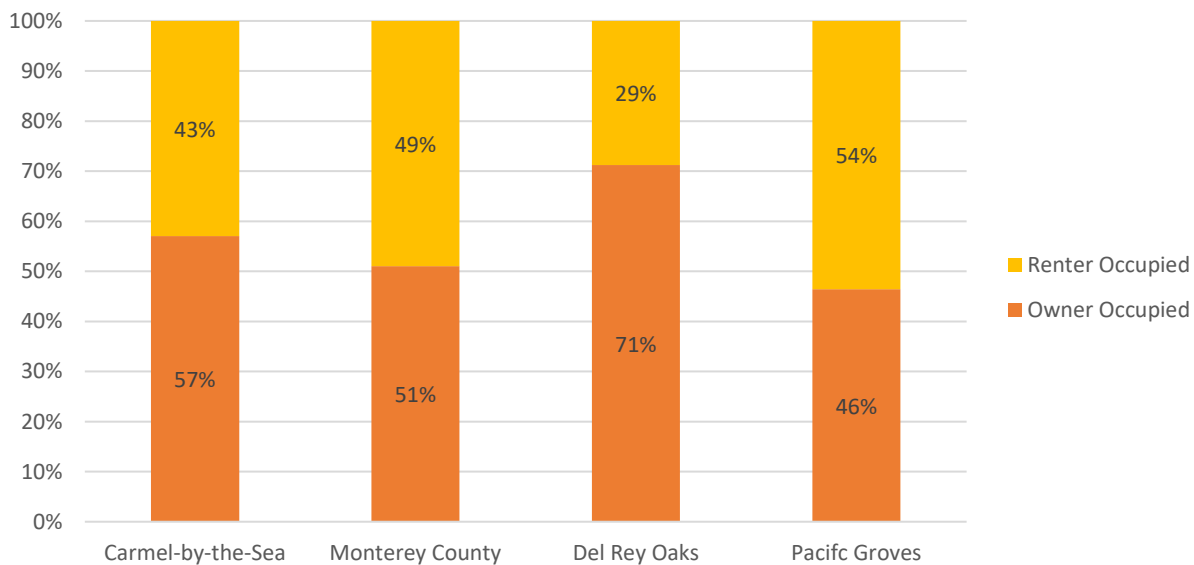
Bureau of Land Management, Esri, HERE, Garmin, GeoTechnologies, Inc., USGS, EPA | PlaceWorks 2021, HUD 2019 | PlaceWorks 2021, HUD 2020 | PlaceWorks 2021, ESRI, U.S. Census | ESRI, CA HCD

SOURCE: California Department of Housing and Community Development, AFFH Data Viewer

The household income characteristics in Carmel-by-the-Sea reveal a demand for the development of more affordable housing options that appeal to both lower-income and above-moderate households. Carmel-by-the-Sea is comprised primarily of above moderate-income households (62 percent), most of which identify as married-couple families (47 percent). Nonetheless, 28 percent of households are lower-income and 40 percent of households identify as single-persons. Affordable housing in Carmel-by-the-Sea must accommodate these households as well despite their non-majority makeup.

Figure A-19 illustrates housing by tenure in Carmel-by-the-Sea, the County, and nearby cities. Fifty-seven (57) percent of households in Carmel-by-the-Sea are owners and 43 percent are renters. This reflects an approximate 6 percent higher owner household population than the County (51 percent), 11 percent higher than Pacific Grove (46 percent), and 14 percent lower than Del Rey Oaks (71 percent).

Figure A-19 Housing Tenure by Jurisdiction, 2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019

A.3 Disproportionate Housing Needs

Housing Problems and Severe Housing Problems

The following section details housing problems and severe housing problems in Carmel-by-the-Sea according to the Census Bureau Comprehensive Housing Affordability Strategy (CHAS).

Disproportionate Housing Needs

“Disproportionate housing needs generally refers to a condition in which there are significant disparities in the proportion of members of a protected class experiencing a category of housing need when compared to the proportion of members of any other relevant groups, or the total population experiencing that category of housing need in the applicable geographic area. For purposes of this definition, categories of housing need are based on such factors as cost burden and severe cost burden, overcrowding, homelessness, and substandard housing conditions.”

SOURCE: California Department of Housing and Community Development Guidance, 2021, page 39.

The CHAS data set provides in-depth analysis on housing needs by income level according to types of households. According to the CHAS, housing problems are defined as having one or more of the following variables:

- Incomplete kitchen facilities;
- Incomplete plumbing facilities;
- More than one person per room; and
- Cost burden greater than 30 percent.

Severe housing problems are defined as having one or more of the following variables:

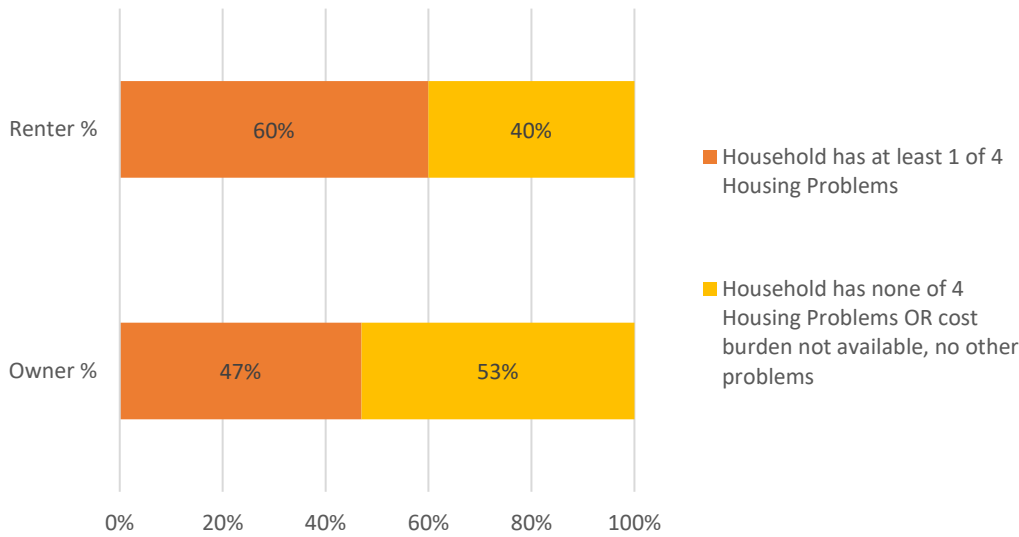
- Incomplete kitchen facilities;
- Incomplete plumbing facilities;
- More than 1.5 persons per room; and
- Cost burden greater than 50 percent.

Additionally, CHAS defines cost burden as the ratio of housing costs to household income. The following defines cost burden by renter and owner:

- Renter Cost Burden: gross rent (contract rent plus utilities); and
- Owner Cost Burden: select monthly owner costs including mortgage payment, utilities, association fees, insurance, and real estate taxes.

Figure A-20 and Figure A-21 illustrate housing problems by tenure and severe housing problems by tenure in Carmel-by-the-Sea during 2019. Approximately 60 percent of renter households have at least one of four housing problems and 36 percent have at least one of four severe housing problems. In contrast, 47 percent of owner households experience at least one housing problem and 25 percent have at least one severe housing problem.

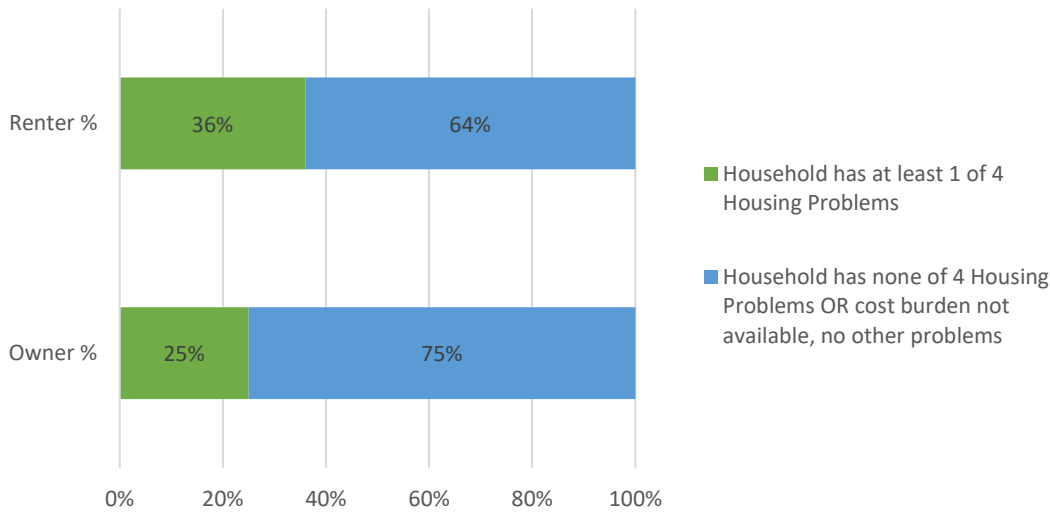
Figure A-20 Housing Problems by Tenure, Carmel-by-the-Sea, 2015-2019



SOURCE: U.S. Census Bureau, CHAS Data, 2015-2019

NOTE: The four housing problems are: incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room, and cost burden greater than 30%.

Figure A-21 Severe Housing Problems by Tenure, Carmel-by-the-Sea, 2015-2019



SOURCE: U.S. Census Bureau, CHAS Data, 2015-2019

NOTE: The four housing problems are: incomplete kitchen facilities, incomplete plumbing facilities, more than 1.5 person per room, and cost burden greater than 50%.

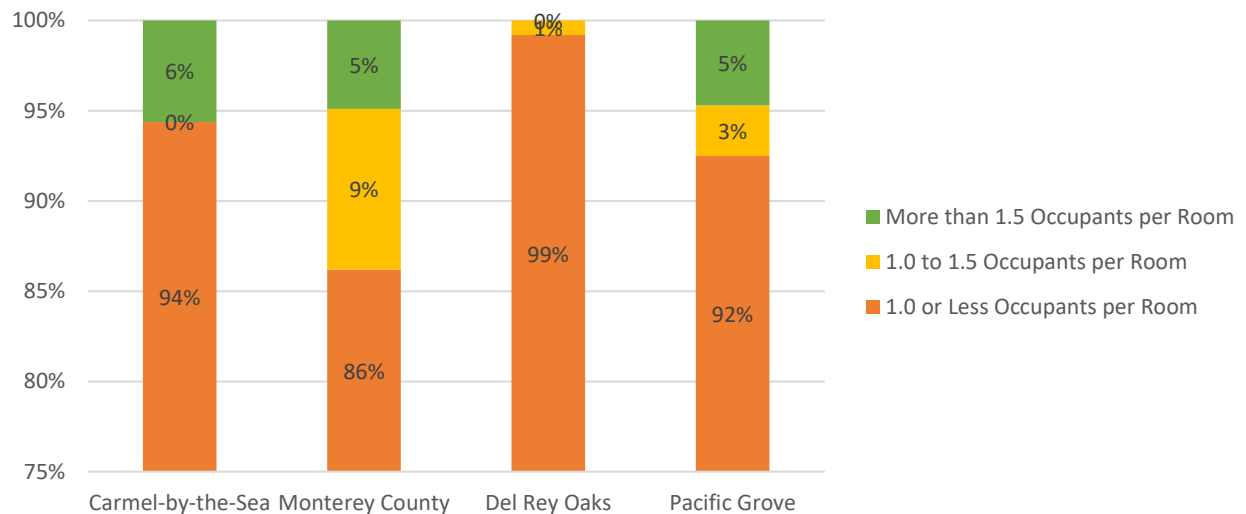
Overcrowding

Understanding the prevalence of overcrowded households within a community helps determine the need for affordable and adequately sized housing units for the community. Overcrowding is defined as a household with more than one occupant per room excluding bathrooms and kitchens. Units with more than 1.5 persons per room are considered severely overcrowded. Overcrowding may

occur due to a lack of available affordable and/or adequately sized housing units. Cultural norms and customs combined with low-income or lack of adequately size housing units can result in overcrowding too. For example, in Asian culture, households are often comprised of multi-generations. If this custom is also compounded by low-income or lack of adequately sized housing units overcrowding may occur.

Figure A-22 illustrates overcrowding by severity in Carmel-by-the-Sea, the County, and nearby cities in 2019. The City of Del Rey Oaks households experience the least amount of overcrowding (0.8 percent) and no severe overcrowding, compared to Carmel-by-the-Sea households that experience zero percent moderate overcrowding, but 6 percent severe overcrowding. Monterey County has a higher overall percentage of households that experience overcrowding (9 percent) and severe overcrowding (5 percent) compared to Carmel-by-the-Sea.

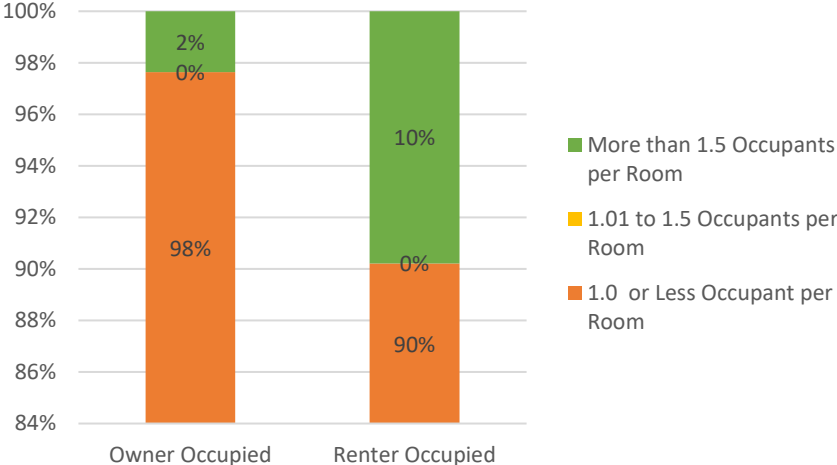
Figure A-22 Overcrowding by Severity by Jurisdiction, 2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019

Figure A-23 illustrates overcrowding by tenure and severity in Carmel-by-the-Sea during 2019. Renter households in Carmel-by-the-Sea experience 8 percent more overcrowding than owner households. While renter households do not experience overcrowding (more than 1-person per room), 10 percent experience severe overcrowding (more 1.5-persons per room). Similarly, owner households in Carmel-by-the-Sea do not experience overcrowding, but 2 percent do experience severe overcrowding.

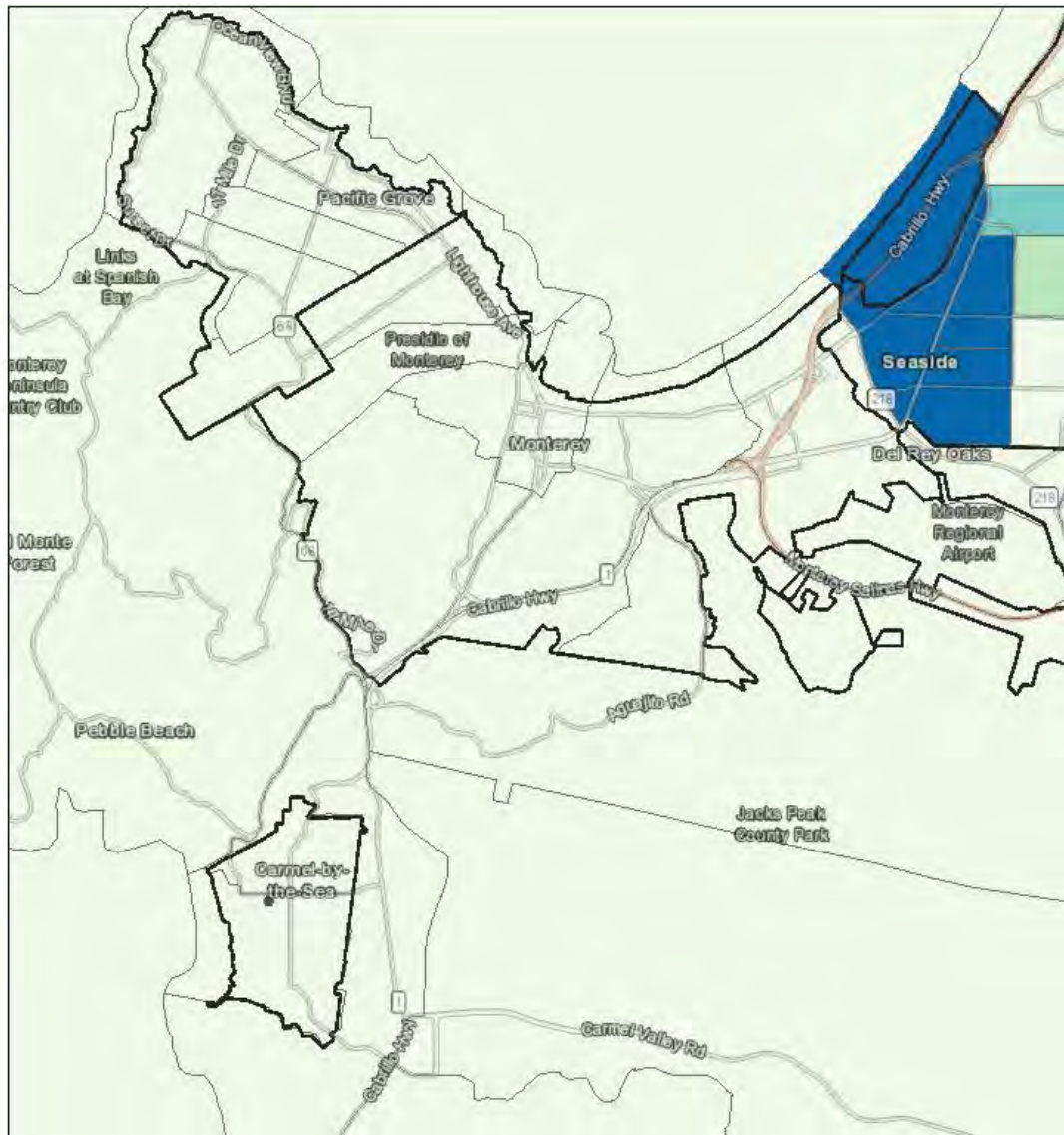
Figure A-23 Overcrowding by Tenure and Severity, Carmel-by-the-Sea, 2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019

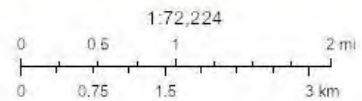
Figure A-24 illustrates overcrowded households in Carmel-by-the-Sea. According to the HCD AFFH Data Viewer, Carmel-by-the-Sea households experience no variation in overcrowding based on location. In the City, overcrowding rates are less than 8.2 percent.

Figure A-24 Overcrowded Households, Carmel-by-the-Sea



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- City/Town Boundaries
- (R) Overcrowded Households (CHHS) - Tract
- ≤ 8.2% (Statewide Average)
- 8.3% - 12%
- 12.01% - 15%
- > 20%



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SOURCE: California Department of Housing and Community Development, AFFH Data Viewer

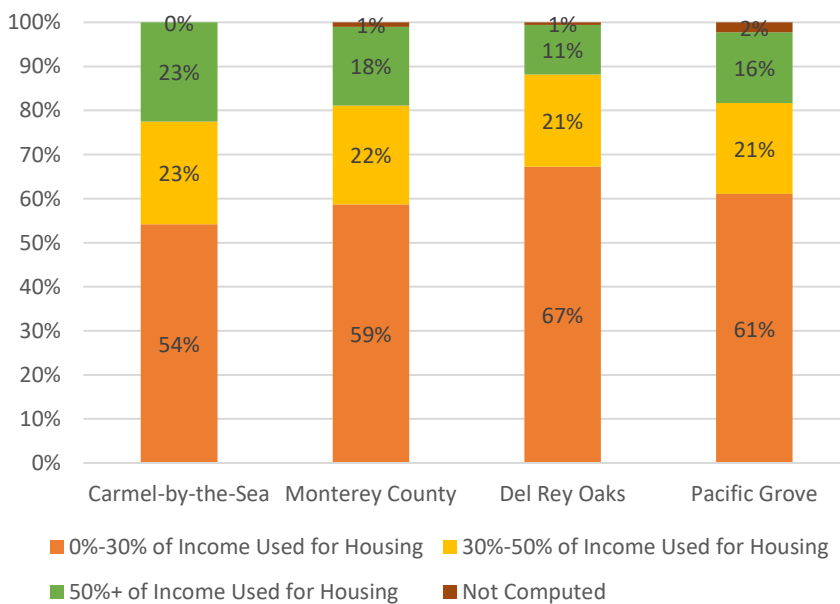
Cost Burden

According to HCD, overpayment or cost burden is measured as households spending more than 30 percent of their gross income including utilities for housing; severe overpayment or severe cost burden is measured as households spending 50 percent or more of their gross income for housing. For the duration of this report, overpayment will be referred to as cost burden.

The cost burden rates of owners and renters in a community provide insight to housing needs such as, the affordability of the local housing market and the availability of housing units that accommodate household needs like size and housing type. Additionally, federal and state agencies examine cost burden to determine a community’s need for housing assistance.

Figure A-25 illustrates cost burden severity in Carmel-by-the-Sea, the County, and nearby cities. Carmel-by-the-Sea household cost burden rates are similar to the County. In Carmel-by-the-Sea, 46 percent of households experience some level of cost burdened, of which 23 percent are severely cost burdened, while the County has a cost burden rate of 22 percent and a severe cost burden rate of 18 percent. The cities of Del Rey Oaks and Pacific Grove have slightly lower rates of cost burden overall with 67 percent and 61 percent of households experiencing no cost burden, respectively. Overall, the City of Del Rey Oaks has the lowest percent of households experiencing any type of cost burden. It is important to relate Carmel-by-the-Sea’s approximate 46 percent cost burden with its 10 percent population of overcrowded renter households, as these may be indicators of an unaffordable and homogenous local housing market.

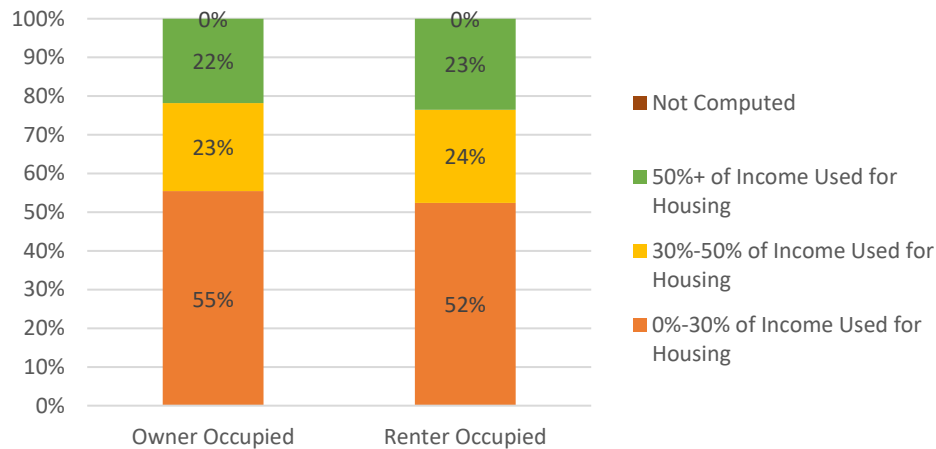
Figure A-25 Cost Burden Severity by Jurisdiction, 2015-2019



SOURCE: U.S. Census Bureau, CHAS Data, 2015-2019

Figure A-26 illustrates cost burden by tenure in Carmel-by-the-Sea. Renter and owner households experience similar levels of cost burden. Renter households experience 24 percent cost burden and 23 percent severe cost burden (47 percent total), whereas owner households experience 23 percent cost burden and 22 percent severe cost burden (45 percent total). This reflects a 1 percent difference between cost burden and severe cost burden for renter and owner households, respectively.

Figure A-26 Cost Burden by Tenure, Carmel-by-the-Sea, 2015-2019

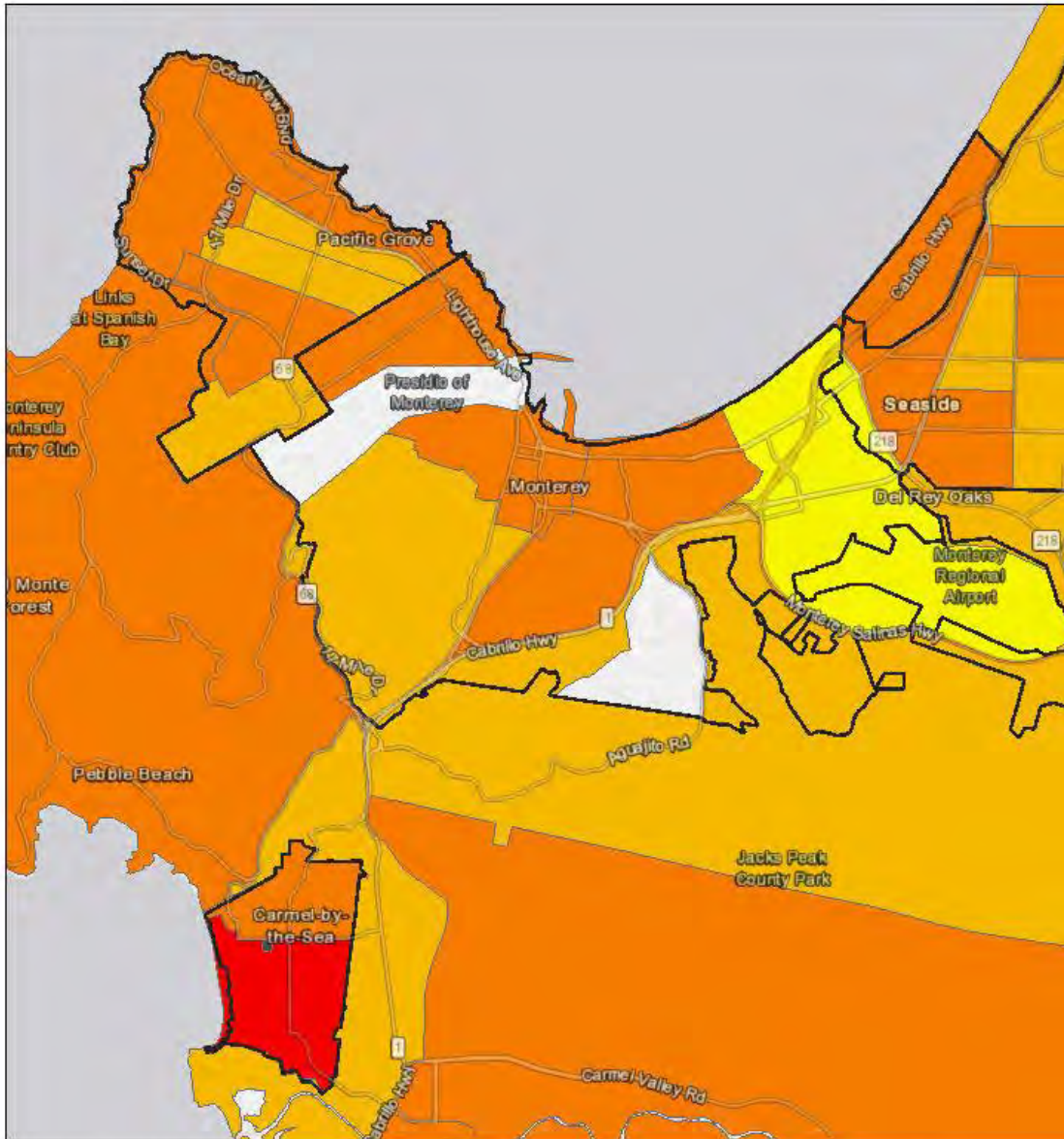


SOURCE: U.S. Census Bureau, CHAS Data, 2015-2019

Figure A-27 illustrates cost burden of home owners in Carmel-by-the-Sea. According to the HCD AFFH Data Viewer, the highest rates of cost burden among home owners in Carmel-by-the-Sea are concentrated in the central and southern regions of the City. In these regions, 80 percent of owner households experience cost burden. In the northern region of the City, 40-60 percent of owner households experience cost burden.

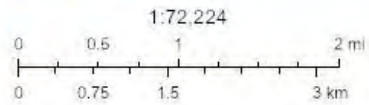
Figure A-28 illustrates cost burden of renters in Carmel-by-the-Sea. When analyzing concentrations of cost burden among renter-occupied households in Carmel-by-the-Sea, there is no variation based on location. Between 40-60 percent of renter-households experience cost burden across the City.

Figure A-27 Cost Burden by Home Owners, Carmel-by-the-Sea, 2015-2019



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- City/Town Boundaries
- (R) Overpayment by Home Owners (ACS, 2015 - 2019) - Tract
- < 20%
- 20% - 40%
- 40% - 60%
- > 80%

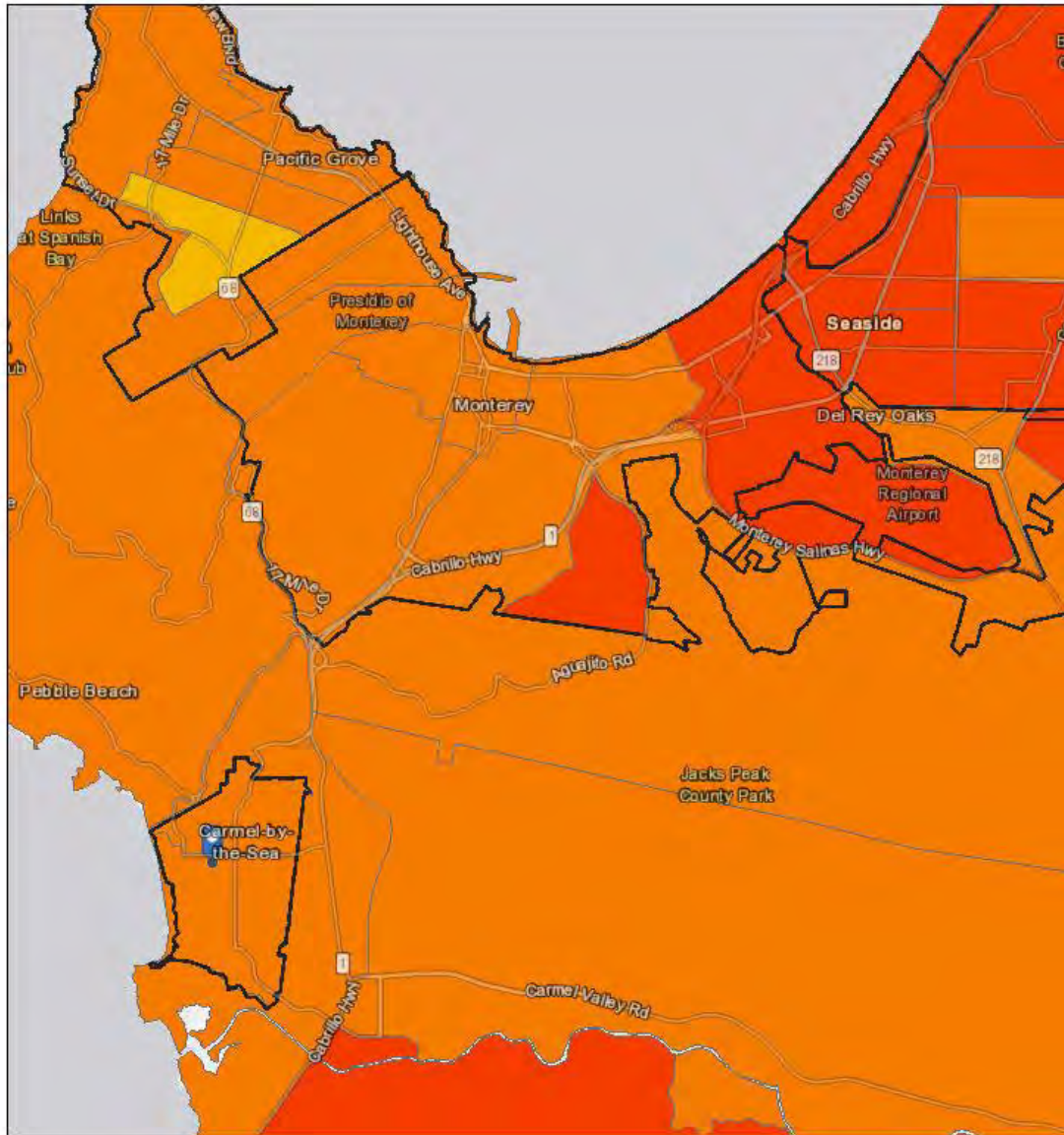


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SOURCE: California Department of Housing and Community Development, AFFH Data Viewer

Figure A-28 Cost Burden by Renter Households, Carmel-by-the-Sea, 2015-2019

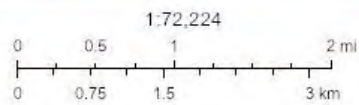


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City/Town Boundaries

(R) Overpayment by Renters (ACS, 2015 - 2019) - Tract

- 20% - 40%
- 40% - 60%
- 60% - 80%



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CA HCD

Bureau of Land Management, Esri, HERE, Garmin, GeoTechnologies, Inc., USGS, EPA | PlaceWorks 2021, HUD 2019 | PlaceWorks 2021, HUD 2020 | PlaceWorks 2021, ESRI, U.S. Census | ESRI

SOURCE: California Department of Housing and Community Development, AFFH Data Viewer

A.4 Special Needs Groups

Special needs groups are those that may face particular challenges in obtaining adequate housing due to inherent circumstances such as age, disabilities, household size, income level, age, and occupation. Large families, single parent households, female-headed households, or extremely low- and low-income households, and homeless persons may be classified as Special Needs groups. Special Needs groups are identified due to the unique nature of household characteristics and potential housing challenges faced. [Table A-11](#) provides a summary of special needs groups in Carmel-by-the-Sea.

Table A-11 Overview of Special Needs Groups

Special Needs Groups	Count	Percent of Total Households	Percent of Total Population
Total population	3,830	--	100%
Total occupied units (households)	1,925	100%	--
Extremely Low-income (0-30% of HAMFI) households	140 households	7%	--
Total Senior Population	1,657 persons	--	43%
<i>Senior Owner-Households</i>	763 households	40%	--
<i>Senior Renter-Households</i>	283 households	15%	--
Persons with Disabilities ²⁴	406 persons	--	12%
<i>Persons with Developmental Disabilities¹</i>	<70 persons	--	--
Large Households	70 households	4%	--
Single-Parent Households	153 households	8%	--
<i>Single-Parent, Female Headed Households with Children (under 18) below poverty line</i>	0 households	--	--
People Living in Poverty	111 persons	--	3%
Farmworkers ²	26,929 persons	--	--
<i>Migrant Farmworkers</i>	4,972 persons	--	--
<i>Seasonal Farmworkers</i>	12,123 persons	--	--
<i>Permanent Farmworkers</i>	14,806 persons	--	--
Persons Experiencing Homelessness ³	1 person	--	--

SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019; U.S. Census Bureau CHAS 2015-2019 Data; USDA Statistics Services; California Department of Developmental Services, Consumer Count by California ZIP Code and Residence Type (2021).

NOTE: 1. Data provided by California Department of Developmental Services and taken at the ZIP code level.

2. Agriculture, forestry, fishing and hunting and mining industry. Farmworker data is taken of the population 16 years and older. Data provided by USDA Statistics Services and taken at the County level for 2017; includes permanent and seasonal farmworkers.

3. Total results from 2022 Monterey County Homeless County and Survey Comprehensive Report.

²⁴ This estimate uses U.S. Census Bureau ACS 5-Year Estimates for 2021.

Extremely Low-Income Households and Poverty Status

Extremely low-income (ELI) households are those that earn less than 30 percent of the median family income (MFI). Very low-income households are those that earn 50 percent or less of the MFI. Extremely low-income households typically face a combination of housing challenges related to income status, family size/type, disability status, access to housing opportunities, and other household characteristics. Additionally, ELI households are more likely to experience overcrowding, cost burden, and substandard housing conditions. Extremely low-income households are typically minimum-wage workers, disabled persons, farmworkers, and seniors on fixed incomes.

Table A-12 provides a breakdown of extremely low-income households in Carmel-by-the-Sea. The 2015-2019 Comprehensive Housing Affordability Strategy (CHAS) data indicates there were approximately 140 ELI households (7 percent of total households) in Carmel-by-the-Sea. Of the extremely low-income households in Carmel-by-the-Sea, 29 percent are renter-occupied households and 71 percent are owner-occupied households, or 2 percent and 5 percent of all households, respectively.

When analyzing cost burden of ELI households, approximately 120 ELI households experience severe cost burden (paying more than 50 percent of median gross income on housing) and 140 experience moderate cost burden (paying more than 30 percent of median gross income on housing). Of the ELI households experiencing some form of cost burden, the majority are owner-occupied households.

Data for overcrowding by income level is not available for Carmel-by-the-Sea. However, because owner-occupied households represent the majority of ELI households and experience higher rates of cost burden, overcrowding, substandard housing issues it may be assumed that ELI households experience overcrowding.

The projected RHNA for ELI households was based on the assumption that 50 percent of very low-income households qualify as extremely low-income households. The very low-income housing need is 113 housing units, of which the City estimates 57 housing units will accommodate the extremely low-income housing need.

It seemed really scary when we first looked at the [RHNA numbers] and the idea of trying to squeeze more into this beautiful place that's so unique [but] I really like the idea of coming at this from a compassionate and creative perspective. I really resonate with that.

November 17, 2023
Housing Ad Hoc
Committee Community
Meeting Attendee

Table A-12 Extremely Low-Income Households, Carmel-by-the-Sea, 2015-2019

Households	Number	Percentage of Total Households
Total occupied units (households)	1,925	100%
Total Lower-income (0-80% of HAMFI) households	545	28%
Extremely Low-income (0-30% of HAMFI) households	140	7%
<i>Extremely Low-income renters</i>	40	2%
<i>Extremely Low-income owners</i>	100	5%
Lower-income households paying more than 50%	270	14%
Extremely Low-income paying more than 50%	120	6%
<i>ELI Renter HH severely cost burdened</i>	20	1%
<i>ELI Owner HH severely cost burdened</i>	100	5%
Lower-income households paying more than 30%	430	22%
Extremely Low-income paying more than 30%	140	7%
<i>ELI Renter HH moderately cost burdened</i>	40	2%
<i>ELI Owner HH moderately cost burdened</i>	100	5%
Lower-income households experiencing 1 of 4 Housing Problems	450	23%
Extremely Low-income households experiencing 1 of 4 Housing Problems	140	7%
<i>ELI Renter HH experiencing 1 of 4 Housing Problems</i>	40	2%
<i>ELI Owner HH experiencing 1 of 4 Housing Problems</i>	100	5%

SOURCE: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) 2015-2019.

NOTE: MFI = HUD Median Family Income, this is the median family income calculated by HUD for each jurisdiction, to determine Fair Market Rents (FMRs) and income limits for HUD programs. MFI will not necessarily be the same as other calculations of median incomes (such as Census number), due to a series of adjustments that are made.

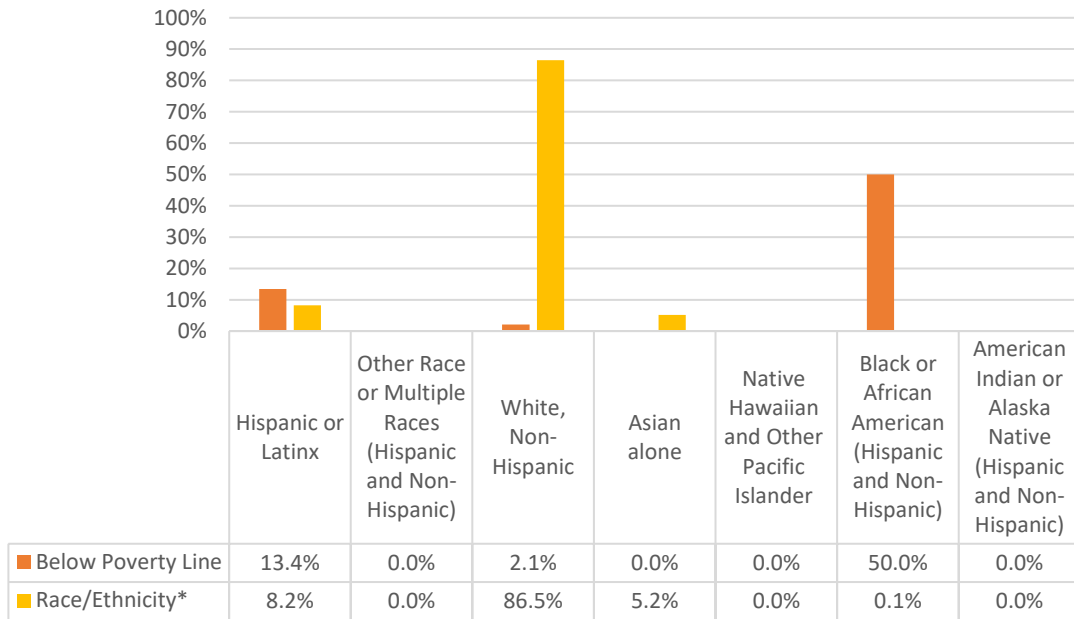
The four housing problems are: incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room, and cost burden greater than 30%.

***Cost burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost is "select monthly owner costs", which includes mortgage payment, utilities, association fees, insurance, and real estate taxes.

In 2019, approximately 111 persons were identified as living below the poverty line.²⁵ Figure A-29 illustrates the percent of the population in Carmel-by-the-Sea living below the poverty line in 2019 by race and ethnicity. Despite being the smallest population in the City (comprising .1 percent of the population), the Black or African American population is estimated to have the highest rate of poverty (50 percent); however, the low sample size makes it difficult to draw conclusions about this population. In contrast, the non-Hispanic White population represents 87 percent of the total population and only 2 percent is living below the poverty line. The Hispanic or Latinx population experiences the second highest rate of poverty with 13 percent living below the poverty line.

²⁵ From U.S. Census Bureau ACS 5-Year Estimate, 2019, Table S1701

Figure A-29 Percent Living Below the Poverty Line by Race and Ethnicity, Carmel-by-the-Sea, 2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019
 NOTE: Race/Ethnicity represents percentage of the total population*

In Carmel-by-the-Sea, housing costs may pose a challenge to residents that are from Extremely Low-Income households. With a median home value of \$2,070,835 (compared to a median home value of \$561,490 in Monterey County), ELI residents may find it difficult to achieve homeownership. Additionally, ELI residents typically experience limited accessibility to suitable transportation services to commute from home to work.

To address the needs of ELI households, the City will adopt housing programs to facilitate the construction of affordable and supportive housing for ELI households. Policies that will directly impact ELI households in Carmel-by-the-Sea include:

- Policy 3.1: Incentivize affordable housing development, with an emphasis on affordable housing built to accommodate Extremely Low-Income residents. Encourage the private sector to produce affordable housing;
- Policy 4.1: Support energy and water conservation programs to reduce the consumption of these resources in housing and to reduce housing costs; and
- Policy 5.1: Support and enforce fair housing laws. Expand fair housing choice by promoting housing opportunities and removing impediments to fair housing.

The City is committed to implementing a suite of programs which emphasize the provision of multi-family housing and non-traditional housing types to provide a variety of housing types to meet the needs of ELI households, including Program 1.3.C, 3.1.B, 3.3.A, 3.3.B, and 3.3.D (see [Chapter 2](#)).

Additionally, the City has identified the following service providers and programs to assist residents that are from an Extremely Low-Income household:

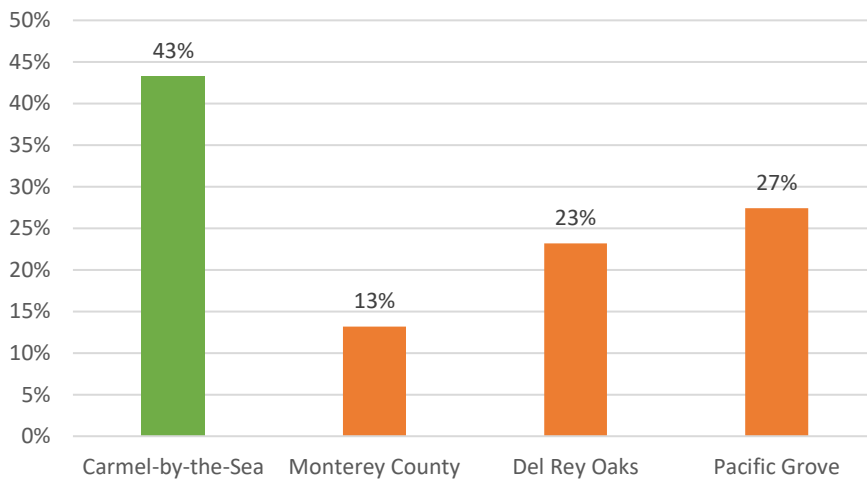
- Fair Housing Education;
- Housing Choice Voucher Program;
- 211 Monterey/United Way;
- Community Housing Improvement Systems and Planning Association, Inc. (CHISPA) Housing;
- Monterey-Salinas Transit; and
- Independent Transportation Network of Monterey (ITN Monterey).

Seniors

Seniors are identified as individuals 65 years and older. Senior households often experience a combination of factors that can make accessing or keeping affordable housing a challenge. They often live on fixed incomes and are more likely to have disabilities, chronic health conditions, and/or reduced mobility. Seniors who rent may be at even greater risk for housing challenges than those who own, due to income differences between these groups.

Figure A-30 illustrates the senior population in Carmel-by-the-Sea, the County, and nearby cities. Compared to the County and nearby cities, Carmel-by-the-Sea has the highest senior population (43 percent), approximately 30 percent more than the County and 16 percent more than Pacific Grove.

Figure A-30 Senior Population by Jurisdiction, 2019

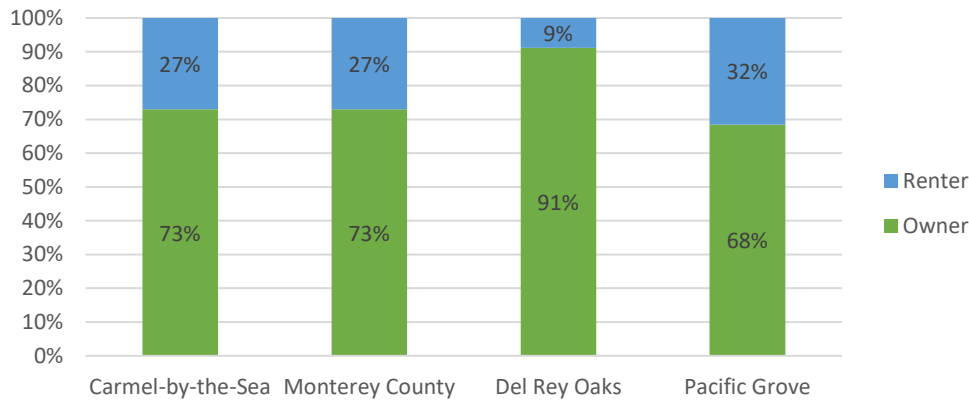


SOURCE: U.S. Census Bureau, 2019

NOTE: Senior population is defined as persons 65 years and older.

Figure A-31 illustrates senior housing by tenure in Carmel-by-the-Sea during 2019. Senior households in Carmel-by-the-Sea are primarily owners (73 percent). Similarly, the senior households of the County (73 percent) and nearby cities of Del Rey Oaks (91 percent) and Pacific Grove (68 percent) are majority owners.

Figure A-31 Senior Housing by Tenure, Carmel-by-the-Sea, 2019

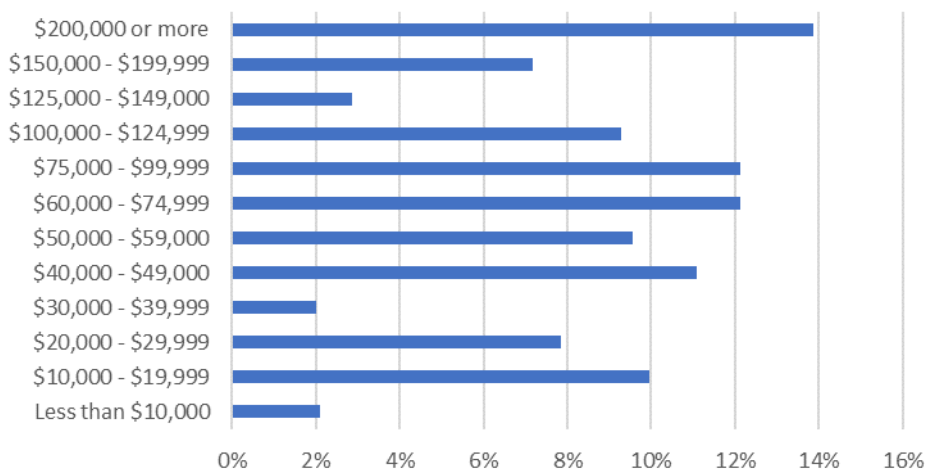


SOURCE: U.S. Census Bureau, 2019

NOTE: Senior population is identified as persons 65 years and older.

Figure A-32 illustrates senior households by their income. 14 percent of Carmel-by-the-Sea’s senior households earn a yearly income of \$200,000 or more). However, an estimated 61 percent of senior households earn less than the City’s median household income (\$98,188).

Figure A-32 Senior Households by Income, Carmel-by-the-Sea, 2019



SOURCE: U.S. Census Bureau, 2019

NOTE: Senior population is identified as persons 65 years and older.

In Carmel-by-the-Sea, housing costs does not necessarily pose a challenge to the City’s senior residents, as over 70 percent of the City’s senior population owns a home (see [Figure A-31](#)). However, elderly residents may be more likely experience limited accessibility to suitable transportation services, and limited mobility.

The Carmel Foundation offers a variety of recreational opportunities for the seniors of Carmel-by-the-Sea, including affordable lunches; activities and classes; free medical equipment loans; day excursions outside of the Monterey-Carmel area to museums, plays, and shopping; free blood pressure checks; caregiver support groups; etc. The Foundation also provides 50 affordable apartments for low-income seniors and partners with senior-serving agencies to provide additional services including the following:

- Legal Services for Seniors, providing free legal consultations;
- Alliance on Aging, providing assistance with Medicare or supplemental insurance;
- Visiting Nurse Association & Hospice (VNA), providing a grief support group; and
- Independent Transportation Network (ITN) Monterey County, offers rides to seniors in Monterey County.

In addition to The Carmel Foundation, the City has identified the following service providers and programs to assist seniors:

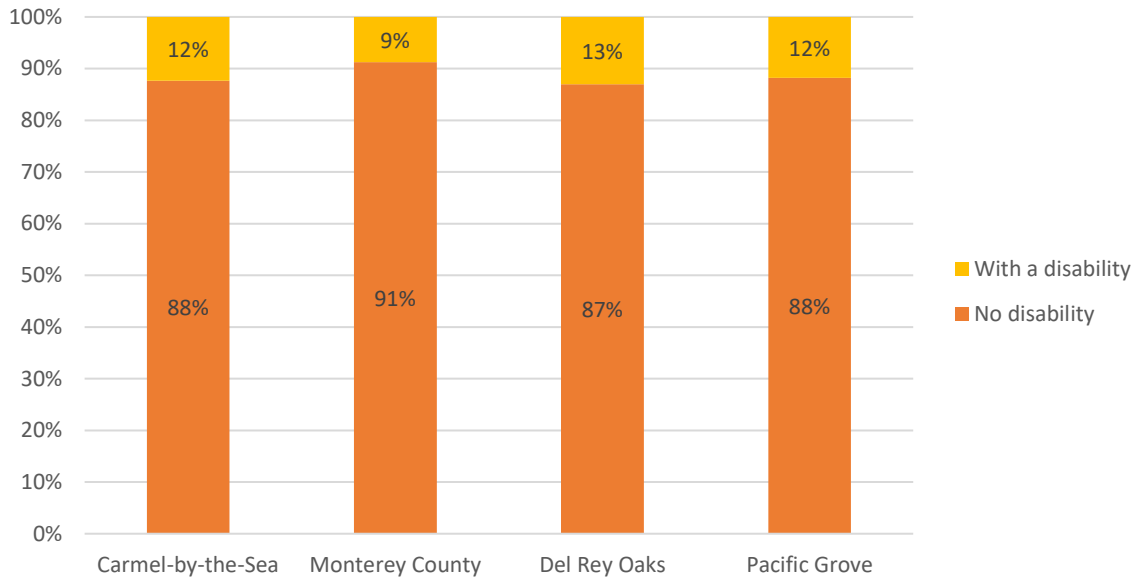
- The Salvation Army Good Samaritan Center;
- Meals on Wheels of the Monterey Peninsula;
- Seniors Helping Seniors;
- Seaside Recreation Services – Senior Center Programs;
- Habitat for Humanity Monterey;
- Monterey County Aging and Disability Resource Connection (ADRC); and
- Monterey-Salinas Transit Courtesy Card Rides.

People with Disabilities

People with disabilities face additional housing challenges. Encompassing a broad group of individuals living with a variety of physical, cognitive and sensory impairments, many people with disabilities live on fixed incomes and are in need of specialized care, yet often rely on family members for assistance due to the high cost of care. When it comes to housing, people with disabilities are not only in need of affordable housing but accessibly designed housing, which offers greater mobility and opportunity for independence. Unfortunately, the need typically outweighs what is available, particularly in a housing market with such high demand. People with disabilities are at a high risk for housing insecurity, homelessness, and institutionalization, particularly when they lose aging caregivers.

Figure A-33 illustrates population by disability status in Carmel-by-the-Sea, the County, and nearby cities in 2021. Twelve (12) percent of the population in Carmel-by-the-Sea has some form of disability, which is on par with nearby cities. The cities of Del Rey Oaks and Pacific Grove each have a population of 13 percent and 12 percent, respectively, with a disability. The County has the lowest percentage of persons with a disability at 9 percent.

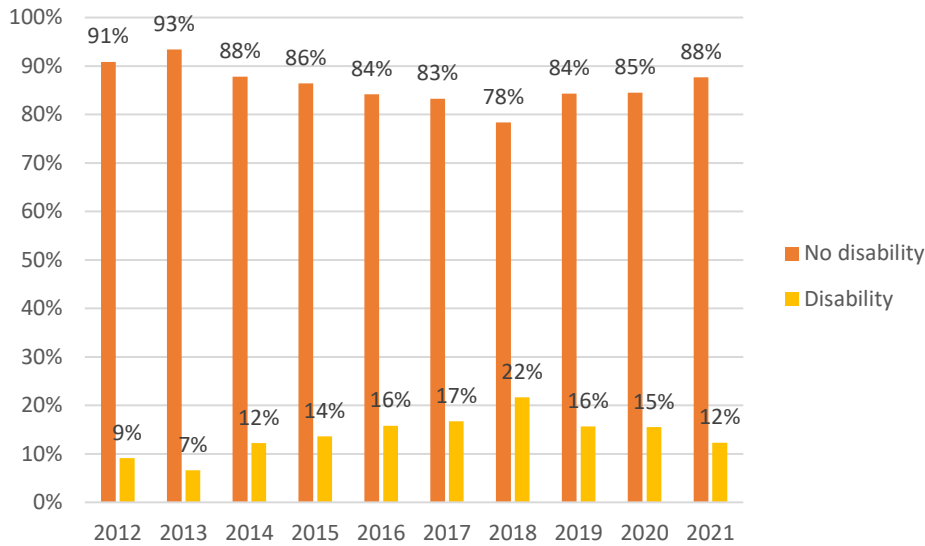
Figure A-33 Population by Disability Status by Jurisdiction, 2021



SOURCE: U.S. Census Bureau, 2021

Over the last decade, the population of persons with disabilities has increased in Carmel-by-the-Sea. Figure A-34 illustrates trends in persons with disabilities in Carmel-by-the-Sea between 2012-2021. In 2014, the population of persons with disabilities began to steadily increase from 12 percent to its highest point at 22 percent in 2018. In 2019, the upward trend in persons with disabilities began to decline reaching 16 percent, and eventually hitting 12 percent in 2021. Overall, the population of persons with disabilities has increased 3 percent since 2012.

Figure A-34 Trends in Persons with Disabilities, Carmel-by-the-Sea, 2012-2021



SOURCE: U.S. Census Bureau, 2012-2021

Table A-13 provides an overview of disability by type and age in Carmel-by-the-Sea during 2021. Hearing difficulty is the most widespread disability in Carmel-by-the-Sea (41 percent) with the highest concentration in persons 65 years of age and older. Self-care difficulty is the least common disability with 7 percent experiencing this in Carmel-by-the-Sea. Overall, seniors (persons aged 65+) makeup the largest demographic with a disability (50 percent).

Table A-13 Disability Status by Age, Carmel-by-the-Sea, 2021

Disability Type	Under 18	18-64	65 and Over	Total	Percent of Population with a Disability
Hearing Difficulty	20	0	305	325	41%
Vision Difficulty	20	0	50	70	9%
Cognitive Difficulty	0	29	46	75	9%
Ambulatory Difficulty	0	0	142	142	18%
Self-care Difficulty	0	0	56	56	7%
Independent Living Difficulty	0	0	130	130	16%
Total	40	29	729	798	100%

SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2021

NOTE: These disabilities are counted separately and are not mutually exclusive, as an individual may report more than one disability. These counts should not be summed.

State law also requires Housing Elements to examine the housing needs of people with developmental disabilities. Developmental disabilities are defined as severe, chronic, and attributed to a mental or physical impairment that begins before a person turns 18 years old. This can include

Down’s Syndrome, autism, epilepsy, cerebral palsy, and mild to severe mental retardation. Some people with developmental disabilities are unable to work, rely on Supplemental Security Income, and live with family members. In addition to their specific housing needs, they are at increased risk of housing insecurity after an aging parent or family member is no longer able to care for them.

Table A-14 shows the population with developmental disabilities by age in Carmel-by-the-Sea. In Carmel-by-the-Sea, of the 798 persons with a disability, approximately less than 70 have a developmental disability. Of these, less than 31 are children/young adults (i.e., under the age of 18) and less than 36 are adults.

Table A-15 shows the population with developmental disabilities by residence in Carmel-by-the-Sea. The most common living arrangement for individuals with developmental disabilities in Carmel-by-the-Sea is the home of parent/family/guardian.

Table A-14 Population with Developmental Disabilities by Age, Carmel-by-the-Sea, 2021

Age Group	Number
Age Under 18	<31
Age 18+	<36

SOURCE: California Department of Developmental Services, Consumer Count by California ZIP Code and Age Group (2021).

NOTE: Universe: Population with developmental disabilities. Notes: The California Department of Developmental Services is responsible for overseeing the coordination and delivery of services to more than 330,000 Californians with developmental disabilities including cerebral palsy, intellectual disability, Down syndrome, autism, epilepsy, and related conditions. The California Department of Developmental Services provides ZIP code level counts. To get jurisdiction-level estimates, ZIP code counts were crosswalked to jurisdictions using census block population counts from Census 2010 SF1 to determine the share of a ZIP code to assign to a given jurisdiction.

Table A-15 Population with Developmental Disabilities by Residence, Carmel-by-the-Sea, 2021

Residence Type	Number
Home of Parent/Family/Guardian	<38
Foster/Family Home	0
Independent/Supported Living	<11
Other	0
Community Care Facility	<11
Intermediate Care Facility	0

SOURCE: California Department of Developmental Services, Consumer Count by California ZIP Code and Residence Type (2021).

NOTE: Universe: Population with developmental disabilities. Notes: The California Department of Developmental Services is responsible for overseeing the coordination and delivery of services to more than 330,000 Californians with developmental disabilities including cerebral palsy, intellectual disability, Down syndrome, autism, epilepsy, and related conditions. The California Department of Developmental Services provides ZIP code level counts. To get jurisdiction-level estimates, ZIP code counts were crosswalked to jurisdictions using census block population counts from Census 2010 SF1 to determine the share of a ZIP code to assign to a given jurisdiction.

In Carmel-by-the-Sea, the majority of the residents that have disabilities are also age 65 and over. The service organizations listed in the “Seniors” section above includes several resources that accommodate seniors with disabilities, including the Carmel Foundation, which provides meal delivery, assists seniors in finding in-home care resources, and more.

The City’s Municipal Code establishes procedures for persons with disabilities seeking equal access to housing including reasonable accommodation for person with disabilities. Additionally, the City follows the requirements of California Building Code Title 24 which establishes provisions for accessible building design. Currently, the City is implementing their Capital Improvement Plan (CIP), which includes sidewalk improvements, grading streets to correct slope, and installation of ADA ramps. The City’s Police Department and Carmel Youth Center are also undergoing building improvements, which include ADA accessibility features for public use.

In addition to the City’s efforts to provide an accessible community environment, the following service providers and programs are available in Monterey County to assist residents that are living with disabilities:

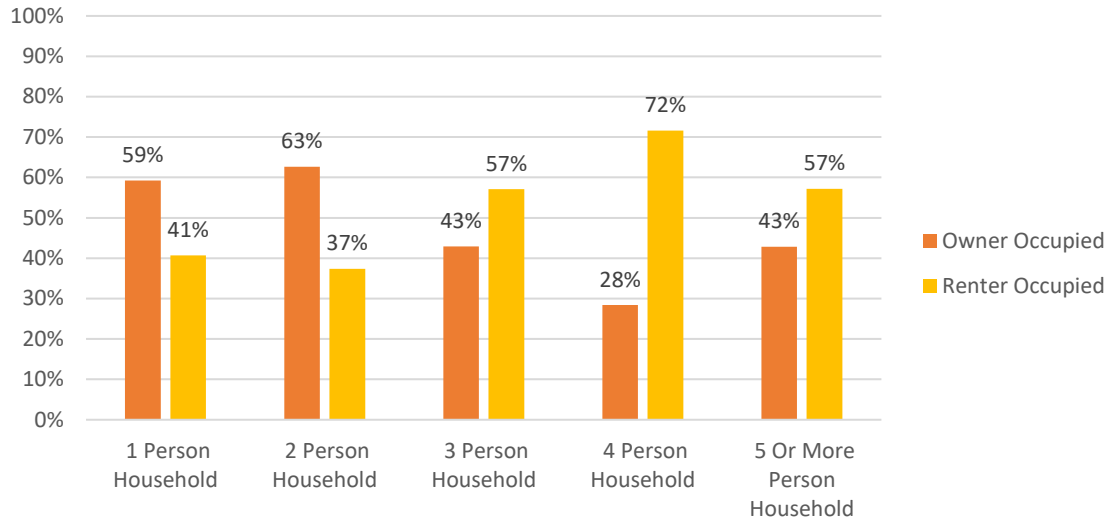
- Monterey County Aging and Adult Services;
- Monterey County Aging and Disability Resource Connection (ADRC);
- Paradigm Adult Services;
- Special Kids Connect;
- Monterey-Salinas Transit Courtesy Card Rides;
- Independent Transportation Network of Monterey (ITN Monterey); and
- MST Rides ADA Paratransit Agency.

Large Households

Large households are defined as households of five or more individuals. Large households often have different housing needs than smaller households. Household income and local housing markets can greatly impact a household’s ability to afford adequately sized housing. If a city’s rental housing stock does not include larger apartments, large households who rent could end up living in overcrowded conditions. Similarly, large households may experience overpayment as a result of a high housing market and limited availability.

Figure A-35 illustrates 2019 households by size and tenure in Carmel-by-the-Sea. The City has 70 large households, of which 57 percent are renter-occupied households. Owner-occupied households makeup the majority of 1-person and 2-person households, whereas renter-occupied households makeup the majority of all 3-5 person households. This combined with a total cost burden rate of 46 percent for renter households (Figure A-25), suggests it is likely that large households in Carmel-by-the-Sea may experience overcrowding and/or overpayment.

Figure A-35 Households by Size and Tenure, Carmel-by-the-Sea, 2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019

In Carmel-by-the-Sea, housing costs may pose a challenge to large households, as they are more likely to rent as opposed to purchasing a home, and experience higher cost-burden and overcrowding. With a median home value of \$2,070,835 (compared to a median home value of \$561,490 in Monterey County), large households may find it difficult to achieve homeownership. Furthermore, finding suitable transportation may be a challenge as well.

Generally, large households in Carmel-by-the-Sea can benefit from general programs and services for lower and moderate-income persons, including the Housing Authority of the County of Monterey Housing Choice Voucher program, and various community and social services provided by non-profit organizations in the region. Program 3.2.D has been included in this Housing Element to encourage the development of family friendly affordable housing units (see Chapter 2).

The City also has the ability to leverage city-owned sites to incentivize the development of larger, family friendly units that accommodate a minimum of three bedrooms per unit. The City will work with non-profit affordable housing developers to encourage housing development that meets the needs of large households. Further, the City's parking standards are based on a per unit requirement and will not pose a constraint to the development of larger units, which in some jurisdictions is determined by unit size.

In addition to the City's efforts to enable the development of family friendly residential units, the following service providers and programs are available in Monterey County to assist large households:

- Housing Choice Voucher Program;
- Fair Housing Education;

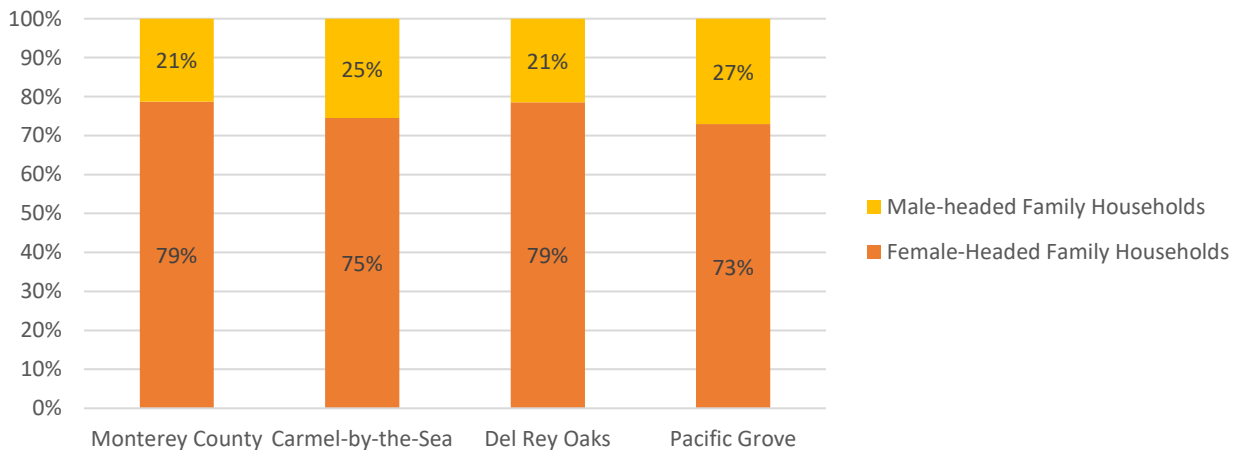
- Monterey County Down-payment Assistance Program;
- Monterey-Salinas Transit; and
- Monterey Dial-A-Ride Program.

Single-Parent Households

Households headed by one person are often at greater risk of housing insecurity, particularly female-headed households, who may be supporting children or a family with only one income.

In Carmel-by-the-Sea, the largest proportion of households are married-couple family households at 47 percent, while female-headed households make up 6 percent, and male-headed households make up 2 percent of all households (Figure A-12). Figure A-36 shows single-parent households in Carmel-by-the-Sea, the County, and nearby cities. Compared to the County and nearby cities, Carmel-by-the-Sea’s ratio of single-parent households is on par. Carmel-by-the-Sea’s single-parent households are predominantly female-headed family households (75 percent). Male-headed family households makeup 25 percent.

Figure A-36 Single-Parent Households by Jurisdiction, 2019

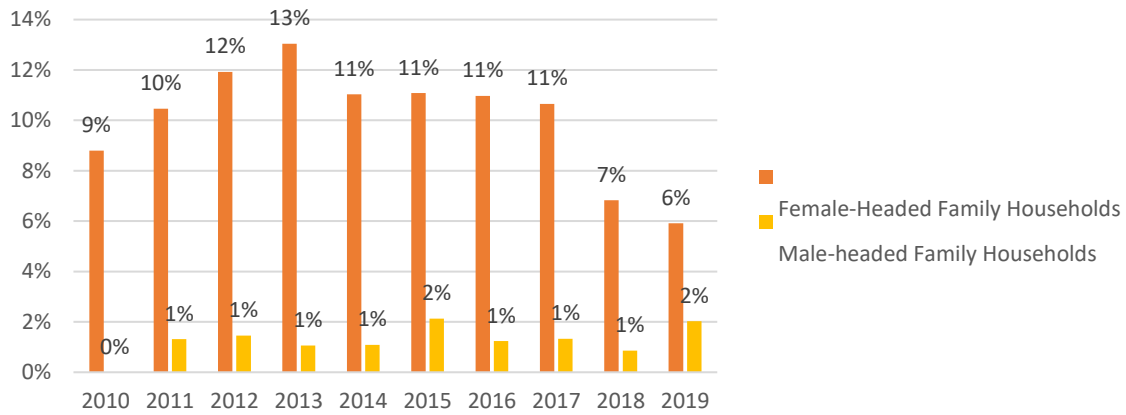


SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019

Over the last decade, male-headed family households have slightly increased in Carmel-by-the-Sea, while female-headed family households have decreased. Figure A-37 illustrates trends in single-parent households in Carmel-by-the-Sea between 2010-2019.²⁶

²⁶ The data reports female- and male-headed family household as a percentage of total households in Carmel-by-the-Sea.

Figure A-37 Trends in Single-Parent Households, Carmel-by-the-Sea, 2010-2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2010-2019

NOTE: This table reports female- and male-headed family households as a percentage of total households in Carmel-by-the-Sea.

During this period, male-headed households increased from zero percent in 2010 up to 2 percent by 2015. From 2016-2018, the male-headed family households remained at 1 percent until increasing to 2 percent by 2019. Comparatively, female-headed family households decreased a total of 3 percent between 2010-2019. From 2010-2013, female-headed family households steadily increased reaching its highest point at 13 percent in 2013. By 2014, the group experienced a 2 percent decrease and remained constant until 2018 when it began to decline, reaching 6 percent in 2019.

Female-headed households with children may face particular housing challenges, with pervasive gender inequality resulting in lower wages for women. Moreover, the added need for childcare can make finding a home that is affordable more challenging. In 2019, there were no single-parent households that fell in the Below Poverty Level category in Carmel-by-the-Sea.

Limited household income constrains the ability of single-parent households to afford adequate housing, childcare, health care, and other necessities. The Carmel Unified School District (CUSD) operates several programs that provide child care and early education services that may assist low income single-parent households, including the following:

- Universal Pre-Kindergarten at Carmelo School – Offers free enrollment early learning programs serving children aged four years old at several CUSD elementary sites and preschool sites.
- River Rec – Offers school age child care to assist working families in securing affordable quality child care, located at River Elementary School in Carmel. The program offers morning programs from 7:00 am to 8:40 am; afternoon programs from 2:00 pm to 6:00 pm; and full days from 7:00 am to 6:00 pm.
- Tular Rex – Offers school age child care to assist working families in securing affordable quality child care, located at Tularcitos Elementary School in Carmel Valley. The program offers morning programs from 7:00 am to 8:40 am; afternoon programs from 2:00 pm to 6:00 pm; and full days from 7:00 am to 6:00 pm.

The Carmel Youth Center, located at Torres Street and Fourth Avenue in Carmel-by-the-Sea, is a non-profit youth center that has historically provided youth services in the community, including after school care and summer programs. The Carmel Youth Center accepts scholarship funding for low-income households in need of affordable child care services. The Center is currently under review by the State to receive licensure and is expected to reopen by Summer 2024.

Due to the small geographical size of the city, childcare reflects the population size. Similar to many cities, demand is high for child care services in Carmel-by-the-Sea. Therefore, many lower-income residents rely on county resources, especially for subsidized child care. Monterey County Child Care provides resources for low-income households searching for subsidized child care and early learning programs. However, many resources are located outside of Carmel-by-the-Sea in the Salinas region, which may place transportation and access pressures on households in need of these services.

In an effort to relieve some of the housing and transportation issues that single-parent households may face, the City has identified the following service providers and programs to assist single-parent households:

- Housing Choice Voucher Program;
- Fair Housing Education;
- Monterey County Down-payment Assistance Program; and
- Monterey-Salinas Transit.

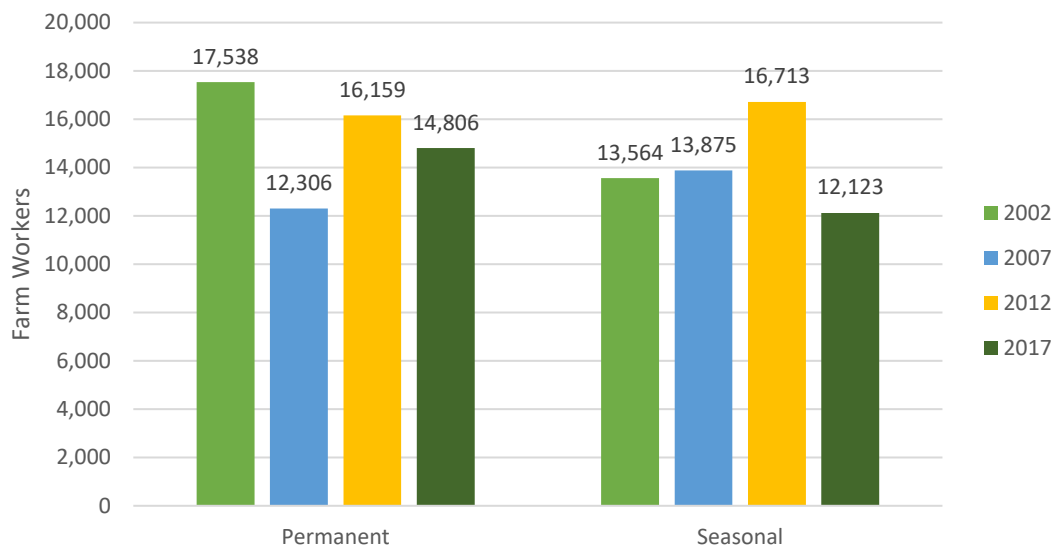
Farmworkers

Across the state, housing for farmworkers has been recognized as an important and unique concern. Farmworkers generally receive wages that are considerably lower than other jobs and may have temporary housing needs. Finding decent and affordable housing can be challenging, particularly in the current housing market.

According to the U.S. Department of Agriculture Census of Farmworkers, the number of permanent farm workers in Monterey County has decreased since 2002, totaling 14,806 in 2017, and the number of seasonal farm workers has also decreased, totaling 12,123 in 2017. [Figure A-38](#) shows hired farm labor in Monterey County between 2002-2017.

Agriculture consisting of crop farming and livestock grazing is the largest industry in Monterey County and contributes a significant amount of money to the County's economy. Out of approximately 1.3 million acres of County land dedicated to agriculture, most of this area (approximately 80 percent) is used for grazing. The most productive and lucrative farmlands in the County are located in the North County, Greater Salinas, and Central Salinas Valley Planning Areas.

Figure A-38 Hired Farm Labor, Monterey County, 2002-2017



SOURCE: U.S. Department of Agriculture, Census of Farmworkers (2002, 2007, 2012, 2017), Table 7: Hired Farm Labor.

NOTES: Universe: Hired farm workers (including direct hires and agricultural service workers who are often hired through labor contractors). Farm workers are considered seasonal if they work on a farm less than 150 days in a year, while farm workers who work on a farm more than 150 days are considered to be permanent workers for that farm.

According to the 2021 American Census Survey (ACS) data, zero percent of individuals residing in Carmel-by-the-Sea households reported that they were employed in the Agriculture, Forestry, or Fishing and Hunting industry.²⁷ According to the Department of Conservation’s Important Farmland Categories, the City of Carmel-by-the-Sea is entirely designated as “Urban and Built-up Land” and does not contain any important or prime farmlands.²⁸ There are no agricultural lands or agriculturally zoned properties within the City limits. There are no farm labor housing developments in the City nor are there projects assisted with Rural Housing Administration financing; however, the City shares the responsibility for farmworker housing as farmworkers may work within 75 miles of agricultural land uses (including dairy, vineyards, and produce) and the City is within 75 miles of these uses. While HCD has no established metrics, the United States Department of Agriculture, (USDA) considers farmworkers that work at a specific location within 75 miles of their home to be “settled” and thus permanent members of their home community.

The California Institute for Rural Studies released a Farmworker Housing Study and Action Plan for Salinas Valley and Pajaro Valley in April 2018. Key findings of the Study included:

- A survey of 420 farmworkers in the laborshed as well as interviews with employers and other stakeholders was conducted to gather primary data. Among the farmworkers surveyed, men and women were relatively evenly distributed across age groups with 75 percent of the

²⁷ Source: U.S. Census Bureau ACT 5-year Estimate, 2021, Table C24070

²⁸ Source: California Department of Conservation Important Farmland Categories <https://www.conservation.ca.gov/dlrp/finmp/Pages/Important-Farmland-Categories.aspx>

interviewees married. The clear majority of the immigrant farmworker interviewees had very few years of schooling. They were 92 percent immigrants (not born in the U.S.). About one fifth were follow-the-crop migrants (FTC) who had traveled outside the two-County (Monterey and Santa Cruz counties) area for agricultural employment;

- Most households of farmworkers interviewed included non-family members who were for the most part other farmworkers. There are consistently stunningly high rates of residences that are above the severely crowded condition of 2.0 people per room. This is true of almost all the subgroups of the population. Often more than 5 people per bathroom;
- About 40 percent of respondents live in houses, 30 percent in apartments. Another 19 percent live in rented rooms without kitchens – either in houses or apartments. Another 12 percent live in “other” types of dwellings. Eighty-nine percent of farmworkers were renters and 11 percent owners. Of those who reported as owners, a quarter owns mobile homes; and

Other characteristics of those interviewed included:

- Most have only completed primary school;
- Wages ranged from a median of \$12.79 per hour, mean of \$13.64, with median annual income of \$25,000;
- The majority do not work all year in agriculture – 7.5 months is the median;
- 44 percent of migrants work all year, 20 percent of non-migrants work year-round;
- Average age at arrival is about 20;
- Median number of years in the US is 15 years;
- Median age was 37;
- Median number of years with current employer is 4 years; a quarter worked for their employer for 8 years or more;
- Two-thirds are from four states in Mexico:
 - ◆ Oaxaca 21 percent;
 - ◆ Michoacan 19 percent;
 - ◆ Jalisco 14 percent;
 - ◆ Guanajuato 10 percent;
- 13 percent self-identified as indigenous Mixtec, Triqui, Zapotec;
- They work in a range of crops throughout the region;
 - ◆ 46 percent participate in harvest;

- ◆ 16 percent are packers;
- ◆ 38 percent participate in all other farm-related tasks such as:
 - Weeding;
 - Irrigating;
 - Thinning;
 - Pruning;
 - Loading;
 - Driving; and
 - Operating machines.

The farmworker housing demand model developed as part of the study calculates the total housing units needed of all types, based on target People Per Dwelling (PPD), and total permanent affordable farmworker housing based on the current rate that farmworkers access subsidized housing.

Key findings of the demand model were:

- An additional 33,159 units of farmworker housing are needed to alleviate critical overcrowding in farmworker households that are occupied at 7.00 PPD to the average PPD of 3.23 in Monterey County and the average PPD 2.60 in Santa Cruz County;
- A total of 4,393 units of permanent affordable farmworker housing are needed to maintain the present “access rate” of 7.6 percent of farmworkers to subsidized housing; and
- The data from this study indicate an overwhelming need for affordable permanent year-round family housing.

The housing needs of farmworkers are addressed under Carmel-by-the-Sea’s overall programs for affordability consistent with the California Institute for Rural Studies 2018 report. Although the City does not have agricultural uses, and therefore, no housing designated specifically for farmworkers — the City supports the County of Monterey’s efforts to educate the public on resources that are available for agricultural workers. The City has included Program 5.1.D to identify and publicize resources that are available throughout the region for agricultural employees. Additionally, Program 1.3.F establishes an amendment to the zoning code to define and permit employee housing, including agricultural employees, consistent with State law.

The City has identified the following regional service providers and programs to assist farm-worker households within the greater Monterey County region:

- Spanish Farmworkers Resource Line;
- The Center for Community Advocacy; and
- Farm and Food Worker Relief Program.

Persons Experiencing Homelessness

Homelessness remains an urgent challenge in many communities across the state, reflecting a range of social, economic, and psychological factors. Rising housing costs result in increased risks of community members experiencing homelessness. Addressing the specific housing needs for the unhoused population remains a priority throughout the region, particularly since homelessness is disproportionately experienced by people of color, people with disabilities, those struggling with addiction and those dealing with traumatic life circumstances.

Table A-16 show changes in the homeless population between 2017-2022 in Carmel-by-the-Sea, the County and neighboring jurisdictions. According to the 2022 Monterey Homeless Count and Survey Comprehensive Report, Carmel-by-the-Sea has seen a decrease in homeless persons since 2017, totaling one person in 2022. Similarly, the Monterey Bay Area overall has seen a decrease in homeless populations with the exception of Seaside.

Table A-16 Homeless Population by Jurisdiction, 2017-2022

Jurisdiction	Unsheltered			Sheltered			Total			2019-2022 % Change
	2017	2019	2022	2017	2019	2022	2017	2019	2022	
Monterey (City)	292	167	74	46	37	27	338	204	101	-50%
Carmel-by-the-Sea	16	6	1	0	0	0	16	6	1	*
Del Rey Oaks	111	0	2	0	0	0	111	0	2	*
Seaside	40	126	90	58	56	62	98	182	152	-16%
Pacific Grove	35	14	29	0	0	0	35	14	29	*
Total	509	315	198	104	93	89	613	408	287	-66%

SOURCE: 2022 Monterey Homeless Count and Survey Comprehensive Report

NOTE: % change was not calculated when jurisdiction was below 25 individuals.

Table A-17, shows household type and shelter status in Monterey County in 2019. In Monterey County, the most common type of household experiencing homelessness are those without children in their care. Among households experiencing homelessness that do not have children, 83 percent are unsheltered. Similarly, the majority of homeless households with children are unsheltered (45 percent).

Table A-17 Homelessness by Household Type and Shelter Status, Monterey County, 2019

Jurisdiction	People in Households Composed Solely of Children Under 18		People in Households with Adults and Children		People in Households without Children Under 18		Total
	Count	Percent	Count	Percent	Count	Percent	
Sheltered – Emergency Shelter	0	0%	146	22%	218	11%	364
Sheltered – Transitional Housing	0	0%	218	33%	124	6%	342
Unsheltered	10	100%	303	45%	1,685	83%	2,340
Total	10	100%	667	100%	2,027	100%	2,704

SOURCE: U.S. Department of Housing and Urban Development (HUD), Continuum of Care (CoC) Homeless Populations and Subpopulations Reports (2019). For the data table behind this figure, please refer to the Data Packet Workbook, Table HOMEELS-01.

NOTES: Universe: Population experiencing homelessness. This data is based on Point-in-Time (PIT) information provided to HUD by CoCs in the application for CoC Homeless Assistance Programs. The PIT Count provides a count of sheltered and unsheltered homeless persons on a single night during the last ten days in January. Each Bay Area County is its own CoC, and so the data for this table is provided at the county-level. Per HCD’s requirements, jurisdictions will need to supplement this county-level data with local estimates of people experiencing homelessness.

Housing and transportation costs can be barriers to residents that are experiencing homelessness. With a median home value of \$2,070,835 (compared to a median home value of \$561,490 in Monterey County), those experiencing homelessness would need wrap-around support, access to community services, and State/Federal assistance to end the cycle of homelessness. Many individuals that are homeless may experience difficulties with: finding emergency shelter, having access to food and job-training resources. Lack of adequate transportation to commute to job interviews and appointments with social service providers may also be an obstacle to individuals experiencing homelessness.

The following facilities offer supportive housing services in Monterey County and Carmel-by-the-Sea for homeless and special needs low-income persons:

- Habitat for Humanity Monterey;
- Peacock Acres;
- Interfaith Outreach of Monterey;
- Community for Human Services – Casa De Noche Buena: A 20-35-beds year-round shelter for homeless women and families. Capacity depends on the number of children in families. Provides case management, housing navigation, meals, laundry facilities, mail service, social recreation activities, and linkages to income, education, and employment. A partnership with Gathering for Women Monterey. Located at 1292 Olympia Ave., Seaside;

- Community Human Services – Safe Place Youth Shelter: A 12-bed year-round shelter for youth ages 18-21. Case management is available to all clients. Check-in is from 7:00-9:00 pm. Located at 590 Pearl Street, Monterey; and
- Interim, Inc. – MCHOME: Provides emergency shelter, outreach, housing, and intensive, integrated services to homeless adults with psychiatric disabilities. MCHOME’s goal is to move individuals with psychiatric disabilities off the street and into housing. Located in Monterey.

The majority of resources for the homeless population are provided at the county level due to a lack of need in the City, as well as a lack of resources to provide services at the City level.

A.5 Access to Opportunity

This section discusses disparities in access to opportunity among protected classes including access to quality education, employment, transportation, and environment. The California Tax Credit Allocation Committee (TCAC) in collaboration with HCD developed a series of opportunity maps that help to identify areas of the community with good or poor access to opportunity for residents. These maps were developed to align funding allocations with the goal of improving outcomes for low-income residents—particularly children.

Access to Opportunity

“**Access to opportunity** is a concept to approximate place-based characteristics linked to critical life outcomes. Access to opportunity oftentimes means both improving the quality of life for residents of low-income communities, as well as supporting mobility and access to ‘high resource’ neighborhoods. This encompasses education, employment, economic development, safe and decent housing, low rates of violent crime, transportation, and other opportunities, including recreation, food and healthy environment (air, water, safe neighborhood, safety from environmental hazards, social services, and cultural institutions).”

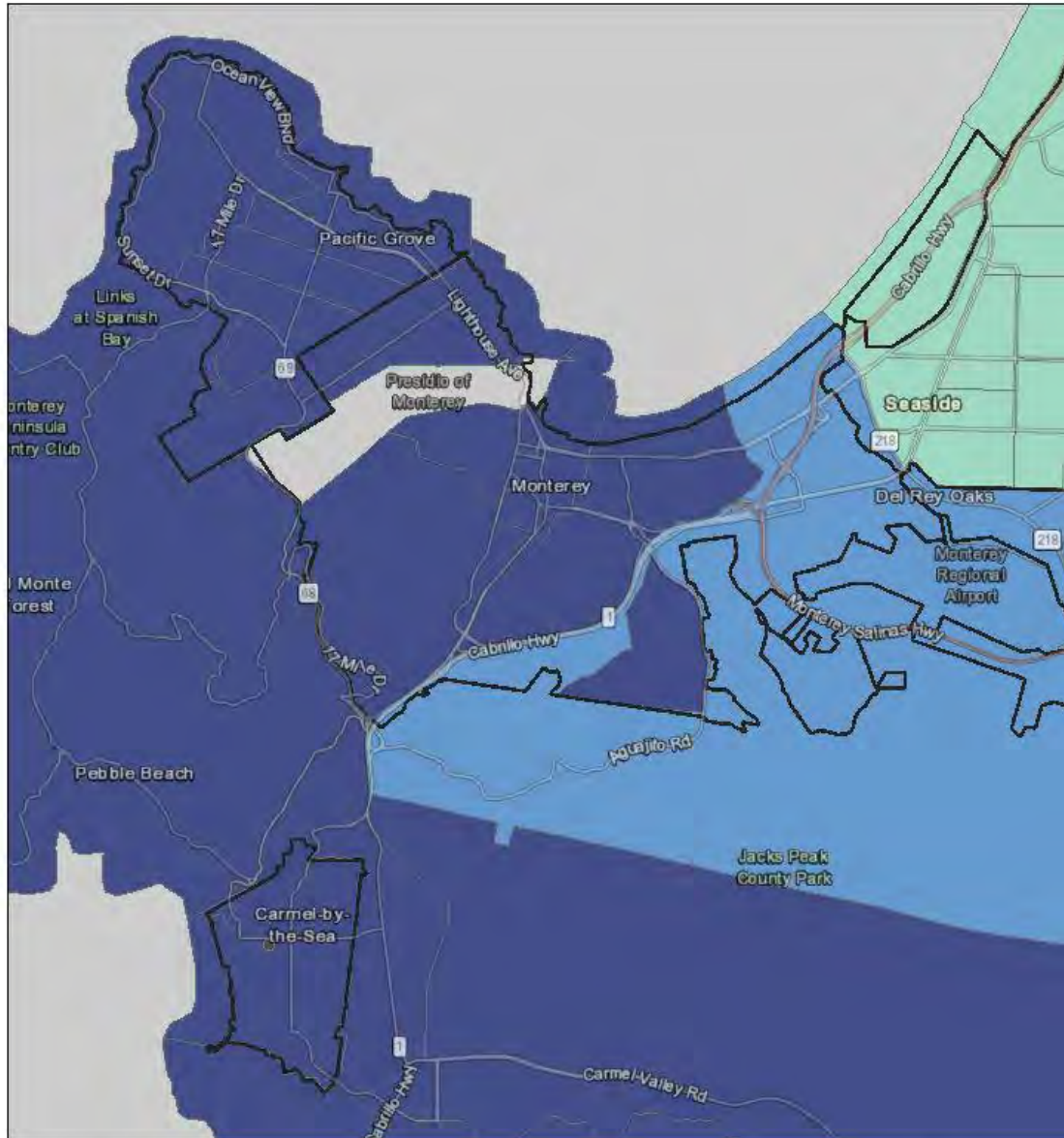
SOURCE: California Department of Housing and Community Development Guidance, 2021, page 34.

The opportunity maps highlight areas of highest resource, high resource, moderate resource, moderate resource (rapidly changing), low resource, and high segregation and poverty. TCAC provides opportunity maps for access to opportunity in quality education, employment, transportation, and environment. Opportunity scores are presented on a scale from zero to one and the higher the number, the more positive the outcomes.

Disparities in Access to Opportunity

As can be seen in [Figure A-39, TCAC Opportunity Composite Score](#), Carmel-by-the-Sea is considered a highest resource area as is much of western Monterey County. According to the HCD AFFH Data Viewer TCAC Opportunity Map, there are no areas of variation in access to opportunity across the City.

Figure A-39 TCAC Opportunity Composite Score, Carmel-by-the-Sea, 2022



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City/Town Boundaries

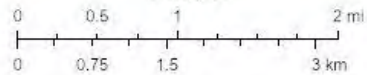
(R) COG Geography TCAC Opportunity Map 2022 - Composite Score (Tract)

Highest Resource

High Resource

Moderate Resource

Missing/Insufficient Data



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Bureau of Land Management, Esri, HERE, Garmin, GeoTechnologies, Inc., USGS, EPA | PlaceWorks 2021, HUD 2019 | PlaceWorks 2021, HUD 2020 | PlaceWorks 2021, ESRI, U.S. Census | ESRI

SOURCE: California Department of Housing and Community Development AFFH Data Viewer

Economic

TCAC's economic opportunity score is comprised of poverty, adult educational attainment, employment, job proximity, and median home value. [Figure A-40](#) shows concentrations of economic outcomes in Carmel-by-the-Sea. According to the HCD AFFH Data Viewer TCAC Economic Opportunity Map, all areas of Carmel-by-the-Sea have a high economic opportunity score of 0.75-1.0. This reflects a high level of opportunity for economic advancement for residents in Carmel-by-the-Sea.

HUD'S Job Proximity index utilizes Longitudinal Employer-Household Dynamic estimates to examine the distance from a given neighborhood to all job locations within the Salinas-Monterey Area and measures the accessibility to job opportunities at the census block group level. Because the size of employment centers and the supply of labor differ across the region, the distance from any single job location is positively weighted by the size of employment (job opportunities) at that location and inversely weighted by the labor supply (competition) to that location.²⁹ The higher the index value, the better the access to employment opportunities for residents in a neighborhood.

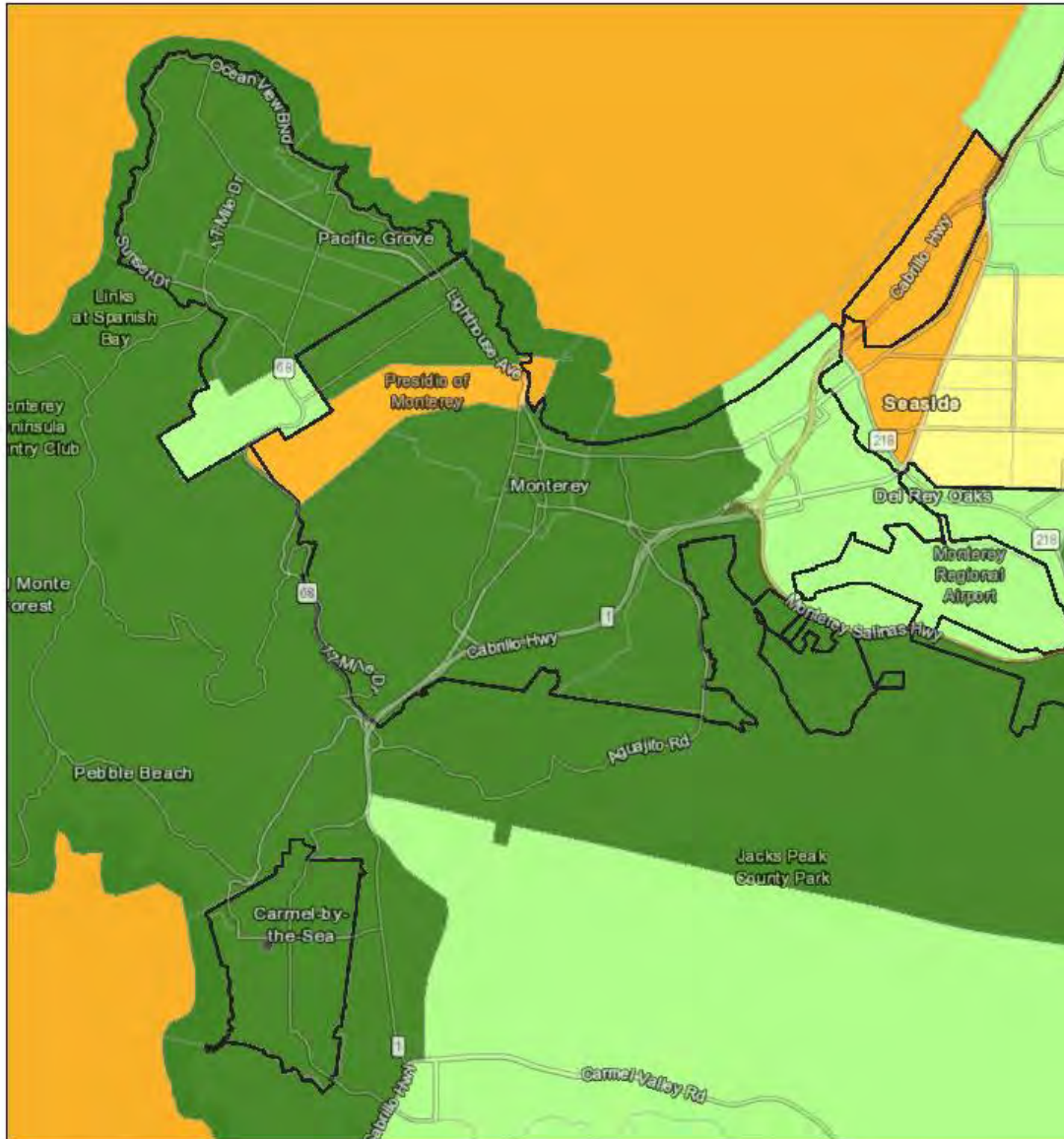
As shown in [Figure A-41](#), access to employment opportunities does not differ across Carmel-by-the-Sea. The entirety of the city has a jobs proximity index score of at least 80, indicating adequate access to employment opportunities for residents across the city.

According to data presented in Section A.2 Population, Employment, and Household Characteristics, the city is a net importer of workers ([Figure A-11](#)), which likely comes as a result of the small geographical size of the city and limited housing availability. Further, the city is a tourist destination, providing ample job opportunities to sustain the local economy. However, the combination of low housing stock and high job opportunity can perpetuate a jobs to housing imbalance. To encourage the development of a variety of new housing types affordable to a range of incomes, the City has developed a suite of programs, including Program 1.3.D, which encourages the development of on-site employee housing at overnight visitor accommodation centers in the city. See [Chapter 2](#) for a full list of implementation programs.

It is intended that through the implementation of these housing programs, the City will enable local employees to obtain affordable housing in the city.

²⁹ HUD. AFFH-T Data Documentation Data Version AFFHT0006 (2020).

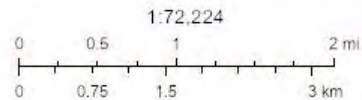
Figure A-40 TCAC Opportunity Economic Score, Carmel-by-the-Sea, 2022



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(R) COG Geography TCAC Opportunity Map 2022 - Economic Score (Tract)

- < 0.25 (Less Positive Economic Outcomes)
- 0.25 – 0.5
- 0.5 – 0.75
- .75 – 1 (More Positive Economic Outcomes)
- City/Town Boundaries

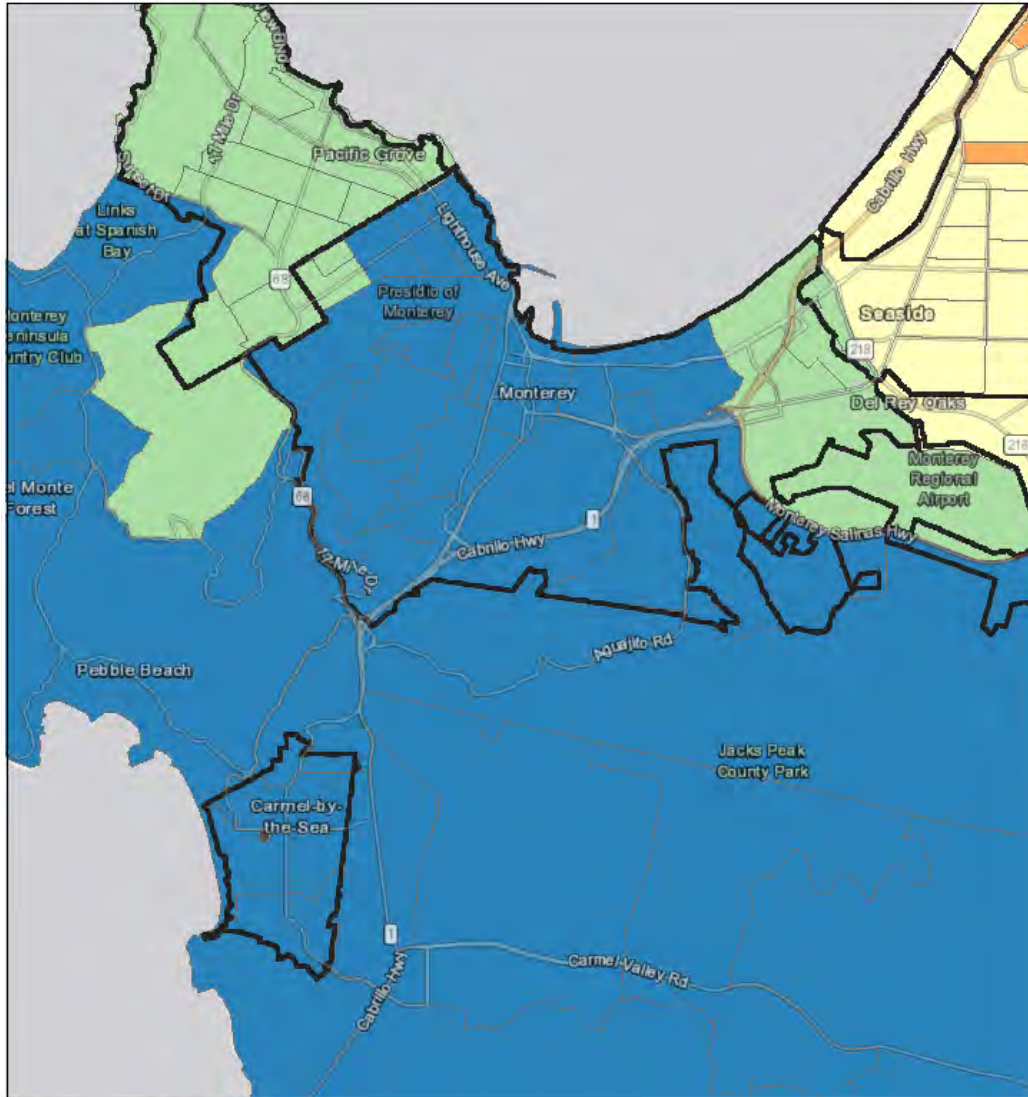


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SOURCE: California Department of Housing and Community Development AFFH Data Viewer

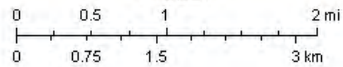
Figure A-41 Jobs Proximity Index, Carmel-by-the-Sea



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- City/Town Boundaries
- (A) Jobs Proximity Index (HUD, 2014 - 2017) - Block Group
- 20 - 40
- 40 - 60
- 60 - 80
- > 80 (Closest Proximity)



State of Land Management, Esri, HERE, Garmin, GeoTechnology, Inc., USGS, EPA, Esri, HERE, Garmin, © OpenStreetMap contributors, and the GIS user community

CAHCD

SOURCE: California Department of Housing and Community Development AFFH Data Viewer

Education

TCAC's education score is based on math proficiency, reading proficiency, high school graduation rates, and the student poverty rate. Opportunity scores are presented on a scale from zero to one and the higher the number, the more positive the outcomes.

Figure A-42 shows the level of TCAC educational opportunity across Carmel-by-the-Sea. According to TCAC's Educational Opportunity Map, Carmel-by-the-Sea scores between 0.75-1.0 indicating a high level of positive educational outcomes for residents in Carmel-by-the-Sea.

Carmel-by-the-Sea is served by the Carmel Unified School District (CUSD), along with elementary, middle, and high schools within the City and school district. As of 2022, the State of California School Dashboard highlights a 97.9 percent graduation rate among all students enrolled in Carmel High School, which is higher than the statewide average (87.4 percent) and County average (88.5 percent).

When broken down by race/ethnicity, Hispanic and White students graduated at a high rate (97.4 percent for both groups). There is no performance data available for the graduation rates of African American, Asian, Filipino, and American Indian students at Carmel High.

Additionally, there is no performance data available for the graduation rates of students with a disability within Carmel High.

Environment

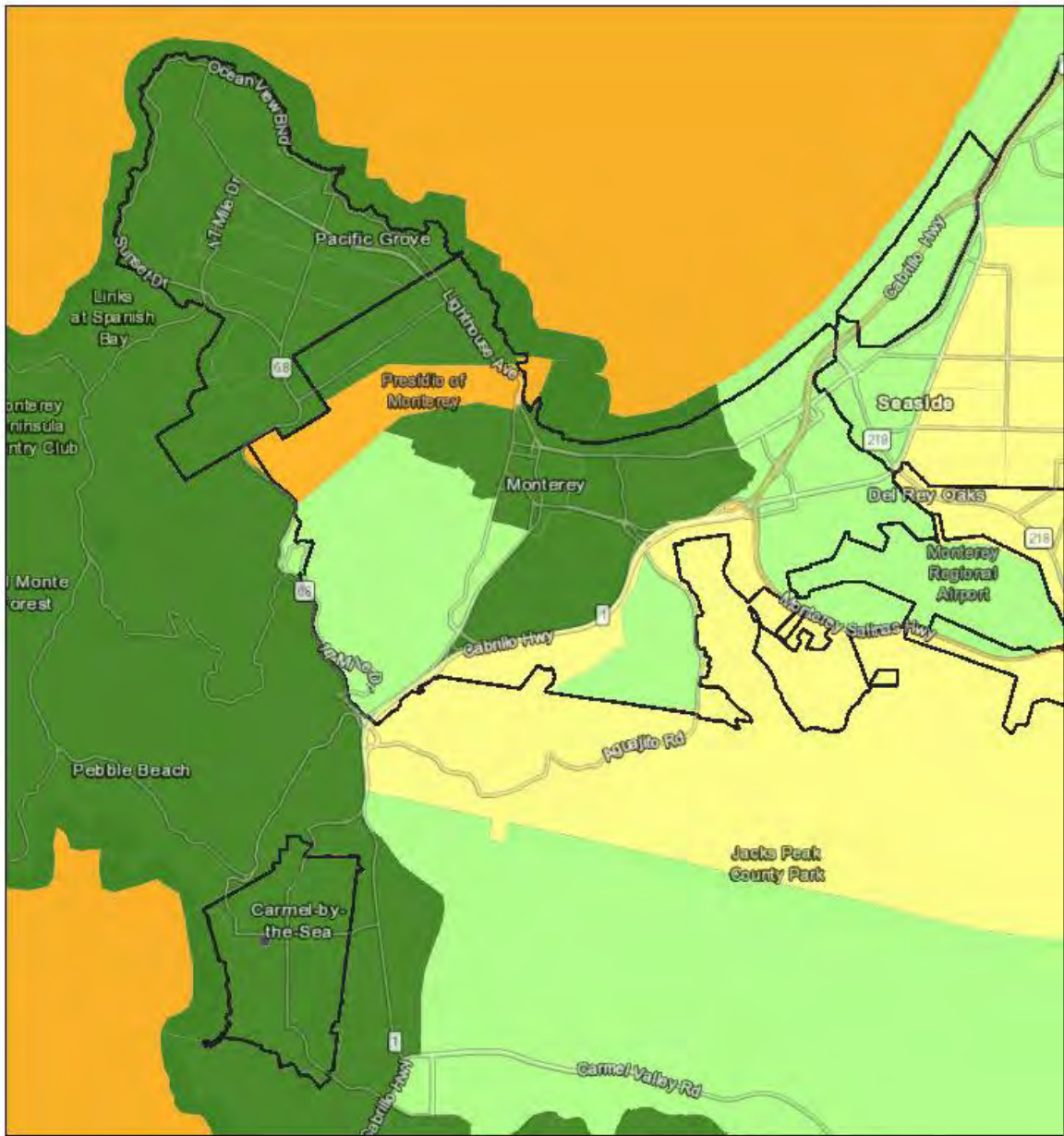
TCAC's opportunity areas environmental scores are based on the CalEnviroScreen 4.0 indicators, which identify areas disproportionately vulnerable to pollution sources such as ozone, PM2.5, diesel PM, pesticides, toxic release, traffic, cleanup sites, groundwater threats, hazardous waste, impaired water bodies, and solid waste sites.

Figure A-43 shows TCAC environmental outcomes across Carmel-by-the-Sea. According to the HCD AFFH Data Viewer TCAC Environmental Opportunity Map, Carmel-by-the-Sea scores between 0.75-1.0 indicating a low level of environmental pollution burden and positive outcomes for residents in Carmel-by-the-Sea.

The Social Vulnerability Index (SVI) provided by the Center for Disease Control (CDC) ranks census tracts based on their ability to respond to a disaster and includes four themes of socioeconomic status, household composition, race or ethnicity, and housing and transportation.

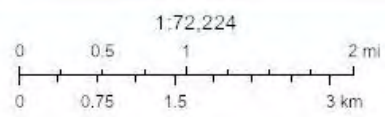
Figure A-44 shows SVI levels across Carmel-by-the-Sea. Carmel-by-the-Sea scores low on the SVI (less than 0.25) indicating that the City is slightly vulnerable to disasters, but highly equipped to respond to them. Just outside of the City's borders however, vulnerability levels increase to 0.25-0.5. This is likely due to a difference in jurisdictional resources.

Figure A-42 TCAC Opportunity Education Score, Carmel-by-the-Sea, 2022



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- City/Town Boundaries
- (R) COG Geography TCAC Opportunity Map 2022 - Education Score (Tract)
- < 0.25 (Less Positive Education Outcomes)
- .25 – 0.5
- 0.5 – 0.75
- .75 – 1 (More Positive Education Outcomes)



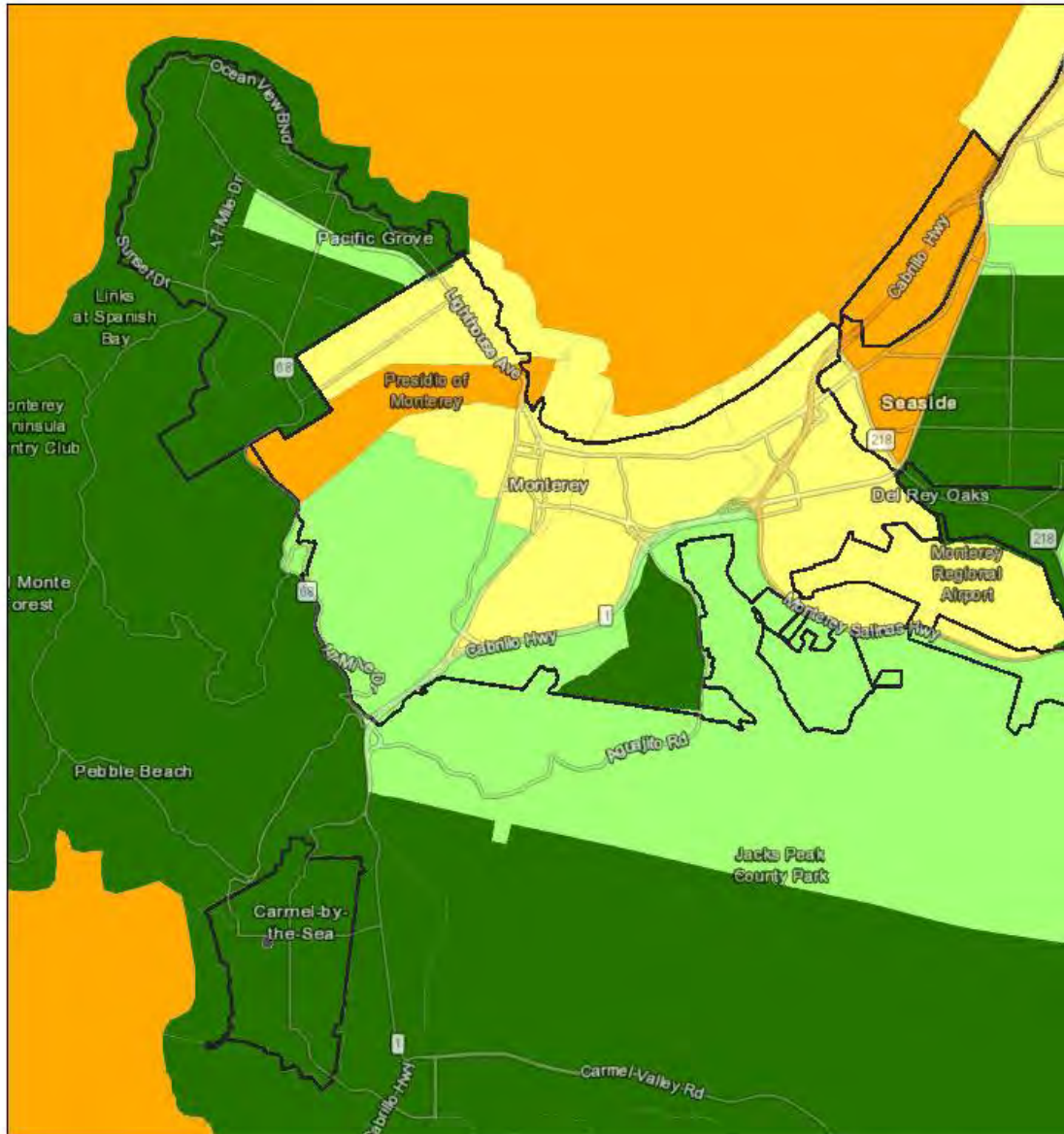
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CA HCD

Bureau of Land Management, Esri, HERE, Garmin, GeoTechnologies, Inc., USGS, EPA | PlaceWorks 2021, HUD 2019 | PlaceWorks 2021, HUD 2020 | PlaceWorks 2021, ESRI, U.S. Census | ESRI

SOURCE: California Department of Housing and Community Development AFFH Data Viewer

Figure A-43 TCAC Opportunity Environmental Score, Carmel-by-the-Sea, 2022

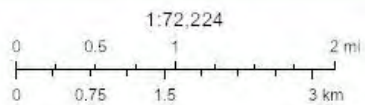


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City/Town Boundaries

(R) COG Geography TCAC Opportunity Map 2022 - Environmental Score (Tract)

- < .25 (Less Positive Environmental Outcomes)
- 0.25 – 0.5
- 0.5 – 0.75
- .75 – 1 (More Positive Environmental Outcomes)



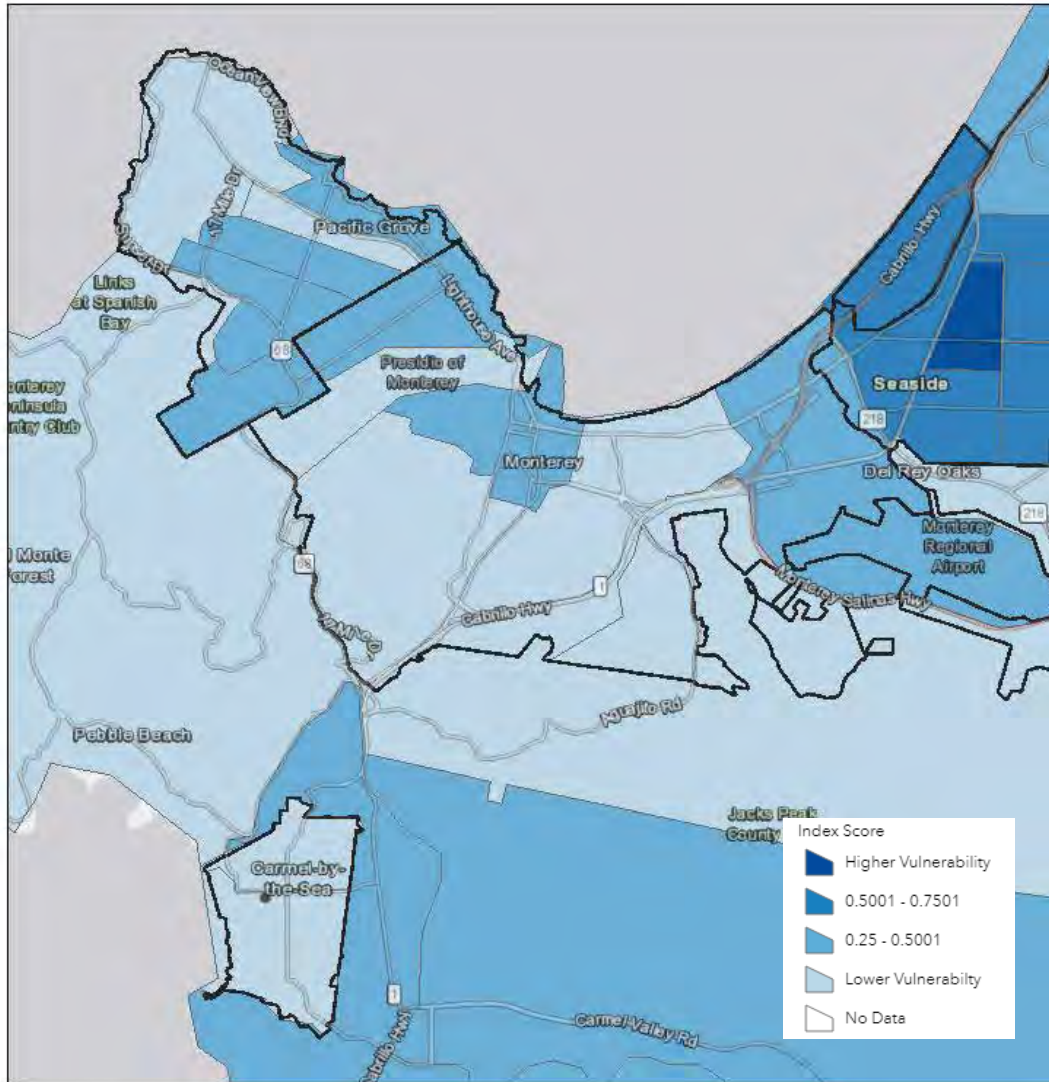
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CA HCD

Bureau of Land Management, Esri, HERE, Garmin, GeoTechnologies, Inc., USGS, EPA | PlaceWorks 2021, HUD 2019 | PlaceWorks 2021, HUD 2020 | PlaceWorks 2021, ESRI, U.S. Census | ESRI

SOURCE: California Department of Housing and Community Development AFFH Data Viewer

Figure A-44 Social Vulnerability Index, Carmel-by-the-Sea, 2018

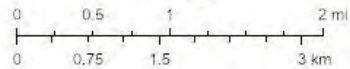


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City/Town Boundaries

(A) Social Vulnerability Index (CDC, 2018) - Tract

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SOURCE: California Department of Housing and Community Development AFFH Data Viewer

Disparities Specific to the Population Living with a Disability

In Carmel-by-the-Sea, 12.3 percent of the population is living with at least one disability, compared to 8.8 percent in Monterey County. The most common disabilities in the City are: hearing difficulty (9.9 percent), ambulatory difficulty (4.4 percent), and independent living difficulty (4.3 percent). For the population 65 and over, the share of the population with hearing difficulties increases to 19.3 percent. In an effort to improve accessibility features for residents living with disabilities, the City will allocate funding from its Capital Improvement Program (CIP) to improve curb cuts, sidewalks, and slopes within Carmel-by-the-Sea.

Disparities in Access to Transportation

Reliable public transit access and active transportation options (walking and biking) are imperative for low-income residents and/or persons with disabilities to connect to employment opportunities. Access to employment via public transit and active transportation can reduce income burden and increase housing mobility, which enables residents to locate housing in more areas.³⁰ Lack of transportation options can impede fair housing choice and continue to reinforce barriers for low-income residents in accessing opportunities.

Regional Trends

Monterey County generally has widespread access to public transit. Transportation Agency for Monterey County (TAMC) and Monterey-Salinas Transit (MST) all serve Monterey County. TAMC serves as the county's regional transportation agency responsible for planning and financial programming of transportation projects in the county. Through local and statewide funding, TAMC provides funding for public transit services operated by MST. MST provides a variety of local bus services through a total of 36 routes where service originates from two primary locations: the Monterey Transit Plaza, in downtown Monterey, and the Salinas Transit Center, in downtown Salinas. From there, routes branch out through the western cities of Marina, Sand City, Monterey, Pacific Grove, Carmel-by-the-Sea, and then the eastern cities, including Salinas, Gonzales, Soledad, Greenfield, and King City. In addition, MST provides a connection to Watsonville Transit Center as the primary connector to Santa Cruz Metro to Santa Cruz and San Jose centers. MST offers a paratransit program (RIDES) in cooperation with the Americans with Disabilities Act for those who have a disability that prevents them from using MST's regular fixed-route bus service. Each bus is equipped with a wheelchair lift, and a service corridor extends 0.75 mile from any of the MST bus routes throughout the Monterey Peninsula, Carmel-by-the-Sea, Carmel Valley, Salinas, Chualar, Gonzales, Greenfield, Soledad, and King City with connection to Watsonville Transit Center. College students ride free with valid student photo identification during the Fall and Spring semesters. Amtrak rail service has a station in Salinas as part of the Coast Starlight line that extends north as far as Seattle, Washington.

³⁰ Ong, Paul and Evelyn Blumenberg. 1998. <https://escholarship.org/uc/item/6d897664#author>

Monterey County received an average AllTransit performance score of 4.2 which equates to a low combination of trips per week and number of jobs accessible by transit.³¹ Nearly 73 percent of workers in the county live within 0.5 mile of transit. Almost all major employment centers in Monterey County are served by some form of public transit. However, having regional access to jobs by means of public transit does not necessarily translate into stable employment. Some residents with unique needs, such as households with children, have unique travel patterns that may prevent them from working far from home due to childcare needs, access to schools, and other considerations.

From a regional standpoint, MST services approximately 2.2 million passengers on an annual basis of which 76 percent of the passengers come from a historically underrepresented (non-White) background with an annual household income under \$40,000.³² Monterey-Salinas Transit also reports that 25 percent of all trips begin in a disadvantaged community, and 20 percent of the passengers serviced by MST have a disability and are dependent on others for mobility and transport. Compared to all other jurisdictions serviced by MST, Carmel-by-the-Sea has the sixth highest monthly ridership (Monterey-Salinas Transit, 2023).

Local Trends

In the City of Carmel-by-the-Sea, public transportation is serviced by Monterey-Salinas Transit (MST) which offers two fixed route bus lines in Carmel-by-the-Sea (Routes 5 and 94). Route 5 connects Carmel-by-the-Sea to the City of Monterey, operating from 6:15 am to 9:15 pm on weekdays and from 7:15 am to 7:15 pm on weekends. Route 94 connects Carmel-by-the-Sea to the cities of Monterey, Del Rey Oaks, and Seaside, operating from 9:50 am to 3:50 pm every day. Carmel-by-the-Sea is generally accessible by local transit. The city has an AllTransit Performance Score of 5.4, which is slightly higher than overall Monterey County. According to AllTransit, 100 percent of workers live within one half mile of transit.³³

Walk Score is a tool that produces a walkability index by assigning a numerical walkability score to cities and neighborhood. Walkability is measured by analyzing population density, distance to amenities, and road metrics such as block length and intersection density. Overall, Carmel-by-the-Sea has a walk score of 96, which is an above average walk score and indicates most daily errands do not require a car.

In an effort to lower the disparities in access to transit, the City has collaborated with MST to ensure that 100 percent of the City's residents live within a half mile of transit stops. The City coordinates with the County of Monterey to provide transportation to elderly residents (through the Senior Rideshare Program), and individuals with disabilities through the Independent Transportation

³¹ AllTransit.org. 2022. County: Monterey, AllTransit Metrics.

<https://alltransit.cnt.org/metrics/?addr=monterey+county>

³² <https://carmel.novusagenda.com/agendapublic/CoverSheet.aspx?ItemID=5838&MeetingID=1350>

³³ AllTransit.org. 2022. City: Carmel-by-the-Sea, AllTransit Metrics. <https://alltransit.cnt.org/metrics/>

Network of Monterey (ITTN Monterey) and the MST Rides ADA Paratransit Agency. Additionally, MST provides a Courtesy Card for riders that are 18 years of age and younger; 65 years of age and older; veterans; caregivers; and disabled individuals. Discounted GoPasses are available to commuters for monthly, weekly, and daily rates. Emergency Guaranteed Ride Home (EGRH) is also a service provided by MST, which provides a guaranteed ride home in an emergency to registered users who use alternative transportation to get to work. The EGRH program is available to commuters who live or work in Monterey County and who ride the bus, carpool, vanpool, ride a bicycle or walk to work at least one day a week.

Housing Mobility Enhancement

Being that the City of Carmel-by-the-Sea is the highest resource community when compared to the rest of the region, the City will promote housing mobility as a means of removing barriers to higher opportunity areas and strategically enhancing access to housing choices and affordability to provide more inclusivity in the City and region. To enhance housing mobility, the City has included the following programs in [Chapter 2](#) of the Housing Element:

- 3.2.B: Housing Mobility;
- 3.2.C: Local Universal Design Standards;
- 3.2.D: Family Friendly Housing;
- 1.1.D: Allow Religious Institution Affiliated Housing Development;
- 1.3.C: Accessory Dwelling Units;
- 1.3.D: Overnight Visitor Accommodation - Employee Housing Program;
- 2.1.B: Permanent Housing;
- 3.1.B: Housing for Extremely-Low Income Households;
- 5.1.A: Fair Housing Services; and
- 5.1.B: Housing Choice Voucher Program.

For a complete list of programs. Refer to [Chapter 2](#) of the Housing Element.

A.6 Housing Stock Characteristics

Carmel-by-the-Sea's housing stock is defined as all housing units within its jurisdiction.

Characteristics of housing stock include housing type, age, condition, tenure, vacancy rates, costs, affordability, and growth. The following section provides an in-depth analysis of the housing stock in Carmel-by-the-Sea to determine how/if the current the housing stock meets the needs of existing and future residents.

Housing Growth

Table A-18 provides an overview of housing growth trends between 2010-2019 in Carmel-by-the-Sea, the County, and nearby cities. Between 2010-2019, Carmel-by-the-Sea housing unit estimates grew approximately 6 percent, more than the County and Del Rey Oaks, but 2 percent less than Pacific Grove. These estimates show the majority of housing growth in Carmel-by-the-Sea occurred between 2015-2019 (8 percent).

Table A-18 Housing Unit Growth Trends by Jurisdiction, 2010-2019

Jurisdiction	2010	2015	2019	Percent Change 2010-2015	Percent Change 2015-2019
Monterey County	138,833	139,794	141,820	1%	1%
Carmel-by-the-Sea	3,606	3,532	3,832	-2%	8%
Del Rey Oaks	752	733	745	-3%	2%
Pacific Grove	7,723	8,411	8,347	9%	-1%

SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2010-2019

Housing Type

Table A-19 provides a comparison of housing unit types in Carmel-by-the-Sea, the County, and nearby cities. In Carmel-by-the-Sea, single-family detached units are the most common housing type (87 percent). This aligns with the County (63 percent), Del Rey Oaks (76 percent), and Pacific Grove (60 percent) having majority single-family detached units. Overall, Carmel-by-the-Sea has the highest percentage of single-family detached units compared to the County and nearby cities, but the lowest percentage of multifamily housing units (10 percent).

Table A-19 Housing Units by Type by Jurisdiction, 2019

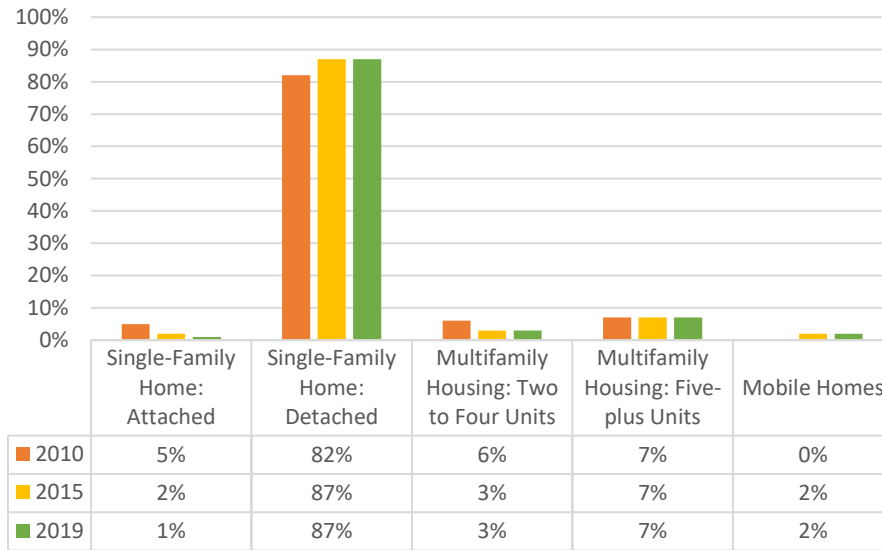
Jurisdiction	Single-Family Detached		Single-Family Attached		Multifamily		Mobile Homes		Total Units
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	
Monterey County	88,721	63%	8,796	6%	37,734	27%	6,529	5%	141,820
Carmel-by-the-Sea	3,319	87%	54	1%	367	10%	92	2%	3,832
Del Rey Oaks	567	76%	49	7%	118	16%	11	2%	745
Pacific Grove	5,023	60%	497	6%	2,668	32%	159	2%	8,347

SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019

NOTE: Table indicates total housing units.

Figure A-45 illustrates housing type trends in Carmel-by-the-Sea between 2010-2019. In 2010, the majority of housing types were single-family detached homes (82 percent); this has since increased to 87 percent in 2019. Multifamily housing (2+ units) has decreased by 3 percent since 2010 accounting for only 10 percent of housing types in 2019. In 2010, mobile homes comprised the smallest percentage of housing type in Carmel-by-the-Sea, and have since slightly increased to 2 percent in 2019.

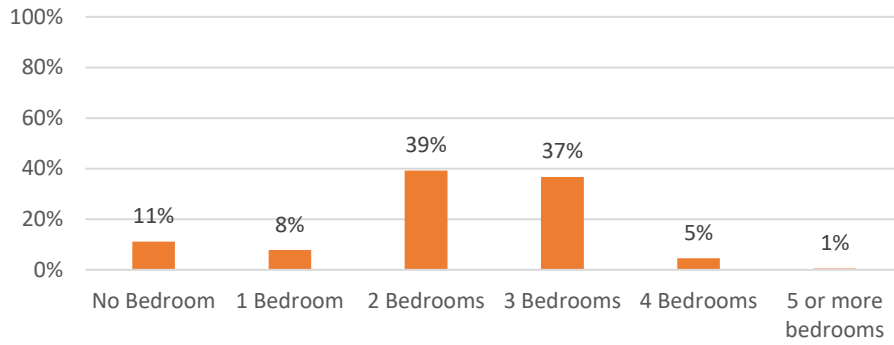
Figure A-45 Housing by Type in Carmel-by-the-Sea, 2010-2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2010-2019

Due to the limited supply of adequately sized units to accommodate larger households, large families often face significant difficulty in locating adequately sized, affordable housing. Figure A-46 illustrates the existing housing stock by number of bedrooms in Carmel-by-the-Sea. As shown in Figure A-46, the majority of existing housing units are two- and three-bedroom units, followed by studio units. Approximately 20 housing units include five or more bedrooms (1 percent); 176 housing units include four bedrooms (5 percent); 1,408 housing units include three bedrooms (37 percent); 1,503 housing units include two bedrooms (39 percent); 299 housing units include one bedroom (8 percent); and 426 housing units include no bedroom (11 percent).

Figure A-46 Housing Stock by Number of Bedrooms, Carmel-by-the-Sea, 2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019

Housing Availability and Tenure

Housing tenure refers to individuals who own or rent a housing unit. The number of residents who own their homes compared to those who rent their homes can help identify the level of housing insecurity (i.e., ability for individuals to stay in their homes) in a city and region. Generally, renters may be displaced more quickly if prices increase. Additionally, housing tenure may be an indicator of housing affordability (i.e., if the local housing market has high barriers to entry, there may be more renter households than owner households).

In Carmel-by-the-Sea, the housing stock includes 828 renter-occupied housing units and 1,099 owner-occupied housing units (Table A-20). When analyzing housing unit type in tandem with tenure, the majority of all housing units are single-family detached (87 percent), of which 17 percent are renter-occupied and 32 percent are owner-occupied (Figure A-18; Table A-20).

Table A-20 Housing Units by Type and Tenure, Carmel-by-the-Sea, 2019

Tenure	Single-Family Detached		Single-Family Attached		Multifamily		Mobile Homes		Total Units
	Count	Percent	Count	Percent	Count	Percent	Count	Percent	
Renter-Occupied	568	69%	19	2%	221	27%	20	2%	828
Owner-Occupied	1,076	98%	0	0%	23	2%	0	0%	1,099

SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019

NOTE: Table indicates total occupied housing units.

Table A-21 provides an overview of household size by tenure for Carmel-by-the-Sea, the County, and nearby cities. In Carmel-by-the-Sea, the average household size is 2.04, of which the majority of larger households are comprised of renter-occupied units (2.13 persons/unit). An average household size of 2.04 suggests a need for more small housing units. This aligns with 82 percent of Carmel-by-

the-Sea’s population being comprised of 1-2 person households (Figure A-14). Compared to the County and nearby cities, Carmel-by-the-Sea has the lowest average household size (2.04 persons/unit). The County has a high average household size of 3.27 suggesting a need for large housing units and even a need for smaller independent units such as ADUs/JADUs for extended family, etc.

Table A-21 Household Size by Tenure by Jurisdiction, 2019

Jurisdiction	Owner-Occupied	Renter-Occupied	Average Household Size
Monterey County	3.13	3.41	3.27
Carmel-by-the-Sea	1.97	2.13	2.04
Del Rey Oaks	2.29	2.49	2.35
Pacific Grove	2.34	2.15	2.23

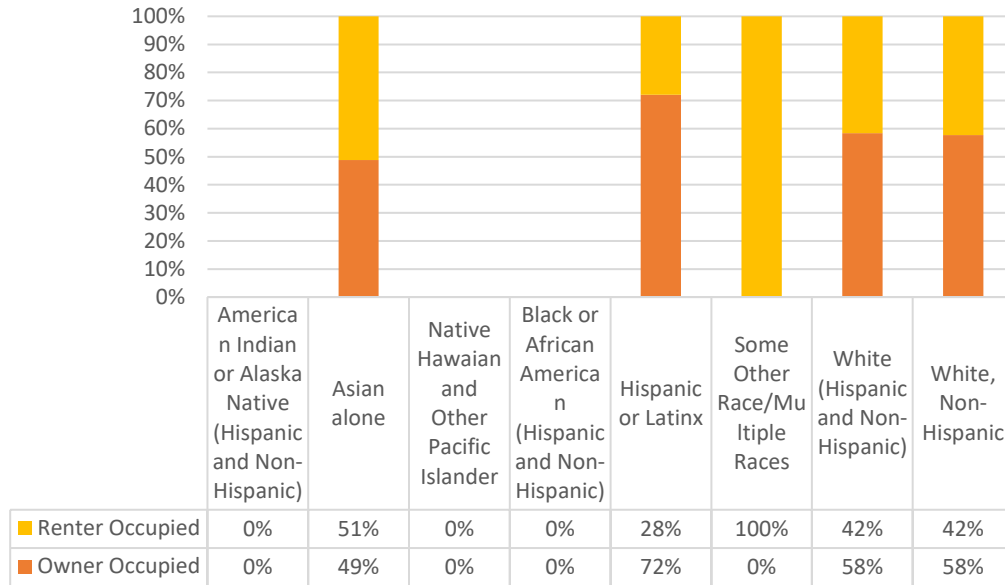
SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019

Figure A-47 illustrates 2019 household tenure by race in Carmel-by-the-Sea. Tenure by race varies some in Carmel-by-the-Sea as the majority of all households are non-Hispanic White (87 percent), of which 58 percent are owner-households and 42 percent are renter-households (Figure A-4; Figure A-45). Hispanic or Latino households (8 percent) makeup the second largest population in Carmel-by-the-Sea, of which 72 percent are owner-households and 28 percent are renter-households. Less than 1 percent of Black or African American, Native Hawaiian or Other Pacific Islander, and American Indian or Alaska Native households are represented in the City’s housing market.

Figure A-48 illustrates vacancy rates in Carmel-by-the-Sea, the County, and nearby cities. Carmel-by-the-Sea has a vacancy rate of 50 percent. This reflects a 40 percent higher vacancy rate than the County (10 percent) and 32 percent higher than Pacific Grove (18 percent).

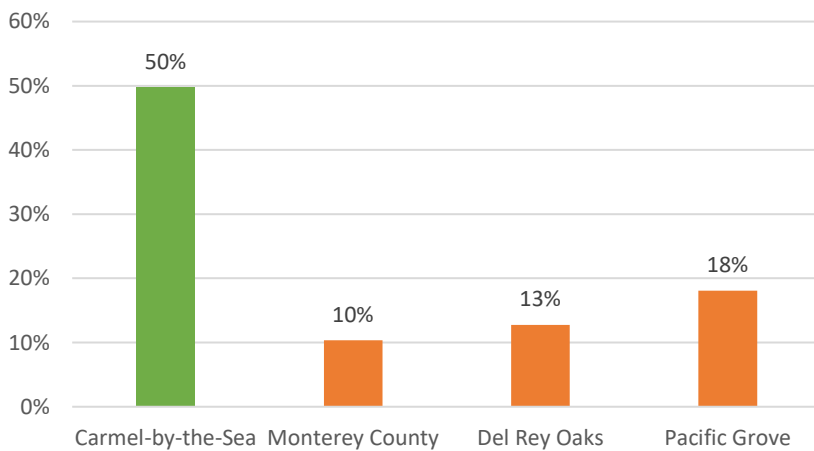
Figure A-49 illustrates vacancy trends in Carmel-by-the-Sea from 2010-2019. Over the course of nearly a decade, the City has experienced a stable vacancy average of 51 percent. This is staggeringly high considering the current housing crisis. Additionally, this affects the accuracy of data reporting for the City, as the majority of homeowners do not live in Carmel-by-the-Sea full time, thus resulting in skewed data collection.

Figure A-47 Household Tenure by Race, Carmel-by-the-Sea, 2019



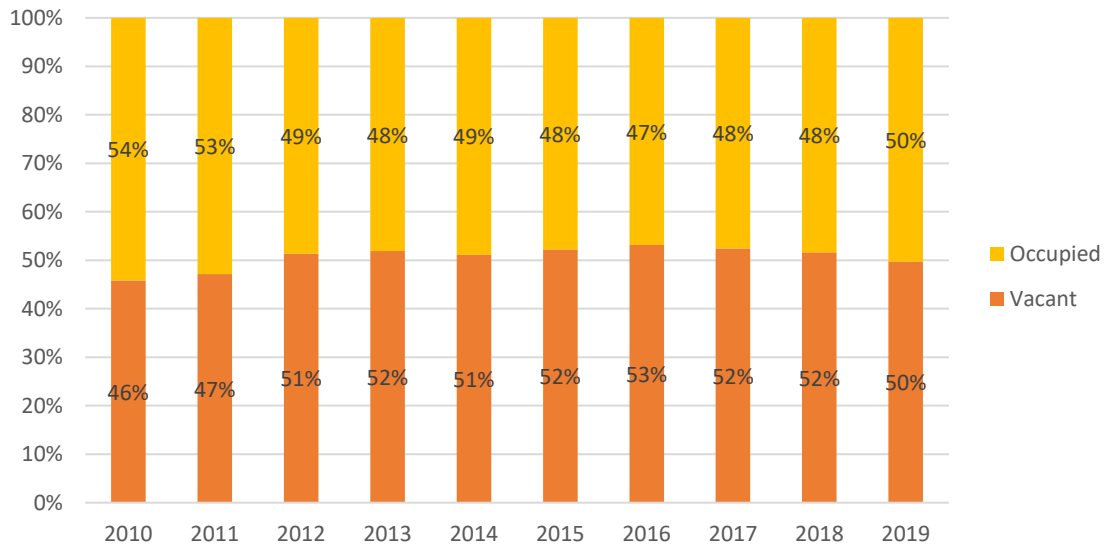
SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019

Figure A-48 Vacancy Rates by Jurisdiction, 2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019

Figure A-49 Vacancy Trends, Carmel-by-the-Sea, 2010-2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019

Table A-22 shows vacant housing units by type, revealing 80 percent of Carmel-by-the-Sea’s vacant units are for seasonal, recreational, or occasional use, aligning with the 51 percent average vacancy trends (Figure A-49). The high percentage of vacant housing units is largely impacted by tourism and second-home ownership. This creates a significant barrier for current and potential residents to enter the local housing market and hinders opportunities to correct the housing crisis, address diversity, and provide inclusive housing options to promote a vibrant and active community.

Table A-22 Vacant Housing Units by Type, Carmel-by-the-Sea, 2019

Housing Unit Type	Estimate	Percentage
For rent	96	5%
Rented, not occupied	12	1%
For sale only	11	1%
Sold, not occupied	49	3%
For seasonal, recreational, or occasional use	1,522	80%
For migrant workers	0	0%
Other vacant	215	11%
Total	1,905	100%

SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019

Table A-23 shows housing permits issued by the City of Carmel-by-the-Sea by income group. Between 2015 and 2021, 18 housing units were issued permits in Carmel-by-the-Sea which represents 58 percent of the RHNA number of 31 units assigned in the 5th Cycle Housing Element.

Table A-23 Housing Permits by Income Group, Carmel-by-the-Sea, 2015-2021

Income Group	Number	Percent
Very Low-Income Permits	0	0.0%
Low-Income Permits	0	0.0%
Moderate-Income Permits	0	0.0%
Above Moderate-Income Permits	18	58.0%
Total	18	58.0%

SOURCE: California Department of Housing and Community Development (HCD), 5th Cycle Annual Progress Report Permit Summary (2022).

NOTE: Universe: Housing permits issued between 2015 and 2021. Notes: HCD uses the following definitions for the four income categories: Very Low Income: units affordable to households making less than 50 percent of the Area Median Income for the county in which the jurisdiction is located. Low Income: units affordable to households making between 50 percent and 80 percent of the Area Median Income for the county in which the jurisdiction is located. Moderate Income: units affordable to households making between 80 percent and 120 percent of the Area Median Income for the county in which the jurisdiction is located. Above Moderate Income: units affordable to households making above 120 percent of the Area Median Income for the county in which the jurisdiction is located.

Assisted Housing Developments At-Risk of Conversion

While there is an immense need to produce new affordable housing units, ensuring that the existing affordable housing stock remains affordable is equally important. Additionally, it is typically faster and less expensive to preserve currently affordable units that are at risk of converting to market-rate than it is to build new affordable housing.

The California Housing Partnership Preservation Database is the state’s most comprehensive source of information on subsidized affordable housing at risk of losing its affordable status and converting to market-rate housing.³⁴ According to the database, there are no federal or state assisted units in Carmel-by-the-Sea.

A variety of affordable housing projects provided through an assortment of local programs serves the Carmel-by-the-Sea. Each of the following projects serves as an example of the methods and incentives used by the City to achieve production of affordable housing units.

Oliver White Building and Viejo Carmel

The mixed-use Oliver White building contains four residential units, one of which is a Moderate-Income unit in perpetuity. Originally this site was developed with a single-story commercial building. The owner and City worked together to achieve a second story of residential apartments at a density of 44 units per acre.

³⁴ This database does not include all deed-restricted affordable units in the state, so there may be at-risk assisted units in a jurisdiction that are not captured.

The Viejo Carmel project is a larger example of infill development that provides affordable housing. The 20,000 square-foot site was occupied by semi-industrial uses and offices. The site was razed and redeveloped with ten condominiums and ten apartments at a density of 44 units per acre. Without density bonuses, the site could only achieve 15 residential units. With density bonuses, an additional two Low-Income rental apartments in perpetuity were approved. Additionally, the parking requirement for the low-income units was reduced.

Norton Court Apartments

The Norton Court Apartments for seniors is operated by the Carmel Foundation. As part of this 24-unit project, the City entered into a 50-year agreement to lease the property for one dollar per year to the Carmel Foundation. This amounts to a substantial land subsidy provided by the City that offsets a large part of the cost of developing housing. The units are restricted as Low- and Moderate-Income. Rents are maintained as affordable to lower-income seniors strictly through private donations raised by the Carmel Foundation.

Trevvett and Haseltine Courts

Trevvett and Haseltine Courts were developed with funding from the Carmel Foundation. Rents for the combined 26 rental apartments are maintained as affordable to lower-income seniors with private donations raised by the Foundation.

San Carlos Lodge

This site was granted a major addition and allowed the conversion of some existing apartments to transient overnight visitor accommodation units. As a condition, the project retained two of the existing apartments as affordable housing for Moderate-Income households in perpetuity.

The City's inventory of affordable units is listed below in [Table A-24](#).

Potential Loss of Assisted Housing Units

Housing units developed with public subsidies are an important source of affordable housing to lower-income households. Preserving the long-term affordability of such housing units is the most cost-effective means for providing decent and affordable housing in a community. Recognizing this important resource, State Housing Element law requires that a jurisdiction examine the potential loss of publicly subsidized multi-family rental housing for lower-income household due to expiration of deed restrictions, affordability covenants, and /or subsidy contracts. All of the affordable housing units in Carmel are privately funded.

Norton Court, Trevvett Court, and Haseltine Court are operated by the Carmel Foundation, a 501(c)(3) charitable organization providing affordable senior housing units. The Foundation does not accept government funding. The Foundation currently has a 5-7 year wait list on these properties and does not intend to convert any units to market rate housing within this Housing Element cycle.

Table A-24 Inventory of Assisted Rental Housing

Development Name	Total Units	Household Type	Provided By	Expiration of Affordability
Oliver White	1	Moderate	Density Bonus	In perpetuity
Viejo Carmel	2	Low	Density Bonus	In perpetuity
Norton Court	24	Senior Low	Lease Subsidy Specific Plan	Not defined
San Carlos Lodge	2	Moderate	Condition of Approval	In perpetuity
Trevvett Court	14	Senior, Very-Low & Low	Private non-profit Specific Plan	30 years
Haseltine Court	12	Senior	Private non-profit	Not applicable
Hasegawa	1	Low	Inclusionary	In perpetuity
Carl	1	Senior	Inclusionary	2027
Mandurrago	2	Senior	Inclusionary	In perpetuity
Gonzales	1	Low	Inclusionary	In perpetuity
Ravel Corporation	1	Low	Inclusionary	In perpetuity
Trini lye	1	Moderate	Inclusionary	In perpetuity
Total	62			

SOURCE: City of Carmel-by-the-Sea Community Planning and Building Department, 2023

Norton Court receives a subsidized property lease from the City, and is located within a Specific Plan area that requires “24 efficient and moderately priced housing units for the elderly and handicapped residents of Carmel-By-The-Sea”. Further, the Specific Plan requires 21 studio units at 500 square feet each and 3 one-bedroom units at 572 square feet each.

Trevvett Court is also located within a Specific Plan area that requires “all 14 units be reserved for senior citizens of low or very low-income status for a period of at least 30 years.” Housing units within Trevvett Court range from 400- 600 square feet in size.

Units in the Oliver White Building, Viejo Carmel, and Sand Carlos Lodge are restricted as affordable housing in perpetuity.

One unit in the Carl development is listed with an expiration date of 2027. City staff are further researching the terms of this affordable unit. To maintain the existing affordable housing stock, the City can either preserve the existing affordable units or facilitate the development of new units. Depending on the circumstances of at-risk projects, different options may be used to preserve or replace the units. Preservation options typically include: 1) construction of replacement units; 2) provision of rental assistance to tenants; 3) transfer of the project to nonprofit ownership; and 4) purchase of affordability covenants. These options are described below and the City’s focus is on construction of replacement units and rental assistance.

Construction of Replacement Units

The construction of new affordable housing units is a means of replacing the at-risk units should they be converted to market-rate units. The cost of developing housing depends on a variety of factors, including density, size of the units (i.e. square footage and number of bedrooms), location, labor, materials and land costs, and type of construction. The City is implementing a number of programs to encourage development of new affordable units to increase the City's affordable housing stock.

Rental Assistance

Rental subsidies using non-federal (state, local, or other) funding sources can be used to maintain affordability of at-risk units. These rent subsidies can be structured to mirror the federal Housing Choice Voucher (Section 8) program. Under Section 8, HUD pays the difference between what tenants can pay (defined as 30 percent of household income) and what HUD estimates as the fair market rent on the unit. The feasibility of this alternative is highly dependent on the availability of other funding sources necessary to make rent subsidies available and the willingness of property owners to accept rental vouchers if they can be provided. Housing Choice Vouchers are available through the Housing Authority of Monterey County.

Transfer of Ownership

Transferring ownership of an at-risk project to a nonprofit housing provider is generally one of the least costly ways to ensure that at-risk units remain affordable for the long term. By transferring property ownership to a nonprofit organization whose mission includes affordable housing, the risk of losing the low-income restrictions is minimized, and the project would become potentially eligible for a greater range of governments assistance.

Purchase of Affordability Covenants

Another option to preserve the affordability of at-risk projects is to provide an incentive package to the owners to maintain the projects as affordable housing. Incentives could include bringing down the interest rate on the remaining loan balance, providing loans for capital improvements, and/or supplementing subsidies. The feasibility of this option depends on whether the complex is too highly leveraged. By providing lump sum financial incentives or ongoing subsidies in the form of rents or reduced mortgage interest rates to the owner, the City can ensure that some of all of the units remain affordable.

Displacement

Because of increasing housing prices, displacement is a major concern in the Monterey Bay Area. Displacement has the most severe impacts on low- and moderate-income residents. When individuals or families are forced to leave their homes and communities, they also lose their support network.

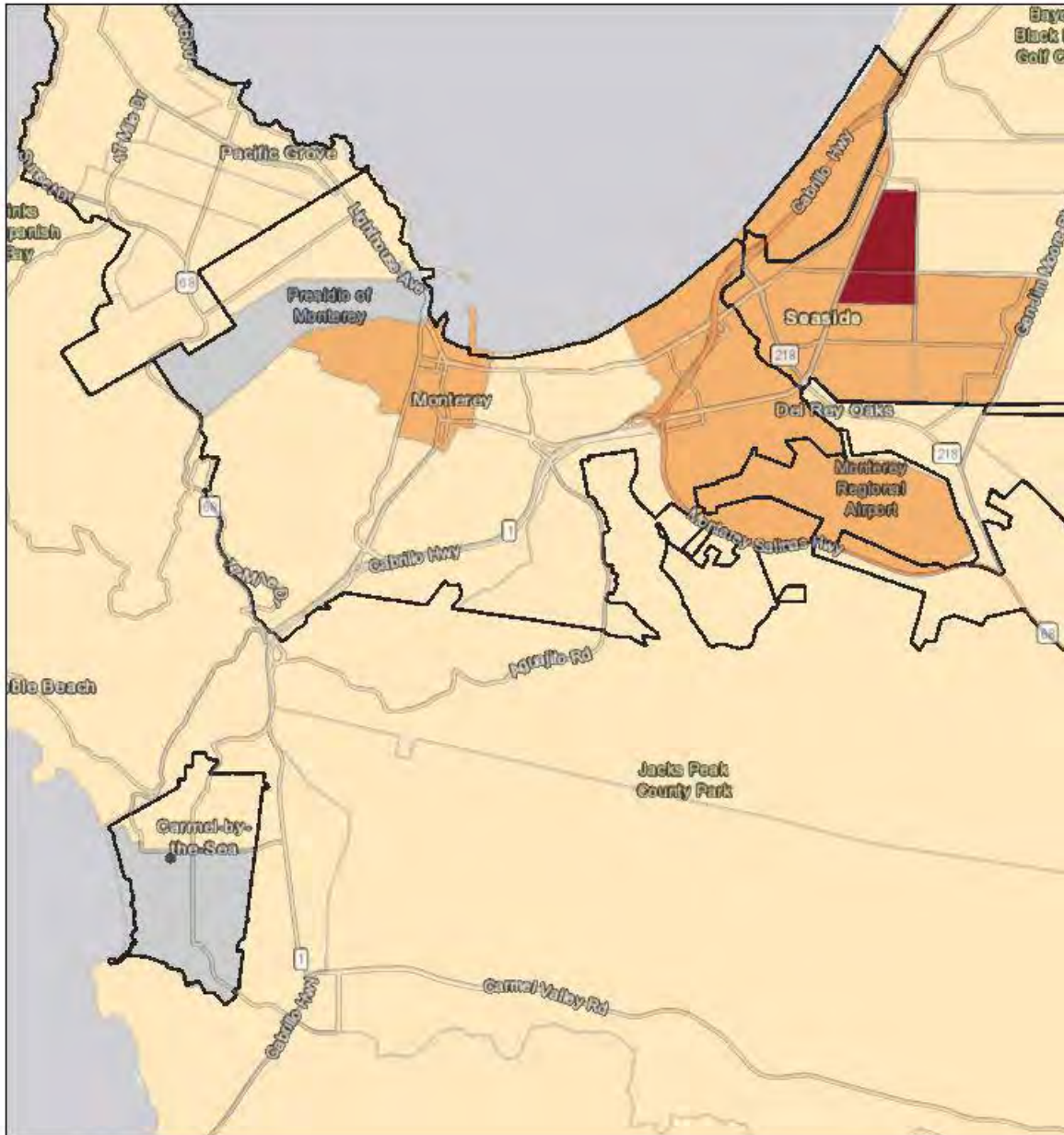
According to the California Department of Housing and Community Development (HCD) AFFH Data Viewer and the Urban Displacement Project 2022 estimates, Carmel-by-the-Sea renter-occupied households earning between 0-80 percent AMI are at low risk of potential displacement or gentrification in the northern region of the City. Mapping of the central and southern regions of the City show sufficient data was not captured to definitively report displacement risk. [Figure A-50](#) illustrates displacement risk in Carmel-by-the-Sea.

Housing Age and Condition

Housing age and condition are factors considered in overall housing quality as they may affect the structural integrity and ability to adequately function for a household. Thus, the age and condition of a house may indicate the need for major repairs to the foundation, plumbing, or roof.

[Figure A-51](#) illustrates housing stock by age in Carmel-by-the-Sea. In Carmel-by-the-Sea, 95 percent of the housing stock was built prior to 1999 and is over 20 years old. Thirty-seven (37) percent of the housing stock was built between 1940-1959 and 2 percent was built in 2010 or later.

Figure A-50 Displacement Risk, Carmel-by-the-Sea, 2022



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City/Town Boundaries



Low Data Quality

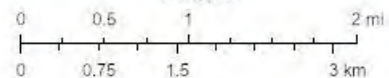
Lower Displacement Risk

At Risk of Displacement

1 Income Group Displacement

2 Income Groups Displacement

1:72,224

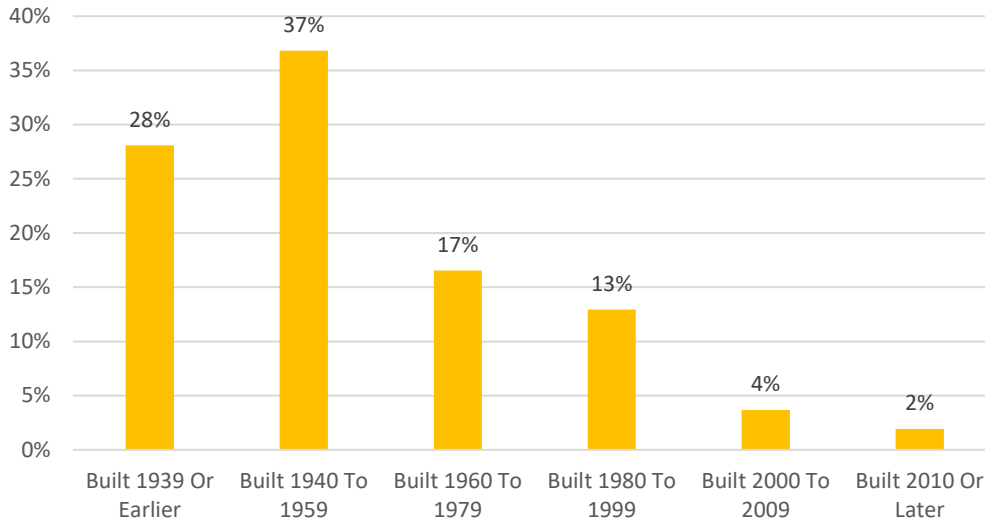


Bureau of Land Management, Esri, HERE, Garmin, GeoTechnologies, Inc., USGS, EPA, Esri, HERE, Garmin, © OpenStreetMap contributors, and the GIS user community

Bureau of Land Management, Esri, HERE, Garmin, GeoTechnologies, Inc., USGS, EPA | PlaceWorks 2021, HUD 2019 | PlaceWorks 2021, HUD 2020 | PlaceWorks 2021, ESRI, U.S. Census | ESRI

SOURCE: California Department of Housing and Community Development AFFH Data Viewer

Figure A-51 Housing Stock by Age, Carmel-by-the-Sea, 2019



SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019

According to historical data from Carmel-by-the-Sea’s Code Compliance Coordinator, the City estimates that there are approximately five-six (5-6) units in need of rehabilitation. This 6th Cycle Housing Element proposes the following policies and programs to address and facilitate the rehabilitation of these units.

- Policy 2.1: Maintain and encourage expansion of permanent residential housing stock in the Commercial, R-1, and R-4 Districts;
- Policy 2.2: Preserve and protect the scale and character of established neighborhoods while encouraging property improvement;
- Policy 2.3: Preserve and expand affordable and rental housing opportunities to enable local employees to live in the community where they work; and
- Policy 2.4: Preserve the existing housing stock.

All programs and policies can be found in [Chapter 2](#) of the Housing Element.

The City’s Code Compliance Officer works to educate property owners about income-based financing opportunities for the rehabilitation of substandard units. Code Compliance receives a limited number of complaints related to Health and Safety and associated substandard units. Over the last four years Code Compliance has received 11 property maintenance complaints and approximately five to six of these cases indicated a need for repairs related to substandard housing issues. Cases are complaint driven and the city does not reach out to property owners with methods to fund repairs.³⁵ According to Code Compliance records from October 2023³⁶ and November

³⁵ Correspondence with Code Compliance Officer December 15, 2023

³⁶ <https://carmel.novusagenda.com/agendapublic/CoverSheet.aspx?ItemID=5833&MeetingID=1505>

2023³⁷, the majority of property maintenance complaints include conducting remodeling work and electrical maintenance without the proper permits and authorization. Based on Code Compliance records and on-site local knowledge, the complaints are spread across the city. However, the southern region of the city has received complaints more frequently than other areas in the city.

As indicated by the 102 building permit applications received by the City in October and November of 2023 (49 building permits as of October 2023 and 53 building permits as of November 2023), many residents in Carmel-by-the-Sea are interested in maintaining the upkeep of their residences, and fixing any structural issues that may need to be repaired — to prevent their residences from becoming “substandard”. However, to the City's knowledge, all units have a functioning kitchen, indoor plumbing, and electricity, etc., and are not “substandard”. The majority of building permit applications include new roofing; electrical repairs; plumbing repairs; water heater replacement; window replacement; bathroom remodels; foundation upgrades; and exterior repairs (new paint/siding). As a proactive measure and to assist low-income property owners, the City will distribute information on inspection services, housing rehabilitation programs, and alternative ways to finance home repairs (Program 2.4.A, see Chapter 2). Based on Code Compliance reports, the City will specifically monitor and provide resources to residential units located in the southern region of the city.

Housing Costs and Affordability

Identifying the cost of owning or renting a home in a city helps determine the affordability of housing at different income levels. Understanding housing affordability also informs what types and sizes of housing are needed by the community's households.

Home Prices and Rental Costs

Table A-25 show changes in median home values between 2019-2022 in Carmel-by-the-Sea, the County and nearby cities. According to Zillow Home Value Index data, the median home value in Carmel-by-the-Sea was estimated at \$1,299,387 in December 2019. By 2022, the median home value in Carmel-by-the-Sea increased approximately 59 percent due to market demand. By comparison, the median home value in the County was valued at \$561,490 in December 2019 and experienced a 39 percent increase by 2022.

Rental Affordability

Similar to home value prices, rental prices have also increased over the last decade. This significantly affects lower-income households as they are typically majority renters. High rental prices can exacerbate housing challenges such as overcrowding and cost burden if adequate rental stock is not available to suit household needs.

³⁷ <https://carmel.novusagenda.com/agendapublic/CoverSheet.aspx?ItemID=5929&MeetingID=1543>

Table A-25 Median Home Value by Jurisdiction, 2019-2022

Jurisdiction	Median Home Value				Percent Change 2019-2022
	2019	2020	2021	2022	
Monterey County	\$561,490	\$632,834	\$735,469	\$778,164	39%
Carmel-by-the-Sea	\$1,299,387	\$1,450,127	\$1,912,421	\$2,070,835	59%
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.

Table A-26 shows average rent estimates by unit size in Carmel-by-the-Sea based on 2023 Zillow rental market data. Included in the table is Housing and Urban Development’s (HUD) Fair Market Rents (FMR) for 2023, which establishes rental subsidy limits for Section 8 housing voucher recipients.

Table A-26 Average Rent by Number of Bedrooms, Carmel-by-the-Sea, 2023

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

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

NOTES: Zillow rental value estimates were taken from March 2023. No rental units with four + bedrooms are listed as available within the Carmel-by-the-Sea City boundary. Fair Market Rent values are based on Salinas, CA MSA

Table A-27 reports the maximum monthly housing costs affordable to households according to income group in Monterey County. Income groups are based on the HCD 2022 State Income Limits Report, which considers housing affordable assuming a household can pay up to 30 percent of its monthly income toward housing. In Table A-27, maximum affordable sales prices are based on the following assumptions: 6.42 percent interest rate,³⁸ 30-year fixed loan, and a 5 percent down payment.

³⁸ Interest rate based on December 29, 2022 interest rate according to Freddie Mac Primary Mortgage Market Survey

Table A-27 Housing Affordability, Carmel-by-the-Sea, 2022

Income Group	HCD Income Limits	Maximum Affordable Price	
		Monthly Rental	Ownership
Extremely Low (0-30% AMI)			
One Person	\$23,900	\$598	\$100,340
Two Person	\$27,300	\$683	\$114,614
Three Person	\$30,700	\$768	\$128,889
Four Person	\$34,100	\$853	\$143,163
Very Low (30-50% AMI)			
One Person	\$39,800	\$995	\$167,093
Two Person	\$45,500	\$1,138	\$191,024
Three Person	\$51,200	\$1,280	\$214,954
Four Person	\$56,850	\$1,421	\$238,675
Low (50-80% AMI)			
One Person	\$63,700	\$1,593	\$267,433
Two Person	\$72,800	\$1,820	\$305,638
Three Person	\$81,900	\$2,048	\$343,843
Four Person	\$91,000	\$2,275	\$382,048
Moderate (80-120% AMI)			
One Person	\$75,650	\$1,891	\$317,603
Two Person	\$86,500	\$2,163	\$363,155
Three Person	\$97,300	\$2,433	\$408,497
Four Person	\$108,100	\$2,700	\$453,839

SOURCE: California Department of Housing and Community Development, State Income Limits, 2022, Monterey County

As mentioned in [Table A-25](#), the median home price in Carmel-by-the-Sea in December 2022 was \$2,070,835 which is only affordable to above moderate-income households earning approximately \$495,000 or more annually (62 percent of Carmel-by-the-Sea households are categorized as above moderate-income).

A.7 Fair Housing Enforcement and Outreach Capacity

This section discusses fair housing legal cases and inquiries, fair housing protections and enforcement, and outreach capacity.

Fair Housing Legal Cases and Inquiries

California fair housing law extends beyond the protections in the Federal Fair Housing Act (FHA). In addition to the FHA protected classes—race, color, ancestry/national origin, religion, disability,

sex, and familial status—California law offers protections for age, sexual orientation, gender identity or expression, genetic information, marital status, military or veteran status, and source of income (including federal housing assistance vouchers).

The California Department of Fair Employment in Housing (DFEH) was established in 1980 and is now the largest civil rights agency in the United States. According to their website, the DFEH’s mission is, “to protect the people of California from unlawful discrimination in employment, housing and public accommodations (businesses), and from hate violence and human trafficking in accordance with the Fair Employment and Housing Act (FEHA), Unruh Civil Rights Act, Disabled Persons Act, and Ralph Civil Rights Act”.³⁹

DFEH receives, evaluates, and investigates fair housing complaints. DFEH plays a particularly significant role in investigating fair housing complaints against protected classes that are not included in federal legislation and therefore not investigated by HUD. DFEH’s website provides detailed instructions for filing a complaint, the complaint process, appealing a decision, and other frequently asked questions.⁴⁰ Fair housing complaints can also be submitted to HUD for investigation.

Additionally, Monterey County has a number of local resource and enforcement organizations:

- **The Housing Authority of the County of Monterey:** A public agency that provides rental assistance and develops and manages affordable housing throughout Monterey County, California;
- **South County Housing:** A non-profit community development corporation. The organization’s mission is to promote viable neighborhoods that enhance healthy, sustainable communities by collaboratively providing affordable housing and promoting neighborhood services;
- **Public Interest Law Project:** a nonprofit support center for California legal services and other public interest law programs. The California Affordable Housing Law Project (CAHLP) is a project of the Public Interest Law Project. CAHLP concentrates primarily on the enforcement of California’s Housing Element and redevelopment statutes and of state and federal relocation assistance and fair housing laws;
- **Coalition of Homeless Service Providers:** Advocate on the subject of homelessness with policy makers, public funders, and those with lived experience; and
- **California Rural Legal Assistance (CRLA):** a nonprofit legal service program created to help California’s low-income individuals and communities. CRLA provides low-income rural Californians with free legal assistance and a variety of community education and outreach

³⁹ From State of California Civil Rights Department

⁴⁰ From State of California, Civil Rights Department Complaint Process

programs. Half of its resources are committed to multi-client cases that grapple with the root causes of poverty, with the goal of improving conditions for farmworkers, single parents, school children, the elderly, people with disabilities, and entire communities.

Between 2012 and 2017, 53 fair housing complaints in Monterey County had been filed with the California Department of Fair Employment and Housing (DFEH). Among the complaints countywide, most were related to physical disabilities (23 instances) and familial/marital status (ten instances). Discrimination based on race was also common (seven instances). A complaint may involve multiple acts of discrimination and vice versa. A total of 57 acts of discrimination were recorded in Monterey County. Refusal to rent (17 instances), discriminatory statements (12 instances), and denial of reasonable accommodation/modifications (12 instances) were the most common discriminatory acts in the County.⁴¹

In 2020, a total of six (6) discrimination cases were found with the Office of Fair Housing and Equal Opportunity. Fifty percent of the cases were filed on the basis of disability bias. None of the complaints alleged racial bias. [Figure A-52](#) illustrates that out of all of the FHEO cases filed in the state of California in 2020 (398), only between 1 and 2.5 percent of the cases were filed in Monterey County. None of the discrimination cases filed in Monterey County in 2020 took place in Carmel-by-the-Sea.⁴²

A total of six discrimination complaints were filed within Monterey County during 2020. Of those cases, three of them alleged discrimination based on disability. [Figure A-53](#) illustrates this statistic by showing that 40.01 to 65 percent of the cases filed in Monterey County during 2020 reflected disability bias. None of the FHEO complaints occurred in the City of Carmel-by-the-Sea.

NFHA identifies three significant trends in 2020 that are relevant for this AFFH:

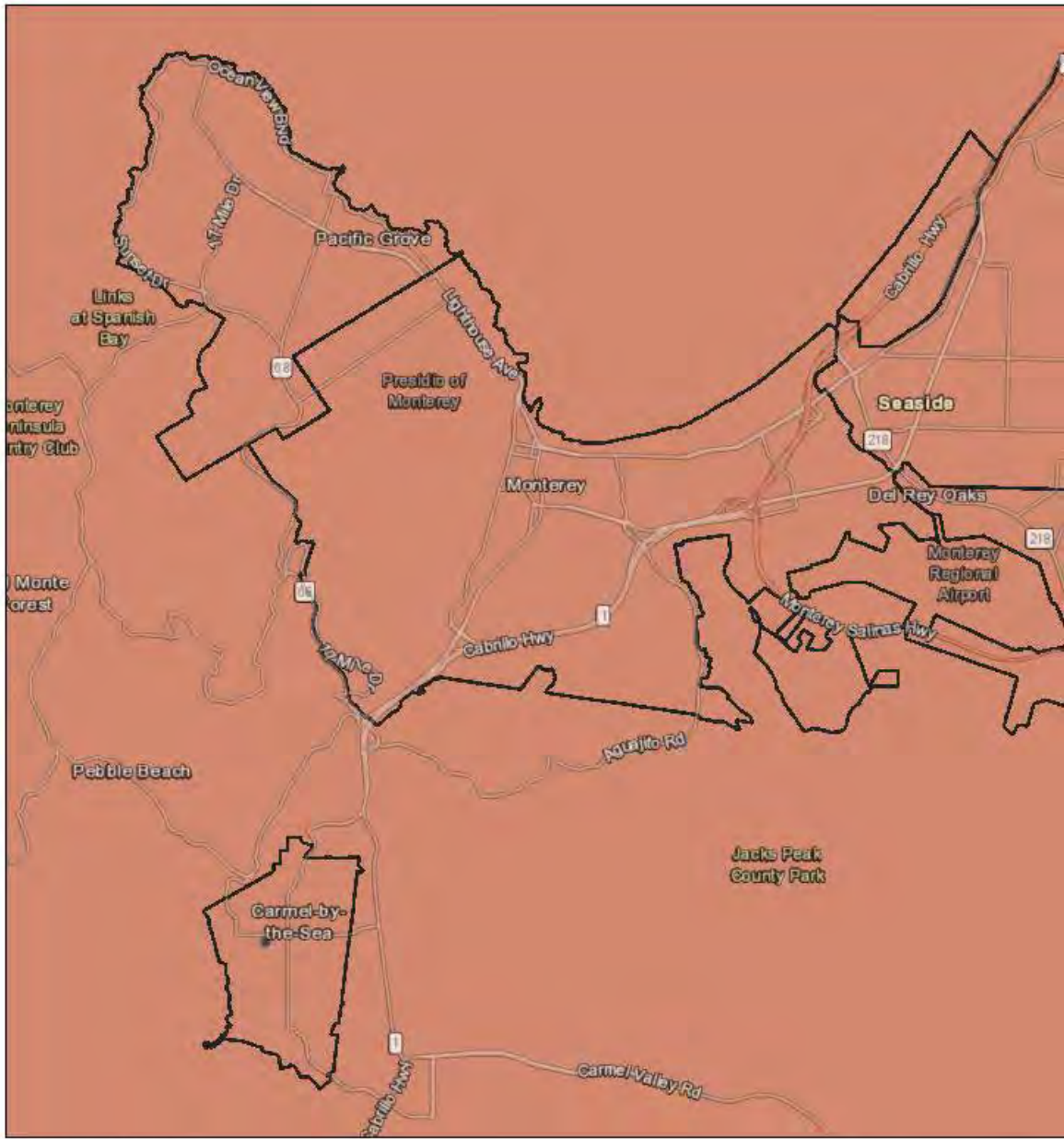
- First, fair lending cases referred to the Department of Justice from federal banking regulators has been declining, indicating that state and local government entities may want to play a larger role in examining fair lending barriers to homeownership;
- Second, NFHA identified a significant increase in the number of complaints of harassment—1,071 complaints in 2020 compared to 761 in 2019; and
- Finally, NFHA found that 73 percent of all fair housing complaints in 2020 were processed by private fair housing organizations, rather than state, local, and federal government agencies—reinforcing the need for local, active fair housing organizations and increased funding for such organizations.⁴³

⁴¹ From California Department of Fair Employment & Housing, 2018; Monterey County Regional Analysis of Impediments to Fair Housing Choice, 2019

⁴² City of Carmel-by-the-Sea, 2023

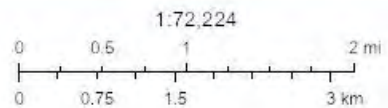
⁴³ From Gentry, A. (2021, September 4). Annual fair housing report shows increase in housing harassment. NFHA.

Figure A-52 FHEO Cases Total, Monterey County, 2020



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- City/Town Boundaries
- (A) FHEO Cases - Total (2020) - County
- .01 - .025 Cases

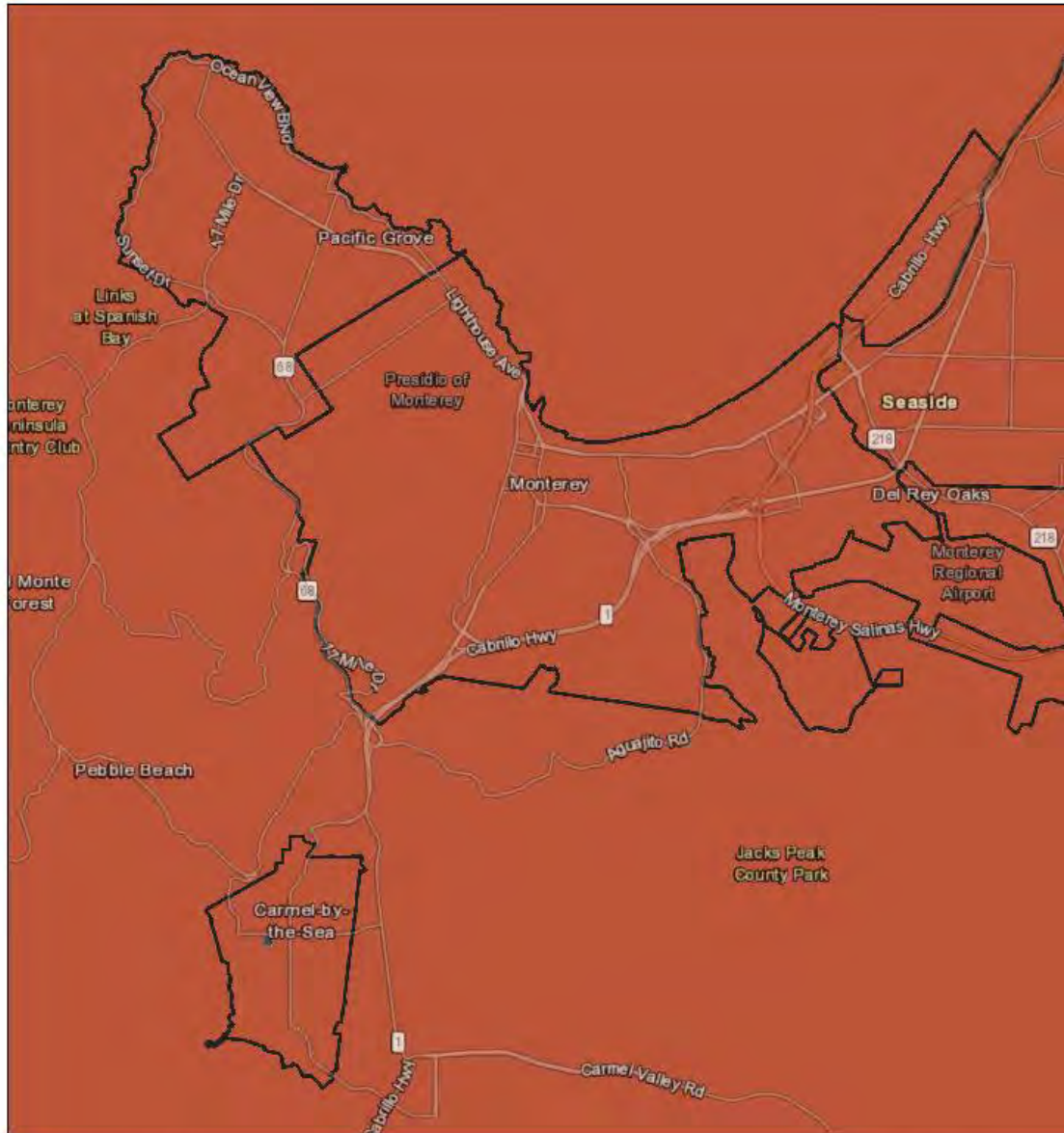


Bureau of Land Management, Esri, HERE, Garmin, GeoTechnologies, Inc., USGS, EPA, Esri, HERE, Garmin, © OpenStreetMap contributors, and the GIS user community


Bureau of Land Management, Esri, HERE, Garmin, GeoTechnologies, Inc., USGS, EPA | PlaceWorks 2021, HUD 2019 | PlaceWorks 2021, HUD 2020 | PlaceWorks 2021; ESRI, U.S. Census | ESRI

SOURCE: California Department of Housing and Community Development AFFH Data Viewer


Figure A-53 FHEO Cases, Disability Bias, Monterey County, 2020

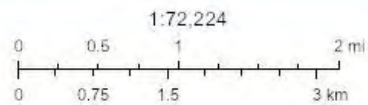


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 City/Town Boundaries

(A) FHEO Cases - Disability Bias (2020) - County

 40.01% - 65%



Bureau of Land Management, Esri, HERE, Garmin, GeoTechnologies, Inc., USGS, EPA, Esri, HERE, Garmin, © OpenStreetMap contributors, and the GIS user community

Bureau of Land Management, Esri, HERE, Garmin, GeoTechnologies, Inc., USGS, EPA | PlaceWorks 2021, HUD 2019 | PlaceWorks 2021, HUD 2020 | PlaceWorks 2021, ESRI, U.S. Census | ESRI, CA HCD

SOURCE: California Department of Housing and Community Development AFFH Data Viewer

Outreach and Capacity

Currently, Carmel-by-the-Sea’s website contains information about local fair housing ordinances. The website describes the steps residents should take if they feel they have faced discrimination and are seeking information about filing complaints (e.g., link to HUD’s and State of California fair housing pages). The site also references the organizations that provide fair housing services and assistance to City residents.

The following organizations offer fair housing services and assistance to the residents of Carmel-by-the-Sea:

- Conflict Resolution and Mediation Center;
- Legal Services for Seniors;
- California Rural Legal Assistance;
- ECHO Fair Housing Services
- HUD Housing Assistance;
- Central Coast Center for Independent Living; and
- Center for Community Advocacy.

Compliance with State Fair Housing Law

The City of Carmel-by-the-Sea complies with existing fair housing laws and regulations by ensuring all residents have equal access to housing programs, services, and resources and supporting residents in filing complaints on housing discrimination. Carmel-by-the-Sea is compliant with the following State laws that promote fair and affordable housing. The City has not been alleged or found in violation of the following:

- Fair Housing Act of 1968 – The City has adopted housing policies that prohibit housing discrimination based on protected characteristics and ensuring equal access to housing programs and services.
- California Fair Employment and Housing Act (FEHA) (Part 2.8 (commencing with Section 12900) of Division 3 or Title 2) – The City complies with the Fair Employment and Housing Act by upholding policies that prohibit housing discrimination based on protected characteristics and enforces these policies by supporting residents seeking to file a complaint to the FHEO or who wish to pursue legal action.
- Government Code 65008 – The City does not discriminate or deny any individual or group of individuals the right to residence, land ownership, tenancy, or other land use on the basis of one’s membership or perceived membership in a protected class, method of financing, and/or the intended occupancy. The City has adopted housing policies that prohibit discrimination

based on protected characteristics. Further, the City has received zero FHEO complaints, and is committed to conducting outreach and educating residents on Fair Housing Law. Program 5.1.A in this Housing Element commits the City to providing information on fair housing and services offered in the region (see Chapter 2).

- Government Code 11135 et. seq. – The City does not discriminate or deny any individual or group of individuals access to programs or activities operated, administered, or funded with financial assistance from the state, regardless of one’s membership or perceived membership in a protected class. The City included Programs 5.1.B, 5.1.C, and 5.1.D in this Housing Element to promote affordable housing opportunities and resources, including Housing Choice Vouchers, shared housing programs, and farmworker housing resources (see Chapter 2).
- Assembly Bill 686 – The City has included this assessment of fair housing and identifies strategies to increase housing opportunities for all residents, with specific actions to reduce housing disparities for disadvantaged communities.
- Density Bonus Law – The City last updated their Density Bonus provisions in the Municipal Code in 2016. In compliance with State law, the City will update its Density Bonus provisions outlined in the Municipal Code to be consistent with recent changes to the State Density Bonus Law. Program 3.1.C will regulate this amendment to the Code.
- Senate Bill (SB) 35 – The City was previously not subject to the requirements of SB 35 due to its location in the coastal zone. However, as of October 2023, SB 423 now expands SB 35 measures to cities located in the coastal zone under specific criteria. The City is now subject to SB 35 and SB 423 requirements and will comply with State law as established in this Housing Element through Program 1.3.H (see Chapter 2).
- Rehabilitation Act of 1973 – The City does not discriminate against persons with disabilities and promotes equal opportunities, accessibility, and independence for individuals with disabilities.
- American Disabilities Act – The City’s Municipal Code establishes procedures for persons with disabilities seeking equal access to housing including reasonable accommodation for persons with disabilities. The City ensures housing developers comply with the American Disabilities Act through permit process review. The City includes Program 3.2.A to amend the Municipal Code regulations related to reasonable accommodations (see Chapter 2).
- Housing Accountability Act (Gov. Code. Section 65589.5) requiring adoption of a Housing Element and compliance with RHNA allocations – The City will comply with the Housing Accountability Act by approving any eligible housing development projects, including those with at least 20 percent affordable units to lower-income households.
- No Net Loss Law (Gov. Code Section 65863) requiring that adequate sites be maintained to accommodate unmet RHNA allocations – The City complies with the No Net Loss Law by identifying sites that can accommodate the City’s RHNA. The City also maintains minimum

density requirements for multi-family housing developments in the R-4 district. To further encourage the development of affordable housing, the City is committed to amending the Municipal Code to amend the base zoning for the SC, RC, and CC commercial districts and the R-4 multi-family residential development district to allow a minimum of 33 dwelling units per acre.

- Limits on Growth Controls Law (Gov. Code. Section 65302.8) – The City complies with the Limits on Growth Controls Law. The City is surrounded by County development and has not adopted any mandatory general plan elements which limit the number of housing units.
- Housing Element Law (Gov. Code Section 65583(c)(5),(c)(10) – The City has included this analysis of fair housing and identifies strategies to increase housing opportunities for all residents, with specific actions to reduce housing disparities for lower-income households.

Housing Specific Policies Enacted Locally

The City of Carmel-by-the-Sea identified the following local policies that contribute to the regulatory environment for affordable housing development in the City:

- Policy 1.1: Ensure adequate sites are available to meet the City’s projected housing growth needs.
- Policy 1.3: Reduce or eliminate governmental constraints on the provision of affordable housing. Direct public funding resources to the conservation of existing housing units in neighborhoods where continued residential use is appropriate.
- Policy 2.3: Preserve and expand affordable and rental housing opportunities to enable local employees to live in the community where they work.
- Policy 2.4: Preserve the existing housing stock.
- Policy 3.2: Recognize the special needs of persons with disabilities and the need to retain flexibility in the design review process to accommodate these needs.

A.8 Fair Housing Recommendations

Contributing Factors and Fair Housing Action Plan

The disparities in housing choice and access to opportunity discussed above stem from historical actions, socioeconomic factors that limit employment and income growth, barriers to open housing choice, and until recently, very limited resources to respond to needs.

Local Knowledge of Contributing Factors to Fair Housing

In order to better inform this Housing Element to meet the needs of residents of Carmel-by-the-Sea, the City solicited the input of the public with prompted questions. All responses were taken into consideration for incorporation into the Housing Element to guide policies and programs that address the housing needs of existing and future residents.

Question: How can the supply of affordable housing be increased to meet the needs of our community?

Community members offered the following solutions:

- Encourage ADUs;
- Encourage second-story additions to single-story buildings downtown specifically for affordable housing;
- Change the zoning code to allow 3-story buildings downtown specifically for affordable housing;
- Set a maximum square footage limit on housing units in downtown to spur the creation of more small units rather than just a few large units;
- Create objective (yes/no checklist-style) design standards for new housing projects that include affordable units;
- Less short-term rental places, more long-term rental options;
- Build housing on the outskirts and empty parking lots;
- Annex land outside City for affordable housing; and
- Continue to ensure the built environment is subordinate to the natural environment.

Question: In your experience in Carmel-by-the-Sea, what has contributed to the fair housing issues? What solutions do you envision to address these issues?

- Information about affordable units.
- Down payment assistance.
- Tenant assistance resources.

Priority of Contributing Factors

The City of Carmel-by-the-Sea has prioritized the following contributing factors to the Fair Housing issues mentioned above. [Table A-28](#) presents prioritized fair housing issues and contributing factors, as well as the City's programs to support a solution-oriented approach to affirmatively furthering fair housing.

Table A-28 Fair Housing Issues, Contributing Factors, and AFFH Programmatic Actions

Fair Housing Issue	Contributing Factor(s)	AFFH Programmatic Action	Priority
<p>Household Characteristics</p> <p>Carmel-by-the-Sea has significantly lower proportions of racial and ethnic minorities compared to Monterey County and the AMBAG region. Lack of inclusionary housing may contribute to the lack of protected classes in the community.</p>	<ul style="list-style-type: none"> ▪ Lack of racial and ethnic diversity within the City; and ▪ Lack of adequate affordable housing options. 	<p>Program 1.1.B: Underutilized Sites</p> <p>Program 3.1.C: Density Bonus</p> <p>Program 3.1.D: Reduced Entitlement and Development Fees</p> <p>Program 1.3.D: Employee Housing Program</p> <p>Program 2.1.A: Incentives for Mixed-Use Development</p>	<p>High</p>
<p>Disproportionate Housing Needs</p> <p>Forty-six (46) percent of Carmel-by-the-Sea households are cost burdened households, of which 24 percent are renter-occupied households and 23 percent are owner-occupied.</p>	<ul style="list-style-type: none"> ▪ Lack of affordable housing; ▪ Lack of adequate housing stock that meets the needs of residents; and ▪ Jobs-worker imbalance. 	<p>Program 1.1.B: Underutilized Sites</p> <p>Program 1.3.D: Employee Housing Program</p> <p>Program 2.4.A: Housing Rehabilitation and Maintenance Information</p> <p>Program 3.1.B: Housing for Extremely-Low Income Households</p> <p>Program 3.1.C: Density Bonus</p> <p>Program 3.1.G: Affordable Housing Overlay District</p>	<p>High</p>
<p>Special Needs Groups</p> <p>In Carmel-by-the-Sea, extremely low-income and special needs groups</p>	<ul style="list-style-type: none"> ▪ Lack of affordable housing; ▪ Jobs-worker imbalance; 	<p>Program 1.3.E: Amend the A-2 Zoning District</p> <p>Program 3.1.B: Housing for Extremely-Low Income Households</p>	<p>High</p>

Fair Housing Issue	Contributing Factor(s)	AFFH Programmatic Action	Priority
<p>experience disproportionate impacts of poverty, increasing the challenge of obtaining adequate housing in the City.</p>	<ul style="list-style-type: none"> ▪ Lack of accessible units for individuals with disabilities; and ▪ Lack of Transitional and Supportive Housing/Emergency Shelters. 	<p>Program 3.2.A: Reasonable Accommodation Procedures Program 3.3.A: Zoning for Transitional and Supportive Housing Program 3.3.B: Low-Barrier Navigation Centers</p>	
<p>Housing Stock Carmel-by-the-Sea’s lack of affordable housing production, limited variety of housing types, and increasing housing costs create barriers to enter the local housing market.</p>	<ul style="list-style-type: none"> ▪ Since 2015, there have been 18 housing permits in the City for only above moderate-income households; and ▪ Lack of developable land, and the City is subject to coastal zone ordinances. 	<p>Program 1.3.A: Condominium Conversions Program 1.3.B: Overnight Visitor Accommodation (Conversion) Development Transfer Rights Program 1.3.C: Accessory Dwelling Units Program 1.4.A: Remove Use Permit Requirement for Multi-Family Development Program 1.4.B: Objective Design Standards Program 2.1.B: Permanent Housing Program 2.3.A: Preserve and Increase Upper Floor Residential Uses Program 3.1.E: Reduced Parking Requirements Program 3.1.F: Expedited Processing Procedures</p>	High
<p>Access to Opportunity Low production of affordable housing in Carmel-by-the-Sea limits housing choices for low-income households, and has a disproportionate impact on Hispanic or Latino, Asian, and Black/African American households.</p>	<ul style="list-style-type: none"> ▪ Of the 18 housing permits issued in Carmel-by-the-Sea since 2015, zero were issued for lower-income households (lack of affordable housing); and ▪ Costs of land, materials, and labor which limit profitability of affordable housing. 	<p>Program 1.2.A: Water Distribution Policy Program 1.3.A: Condominium Conversions Program 1.3.D: Employee Housing Program Program 2.1.D: Establish Affordable Housing Trust Fund Program 3.1.C: Density Bonus Program 4.1.A: Water Conservation</p>	High

Fair Housing Issue	Contributing Factor(s)	AFFH Programmatic Action	Priority
<p>Fair Housing Enforcement</p> <p>No residents filed fair housing complaints in Carmel-by-the-Sea, indicating a lack of cause for complaint, or, alternatively, a potential lack of awareness about fair housing rights.</p>	<ul style="list-style-type: none"> ▪ Lack of access to information about fair housing rights; and ▪ Limited knowledge of fair housing by residents. 	<p>Program 2.1.C: Monitor Affordable Housing Stock</p> <p>Program 5.1.A: Fair Housing Services</p> <p>Program 5.1.B: Housing Choice Voucher Program</p> <p>Program 5.1.C: Shared Housing Information</p> <p>Program 5.2.A: Support Community Organizations</p>	<p>Medium</p>

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

A.9 Conclusion

To address the fair housing issues identified in this Housing Needs and Fair Housing report, the programs listed in the above section are included in [Chapter 2](#) of this Housing Element.

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Housing Constraints

B
APPENDIX

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Appendix B

Housing Constraints

B.1 Introduction

Housing development is affected by public regulations and other forces. This chapter discusses both governmental and non-governmental constraints that affect housing in the City of Carmel-by-the-Sea. Governmental constraints consist of policies, requirements, or other actions imposed by various levels of government on land, housing ownership, and development. In addition to local standards, the City follows building and design requirements put forth by state laws, the California Building Code, Subdivision Map Act, energy conservation requirements, as well as other regulatory standards. However, Federal and State agency regulations that may constrain development are beyond the City's control and are therefore not addressed in this document. Non-governmental constraints are other conditions that impact housing development such as market factors, environmental setting, land availability, and construction costs.

B.2 Governmental Constraints

Governmental constraints are policies, standards, requirements, or actions imposed by the various levels of government upon land, housing ownership and development. Although Federal and State agencies play a role in the imposition of governmental constraints, these agencies are beyond the influence of local government and are therefore not addressed in this document. As appropriate, the City will monitor federal and state legislation that impacts housing. The City will update its Municipal Code, as needed to comply with any new housing related planning or zoning laws enacted by the State during the 6th Cycle Planning Period (2023-2031).

Infrastructure Constraints

Water Supply

The primary infrastructure constraint to the development of housing in Carmel is the lack of potable water. The lack of a reliable available water supply continues to limit growth in Carmel and throughout the Monterey Peninsula region.

Carmel is under the jurisdiction of the Monterey Peninsula Water Management District (MPWMD) and receives its water from the California-American Water Company (Cal-Am). The MPWMD has permit authority over the production and distribution of all water supplies within the Monterey Peninsula region, and allocates water supplies to cities and unincorporated County areas within its jurisdiction. Water service by Cal-Am is constrained by State Water Resources Control Board

(SWRCB) Order WR 95-10¹, which determined that in 1995 approximately 70 percent of Cal-Am supply was based on unlawful diversion from the Carmel River. Order 95-10 requires that any new water supply be used to reduce diversions from the Carmel River prior to allowing new users. Furthermore, SWRCB issued a Cease-and-Desist order to Cal-Am in 2008² to further restrict water use which limits the placement of new water meters to service new development.

According to the MPWMD June 1, 2023 Technical Memorandum – Summary of Water Supply Requirements for Housing, the City requires 40 acre feet (AF) to meet the City’s RHNA (349 units). The City has approximately 2.661 acre-feet of available water³ for general distribution which represents a water deficit of approximately 37.339AF. There is also Malpas Water Company water entitled to certain limited properties whose owners were previously able to purchase water directly from the Water Company⁴. The Sites Inventory clearly identifies whether water is a constraint for each identified property. This is the only water available to the City until the District supplies increase and new allocations are made to each city in the District. Based on current supplies, sufficient water is not widely available to fully accommodate additional development commensurate with the City’s total RHNA. The City will continue to work with local and regional agencies to explore options for additional water supplies during the 6th Cycle Housing Element planning period.

We have competing mandates. One of the mandates we have from the State of California is Order 95-10, which basically says we have no more water...the other mandate is the [RHNA units]...if we don't have water, we can't build them. It doesn't matter how you slice or dice it – no water, no construction.

April 6, 2023 Housing Ad Hoc
Committee Community
Meeting Attendee

The 6th Cycle Housing Element includes a program (program 1.2.A) to work with local and regional agencies to pursue new water supplies and includes prioritizing allocation of the City’s 2.661 acre-feet of water for affordable housing through the development of a water distribution policy. The City is currently working with the MPWMD to utilize water-saving fixtures for every building permit application, which helps to minimize water usage and thereby conserve water for future allocation in new developments. The City of Carmel is also supportive of Pure Water Monterey’s and Cal-Am’s efforts to provide additional water for new units, and promote desalination.

¹ See Order No. WR 95-10, chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.waterboards.ca.gov/waterrights/board_decisions/adopted_orders/orders/1995/wro95-10.pdf

² See Order WR 2009-0060, chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.waterboards.ca.gov/waterrights/board_decisions/adopted_orders/orders/2009/wro2009_0060.pdf

³ See June 2023 MPWMD Monthly Allocation Report chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.mpwmd.net/asd/board/boardpacket/2023/20230717/10/Item-10-Exh-10-A.pdf

⁴ See June 2023 MPWMD Monthly Allocation Report – Entitlements - chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.mpwmd.net/asd/board/boardpacket/2023/20230717/10/Item-10-Exh-10-B.pdf

Wastewater

The Carmel Area Wastewater District (CAWD) collects and conveys wastewater from a business or residence to the wastewater treatment plant using underground pipes and lift stations. The CAWD collection system is comprised of approximately 81 miles of gravity sewers ranging in size from 6 inches to 27 inches in diameter together with nearly four (4) miles of force mains, seven (7) pump stations, and over 1,500 manholes.

Two trunk sewers serve the City of Carmel and the Hatton Fields areas. Within the City of Carmel-by-the-Sea pump stations are located at (1) the westerly terminus of 8th Avenue (at Scenic Drive), (2) the intersection of Monte Verde Street and Sixteenth Avenue, (3) west side of Scenic Road approximately 200 feet south of Ocean View Avenue. All pump stations have been upgraded to allow remote monitoring and have capabilities for standby power and emergency bypass.

The District's permitted capacity is 3.0 million gallons per day (MGD) and their current average daily dry weather flow is approximately 1.2 to 1.3 MGD.

The City is required to plan for an additional 349 residential housing units in this planning cycle. Based on capacity and communication with the District, the CAWD has adequate treatment capacity to serve these units⁵.

General Plan and Land Use Controls

Each city and county in California must prepare a comprehensive, long-term General Plan to guide its future. The Land Use Element of the General Plan establishes the basic land uses and density of development within each jurisdiction. Under state law, the General Plan elements must be internally consistent, and each jurisdiction's zoning must be consistent with its General Plan. Thus, the Land Use Element must provide suitable locations and densities to implement the policies of the Housing Element.

The City's development policies, standards and requirements were established with the intent of maintaining the long-term health, safety, and welfare of the community. To achieve this, the City has implemented a range of procedures, regulations and fees associated with all local development. Specific land use and development constraints, such as zoning regulations, governmental fees, building code standards, design review, and processing and permitting time can greatly influence the type and cost of construction that occurs.

We are primarily, essentially, and predominantly a residential city. I want to see us preserve our residential character.

February 28, 2023
Housing Ad Hoc
Committee Community
Meeting Attendee

⁵ May 17, 2023 email correspondence with CAWD

The City of Carmel-by-the-Sea General Plan/Coastal Land Use Plan (General Plan) was adopted in 2003 and most recently amended in 2015. The General Plan Land Use Element identifies land use designations and development intensities for all land within City boundaries. Land Use designations include Core Commercial, Residential/Commercial, Multi-Family Residential, Single Family Residential, and Open Space/Recreation/Cultural. The Residential/Commercial land use designation encourages mixed use buildings and is intended to provide for a mix of residential dwellings and a limited range of office and service uses in scale with the character of the community. [Table B-1, Residential Land Use Designations](#), identifies the residential land use designations and their maximum permitted densities.

Table B-1 Residential Land Use Designations

Designation	Maximum Density
Single-Family Residential	11 du/acre
Multi-Family Residential	33 du/acre, 44 du/acre (with affordable housing)
Commercial/Residential	33 du/acre
Core Commercial	33 du/acre

SOURCE: Carmel-by-the-Sea 2003 General Plan

The range of residential densities provided by Carmel-by-the-Sea’s General Plan is sufficient to accommodate a range of housing types and affordability levels. It does not, therefore, pose an undue governmental constraint the development of housing for the community.

Local Coastal Program and Coastal Land Use Plan

The California Coastal Act was established to balance landowners’ rights to develop and the public’s right to enjoy the coastline. This resulted in an area defined as the Coastal Zone which is regulated to ensure orderly, long-range conservation, use, and management of the natural, scenic, cultural, recreational, and manmade resources of the coast. All of the Carmel-by-the-Sea is located within the Coastal Zone, which in this area extends from the coast of Carmel Bay east to California State Highway 1.

Carmel-by-the-Sea’s Local Coastal Program (LCP) was certified by the Coastal Commission in 2004, enabling the City to issue Coastal Development Permits (CDPs). This gives the City authority over local development applications, with appeal oversight maintained by the Coastal Commission in limited areas of the City identified on the Carmel Zoning Map as the Beach & Riparian Overlay/Coastal Commission Appeal Jurisdiction. Land uses within the appeal jurisdiction are limited to single-family residential and open space. The Commission also retains permanent coastal permit jurisdiction over development proposed on tidelands, submerged lands, and public trust lands.

The LCP includes the following General Plan Elements: Land Use, Circulation, Coastal Access and Recreation, and Coastal Resource Management; the Zoning Ordinance (Implementation Plan); and, Appendices A through I of the General Plan and Zoning Ordinance.

The presence of land use regulation via the LCP, in general, means that housing development in Carmel-by-the-Sea faces a high bar to succeed. Most of the recent remedies brought forward by the California legislature to facilitate housing development are either outright inapplicable in the Coastal Zone or are secondary to California Coastal Commission policies that protect habitat resources (SB 9).

Zoning Code

The City of Carmel-by-the-Sea Zoning Code (City Municipal Code Title 17, Chapter 17.08-Residential Zoning Districts) establishes regulatory standards that dictate the type, location, density, and scale of residential development within the City's boundaries. Essentially, all zoning districts allow residential development. Below are the two primary zoning districts within the city that allow for residential uses:

- R-1 Single-Family Residential District; and
- R-4 Multifamily Residential District.

In addition, the following zoning districts provide for some residential uses above commercial uses or on ground floor after review and approval of a conditional use permit.

- SC Service Commercial;
- CC Central Commercial District; and
- RC Residential and Limited Commercial.

The following public and quasi-public zoning districts also permit limited residential uses:

- P-2 Improved Parklands (Park and Recreation District);
- A-2 Community and Cultural (Other Public District); and
- A-3 Senior Citizen Facility (Other Public District).

The City of Carmel-by-the-Sea Municipal Code (CMC) provides zoning regulations that are more specific than the General Plan Land Use designations. The R-1 (Single-Family Residential) district provides an appropriate land area for permanent single-family residential uses and structures and to enhance and maintain the residential character of the City. The R-4 (Multifamily Residential) district is intended to serve two purposes: 1) to provide an appropriate location for a mix of multifamily residential dwelling units convenient to the commercial area; and 2) to serve as a buffer or transitional zone between the commercial area and the single-family residential district.

Commercial zoning districts that permit residential uses include:

- The Central Commercial (CC) District, which is intended to provide an appropriate location for a broad range of retail, residential and service uses. Uses which generate high pedestrian traffic and which do not have large space requirements are appropriate in this district. Residential uses are appropriate on the second floor of structures.
- The Service Commercial (SC) District, which is intended to provide an appropriate location for services, offices, residential and limited retail activities that primarily serve local needs. This district is intended to provide a distinct transition between the more intense activities in the CC district and the less intense activities in the districts on its periphery. Mixed uses of commercial and residential activities are appropriate throughout this district.
- The Residential and Limited Commercial (RC) District seeks to provide an appropriate location for permanent and transient residential uses, service and office uses, and limited retail uses that do not adversely impact the residential neighborhood. This district is intended to provide a transition and buffer between the more intense activities in the CC and SC districts and the less intense activities in the R-1 and R-4 districts.

To encourage the development of multi-family residential development, the City has included Program 3.1.G, which includes an amendment to the Municipal Code to restrict new single-family development in the R-4, CC, RC, and SC Districts (see Chapter 2). Existing single-family dwellings in these districts will be considered legal nonconforming uses.

Certain public and quasi-public zoning districts also permit limited residential uses. The Park and Recreation (P-2) District permits single-family, senior citizen housing, and family day care uses which are limited to the use and maintenance of existing buildings for nonprofit organizations, governmental buildings and uses, and residential use. Sites located in the Community and Cultural Center (A-2) District and Senior Citizen Facility (A-3) District permit senior citizen housing outright.

Table B-2, [Residential Uses Permitted by Zone](#), shows residential uses, the zoning districts in which they are permitted, and whether they are permitted by-right (without discretionary action) or with a conditional use permit (CUP). The City's Municipal Code is available online:

(<https://www.codepublishing.com/CA/CarmelbytheSea/>).

Table B-2 Residential Uses Permitted by Zone

Residential Use	Residential Zoning Districts		Commercial Zoning Districts			Public and Quasi-Public Districts (Park and Recreation & Other Public Districts)		
	R-1	R-4	CC	SC	RC	P-2	A-2	A-3
Single-Family	P	P	C-L-5	C	C	P-L-1	-	-
<i>Accessory Dwelling Units</i>								
Accessory Dwelling Unit (Interior)	P	P	-	-	-	-	-	-
Accessory Dwelling Unit (New Structure)	P	P	-	-	-	-	-	-
Class I Accessory Dwelling Unit	P	-	-	-	-	-	-	-
Class II Accessory Dwelling Unit	P	-	-	-	-	-	-	-
Studio	P	P	-	-	-	-	-	-
Guesthouse (Noncommercial)	C	-	-	-	-	-	-	-
<i>Multifamily Dwellings</i>								
0-22 dwelling units/acre	-	P	P	P	P	-	-	-
22 dwelling units/acre	-	C				-	-	-
23-33 dwelling units/acre	-	C	C	C	C	-	-	-
34-44 dwelling units/acre	-	C	C	C	C	-	-	-
45-88 dwelling units/acre	-	-	C	C	C	-	-	-
Senior Citizen Housing	R-L-5	P	P	P	P	P-L-1	P	P
<i>Family Day Care</i>								
Small Family	R-L-5	P	-		P	P-L-1	-	-
Large Family	-	C-4	-	C	C	P-L-1	-	-
Group Residential	-	C	-	-	-	-	-	-

Residential Use	Residential Zoning Districts		Commercial Zoning Districts			Public and Quasi-Public Districts (Park and Recreation & Other Public Districts)		
	R-1	R-4	CC	SC	RC	P-2	A-2	A-3
Transient Rental, Legal Nonconforming	-	R-L-6	C-L-7	C-L-7	C-L-7	-	-	-
Transient Rental, Housing Incentive	-	R-L-7	C-L-8	C-L-8	C-L-8	-	-	-

SOURCE: CMC Title 17 Zoning 2023

NOTE: Key:

(P) permitted use classifications.

(L) use classifications that are permitted, subject to certain specific limitations noted by the number designations and listed at the end of Schedule II-1 (CMC Section 17.08.040) and Schedule II-B (CMC Section 17.14.030).

(C) use classifications permitted after review and approval of a conditional use permit by the Planning Commission. Conditions or standards may apply to these uses, noted by the number designations and listed at the end of Schedule II-1.

(-) prohibited

Residential Districts Specific Limitations and Conditions

R-L-1. Limited to advertising, consumer credit reporting, secretarial and court reporting, equipment maintenance and repair, personnel supply services, and nonretail computer services and repair.

R-L-2. Allowed only on existing quasi-public use sites established prior to December 1, 1980, or added as an accessory use to such existing uses.

R-L-3. Limited to existing units established prior to January 1, 1967, and/or authorized by a use permit issued between 1967 and 1990. *Note: These provisions approved by voter referendum.

R-L-4. Limited to existing commercial spaces established prior to 1993 and occupied by commercial uses continuously since that time.

R-L-5. Limited to occupancy within a single-family residence.

R-L-6. Limited to permits approved prior to the adoption of Ordinance 2019-03.

R-L-7. Limited to transient rental units approved through the issuance of a conditional use permit as an incentive for the creation of new housing units. See CMC 17.14.040(W)(2)(b).

Commercial Districts Specific Limitations and Conditions

C-L-1. Limited to advertising, consumer credit reporting, secretarial court reporting, equipment maintenance and repair, personnel supply services, and nonretail computer services and repair.

C-L-2. Allowed only as accessory use to gasoline stations and limited to a maximum of 300 square feet. No sales of alcohol are permitted. See CMC 17.14.040(D)(2) and (J)(2).

C-L-3. Any establishments with activities generating noise, odors, deliveries by large vehicles, high traffic by customers, or requiring large storage needs are not permitted.

C-L-4. Limited to offices for the following categories: operators of nonresidential buildings, apartment buildings, dwellings, real estate agents and managers, and title companies.

C-L-5. Limited to sites that are already developed with a single-family dwelling, or that were originally developed as, or used as, a single-family dwelling but have since been converted to another use. Existing single-family dwellings can be maintained, altered, repaired and/or redeveloped. R-1 district floor area ratio standards shall apply to these sites.

C-L-6. Subject to the same regulations as apply to other family residential dwellings in the same zone.

C-L-7. Limited to permits approved prior to the adoption of Ordinance 2019-03.

C-L-8. Limited to transient rental units approved through the issuance of a conditional use permit as an incentive for the creation of new housing units. See CMC 17.14.040(W)(2)(b).

Public and Quasi-Public Districts Specific Limitations and Conditions

P-L-1: Limited to the use and maintenance of existing buildings for nonprofit organizations, governmental buildings and uses, and residential use.

P-L-2: Limited to facilities serving only park visitors and/or tenants of park buildings.

P-L-3: Limited to schools for theater arts.

P-L-4: Limited to workshops and classes connected with the arts.

P-L-5: Only as an accessory use, when in connection with any other authorized use.

Use Permits

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. The UP requirement for residential developments between 23 and 33 du/acre does not have specific findings creating uncertainty for developers of housing projects. Densities between 34 and 44 du/acre also require a UP and special findings are outlined in Municipal Code Section 17.64.190 (Residential Construction at Densities Between 33 and 44 Units Per Acre). Because the City does not have an inclusionary zoning ordinance, the UP findings are used as a tool to require affordable housing within this density range. For example, in the R-4 District, residential projects with densities between 33 and 44 du/acre must provide at least 20 percent of all units for lower-income households, 10 percent of all units for very low-income households, or 50 percent of all units for senior housing. In the CC, SC, and RC Districts, residential projects with densities between 33 and 44 du/acre are eligible for State Density Bonus Law as set forth in Government Code Section 65915 et seq.

Residential projects with densities between 45 and 88 du/acre are also subject to a UP and special findings that require the project to be 100 percent affordable to lower-income households.

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 which limits the number of units, particularly for smaller projects, and affects the financial feasibility of the proposed development.

There are opportunities to reduce redundancies and facilitate residential construction while still enabling development to meet City regulations. Taking an overall critical look at the application of use permits and removing this permit requirement where it does not add any necessary regulations related to safety and welfare will remove a regulatory constraint that adds to residential developer uncertainty, extends the permit entitlement process, and overall residential development costs. The 6th Cycle Housing Element includes a program to eliminate unnecessary use permits.

Commercial Overnight Visitor Accommodation

Pursuant to Coastal Zone requirements, the City has recognized existing overnight visitor accommodation (hotel/motel/inn) as an important coastal visitor asset and economic base in the community. There are a number of older (some non-conforming) hotels/motels/inns in the R-1, CC, RC, and SC zoning districts, located in key areas of the City. These commercial establishments can be targeted for transition and the existing buildings rehabilitated converted to permanent multi-family residences.

In an effort to maintain a strong residential component within the City, the Municipal Code Section 17.56.060 includes numerical limits on the total number of hotel/motel/inn units; however, the numerical limits increase the value of the existing commercial units and act as a disincentive for older establishments to be refurbished into multi-family units. The limit also acts as a disincentive to add on-site employee housing because scarce square footage is more valuable as an overnight visitor accommodation use rather than a residential use that serves lower-income employees.

Enabling older overnight visitor accommodation commercial uses to relocate to more appropriate commercial sites while allowing the establishments to retain the current number of hotel/motel/inn rooms, would facilitate continued overnight tourism while diversify the housing stock by requiring the refurbishment of existing buildings to permanent rental housing. In order to encourage these properties to transition into permanent multi-family residences, and to retain the same number of existing overnight visitor accommodation rooms for coastal visitor access (as desired by the California Coastal Commission), the City will develop program 1.3.B to incentivize both the transfer of development rights of overnight visitor accommodations to other appropriate commercial sites while requiring the conversion of existing overnight visitor accommodation properties to permanent rental multi-family residences.

Additionally, the City has a number of overnight visitor accommodation properties that would greatly benefit from incorporating affordable on-site employee housing. These new rental permanent residential units would alleviate the current lack of housing options that many lower income employees that work at hotels/motels/inns 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.

Overlay Zoning Districts

Overlay districts are zoning districts established by the City to carry out specific purposes. They are governed by a set of regulations that address specific subjects such as archaeologically significant resources or environmentally sensitive habitat areas. The City currently has overlay districts that address the following:

- Archeological significance;
- Parks;
- Beach and Riparian areas;
- Environmentally Sensitive Habitats;
- Annexed County Lots; and
- Downtown Conservation District.

Overlay districts can be constraints to development, or they can be used as a tool to encourage certain types of development. The existing overlays do not function as constraints to development.

Development Standards

With the exception of building heights, development standards in Carmel-by-the-Sea are typical for a small residential community. As for building heights, the City limits building heights to two stories above ground and 30 feet or less, which can render higher allowable densities (up to 44 du/ac with affordable housing) unachievable. The City has discussed the possibility of increasing height limits, but community resistance to increasing the height limit has been consistent and is primarily based on a desire to protect the historic character of the downtown. Some community members have suggested allowing mezzanines as a third interior story, if it could be accomplished without appearing as a three-story building. The Zoning Code permits multi-family dwellings in all commercial districts and existing underutilized commercial spaces can be repurposed for residential uses.

I would even venture to say – as an architect – if we protect the character of the village and if we do that well, we will actually be able to create a planning document that will more than cover the 349 number...that’s my professional opinion on what the power of design can do without an iota of sacrifice of the character of this community. It’s a hope, it’s a belief, and we just need to work towards it together

November 17, 2022 Housing Ad Hoc
Committee Community Meeting Attendee

The Community and Cultural Center District (A-2) allows senior citizen housing (55+) as a permitted use in addition to uses that provide cultural and community activities associated with the arts, education and recreation; however, development standards are not specified for the A-2 district and design review is required. The lack of development standards adds uncertainty to the development process. Amending the A-2 zoning district with clear setbacks, height, and landscaping requirements will add clarity and remove a development constraint. The City of Carmel-by-the-Sea has included a new program in this 6th Cycle Housing Element to amend the A-2 District to include clear development standards as a means to encourage affordable senior housing.

[Table B-3, Residential Development Standards](#), summarizes residential development standards in Carmel-by-the-Sea.

Density, Building Intensity, and Height

Density, building intensity or floor area ratio (FAR), and building height are established in the Land Use Element and implemented by the Municipal Code. The following details allowed densities, building intensity, and heights in all residential districts (R-1, R-4, CC, SC, and RC).

Table B-3 Residential Development Standards

Zoning	Minimum Lot Area (sq ft)	Setbacks			Maximum Height ^{1,2,3}	Maximum Floor Area (sq ft)	Maximum Lot Coverage or Density (R-4)
		Front (in feet)	Minimum Side Yard (in feet)				
Residential Districts							
R-1	2,500 ¹ 4,000	15	Interior	Street Side	15	24 feet 2 stories	Less than 45 percent of the area of the building site ² 2,400 ³
			3	5			
R-4	4,000	No setback. 5 – if across from R-4, RC; 7.5 across from R-1	No setback ^{4,5}	N/A	No setback. 10 – if abutting R-1 or R-4	26 feet 2 stories	N/A 33 units/acre 44 units/acre with density bonus
Commercial Districts							
CC	N/A	No setback. 5 – if across from R-4, RC; 7.5 across from R-1	No setback ⁴	N/A	No setback 10 – if abutting R-1 or R-4	30 feet 2 stories	N/A ¹ One story – 95% of the site area Two story – 135% of the site area 150% with 15% bonus
SC	N/A	No setback. 5 – if across from R-4, RC; 7.5 across from R-1	No setback ⁴	N/A	No setback 10 – if abutting R-1 or R-4	30 feet 2 stories	N/A One story – 95% of the site area Two story – 135% of the site area 150% with 15% bonus
RC	N/A	No setback. 5 – if across from R-4, RC; 7.5 across from R-1	No setback ⁴	N/A	No setback 10 – if abutting R-1 or R-4	26 feet 2 stories	N/A One story – 70% of the site area Two story – 80% of the site area 95% with 15% bonus

SOURCE: CMC Title 17 2023

NOTE: 1. Lots of record in existence on February 4, 1948.

2. Applies to sites less than 4,000 square feet.

3. The maximum potential floor area on a site is the sum of the base floor area plus any bonus floor area. The City uses a sliding scale to determine maximum floor area and site coverage.

4. If abutting R-4 or RC district a side yard setback of at least 5 feet along at least 50 percent of each side property line. The remaining 50 percent requires no setback unless the faces a public street. Any site abutting R-1 district requires a setback of five feet along entire side yard.

5. Buildings shall not be less than six feet from any other buildings on the same site.

Floor Area Ratio

Floor Area Ratio (FAR) expresses the ratio of building square footage to land square footage and allows for flexibility in design as long as other development standards (such as height and setbacks) are compliant. The following are floor area ratio standards according to square footage in the R-1 District.

- On sites less than 4,000 square feet, the maximum base floor area cannot not exceed 45 percent of the area of the building site;
- On sites between 4,000 and 10,000 square feet, the base floor area is restricted to less than 45 percent of the area of the building site. The following formula applies to calculate the exact allowed base floor area: Building Site Area (0.45 – ((Sq. Ft. Over 4,000) (0.02))/1,000); and
- On sites larger than 10,000 square feet, the base floor area is as stated in [Table B-4](#). The maximum allowed floor area on any building site 22,000 square feet or larger cannot exceed 6,000 square feet.

Table B-4 R-1 District Base Floor Area and Bonus Floor Area Standards for Typical Lots

Site Area	Base Floor Area	Maximum Bonus Floor Area	Maximum Total Floor Area*
4,000	1,800	600	2,400
5,000	2,150	717	2,867
6,000	2,460	820	3,280
7,000	2,730	910	3,640
8,000	2,960	987	3,947
9,000	3,150	1,050	4,200
10,000	3,300	1,100	4,400
11,000	3,450	1,150	4,600
12,000	3,600	1,200	4,800
13,000	3,735	1,245	4,980
14,000	3,870	1,290	4,160
15,000	4,005	1,335	5,340
16,000	4,140	1,380	5,520
17,000	4,255	1,418	5,673
18,000	4,370	1,457	5,827
19,000	4,485	1,495	5,980

SOURCE: City of Carmel-by-the-Sea Municipal Code Title 17

NOTES *The "maximum total floor area" equals the base floor area plus the bonus floor area. The numbers in this column would require half of the total floor area to be located in a basement.

In an effort to maximize development of parcels zoned for R-4 uses, the City does not apply FAR as a restriction. Additionally, to encourage the development of multi-family rental units, sites of 4,000 square feet or less in area may be developed with apartments, condominiums, or a combination of both. On sites that are greater than 4,000 square feet or more in size, at least 50 percent of all residential units on the site must be provided as rental apartment units. This encourages the development of rental units and does not pose a constraint to multi-family rental housing.

In the Commercial Districts, the maximum floor area ratio is 10,000 square feet. The following are floor area ratio standards according to square footage in the Commercial Districts.

- CC and SC Districts: the basic floor area ratio allowed for one-story buildings is 95 percent of the site area and for two-story buildings is 135 percent of the site area. In addition to the basic floor area ratio, two-story buildings may qualify for a maximum 15 percent bonus, which allows a floor area ratio up to 150 percent of the site area.
- RC District: the basic floor area ratio allowed for one-story buildings is 70 percent of the site area and for two-story buildings is 80 percent. In addition to the base floor area ratio, two story buildings may qualify for a bonus of up to 15 percent, which allows a floor area ratio up to 95 percent of the site area.

Additionally, the City allows a floor area bonus for affordable housing projects in all commercial districts and the R-4 District as follows:

- A. Moderate Income. Up to five percent for projects if at least 25 percent of the units in a housing project are reserved for persons of moderate income as defined in Chapter 17.70 CMC;
- B. Low Income. Up to 10 percent for projects if at least 20 percent of the units in a housing project are reserved for persons of low income as defined in Chapter 17.70 CMC; or
- C. Very Low Income. Up to 15 percent for projects if at least 10 percent of the units in a housing project are reserved for persons of very low income as defined in Chapter 17.70 CMC.

The City has utilized FAR to restrict the allowed building size of units as a means to retain a village-like character and as an attempt to yield more affordable residential units. However, despite units being smaller in size, the cost of labor and land value outweighs the potential for affordability. Restricting the building size also renders larger proportions of lots undevelopable. The City should consider increasing the allowed FAR to increase the developability of land.

Density

As shown in [Table B-5](#), maximum base densities range from 0-22 dwelling units per acre, and when density bonuses are enabled, up to 88 dwelling units per acre. The City's bonus density and density bonus allow higher densities in the Multi-Family (R-4) and Commercial Districts (CC, SC, and RC).

To enable residential development at higher densities, the City included Program 3.1.G, which establishes a minimum density of 33 dwelling units per acre for the R-4, SC, CC, and RC districts. This intention is rooted in facilitating a higher yield of units to enable the development of affordable residential units.

Table B-5 Maximum Density Standards

	Permitted Base Zoning	Bonus Density	Density Bonus
R-1 District	2-11 du/ac	-	-
R-4 District	0-33 du/ac* (up to 44 du/ac when affordable)	Up to 44 du/ac	-
CC District	0-22 du/ac* (up to 88 du/ac when 100 percent affordable)	-	Up to 88 du/ac
SC District	0-22 du/ac* (up to 88 du/ac when 100 percent affordable)	-	Up to 88 du/ac
RC District	0-22 du/ac* (up to 88 du/ac when 100 percent affordable)	-	Up to 88 du/ac

SOURCE: City of Carmel-by-the-Sea Municipal Code 17.08.040; 17.64.190

NOTES: *The City proposes Program 3.1.G to establish a minimum density of 33 dwelling units per acre to enable high densities in the multi-family and commercial districts.

The current maximum density standards for multifamily housing, which is permitted in the R-4, CC, SC, and RC Districts, poses a constraint to the development of affordable rental units due to the limited potential yield of units. This impacts the feasibility of affordable residential projects. To enable the development of affordable residential units at a higher yield, the City proposes to establish a minimum density of 33 dwelling units per acre to the base zoning for the R-4, CC, SC, and RC Districts. This minimum density will eliminate the underutilization of sites, resulting in a higher yield of residential units, which will increase the feasibility to develop affordable units. Program 3.1.G establishes and monitors the amendment to the Municipal Code to establish the minimum density to the aforementioned districts.

Lot Coverage

As shown above in [Table B-5](#), maximum lot coverage varies according to zoning district. The R-1 District is the most restrictive in lot coverage, allowing a maximum of 22 percent of the base floor area. The R-4 District does not define lot coverage, rather the City utilizes a maximum density of up to 33 dwelling units per acre, or up to 44 dwelling units per acre when using a density bonus. The CC and SC Districts both allow a maximum lot coverage of 95 percent of the site area for one-story buildings; 135 percent of the site area for two-story buildings; and 150 percent of the site area with a 15 percent bonus. The RC District allows a maximum lot coverage of 70 percent of the site area for one-story buildings; 80 percent of the site area for two-story buildings; and 95 percent of the site area with a 15 percent bonus.

The City’s development standards for lot coverage in the R-4 District poses a considerable constraint on the development of affordable residential units. However, the City proposes to establish a minimum density of 33 dwelling units per acre for the base zoning, to increase the density

and allowed lot coverage on sites. As previously stated, establishing a minimum density will eliminate the underutilization of sites, resulting in a higher yield of residential units, which will increase the feasibility to develop affordable units. Program 3.1.G establishes and monitors the amendment to the Municipal Code to establish the minimum density to the aforementioned Districts.

Height

As shown in Table B-6, maximum base height ranges from 18 to 30 feet and a maximum of two stories is allowed in the City’s residential and commercial districts. Maximum height, coupled with FAR, was specifically determined on a neighborhood basis to character and scale, either to preserve existing lower density neighborhoods or encourage medium-density development, such as in the Commercial District.

Table B-6 Maximum Height Standards

	R-1 District	R-1-BR District	R-1-PO District	R-4 District	RC***	CC***	SC***
Number of stories allowed	2	2	1*	2**	2	2	2
Roof height of first story (ft)	18	18	18	-	-	-	-
Roof height of second story (ft)	24	18	24*	26	26	30	30

SOURCE: City of Carmel-by-the-Sea Municipal Code Title 17

NOTES: *See CMC 17.20.100, Required Planning Commission Review, and CMC 17.20.110, Review Criteria

** Block 37, Lots 3, 5, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 20, 21, 22 and 24 within R-4 District require development approval by Planning Commission due to potential effects on significant coastal viewshed (CMC 17.12.050).

*** Building sites which face, abut or adjoin any property in the R-1 district shall be limited to a height of 24 feet (CMC 17.14.150).

The R-1 District permits a maximum height of 24 feet. The R-1 Park Overlay District has specific development standards for two story developments. The Planning Commission must make the following required findings for approval:

1. That due to the topography of the site relative to the adjoining park or open space land, the proposed building would not exceed the height or bulk of an 18-foot one-story structure built on a site at the same grade as the adjoining park or that topography and height are irrelevant because of the location of the building on the site avoids view of the buildings from the park; and
2. That those portions of the building visible from the park will exhibit a human scale and residential character through the use of simple building forms and natural materials that will not detract from the enjoyment of the park or open space by the public.

These required findings have not been a constraint to development within the City.

The R-1 Beach and Riparian Overlay District has the lowest maximum height standard at 18 feet. This Overlay District serves to provide review standards applicable to public and private property development located near public beach lands to ensure proposed development is compatible with the City's coastal resources and the State's Coastal Act (CMC 17.20.120).

The R-4 District permits a maximum height of 26 feet. Specific requirements pertaining to viewsheds may apply to new developments in the R-4 District (CMC 17.12.050). This is due to the City's proximity to the coast and areas designated with significant coastal views. Development approval by the Planning Commission is required if development is located in Block 37, including Lots 3, 5, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 20, 21, 22, and 24 (CMC 17.12.050). The review process includes the following finding:

- No structure shall be approved for construction and no vegetation shall be planted or maintained within the viewshed at a height that exceeds the 350-foot contour elevation as referenced on the topographic survey dated June 1983 by Clayton B. Neill Jr. (W.O. #6415) (CMC 17.12.050).

The review process and required findings are minimal and developed in accordance with the Local Coastal Program. To ensure height allowance does not impede residential development in the R-4 District in the future, the City should evaluate the impacts of increasing the height allowance. Currently, the Municipal Code does not pose an undue constraint to the development of multifamily residential units.

The Commercial District (RC, CC, SC) permits a maximum height of 30 feet. All newly constructed second story floor area, including area in new buildings, remodeled buildings and replacement, rebuilt or reconstructed buildings, shall be occupied by residential dwellings only and shall not be used for any commercial land use (CMC 17.14.050F). This requirement for second story development in the Commercial District has resulted in recent residential development and conversations with interested property owners, as many properties within the Commercial District are in need of remodeling. Therefore, the Municipal Code does not pose an undue constraint on residential development in the Commercial District.

Open Space Courtyards and Intra-Block Walkways

The City's development standards related to open space courtyards and intra-block walkways have been developed to conserve the City's unique charm and design character. As a result, the City has established regulatory processes for the construction of new and alterations to existing courtyards and intra-block walkways. Courtyards and intra-block walkways are permitted in the Commercial District (CC, SC, RC).

Courtyards are defined as an open space on private property that is linked to an adjoining sidewalk or walkway in such a manner as to encourage public access. Courtyards are required to be enclosed on at least two sides by buildings and must remain open to the sky. The City allows a floor area bonus for courtyards with a minimum width of 20 feet and a minimum area of 400 square feet.

Intra-block walkways are defined as publicly accessible ground level pedestrian paths providing a connecting route between two or more different streets around a block. The City allows a floor area bonus for intra-block walkways with a minimum width of four feet.

All proposals to alter the size, location or configuration of a courtyard or intra-block walkway require review by the Planning Commission. Generally, such changes are approved only if the Commission finds that the proposed change would be an improvement over existing conditions such as improving public access, allowing for creation of new or better link with courtyards or walkways nearby or eliminating a safety hazard. Existing courtyards and intra-block walkways are not to be removed. This review process includes a single hearing, which can be completed concurrently with design review.

The City's current development standards for courtyards and intra-block walkways may pose some level of constraint to the development of affordable residential units based on the requirement of Planning Commission review. However, with new construction, the development of courtyards and intra-block walkways will likely improve existing conditions and therefore be approved with ease.

Development standards related to courtyards and intra-block walkways have not impeded development, resulted in fewer units or lower density development in the City. Currently, the City has three ongoing multi-family rental projects that incorporate courtyards and or intra-block walkways: Ulrika Plaza, Scandia Lopez/Hakim, and JB Pastor.

The Ulrika Plaza project is fully entitled and advancing towards development, with building permits anticipated by May 2024. This project aims to develop 12 market-rate rental residential units. Similarly, the Scandia Lopez/Hakim project is fully entitled, and building permits are in development and expected to be submitted by June 2024. This project is designed to introduce an additional three new rental residential units to the historic Percy Parkes Building. The project did not include any incentives, concessions, or bonuses. The project did benefit from an existing code provision that waives on-site parking in the Central Commercial District.

Regarding the JB Pastor project, the developer has requested a preliminary review by the Planning Commission to gather feedback on the design before submitting a formal application. This project aims to develop eight market-rate rental residential units.

Overall, the development standards related to courtyards and intra-block walkways have not discouraged development within the City.

Parking Requirements

The City's parking requirements are generally in line with typical parking requirements. In the R-1 District, one (1) on-site parking space per dwelling must be provided on sites of 8,000 square feet or less in area and two (2) on-site parking spaces per dwelling on sites larger than 8,000 square feet in area. One (1) parking space must also be provided for each guesthouse. (CMC 17.10.030(F)(1)).

Under the current Municipal Code, R-1 zone sites with Class II accessory dwelling units (accessory dwelling units that are legal nonconforming units that were established prior to April 5, 1988) are required to provide a minimum of one (1) parking space on-site at the time of approval. Upon enlargement or improvement of a Class II unit, one (1) parking space each for the primary dwelling on the site and for the accessory dwelling unit are required. Improvements to accessory dwelling units are allowed even if one or both parking spaces encroaches into a setback. Accessory dwelling units built after 1988, or that were improved, are required to provide one parking space behind all setbacks for the accessory dwelling unit and are required to comply with all parking requirements established in Chapter 17.38 CMC, Off-Street Parking Requirements, for other development on the site.

The City's ADU ordinance was last updated in 2017 (Ord. 2017-10 § 1 (Exh. A), 2017). The City is in the process of updating its ADU Ordinance to incorporate state laws that have expanded since 2017, and to clarify the ADU permitting process for property owners. The City intends to remove all parking requirements for ADUs in the updated ADU Ordinance. Program 1.3.C establishes and monitors the implementation of Municipal Code amendments related to ADUs (see Chapter 2).

[Table B-7](#), summarizes off-street parking requirements as shown in Table A of CMC 17.38.020, for all uses, projects, developments and redevelopments; note that accessory dwelling units are not included in Table A of CMC 17.38.020 but are included in [Table B-7](#) below. The parking requirements outlined in [Table B-7](#) fully satisfy parking requirements for individual projects.

New projects or developments shall only be allowed when meeting all parking requirements of this chapter and the requirements of any conditional use permit, subdivision approval or specific plan applicable to the property. Proposed uses within existing buildings may replace existing uses as long as any existing parking deficiencies on the property are not increased by the replacement. Proposed additions of floor area, new shops or dwelling units, or other similar changes in land use resulting in a net increase in parking requirements, as set forth in this chapter, shall provide all required parking generated by the new activities on the site. Parking can be provided on-site, off-site, or through payment of in-lieu fees.

Table B-7 Minimum Off-Street Parking Requirements

Land Use	Basis for Requirement	Land Use District Parking Factors			
		CC	SC	RC	R4
Permanent Residential Use	Spaces per Dwelling Unit	1	1	1.5	1.5
Accessory Dwelling Units	Spaces per Dwelling Unit	0	0	0	0
Affordable Housing for Moderate-, Low- or Very Low-Income	Spaces per Dwelling Unit	½	½	½	½
Senior Housing, Cooperative Housing or Group Care Facilities	Spaces per Dwelling Unit	1/3	1/3	1/3	1/3
	Guest Spaces per Each Four Full Units	1	1	1	1
Nursing Home or Other Resident Care Facility	Spaces per Patient or Resident	N/A	1/3	1/3	1/3
Commercial Retail or Service Uses Not Otherwise Specified in This Table	Spaces per 600 Square Feet of Commercial Floor Area or per Business/Shop Space, whichever is Greater	1	1	1	1
SIC 701: Hotels and Motels	Spaces per Rental Unit, Including Manager's Unit	1	1	1	1

SOURCE: CMC 17.38.020(C) Table A: Minimum Parking Requirements

NOTE: The City follows State ADU law. When an ADU is created through the conversion of a garage or carport, replacement of the off-street parking space(s) are not required. Additionally, because parking is not required to be provided for ADUs located within one half-mile walking distance of public transit, ADUs in Carmel-by-the-Sea do not require parking.

Parking costs contribute significantly to the cost of development in Carmel-by-the-Sea and this flexibility often makes affordable housing more feasible. The City has adopted a reduced parking requirement from one space to one-half space per dwelling unit for affordable housing units (Program 1.1.C, see [Chapter 2](#)). This program also establishes waived parking requirements for affordable housing units in the CC District and reduced parking standards for senior housing developments. Program 3.1.E establishes reduced parking requirements for affordable residential development, including waiving in-lieu fees for affordable units. As a result of these concessions, potential constraints to development associated with existing parking standards will be reduced.

Cumulative Impacts

Overall, the City’s existing land use controls may pose potential constraints on the development of affordable housing as a result of limited building size; limited maximum density and lot coverage standards in the R-4 District; limited height standards in the R-4 District; and open space and intra-block walkway review requirements for new development and altering existing structures. The City should consider the following to reduce potential barriers to developing affordable housing:

1. Currently, FAR requirements for the city's Commercial Districts do not pose a constraint to the development of multi-family housing. However, to ensure FAR does not result in the underutilization of parcels in the future, the City should consider increasing the allowed FAR;
2. The current maximum density standards for multi-family housing, which is permitted in the R-4 (max. 33 dwelling units per acre), CC, SC, and RC (max. 22 dwelling units per acre) Districts, pose a constraint to the development of affordable rental units due to the limited potential yield of units. This impacts the financial feasibility of affordable residential projects. The City includes Program 3.1.G to establish a minimum density of 33 dwelling units per acre for the base zoning in the R-4, CC, SC, and RC Districts (see Chapter 2);
3. Currently, development standards for maximum building height do not pose a constraint to the development of multi-family housing. However, to ensure height allowance does not impede residential development in the R-4 District in the future, the City should evaluate the impacts of increasing the height allowance;
4. While the City's parking standards do not inherently pose a constraint to development, parking costs generally impact the cost of development. To offset parking costs associated with development, the City has reduced parking requirements in the CC District for affordable housing units and senior housing units (Program 1.1.C, see Chapter 2). Additionally, Program 3.1.E reduces parking requirements in the R-4, RC, and SC Districts (see Chapter 2).

Objective Design and Development Standards

The City currently lacks a strictly objective set of design guidelines. Detailed design guidelines for the R-1 District and high-level design guidelines for commercial zones are presently in place; however, the current design guidelines include a mix of objective and subjective criteria. While the City's existing R-1 design guidelines are being updated this year, the City does not currently have plans to develop a set of strictly objective standards for multi-family or mixed-use projects.

The lack of "Objective Design Standards" currently poses a constraint to residential development. Guidelines that are subjective, or zoning districts that lack clear development standards, increase uncertainty and risk for housing developers. Objective Design Standards provide a measure of clarity that proposed developments will be measured against and provide the community with assurance that developments will conform with measurable objective standards. The City proposes to develop objective design standards for mixed-use and multi-family residential projects that include affordable housing.

Additionally, the City is proposing to amend the A-2 zoning district which encompasses the Sunset Center, a city-owned property with future housing development potential to establish clear setbacks, height, and objective design standards. This action will add clarity and remove any potential development constraints.

Zoning for a Variety of Housing

California Housing Element Law requires the housing element to provide for a variety of housing types including multi-family rental housing, factory-built housing, mobile homes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing (Government Code Section 65583 and 65583.2). Providing development opportunities for a variety of housing types promotes diversity in housing price, style, and size, and contributes to neighborhood stability by offering more affordable housing and accommodating a diverse income mix. [Table B-2](#) (above) shows the housing types permitted in Carmel-by-the-Sea.

Single-Family Dwelling Units

A single-family dwelling is defined as any building containing or more habitable rooms with facilities for living, sleeping, cooking, and eating and containing no more than one kitchen (CMC 17.70). Single-family dwelling units are permitted in all residential districts (R-1 and R-4); conditionally permitted in commercial zones (CC, SC, and RC) and public and quasi-public Districts.

Multifamily Dwelling Units

A multifamily dwelling is defined as a building or group of buildings on a single building site that, in whole or in part, is designed for, or occupied by, members of two or more families dwelling independently of each other in separate areas or units.

Multifamily and duplex housing units constitute approximately 13 percent of Carmel's housing stock. Multifamily dwelling units between 0-22 dwelling units per acre are permitted in the R-4, CC, SC, and RC Districts. Multifamily dwelling units between 22-44 dwelling units per acre are conditionally allowed in the R-4 District, and up to 88 dwelling units per acre is conditionally allowed in the CC, SC, and RC Districts.

The conditional use permit (CUP) for residential developments greater than 22 dwelling units per acre is a development constraint to higher density development. Site design review is required for multifamily projects and the CUP process adds very limited value to the review process for projects of this size and scale. In order to lessen this regulatory constraint, the City will amend the Code to eliminate unnecessary use permits (Program 1.4.A, see [Chapter 2](#)).

Accessory Dwelling Units (ADUs)

An accessory dwelling unit (or ADU) is defined as an attached or detached residential dwelling which provides complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation, which is located on the same parcel as a single-family dwelling (CMC 17.68.030). Based on their relatively small size, and because they do not require paying for land or major new infrastructure, ADUs and Junior ADUs (JADU) are considered affordable by design. ADUs can provide affordable housing options for family members, seniors, students, in-home health care providers, and other small household types. ADUs can also

be useful to generate additional rental income for the homeowner, making homeownership more financially feasible. Additionally, the City has a high rate of second home (vacation) ownership. Encouraging ADUs and JADUs may be appealing to second home owners because ADUs will provide a higher level of security to the property if there is a full-time resident, and will add an income stream to a property that lies vacant for a high proportion of the year. Most importantly, ADUs and JADUs can provide much-needed affordable smaller housing units.

The City's ADU ordinance was last updated in 2017 (Ord. 2017-10 § 1 (Exh. A), 2017). Carmel-by-the-Sea is currently following the requirements of State law in the review and approval of ADUs and JADUs. The City is in the process of updating its ADU Ordinance to incorporate state laws that have expanded since 2017, and to clarify the ADU permitting process for property owners.

In recent years, the California Legislature has passed a series of bills aimed at encouraging single-family homeowners to add ADUs to their property by requiring local jurisdictions to adopt regulations to facilitate their production and streamline their approval. The State passed legislation in 2017, 2019, 2020, and 2021 to further assist and support the development of ADUs, including by-right approval for units less than 800 square feet. ADUs are also permitted in commercial structures per state law.

The City permits one guesthouse on sites of 6,000 square feet or greater upon approval of a use permit. Guesthouses shall contain no food preparation facilities of any kind, but are permitted to have a bathroom with a toilet, sink and bathing facility. A guesthouse on any building site may be converted to an accessory dwelling unit, generally requiring the permitting of kitchen sink and facilities. Converting existing guesthouses to fully functional ADUs, or JADUs, represents a cost-effective method to increase the City's housing stock, requiring only a building permit. These opportunities could be strong candidates for prioritization of the City's limited water distribution.

The City is also exploring the development of standardized pre-approved ADU plans. Standardized plans can eliminate the costs of designing a custom ADU, and assures property owners the unit type and size is already approved by the City. Pre-approved plans can also make construction more affordable if the designs are using materials that are easily sourced and standard-sized.

The City of Carmel-by-the-Sea has included Program 1.3.C to establish and monitor the amendment of its Municipal Code to be consistent with ADU and JADU state law, and develop standardized ADU plans (see [Chapter 2](#)).

Manufactured Housing / Mobile Homes

State law requires manufactured homes be permitted equally anywhere that single-family homes are permitted. Mobile homes are an affordable homeownership for farmworkers and other very low-, low-, and moderate-income households.

There are no mobile home parks located in Carmel-by-the-Sea. The City permits mobile homes on a permanent foundation as a single-family residential use, subject only to the design review requirements as any other single-family residential use in the same zone pursuant to state law California Government Code 65852.3. Such housing is subject to the same development standards and design review criteria as traditional forms of housing construction. The City has included Program 1.3.G to establish and monitor the amendment of the Municipal Code to clarify this type of housing as a permitted use in the R-1 District.

Group Homes

The Zoning Code defines group residential as “Shared living quarters without separate kitchens or bathrooms for each room or unit, including boardinghouses, dormitories, and private residential clubs, but excluding guesthouses.” As described above, state-licensed group homes are permitted under the regulations for Community Care Facilities and Residential Care Facilities. Unlicensed group homes are not currently identified as a permitted use in any zoning district.

The City has not identified any zoning or other land-use regulations that could discriminate against persons with disabilities or impede the availability of such housing for these individuals. Examples of the ways in which the City facilitates housing for persons with disabilities through its regulatory and permitting procedures are:

- As discussed above, the City Zoning Code allows residential care facilities for six or fewer persons subject to the same standards and procedures as apply to other residential dwellings of the same type in the same zone;
- The City has also adopted reduced parking requirements (0.33-space per unit or bed) for Senior Housing, Cooperative Housing, Group Care Facilities, Nursing Homes and Other Residential Care Facilities. Retrofitting of dwellings to meet the needs of persons with disabilities is also an eligible activity under the City’s Housing Rehabilitation Program. Construction and rehabilitation activities are also subject to the Federal Americans with Disabilities Act requirements and the City is active in promoting ADA compliance; and
- The City defines family as “an individual or two or more persons living together as a single nonprofit housekeeping unit and sharing common living, sleeping, cooking, and eating facilities,” which is consistent with state law.

Single-Room Occupancy (SRO) Units

Single room occupancy (SRO) housing are one-room units intended for occupancy by a single individual. It is distinct from a studio or efficiency unit, in that a studio is a one-room unit that must contain a kitchen and bathroom. Although SRO units are not required to have a kitchen or bathroom, many SROs have one or the other.

The City's Zoning Code does not explicitly define single room occupancy housing, although CMC 17.08.050(F) allows guesthouses, studios, and multi-family units as small as 400 square feet. The Code also requires that all multi-family projects of three or more units include a mix of unit sizes, and at least 25 percent of all units are required to be 400 to 650 square feet in size. The City has included Program 3.3.D to establish and monitor the amendment of the Municipal Code to codify SROs.

Transitional and Supportive Housing

Transitional housing is generally defined as a facility that provides shelter for homeless individuals, and generally involves integration with other social services and counseling programs to assist in the transition of self-sufficiency through the acquisition of permanent income and housing. Transitional housing is temporary housing (generally six months to two years) for a homeless individual or family who is transitioning to permanent housing. This housing can take several forms, including group housing or multi-family units, and often includes a supportive services component to allow individuals to gain necessary life skills in support of independent living. There are no known transitional housing facilities in the City.

Supportive housing is generally defined as permanent, affordable housing with on-site services that help residents transition into stable, more productive lives. Services may include childcare, after-school tutoring, career counseling, etc.

The City's Municipal Code permits transitional and supportive housing by-right in all districts that permit residential uses including the CC, SC, RC and R-4 Districts, regardless of the number of persons the facility serves compliant with SB 2 passed in 2007. The City has included Program 3.3.A to establish and monitor the amendment of the Municipal Code to further clarify transitional and supportive housing in the R-1 district as a permitted use.

Emergency Shelters

Emergency shelters are generally defined as a facility which provides immediate short-term housing for homeless individuals.

Emergency shelters for the homeless is defined as a residential facility, lodging house, or dwelling, where no rent is paid, that provides temporary accommodation to homeless persons and/or families. Pursuant to Senate Bill (SB) 2, jurisdictions with an unmet need for emergency shelters are required to identify a zone(s) where emergency shelters will be allowed as a permitted use without a conditional use permit or other discretionary permit. The identified zone must have sufficient capacity to accommodate the shelter need, and at a minimum provide capacity for at least one year-round shelter. Permit processing, development and management standards for emergency shelters must be objective and facilitate the development of, or conversion to, emergency shelters.

There are no emergency shelters or homeless services located in the City. However, the Zoning Code allows siting of emergency shelters as community social service facilities, which are defined in

CMC 17.68 as “Any noncommercial housing facility, such as homeless shelters or emergency shelters, which may also provide meals, showers, and/or laundry facilities. Specialized programs and services related to the needs of the residents may also be provided. This classification excludes transitional housing facilities that provide long-term living accommodations.” Community social service facilities are permitted by-right in the CC, SC, and RC districts (CMC 17.14.030, Schedule II-B) as well as with a CUP in the R-1 and R-4 districts (CMC 17.08.040, Schedule II-1) and A-3 District (CMC 17.18.070, Schedule II-D). Residential uses are permitted in all of these Districts.

In addition, shelters for families and single women with children are permitted at all churches in the community as a part of their social outreach functions. Religious facilities are conditionally permitted in the R-1 district (only on existing quasi-public use sites established prior to December 1, 1980, or added as an accessory use to such existing uses) and allowed with a conditional use permit (CUP) in the RC district.

AB 2339 passed in 2022, expands the definition of emergency shelters to include low barrier navigation centers and bridge housing. AB 2339 also requires that the zone(s) permitting emergency shelters by-right be zones that are also suitable for residential uses.

As described in [Appendix A – Housing Needs & Fair Housing Report](#), the 2022 *Monterey Homeless Count and Survey Comprehensive Report* prepared by Applied Survey Research estimated there was only one transient resident in the City as of 2022 who is presently being sheltered at a local religious facility. AB 2339 provides a general guidance of 200 square feet per person. A site area of approximately 2,000 square feet (0.04 acres) would be sufficient to house up to 10 people, and therefore accommodate the City’s homeless population of one person. Overall, a total of 39-acres in the City are zoned for commercial uses (CC, SC, and RC). As later shown in [Appendix C – Vacant and Available Sites](#), the Sites Inventory identifies approximately 3.15 acres of underutilized CC, SC, and RC sites in the Commercial District. Specifically, 12 of these sites are larger than 0.04 acres, which would be appropriate for a small sized shelter facility and adequate to accommodate the City’s one unsheltered homeless resident, and up to a maximum of 10 people.

New shelters are often installed through adaptive reuse of existing buildings rather than through new construction due to costs and funding limitations. The CC, SC, and RC zones contain older commercial uses that may be renovated for other purposes such as emergency shelters. Recently, the City has seen an uptick in renovations and second floor residential additions in the Commercial District. The CC, SC, and RC sites are centrally located along major transportation routes, and therefore have access to public transportation and services in the community, including faith-based organizations that offer assistance to the needy. As discussed in [Appendix A – Housing Needs and Fair Housing Report](#), the majority of resources for persons experiencing housing insecurity are provided at the county level and by non-profits located outside of Carmel-by-the-Sea due to a lack of need in the city and limited resources at the city level. Existing resources within the region include the following:

- The Carmel Foundation – Located at the Southeast Corner of 8th and Lincoln Street in Carmel-by-the-Sea, the Foundation provides services to resident aged 65 and older who have limited financial resources. Services provided by the Foundation include, blood pressure checks, health counseling, low-income housing, legal services, etc.
- Community Human Services: Super Kids/Super Teens Mental Health Services – Located at 835 Forest Avenue, Pacific Grove, the organization provides school-based counseling to elementary, middle school, and high school students. The organization’s services are free of charge and include individual and group counseling, consultation with parents, education workshops, and information.
- Community Human Services: Safe Place Youth Shelter and Navigation Center – Located at 590 Pearl Street, Monterey, the organization provides assistance and resources to youth aged 18 to 24, including street outreach, survival aid, temporary shelter, counseling, family reunification, and aftercare. The organization provides weekly meals; crisis intervention; food, clothing, and hygiene products; drug and alcohol education; and life skills education.
- Community Human Services: Casa de Noche Buena – Located at 1292 Olympia Avenue, Seaside, the organization provides services to women and families with children, including shelter, meals, and various supportive services designed to lead to permanent housing.
- Monterey County Mobile Clinic – Available at several locations throughout Monterey County, however, the nearest locations are at The Salvation Army Day Center at 800 Scott Street in Sand City and Gathering for Women at 147 El Dorado Street in Monterey. The mobile clinic is available at The Salvation Army Day Center in Sand City every fourth Tuesday and available at Gathering for Women in Monterey every second Tuesday. Services provided include general dentistry and emergency dental care, and medical services such as, preventive care, women’s care, and acute and chronic condition management.

To clearly identify emergency shelters as a permitted use in the CC, SC, and RC districts (CMC 17.14.030), the City has included Program 1.3.J to establish and monitor an amendment to the Municipal Code to define emergency shelters in compliance with AB 2339 Statutes of 2022, and to clearly state they are a permitted use by-right, requiring no discretionary review in the CC, SC, and RC commercial districts.

Low Barrier Navigation Centers

Assembly Bill (AB) 101, adopted in 2019, requires approval by-right of low barrier navigation centers that meet the requirements of state law. A “Low Barrier Navigation Center” is a housing first, low-barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing. If the City receives

applications for these uses, it will process them as required by state law. Program 3.3.B has been included in the element to develop by-right procedures for processing low-barrier navigation centers.

Community Care Facilities

To maintain compliance with the Lanterman Developmental Disabilities Services Act (Lanterman Act), the City currently permits small licensed residential or community care facilities serving six or fewer individuals in all residential zoning districts by-right and licensed facilities serving seven or more individuals in all residential zoning districts with approval of a Conditional Use Permit (CUP). Larger community care facilities (greater than six (6) persons) may be required to meet certain conditions, including restrictions on hours of operation, security, loading requirements, and management. These conditions are comparable to all similar uses within the designated zoning district and would not impose constraints to the development of care facilities. The City will amend the Municipal Code to address unlicensed residential care facilities with seven (7) or more persons.

Senior Housing

As previously noted, several zoning districts within the City already permit and accommodate for senior housing. The A-2 zoning district (Cultural and Community District, i.e., the Sunset Center) and the A-3 zoning district (Senior Citizen Facility District) permits by-right housing for seniors. A program is included to address the lack of development standards in the A-2 zone in order to provide greater clarity and certainty to guide and future development design.

Constraints for People with Disabilities

Both the Federal Fair Housing Act and the California Fair Employment and Housing Act impose an affirmative duty on local governments to make reasonable accommodations (i.e., modifications or exceptions) in their zoning and other land use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and enjoy a dwelling. For example, it may be a reasonable accommodation to allow covered ramps in the setbacks of properties that have already been developed to accommodate residents with mobility impairments. The City adopted a reasonable accommodation policy (City Council Policy C11-01) in July 2011. This policy provides a reasonable accommodation in the land use and zoning context to ensure equal access to housing and facilitate the development of housing for individuals with disabilities. The policy provides individuals with disabilities or developers of housing for people with disabilities flexibility in the application of land use, zoning and building regulations, policies, practices and procedures.

Since 2015, the City has approved seven applications for reasonable accommodations ranging from allowing a pig as a companion animal to a person with a disability, additional site coverage for pathways and driveways, an exterior wheelchair lift, and the provision of a walk-in shower in a detached artist studio. The following findings have not been a constraint to accommodating requests for exceptions to land use, zoning, and building regulations, policies, practices, or procedures.

The City's reasonable accommodation policy contains the following five required findings:

1. That the housing, which is the subject of the request for reasonable accommodation, will be used by an individual with disabilities protected under fair housing laws; and
2. That the requested accommodation is necessary to make housing available to an individual with disabilities protected under the fair housing laws and cannot reasonably be accomplished without special accommodations; and
3. That the requested accommodation will not impose an undue financial or administrative burden on the City; and
4. That the requested accommodation will not require a fundamental alteration in the nature of the City's land use, zoning, building or Local Coastal Program; and
5. That the requested accommodation will not result in a significant and unavoidable negative impact on adjacent uses or structures.

The findings requirement, “that the requested accommodation will not result in a significant and unavoidable negative impact on adjacent uses or structures” is a discretionary standard that could impose constraints on improvements to make housing accessible to persons with disabilities. To eliminate subjectivity in the review of requests for reasonable accommodations, the City will amend the Municipal Code to remove the findings requirement for requested accommodations stating, “the requested accommodation will not result in a significant and unavoidable negative impact on adjacent uses or structures.” Program 3.2.A will establish and monitor these amendments to the City’s Municipal Code.

Requests for reasonable accommodation are typically reviewed by the Director of Community Planning and Building. However, if the approval does not require review by a City Board, Commission, or Council, the Director may refer the request to the Planning Commission. Reasonable accommodation requests are reviewed by the Planning Commission if the request is part of a new development. However, this is not typical for Carmel-by-the-Sea and all requests received have been reviewed at a staff level with the development permits. As set forth in CMC Chapter 17.54, any decision to approve, deny, or conditionally approve any permit made by the Director, City Forester, Planning Commission, or Historic Resources Board may be appealed by any aggrieved party. Municipal Code Chapter 17.70 defines an “aggrieved party” as “any person who, in person or through a representative, appeared at a City public hearing in connection with the decision or action appealed, or who, by other appropriate means prior to a hearing, informed the City of the nature of his/her concerns or who for good cause was unable to do either (i.e., defective notice). “Aggrieved person” includes the applicant for a permit.” If the final reviewing authority is the City Council, the decision shall be final.

To address potential obstacles in the approval process for requests for reasonable accommodation, the City has included Program 3.2.A. This program proposes an amendment to the definition of aggrieved parties in the Municipal Code. An exception for reasonable accommodation appeals will limit the parties eligible to appeal a request for reasonable accommodation to the applicant or the personal beneficiary.

Community Care Facilities

The City currently permits community care facilities in several zoning districts. Community care facilities refers to facilities providing non-medical care and supervision under license from the California Department of Social Services. This classification excludes hospitals, residential care facilities, family day care homes, day care centers, and transitional housing. Community care facilities are permitted in the CC, SC, and RC districts as well as by conditional use permit in the R-4 district.

To encourage the development of community care facilities, the City has included Program 1.4.A to establish and monitor the elimination of use permit requirements for licensed community care facilities of seven or more persons (see [Chapter 2](#)).

Residential Care Facilities

Residential care facilities include facilities that are licensed by the State of California to provide living accommodations and 24-hour, primarily non-medical care and supervision for persons in need of personal services, supervision, protection, or assistance. Living accommodations are shared living quarters with or without separate kitchens or bathrooms for each room or unit. This classification includes facilities that are operated for profit as well as those operated by public or nonprofit institutions.

The City defines Residential Care Facilities according to size or age as follows:

- Residential Care, General. A residential care facility providing 24-hour nonmedical care for more than six persons in need of personal services, supervision, protection, or assistance. This classification includes hospices, board and care homes, and similar establishments that are licensed by the State of California. These types of facilities are conditionally permitted in the SC and RC Districts.
- Residential Care, Limited. A residential care facility providing 24-hour nonmedical care for six or fewer persons in need of personal services, supervision, protection, or assistance essential for sustaining the activities of daily living. This classification includes only those facilities licensed for residential care by the State of California. These types of facilities are subject to the same regulations as applied to other family residential dwellings in the CC, SC, and RC Districts. In the R-1 District, they are permitted as single-family homes. In the R-4 District, they are permitted by-right with no restrictions.

- Residential Care, Senior. A residential care facility providing 24-hour medical or nonmedical care for more than six persons 60 years of age or older in need of personal services, supervision, protection, or assistance for sustaining the activities of daily living. This classification includes nursing homes for the elderly, life care or continuing care homes, and similar facilities licensed for residential care by the State of California. These types of facilities are conditionally permitted in the SC, RC, and R-4 Districts.

The following include general findings required for all conditional use permits:

1. That the proposed use will not be in conflict with the City's General Plan;
2. That the proposed use will comply with all zoning standards applicable to the use and zoning district;
3. That granting the use permit will not set a precedent for the approval of similar uses whose incremental effect will be detrimental to the City, or will be in conflict with the General Plan;
4. That the proposed use will not make excessive demands on the provision of public services, including water supply, sewer capacity, energy supply, communication facilities, police protection, and fire protection;
5. That the proposed use will not be injurious to public health, safety or welfare;
6. That the proposed use will be compatible with surrounding land uses and will not conflict with the purpose established for the district within which it will be located; and
7. That the proposed use will not generate adverse impacts affecting health, safety, or welfare of neighboring properties or uses.

In addition to the general findings for all use permits listed above, use permits for commercial uses also require all of the following findings:

1. That allowing the proposed use will not conflict with the City's goal of achieving and maintaining a balanced mix of uses that serve the needs of both local and nonlocal populations;
2. That proposed use will provide adequate ingress and egress to and from the proposed location; and
3. That the capacity of surrounding streets is adequate to serve the automobile and delivery truck traffic generated by the proposed use. (Ord. 2004-02 § 1, 2004; Ord. 2004-01 § 1, 2004).

The review process for a CUP in the Commercial District includes one hearing of the Planning Commission. The required findings for a CUP in the Commercial District include a total of ten (10) required findings that the Planning Commission must make to determine eligibility. The required findings include subjectivity and may pose potential barriers to the development of licensed residential care facilities. Program 1.4.A establishes an amendment to the Municipal Code to remove subjectivity from the required findings for a CUP (see Chapter 2). Additionally, the program establishes the elimination of CUP requirements for licensed residential care facilities of seven or more persons (see Chapter 2). These modifications to the Municipal Code will remove potential constraints to the development of residential care facilities.

Short-Term Rentals

In order to preserve Carmel-by-the-Sea’s residential character, no home or accessory dwelling unit may be rented for less than 30 consecutive days in a residential zoning district. This current restriction is intended to ensure that residential units are available for full-time residential use. The City has a high number of motels and hotels to service the tourism industry and transient guests.

Employee Housing Act

The housing needs analysis in Appendix A of this Housing Element indicates that there are no farmworkers or agricultural employment in Carmel-by-the-Sea. Accordingly, the City has not identified a need for specialized farmworker housing beyond overall programs for housing affordability.

The City included Program 1.3.F to amend the Municipal Code in compliance with Health and Safety Code Section 17021.5, to define and permit employee housing for six or fewer employees to be treated as a single-family structure and permitted in the same manner as other dwellings of the same type in the same zone (see Chapter 2).

Site Plan and Design Review

Architectural design is important in Carmel-by-the-Sea. The historic character of Carmel’s built environment has been shaped by decades of careful and deliberative design review (referred to as “design study” in Carmel) that addresses such features as site design, architectural style, building materials, color palettes, fenestration, tree placement and landscaping. This attention to detail has resulted in a beautiful, forested village atmosphere that continues to capture the imagination of people from around the world who visit and even choose to make Carmel their home.

The same design review process that has contributed to Carmel becoming a world-famous destination, however, has also impacted its ability to provide housing for lower-income households and by extension housing for a less affluent and diverse population. In this way, Carmel has in some ways become a victim of its own success. Many of the actors, artists, and writers who made Carmel their home in the early 20th century came from modest beginnings and travelled to the area not to live in custom luxury homes, but to experience and become part of a “rich” artistic community. They came for inspiration, not exclusivity.

Part of the challenge, then, is for Carmel to find a way back to its roots—to provide space again for the next generation of the artistically gifted who have yet to make their mark on the world, a space that contains a full mix of incomes and backgrounds within which the artist can find meaning and inspiration.

The following subsection provides a detailed description of Carmel’s design review process.

Residential Design Review Process

The City has two distinct permitting procedures for projects in the R-1 and projects in all other Districts (CC, SC, RC, and R-4). In the R-1 District, development is comprised of single-family residential projects, typically one custom luxury single-family home (as opposed to subdivisions with multiple residences). There are very specific objective and subjective design standards for single-family homes. Two public hearings at the Planning Commission are required: a Concept Review hearing and a Final Details hearing. In all other Districts, the permit procedure requires additional entitlements in the form of Use Permits but only one public hearing at the Planning Commission, as opposed to two for single-family residences. Note the following two programs aimed to streamline mixed-use and multi-family residential projects.

Program 1.4.A: Eliminate Unnecessary Use Permits proposes to evaluate the current requirements for Use Permits and eliminate them where feasible to streamline mixed-use and multi-family residential projects in the CC, SC, RC, and R-4 Districts.

Program 1.4.B: Objective Design Standards proposes the creation of objective design standards for mixed-use and multi-family residential projects that include affordable housing. Reducing the number of entitlements required and developing objective design standards are expected to reduce the amount of time required to process housing projects. This is an opportunity for the City to express the design aesthetic that is important to preserving the character of the village while providing clear guidance to developers who desire to build in Carmel.

The typical residential development review process for Carmel-by-the-Sea generally falls under two design study “tracks”: Track 1 and Track 2. A Design Study application is a discretionary review that can include both objective and subjective standards. A hearing is limited to single family projects that qualify as a substantial alteration, or additions greater than 10 percent of the existing floor area, or demolitions and new construction.

Residential Track 1 Design Study

Track 1 Major Design Study Applications are projects that can be approved at the staff level and typically do not require a public hearing. “Track 1 Major” projects are projects involving additions of less than 10 percent of the existing floor area, or projects with multiple minor components (Track 1 Minor) that together add complexity and require a more detailed review.

The Track 1 Major review is also limited to projects that: 1) do not require significant cuts to the roots/limbs of any “significant” or “moderately significant” trees; 2) do not require the demolition or substantial alteration of any dwelling unit; and 3) are sited and designed to protect public views to and along the ocean and scenic coastal access.

The major steps involved with a Track 1 Design Study Application are as follows:

1. Submit a Design Study Application – This is the formal project application.

2. Staff Review and Decision – Staff will review the application for completeness and consistency with the Zoning Code and the Residential Design Guidelines. The City Planning Division reviews applications for completeness within 30 days to comply with the Permit Streamlining Act. Carmel Municipal Code Section 17.52.020.D codified the Permit Streamlining Act and requires that within 30 days of the date the City receives any application for a development permit as defined by State law, the Department shall review the application to determine if it is complete and provide written notification to the applicant (see CMC 17.52.020.D). If the application is incomplete or inconsistent with the Zoning Code or the Design Guidelines, staff will notify the project applicant of the changes that are required. If the application is complete and approvable, staff will notify the applicant that the application has been approved. If approved, an approval packet is completed and issued. The approval packet consists of (1) an Approval Letter, (2) Conditions of Approval, (3) a Notice of Approval, (4) an Affidavit of Posting of the Notice of Approval, and (5) stamped approved plans. The Approval Letter will inform the applicant if a Building Permit or Notice of Authorized Work is required.
3. Noticing/Appeal Period - The Notice of Approval is required to be posted on-site by the applicant for a 10-calendar day appeal period. For Track 1 Major projects, the approval notice is also mailed by the City to neighbors within 100 feet of the property.
4. Building Permit/Notice of Authorized Work – Following the end of the appeal period, and assuming no appeals are filed, the applicant may apply for either a Building Permit or, if not applicable, will receive a Notice of Authorized Work.

Residential Track 2 Design Study

Track 2 Design Study Applications are for new residential construction, large additions and substantial alterations that require Planning Commission approval. The purpose of the Track 2 Design Study is to promote orderly development, to ensure high quality neighborhood design that is harmonious with its surroundings, to implement the General Plan, and to preserve and promote the visual character of the City. The major steps involved with a Track 2 Design Study Application are as follows:

1. Submit a Preliminary Site Assessment Application – This is required for all Track 2 Projects. After the assessment is completed by Planning and Forestry staff, the applicant will move on to submitting their project application.
2. Submit a Design Study Application – This is the formal project application. Planning staff will review it for completeness and provide early feedback. The City Planning Division reviews applications for completeness within 30 days to comply with the Permit Streamlining Act. Carmel Municipal Code Section 17.52.020.D codified the Permit Streamlining Act and requires that within 30 days of the date the City receives any application for a development permit as defined by State law, the Department shall review the application to determine if it is complete and provide written notification to the applicant (see CMC 17.52.020.D).

3. Participate in a Forest and Beach Commission Hearing (if tree removal is proposed): A request to remove or prune a significant tree must be approved by the Forest and Beach Commission (FBC) prior to determining completeness of the application. The removal or pruning of any tree will require a separate tree removal application be submitted (Permit Type: Tree with Construction).
4. Install Staking and Flagging (story poles) – “Story poles” provide a visual representation of the proposed project for the public and the Planning Commission. The Coastal Act requires a visual analysis for new development within a coastal zone to ensure significant coastal views are not obstructed– the entire city is within the coastal zone. Story poles not only reflect the scale of a project but also help to identify conflicts with surrounding significant trees, significant view impacts, and solar impacts. Story poles must be installed and heights certified by a California licensed surveyor or civil engineer at least 10 days prior to the scheduled Concept Hearing. To avoid having to relocate or reposition the story poles, it is recommended story poles be installed after the application has been deemed complete.
5. Participate in a Historic Resource Board Hearing (properties located on the City’s Inventory of Historic Resources) – Projects on historic sites are subject to additional review from a city-retained historical consultant and review by the Historic Resources Board (HRB) prior to consideration by the Planning Commission. The historic status of a property will be determined during the Preliminary Site Assessment, if not already documented.
6. Participate in a Concept Hearing – The Concept Review phase by the Planning Commission (PC) will address site planning, access, building massing and neighborhood design issues, such as privacy and view impacts. Projects are evaluated using both the development standards in the Zoning Code and the *Residential Design Guidelines – Introduction and Design Concept Review*.
7. Obtain a Volume Study – A volume standard was codified c. 2004 as an additional development standard for single-family residential homes to regulate mass and bulk. Each site is permitted a certain amount of exterior volume. Volume is defined as the total space occupied by all structures located above average grade. Following Concept acceptance by the Planning Commission, staff will send the architectural design plans to a City-retained architect/engineer to calculate the volume. A deposit will be collected at the time of application submittal and the unused balance will be returned to the applicant. The cost of a volume study averages \$700.
8. Participate in a Final Details Hearing – In this review by the Planning Commission (PC), the project is reviewed for compliance with the City’s *Residential Design Guidelines – Final Details Review*. Issues such as landscaping, architectural character, and exterior materials are evaluated.
9. Final Approval and Appeal Period – The Planning Commission’s approval is subject to a 10-working day appeal period. Story poles must remain in place until the appeal period has expired. At the conclusion of the appeal period, and assuming no appeals are filed, the applicant may proceed with submitting an application for a Building Permit. If an appeal is filed, the appeal will be considered by the City Council at the next available council meeting.

10. Decisions of the City Council are final unless the project is located within the Coastal Commission appeal jurisdiction. In such cases, the decision of the City Council can be appealed to the Coastal Commission. In the 5th Cycle, no housing projects were appealed to the Coastal Commission.

To remove potential barriers to the development of multi-family housing, the City has included Program 3.1.F, to amend the Municipal Code to allow 3-D modeling or other visual analysis in lieu of story poles for multi-family developments.

Commercial Design Review Process

Per CMC 17.58.030, Commercial Design Review, the City has established two tracks for design review of projects proposing new construction, alterations, rebuilds, additions, demolitions, and other exterior design changes in the Central Commercial (CC), Service Commercial (SC), Residential and Limited Commercial (RC) districts and the Multifamily Residential (R-4) district: Track One and Track Two. Several factors differentiate residential from commercial design review. Unlike residential development in the R-1 District, development in the CC, SC, RC, and R-4 Districts is not subject to a Preliminary Site Assessment, nor a Volume Study, and it is exceptionally rare for a project in the commercial zones to require review by the Forest & Beach Commission. In the 5th Cycle planning period, only one commercial development project (Del Dono II, in 2018) was required to go to the Forest & Beach Commission for a tree removal permit.

Additionally, while commercial development is subject to the City's *Commercial Design Guidelines* (2000) and, if located within Carmel Plaza, the *Carmel Plaza Storefront Design Guidelines* (2001), these guidelines are notably less stringent than the City's *Residential Design Guidelines*. As described in CMC 17.14, Commercial Zoning Districts, proposed projects need not strictly comply with every guideline to be approved, but deviations should be minor and reasonably related to good design principles and site conditions. The basic standard of review in the commercial district is whether the project constitutes an improvement over existing conditions.

Commercial Track One Design Review

The Director may approve Track One applications for design changes in all commercial zoning districts (CC, SC, and RC) and the R-4 district based on a determination that such projects comply with the Zoning Code and all applicable commercial design guidelines.

Commercial Track Two Design Review

The Planning Commission reviews and approves Track Two applications. This is a discretionary process for reviewing substantial design changes in commercial zoning districts and the R-4 district and involves one required public hearing. Substantial changes include but are not limited to the construction of new buildings, additions to existing buildings, new parking facilities, and installation of antennas. The major steps involved with a Commercial Track 2 Design Study Application are as follows:

1. Submit a Design Review Application – This is the formal project application. Planning staff will review it for completeness and provide early feedback. The City Planning Division reviews applications for completeness within 30 days to comply with the Permit Streamlining Act. Carmel Municipal Code Section 17.52.020.D codified the Permit Streamlining Act and requires that within 30 days of the date the City receives any application for a development permit as defined by State law, the Department shall review the application to determine if it is complete and provide written notification to the applicant (see CMC 17.52.020.D).
2. Install Staking and Flagging (story poles) – “Story poles” provide a visual representation of the proposed project for the public and the Planning Commission. Story poles not only reflect the scale of a project but also help to identify conflicts with surrounding significant trees, significant view impacts, and solar impacts. Story poles must be installed and heights certified by a California licensed surveyor or civil engineer at least 10 days prior to the scheduled Hearing. To avoid having to relocate or reposition the story poles, it is recommended story poles be installed after the application has been deemed complete.
3. Participate in a Historic Resource Board Hearing (properties located on the City’s Inventory of Historic Resources) – Projects on historic sites are subject to additional review from a city-retained historical consultant and review by the Historic Resources Board (HRB) prior to consideration by the Planning Commission. The historic status of a property will be determined as part of a Historic Evaluation application, if not already documented.
4. Participate in one Planning Commission Hearing – The Planning Commission (PC) will evaluate the project using the development standards in the Zoning Code and the *Commercial Design Guidelines (2000)* and, if located within Carmel Plaza, the *Carmel Plaza Storefront Design Guidelines (2001)*.
5. Final Approval and Appeal Period – The Planning Commission’s approval is subject to a 10-working day appeal period. Story poles must remain in place until the appeal period has expired. At the conclusion of the appeal period, and assuming no appeals are filed, the applicant may proceed with submitting an application for a Building Permit. If an appeal is filed, the appeal will be considered by the City Council at the next available council meeting.

Decisions of the City Council are final unless the project is located within the Coastal Commission appeal jurisdiction. In such cases, the decision of the City Council can be appealed to the Coastal Commission. In the 5th Cycle, no housing projects were appealed to the Coastal Commission.

As previously stated, to remove potential barriers to the development of multi-family housing, the City has included Program 3.1.F, to amend the Municipal Code to allow 3-D modeling or other visual analysis in lieu of story poles for multi-family developments.

Residential Design Approval Findings

As applicable to the project, the Planning Director, Historic Preservation Board, or the Planning Commission have authority to approve, approve with modifications and/or conditions, or deny an application for design review based on the following findings.

Findings for Design Review Approval

Prior to approving an application for design review in any district, the Planning Director, Historic Preservation Board or the Planning Commission must make the following findings.

1. Conform to the applicable policies of the General Plan and the Local Coastal Program;
2. Comply with all applicable provisions of the Municipal Code; and
3. Are consistent with applicable adopted design review guidelines (CMC 17.58.060).

Additional Findings for Design Review Approval in the R-1 District

The Planning Commission shall make all of the following findings before granting design review approval in the R-1 District.

1. The project conforms with all zoning standards applicable to the site, or has received appropriate use permits, variances or exceptions consistent with the Zoning Ordinance.
2. The project contributes to neighborhood character including the type of forest resources present, the character of the street, the response to local topography and the treatment of open space resources such as setbacks and landscaping.
3. The project is compatible with, and sensitive to, the natural features and built environment of the site and of the surrounding area. The project respects the constraints of the site and avoids excessive grading, cuts and fills. Construction on steep slopes is minimized to the extent feasible and abrupt changes in grade is minimized or mitigated.
4. The project maintains the City's principles of modesty and simplicity and preserves the City's tradition of simple homes set amidst a forest landscape. The project uses simple building forms and simple roof forms without complexity that would attract undue attention to the site.
5. The project does not present excess visual mass or bulk to public view or to adjoining properties. The project relates to a human scale in form, elements and in the detailing of doors, windows, roofs and walkways.
6. Project details and materials (e.g., windows, doors, chimneys, roofs, and stonework) are fully integrated and consistent throughout the design. Building materials are used in a manner that is visually consistent with the proposed architecture. All fenestration is appropriate in size and consistent with a human scale.
7. The project is consistent with the City's design objectives for protection and enhancement of the urbanized forest and open space resources. Open space is distributed around buildings to provide visual relief from structural bulk and a distinct separation from buildings on adjacent sites.

8. All demolitions, remodels, and substantial alterations are consistent with the following findings:
 - a. The design uses simple/modest building forms and a limited number of roof planes, and a restrained employment of offsets and appendages consistent with the City's design objectives.
 - b. The mass of the building relates to the context of other homes in the vicinity that are in conformance with the City's design guidelines related to mass and scale.
 - c. The development is similar in size, scale, and form to buildings on the immediate block and neighborhood.
 - d. The development does not require removal of any significant trees unless necessary to provide a viable economic use of the property or protect public health and safety. All moderately significant trees have been protected to the maximum extent feasible. All buildings and structures will be set back a minimum of six feet from significant trees.

To eliminate potential subjectivity and provide clarity in the design review and development process, the City intends to adopt Objective Design and Development Standards for multi-family residential developments. Program 1.4.B establishes and monitors the creation and adoption process for the standards.

Forest and Beach Commission Review

Upon submittal of design study, building permit or other application for alteration of a property, the Forest and Beach Commission shall determine if the subject property requires the removal or pruning of a significant tree. A tree removal permit is required for trees on vacant lots or lots planned for new construction, alterations, or rebuilding that meet the following standards (CMC 17.48).

- A. Removal, replacement, cutting down, or destruction of any tree identified on the Carmel-by-the-Sea Recommended Tree List (see LUP Appendix G2: Forest Management Plan) having:
 - i. An average diameter of greater than two inches; or
 - ii. A circumference greater than six and one-fourth inches, measured at a point four and one-half feet above the ground level.
- B. Any alteration of a tree that would remove:
 - i. Roots greater than two inches in diameter; or
 - ii. Live limbs greater than four inches in diameter.

Removal of Pine, Redwood, Oak, and Cypress Trees When Not Related to Construction. A tree removal permit shall be required for the removal, replacement, cutting down, or destruction of any pine, redwood, oak, or cypress tree having:

- A. A diameter equal to or greater than four inches measured at a height 4.5 feet above the ground; or
- B. A circumference greater than 19 inches.

Removal of Other Tree Species When Not Related to Construction. A tree removal permit shall be required for the removal, replacement, cutting down, or destruction of any species of tree capable of growing to a minimum of 25 feet in height growing on private property and having:

- A. A diameter equal to or greater than 10 inches; or
- B. A circumference greater than 32 inches.

City staff are responsible for informing the applicant of the deficiencies in the application within 15 working days of receipt of the application. Once an application is determined to be complete, the application will be scheduled for review. This consists of one (1) public hearing, unless information is received after the Forest and Beach Commission agenda packet has been distributed, which may provide grounds for continuation of the application.

If a subject property is determined to have significant trees, a permit application must be submitted, which the Forest and Beach Commission review and make a determination whether a significant tree is involved. The Forest and Beach Commission must make the following required findings.

1. That removal of the tree is required to protect public health or safety; or
2. That the following four conditions exist:
 - a. The existing site is vacant or is developed to an extent less than one-third of the base floor area allowed by the zoning applicable to the site;
 - b. The available land area of the site not occupied by significant trees (including land within six feet of the trunk of significant trees) does not adequately and practically provide space for development of at least one-third of the base floor area allowed by the zoning for the site;
 - c. The issuance of a variance for development in one or more setbacks has been considered and would not provide a remedy or would be inappropriate due to a significant overriding inconsistency with another policy or ordinance of the LCP; and
 - d. Failure to authorize removal of the tree(s) would deprive the owner of all reasonable economic use of the property. (Ord. 2004-02 § 1, 2004; Ord. 2004-01 § 1, 2004).

While the findings of approval for removal of trees are objective, the Forest and Beach Commission may condition a permit on replacement of trees planted at a place, of a species, and of a size designated by the City Forester or Forest and Beach Commission. This may pose a constraint on the development of housing, as the person requesting the permit will be required to pay the cost of obtaining and planting the replacement trees. Further, finding 2.B poses a constraint to the development of multi-family housing on the basis of base floor area. Program 1.3.K has been included in the Housing Element to review and modify the required finding to remove constraints to the development of multi-family housing (see Chapter 2).

Additionally, the potential for multiple hearings by different review bodies may pose a barrier to development due to timeliness. To remove barriers to the development of multi-family housing, the City has developed Program 3.1.F, which enables expedited permit processing procedures, including the implementation of a concurrent permitting procedure for projects that require several permits (see Chapter 2). For example, if a project requires Forest and Beach Commission review in addition to general planning entitlements, the highest-level review authority would review the project details and approve or disapprove the project. This will streamline the permitting process and eliminate the potential for multiple hearings.

Historic Resources Review

Upon submittal of a design study, building permit or other application for alteration of a property, the City shall determine if the subject property contains historic resources and is therefore eligible for the Carmel Inventory of Historic Resources (updated annually). If it is determined that the property contains historic resources, the applicant shall be required to obtain a determination of consistency with the Secretary of the Interior's Standards for the Treatment of Historic Properties as part of the project review process, as required by CEQA and state law.

I want to keep the village feel of the town.

November 17, 2022 Housing Ad
Hoc Committee Community
Meeting Attendee

Minor Alterations

Determinations of consistency for minor alterations shall be reviewed by City staff for compliance with the Secretary of the Interior's Standards for the Treatment of Historic Properties. City staff review times typically take between three to six months. Minor alterations that are found not to comply with the Secretary's Standards shall be considered and processed as major alterations requiring an evaluation by a qualified professional and final action by the Historic Resources Board. Decisions of the Board are appealable to the City Council.

Major Alterations

Determinations of consistency for major alterations shall require an evaluation by a qualified professional and shall be reviewed and approved by the Historic Resources Board. Decisions of the Board are appealable to the City Council. Review times by the Historic Resources Board typically take between six to eight months.

The City's current approach to conserving historic resources does not present a constraint to constructing new residential units. The City values historic resources and has an associate planner on staff that is trained in historic preservation and facilitating rehabilitation of historic properties. The City will ensure that proper record keeping is conducted to track historic resources within the City, and do its due diligence to ensure these resources are utilized efficiently.

Community Planning and Building Fees

The City charges fees and assessments to cover the costs of processing permits. Processing fees are commensurate with the fees for the rest of the County of Monterey. Compared to the high costs of undeveloped, unimproved land and high site development costs in the City, processing and connection fees are negligible and, therefore, do not present a constraint to development. However, the partial waiving of such fees would help reduce the cost of any proposed affordable housing. The City's current fee schedule is shown below in [Table B-8, Summary of Community Planning & Building Fees \(2023-2024\)](#). Note the summary provided in [Table B-8](#) is a summary, and excludes fees related to commemorative bench dedications, signage, public works/forestry, public safety, administrative services, etc. The full fee schedule is available online at the City's website.⁶

Table B-8 Summary of Community Planning & Building Fees (2023-2024)

Application/Permit Type	Fee
Design Study and Review	
Track 1 Design Review/Study - Minor	\$690 per application
Track 1 Design Review/Study - Major	\$990 per application
Track 1 Design Rev/Study-Streamline	\$355 per application
Track 1 Design Rev/Study - Referral to Planning Commission	\$1,785 per application in addition to the base Track 1 fee
Track 1 Design Rev/Study-Referral to Historic Resources Board	\$1,785 per application in addition to the base Track 1 fee
Track 2 Design Review - Minor	\$3,910 per application
Track 2 Design Review - Major	\$5,935 per application
Track 2 Design Rev - Major New Commercial Building	\$2,830 per application plus a deposit determined by staff with charges at the fully allocated hourly rates for Project Planner

⁶ https://ci.carmel.ca.us/sites/main/files/file-attachments/fy_23-24_master_fee_schedule.pdf?1694542754

Application/Permit Type	Fee
Preliminary Site Assessment	\$1,495 per application
Volumetric Analysis	\$135 per application plus \$1,500 deposit with charges at the fully allocated hourly rates plus any outside costs.
Use Permit and Other Services	
Use Permit	\$3,060 per application
Use Permit Amendment	\$2,765 per application
Temporary Use Permit	\$165 per application
Restricted Comm Use Transfer Request	\$565 per application
Water Credit Transfer Request	\$3,100 per application
Variance	\$1,790 per application
Pre-Application Review - Staff	\$1,365 per application with 50% of this fee credited towards future planning fees for this project.
Preliminary Review - Planning Commission	\$3,750 per application with 50% of this fee credited towards future planning fees for this project.
Coastal Dev. Permit - Development	\$175 per application - Added to other Planning fees
Coastal Dev. Permit - Event	\$740 per application
Landscape Plan Check/Inspection	\$690 per plan/inspection
Planning Technical Assistance	Fully allocated hourly rate after 15 mins
Tobacco Retail License	Current fee as adopted by the Monterey County Board of Supervisors
Extraordinary Development	Deposit amount TBD based on scope of project, with charges at the fully allocated hourly rates plus any outside costs
Amendments, Annexations, and Agreements	
Specific Plan/Specific Plan Amendment General Plan Amendment Sphere Of Influence Amendment Zoning Code Amendment	\$5,000 deposit with charges at the fully allocated hourly rates plus outside costs
Annexation Development Agreement	\$10,000 deposit with charges at the fully allocated hourly rates plus outside costs
Environmental Review, Maps, and Lot Lines	
Environmental Review (IS/ND/EIR)	Contract cost plus 10%
Environmental Notice of Exemption	\$495 per application plus County fees
Mitigation Monitoring	\$3,000 deposit with charges at the fully allocated hourly rates plus outside costs.
Tentative/Final Map	\$4,000 deposit with charges at the fully allocated hourly rates plus any outside costs.
Amended Final Map	\$1,000 deposit with charges at the fully allocated hourly rates plus any outside costs.
Certificate Of Compliance	\$750 per application plus actual contract cost
Lot Line Adjustment/Subdivision - Planning Commission	\$1,055 per application plus actual contract cost
Lot Merger - Staff Review	\$855 per application plus actual contract cost

Application/Permit Type	Fee
Historic Evaluation	
Prelim (Phase 1) Historical Evaluation - Staff	\$310 per application
Phase 1 Historic Evaluation - Qualified Professional	\$405 per application plus actual cost for Historian review with \$1,500 deposit
Phase 2 Historic Evaluation-Historic Resources Board Review	\$2,040 per application plus actual cost for Historian review with \$1,500 deposit
Appeal To Historic Resources Board	\$1,500 per application plus actual cost for Historian review with \$1,500 deposit
Mills Act Contract Processing	\$3,430 per application
Mills Act Maintenance Plan Review	\$1,000 deposit
Mills Act 5-Year Inspection	\$500 deposit
Mills Act 10-Year Maintenance Plan Review	\$1,000 deposit
Determinations, Extensions, and Appeals	
Planning Commission Code Determination	\$1,740 per application
Zoning Compliance Determination	Fully allocated hourly rates for all personnel involved with a one hour minimum
Time Extension - Staff	\$400 per application
Time Extension - Planning Commission	\$1,080 per application
Time Extension - City Council	\$1,045 per application
Public Hearing Continuance - Planning Commission	\$830 per continuance
Public Hearing Continuance - Council	\$835 per continuance
Appeal To Planning Commission	\$1,945 per appeal – No charge for appeals of Coastal Development Permits (CDPs) in the Coastal Commission Appeal Jurisdiction (CMC 17.20.140)
Appeal To City Council	\$2,085 per appeal - No charge for appeals of Coastal Development Permits (CDPs) in the Coastal Commission Appeal Jurisdiction (CMC 17.20.140)
Building Services	
Building Relocation	Deposit determined by staff with charges at the fully allocated hourly rates for all personnel involved plus any outside costs
Large Family Day Care (Residential)	\$2,320 per application
General Plan Update	3.5% of all Building & Safety permits
Building Plan Check	Based on Building and Safety Construction Valuation
Building Inspection	Based on Building and Safety Construction Valuation
Building Re-Inspection	\$145 per re-inspection
Permit Application Extension	\$95 per extension (maximum of 4)
Permit Extension	\$150 per extension (maximum of 2)

Application/Permit Type	Fee
Building Permit Pre-Applic. Confer.	\$340 per application
Building Single Trade Permit	\$165 per permit
On-Site Driveway Permit	\$395 per permit
Solar Plan Check/Inspection Permit	Plan Check and Inspection- \$450 plus \$15 per kW over 15kW
Re-Roof Permit	\$260 per permit
Building Board Appeal	\$1,135 per appeal
Duplicate Inspection Card	\$60 per card
Building Technical Assistance	Charge the fully allocated hourly rate for all personnel involved after 15 minutes.
Stop Work Investigation	\$620 per investigation plus double the permit fee
Temporary Certificate Of Occupancy	\$225 per application
Alternate Materials/Methods Review	\$220 per application plus actual cost of City Staff for all time over one hour.
Building Phased Work Request	\$315 per application
Building Technology Surcharge	\$8 per permit
Encroachment Permit	
Temporary Encroachment Permit	\$345 per permit
Permanent Encroachment Permit	Other - \$475 per permit and \$4.25/lineal foot or \$432 per permit and \$2.13/lineal foot (aerial installation) Plus cost of damage to public right-of-way or street as determined by the Public Works Director.
Traffic control plan review/inspection	\$675 per review plus \$405 per each additional review
Use of credit card/ debit card	2.5% of charged amount

SOURCE: City of Carmel-by-the-Sea Fee Schedule Effective September 9, 2023 – June 30, 2024

In comparison with other jurisdictions in the County of Monterey, the fees in Carmel-by-the-Sea for new residential projects – both single-family and multi-family units – are generally in line. [Table B-9](#), provides a comparison between the cities of Carmel-by-the-Sea, Pacific Grove, and Monterey, which are geographically, socioeconomically and demographically similar in size and types of residential development. Data for Monterey County has also been provided for context.

Table B-9 Jurisdictional Comparison of Average Design Review/Study Fees

Residential Development Application Type(s)	Carmel-by-the-Sea	Pacific Grove	City of Monterey	Monterey County
Staff/Admin	\$690 ¹ /\$990 ²	\$241 ³ /978 ⁴	\$362 ⁵ /\$1,298 ⁶	\$550 ⁷ /\$1,650 ⁸
Non-Staff/Admin (i.e. Planning Commission)	\$3,910 ⁹ /5,935 ¹⁰	\$3,481 ¹¹ /\$4,259 ¹²	\$2,102 ¹³ /\$4,620 ¹⁴	\$3,300 ¹⁵

SOURCE: City of Carmel-by-the-Sea Fee Schedule Effective September 9, 2023 – June 30, 2024; City of Pacific Grove Master Fee Schedule Effective July 1, 2023 – June 30, 2024; City of Monterey Master Fee Schedule, Fiscal Year 2024; Monterey County Article IX-Land Use Housing & Community Development Fee Schedule.

NOTE:

1. Track 1 Design Review/Study - Minor
2. Track 1 Design Review/Study – Major
3. Counter Review & Determination – no new square footage
4. Counter Review & Determination - new square footage
5. Architectural Review – Admin Minor
6. Architectural Review – Admin Major
7. Design Approval – Over the Counter
8. Design Approval – Administrative, review & approval required, no hearing required
9. Track 2 Design Review/Study – Minor
10. Track 2 Design Review/Study - Major
11. Architectural Permit – Single Family
12. Architectural Permit – Multifamily four units or less
13. Architectural Review – ARC Minor
14. Architectural Review – ARC Major
15. Design Approval, public hearing required

NOTE: The design study fees provided above do not reflect fees incurred if historic evaluation(s) is required, or a Preliminary Site Assessment, or other potentially relevant fees. See Table B-4 for a Summary of Community Planning & Building Fees, and Table B-6 for Estimate of Total Development Fees Imposed.

The City is not a full-service municipality; several agencies and special districts levy fees on new development for the provision of basic urban services. These agencies and special districts include the following:

- California American Water (Cal-Am);
- Monterey Peninsula Water Management District;
- Carmel Unified School District;
- Carmel Area Wastewater District;
- Carmel Fire Department (service provided by contract with Monterey Fire Department; and
- Transportation Agency for Monterey County (TAMC).

Special district fees add to development costs in the City. Carmel is under the jurisdiction of the Monterey Peninsula Water Management District (water district) and receives its water from the California-American Water Company (Cal-Am).

Cal-Am charges non-refundable Connection Fees as determined by CPUC guidelines. The fee is based on the meter size which is as follows:

1. 5/8" Meter - \$3,000 (single-family)
2. 1" Meter - \$5,000 (small multi-family)
3. 1-1/2" Meter - \$10,000 (large multi-family)
4. 2" Meter - \$16,000 (large volume requirement ex. hotel.)

The MPWMD has permit authority over the production and distribution of all water supplies within the Monterey Peninsula region, and allocates water supplies to cities and County areas within its jurisdiction. According to the water district, the City, as of June 2023, has a total available water allocation of 2.661-acre feet, which represents only three (3) percent of the water district's total available allocation across the district, which includes all of the Monterey Peninsula south to Carmel Valley and portions of the Santa Lucia Range. The current MPWMD permit fees are governed by the Fees and Charges Table (effective August 16, 2021) and start at \$1,800 plus \$90 per hour for more than 20 hours.

The Carmel Unified School District requires the payment of an impact fee of \$0.49 per square foot for new residential construction. The school district does not offer any discounts for the payment of impact fees.

The Carmel Area Wastewater District charges a new residential connection fee of \$8,242.66 and charges an annual rate of \$1,005.94 for residential uses.

TAMC established a Regional Impact Fee (RDIF) program to address required mitigation for traffic impacts. Accessory Dwelling Units under 750 square feet are exempt from impact fees. Carmel-by-the-Sea is located with Zone 3: Peninsula/South Coast benefit zone and also subject to additional infill fee. Impact fees are calculated using an online spreadsheet and fees range from \$4,599.04 for an Above Moderate single-family home, to \$9,313.70 for a 5-unit Low-Income apartment to \$28,161 for a 10-unit Above-Moderate condo or townhome. Impact fee discounts are applied to affordable units and are dependent on the affordability level.

Fees charged by these outside agencies vary according to project types and size and increase development costs. The City does not control fees for outside agencies, but outside agency fees are a constraint and add to the overall cost of development. See [Table B-10](#), Estimates of Total Development Fees Imposed, below.

Table B-10 Estimate of Total Development Fees Imposed

	Single-Family*	Multi-Family (10 units) **
Track 2 Major Design Study	\$5,935	\$5,935
Preliminary Site Assessment (includes fee for Phase I Historic Evaluation)	\$1,495	N/A
Phase II Historic Evaluation (applicable only for existing historic buildings proposed for expansion)	\$2,040 plus \$1,500 consultant deposit	N/A
Volume Study	\$135, plus \$1,500 consultant deposit	N/A
Use Permit	N/A	\$3,060
Building Permit fee	\$4,872	\$9,872
Subtotal	\$17,477	\$18,867
MPWMD	\$225	\$2,250
CUSD	\$980	\$9,800
Cal-Am	\$3,000	\$5,000
CAWD	\$8,242	\$82,426
TAMC	\$4,036	\$17,386
Regional Fees Subtotal	\$16,483	\$116,862
Total Fees	\$33,960	\$135,729

SOURCE: City of Carmel-by-the-Sea Fee Schedule Effective September 9, 2023; MPWMD Fee Schedule, July 2023; CUSD Developer Fees, 2023; Cal-Am Fee Schedule, 2022; CAWD Fee Schedule 2023; TAMC Fee Schedule, 2022.

NOTES: *Assumed \$350K valuation and 2,000 sq. ft.

**Assumed \$5,000,000 valuation and 20,000 sq. ft.

City fees to develop a single-family home roughly equal the regional fees. For multi-family development, regional fees comprise the bulk of the costs. As shown in [Table B-9](#), total development fees for a 10-unit multifamily development would total approximately \$135,729, of which regional fees total \$116,862 – approximately six times the City fees (\$18,867). On a per unit basis, total development fees for a single multifamily unit would total approximately \$13,573. Comparatively, this is significantly less than that of a single-family unit.

While fee types in comparable and neighboring jurisdictions do not precisely align with the fee types in Carmel-by-the-Sea for side-by-side comparison, the total estimated fees as cited in Pacific Grove’s *Draft 2023-2031 Housing Element Update* (Table 1-42) offer comparative insight. While Carmel estimates a total fee of \$33,960 for a single-family home and \$135,729 for a 10-unit multi-family home, Pacific Grove estimates \$68,928 and \$212,350, respectively. This indicates Pacific Grove’s City fees are substantially higher than Carmel-by-the-Sea’s. The City of Monterey’s *Draft 2023-2031*

Housing Element (Table C-10) does not provide estimated total fees for single-family and a 10-unit multi-family development for an “apples to apples” comparison with Carmel-by-the-Sea and Pacific Grove, however, fees for a four-unit multi-family project in the City of Monterey are estimated at approximately \$18,841, which is on par with the City of Carmel-by-the-Sea’s City fees, but no regional fees are included in Monterey’s estimate.

Overall, Carmel-by-the-Sea’s fees are less than neighboring jurisdictions. Regional impact fees pose the greatest constraint to the development of multifamily housing. Despite regional fees being beyond the City’s control, the City is committed to lowering the cost to develop affordable multifamily residential units. Program 3.1.D establishes and monitors the implementation of reduced entitlement and development fees for projects with affordable units (see [Chapter 2](#)).

Processing and Permit Procedures

The processing time needed to obtain development permits and required approvals varies depending on the scope of the project. The size of projects in Carmel-by-the-Sea is typically limited to the remodeling or construction of a single-family home, a minor commercial modification, or the construction of an accessory dwelling unit. The City strives to keep its permit procedures streamlined and processing times short. The Planning Division is the lead agency in processing residential development applications and coordinates the processing of those applications with other City departments such as the Building Safety Division and Public Works Department and other outside agencies as deemed appropriate, such as the fire and water districts.

Carmel-by-the-Sea has traditionally encouraged high architectural standards for new development. City zoning regulations require design review approval for any proposed additions to or the construction of new single-family homes, duplexes or multi-family developments. However, accessory dwelling units are exempt from design review by state law and must only meet the location and development standards outlined by state law (Government Code section 65852.2).

Permit applications are generally processed in as an efficient manner as practical in Carmel-by-the-Sea. Although the Historic Resources Board, the Planning Commission, and the City Council only meet once a month, determination on a project is usually reached in one or two meetings. For Track 2 Design Study applications, the City does require applicants to take part in a Forest and Beach Commission if tree removal is proposed, as well as a separate Concept hearing and Final Details hearing with the Planning Commission prior to formal approval. There is no separate Design Review Board in Carmel, with the Planning Commission conducting design review. The typical processing time for Track 2 discretionary review is four to six months, depending on the degree of completeness of submitted plans, whether tree removal or replacement is proposed, whether the property is deemed historic or eligible for historic listing, whether the property falls within the “Beach and Riparian Overlay” (Coastal Commission Appeal Jurisdiction), and whether the project

requires a volume study or any other technical study be conducted. While this review procedure assists in achieving project acceptability and allows for neighborhood participation through multiple public hearings, the overall scale and level of complexity of review does provide a barrier to applicants without the financial resources and time to see a residential project through to completion.

However, the City does have a practice of moving projects with affordable housing ahead of other projects in the development processing queue when setting development review agendas. Due to Permit Streamlining law, this incentive is less powerful than it once was. However, it may reduce review time by as much as a month. Even this minor benefit attracts developer attention during pre-application meetings. Projects that include affordable housing are also expedited through the plan check process.

Carmel-by-the-Sea's development process can be summarized in the following nine steps. All of these steps may not be necessary depending on the nature of a project:

1. **Application Submittal** - The planning application submittal process begins when a developer, architect, property owner, or other applicant authorized by the property owner (Project Applicant) submits a development application, required fees, and application materials. Often times the developer will have met informally with the Planning Division to review the project and receive preliminary feedback on the proposal in advance of the formal project submittal.
2. **Plan Review** - After the application is received, it is routed to the relevant City Departments, including the Planning Division, Building Safety Division, Fire Prevention, and Public Works. A planner is assigned to serve as the liaison to the Project Applicant, helping to expedite the permit process and coordinating the department reviews. During a 30-day review period for completeness, individual departments assess the completeness of the application, work with the Project Applicant to correct any project deficiencies, and prepare preliminary Conditions of Approval.
3. **Application Assessment** - The application is assessed for its compliance with the standards of the Zoning Code (Title 17 of the municipal code) as well as the City's Residential or Commercial Design Guidelines.
4. **Environmental Review** - A review of the environmental issues associated with the proposed project (as required by the California Environmental Quality Act) will also be completed during the Plan Review stage of the process.

5. **Forest and Beach Commission/Historic Resources Board** – If a project proposes to remove a significant tree(s), it will require review by the Forest and Beach Commission. If the property is a listed historic resource or has potential eligibility for listing as a historic resource, the project is required to be reviewed by the Historic Resources Board.
6. **Planning Commission/City Council Approval** - If a project is determined to require discretionary action, it will be scheduled for review by the Planning Commission. A Public Notice will be provided and all property owners within 300 feet of the project site will be notified by mail. After projects receive approval by the Planning Commission there is a ten-working-day appeal period during which the project may be appealed to the City Council. The City Council decision is final, unless the project is located within the Coastal Commission appeal jurisdiction. There are different levels of planning review/approval depending on the scope of work proposed.
7. **Plan Check** - After the project receives all required approvals, construction plans may be submitted to the Building Safety Division for a plan check for building permits. The plans will be routed to the City’s Planning Division and Public Works Department. The project planner will review the plans for conformance with the Zoning Code, any required Conditions of Approval, and with plans approved by the Planning Commission or City Council. The Building Safety Division will verify that all building, fire, mechanical, plumbing and electrical code requirements are fulfilled in compliance with the California Code and other State requirements.
8. **Building Permit** - After the construction plans receive approval from the relevant departments, the Building Safety Division issues a building permit. Construction can begin after this point. Regular inspections are required throughout the construction process. The final inspection requires clearance from all relevant City departments and the Carmel Fire Department.
9. **Occupancy Permit** - Once the final inspection is complete, the developer needs to secure a certificate of occupancy. New buildings or structures cannot be used or occupied until the Building Official has issued a certificate of occupancy.

Typical Processing Times

Processing times for development review vary based on the size of the project and the extent of environmental review required, and can range from six months to over a year if an EIR is required. When an application is submitted, it is reviewed within 30 days to verify that it is complete or the applicant is notified that it is incomplete. Once the application is complete, typical processing times are as follows, in line with the requirements of the State Permit Streamlining Act of 1992. [Table B-11](#) shows the typical processing time for a residential development application.

Table B-11 Review/Approval Requirements and Processing Times

Development Type	Design Study	Use Permit	CDP ¹	Typical Processing Time ²
R-1 Single-Family Residential District				
Single family residence	Yes	No	Yes	6-9 months
ADU (Subordinate Unit)	Yes	No	Yes	1 month if exempt from Planning Review under State Law
Guest house	Yes	Yes	Yes	4-6 months
Building sites exceeding 30 percent slope	Yes	Yes	Yes	6-9 months
R-4 Multi-Family Residential District				
Single family residences	Yes	No	Yes	6-9 months
Multi-family residences 0-22 units/acre	Yes	No	Yes	8-10 months
Multi-family residences 23-44 units/acre	Yes	Yes	Yes	8-10 months
Commercial Districts				
Multi-family residences 0-22 units/acre	Yes	No	Yes	8-10 months
Multi-family residences 23-44 units/acre	Yes	Yes	Yes	8-10 months
Public and Quasi-Public Districts (A-2 and A-3)				
Senior Citizen Housing	Yes	Yes	Yes	8-10 months

SOURCE: City of Carmel-by-the-Sea Community Planning and Building Department 2023

NOTE:

1. CDP – Coastal Development Permit – required for all projects that increase the height and/or floor area on an existing structure by 10 percent or more.

2. Includes time for building plan check

Single-family homes, duplexes and multi-family projects go through the same zoning compliance and design review process. The review and approval of multi-family projects typically takes longer due to the complexity of a more intense development and the myriad issues that need to be considered including adequate site servicing, design review, potential tentative map review, and the more active involvement of other departments and agencies outside of Planning. Program 3.1.F has been included in this Housing Element to establish expedited permitting procedures to remove barriers to the development of multi-family housing (see Chapter 2). The program includes implementation of concurrent permit processing to avoid multiple hearings and review bodies. This will streamline the permitting process allowing for timely review and entitlement of multi-family projects.

Although there is a high level of public input on some planning applications, Carmel-by-the-Sea’s zoning standards and design review ordinance are fairly detailed. There is a level of certainty on

behalf of the project applicants that if the project meets the standards and goals of the ordinances, the project will receive City support. Table B-12 shows the reviewing authority and typical processing times, in line with the requirements of the State Permit Streamlining Act of 1992.

Table B-12 Permit Streamlining Act Processing Times

Application	Final Authority	Typical Processing Time
Subdivision Parcel Map (Tentative)	City Council	45-60 days
Subdivision Parcel Map (Final)	City Council	45 days
Subdivision Tract Map (Tentative)	City Council	3-6 months
Subdivision Tract Map (Final)	City Council	2-4 months
Negative Declaration	Planning Commission	3-6 months
Environmental Impact Report	Planning Commission	1 year*

SOURCE: City of Carmel-by-the-Sea

NOTE: If the applicant modifies the application, or if the applicant submits a written request for a time extension, the maximum time period for review may be extended for up to 90 additional days.

*Upon mutual consent of the Director and the project sponsor, this one-year time limit may be extended once for a period of not more than 90 days pursuant to CEQA Guidelines Section 15108.

Environmental Review

Environmental review is required for all development projects under CEQA. Carmel-by-the-Sea has a number of environmental constraints due to its coastal location and conservative approach to preserving its unique natural surroundings. Because of these environmental constraints, larger residential projects have required preparation of EIRs. An EIR is required of all developments that have the potential of creating significant impacts that cannot be mitigated. Most residential projects in Carmel-by-the-Sea are either Categorical Exempt or require only an Initial Study and Negative Declaration. The Negative Declaration process typically takes four to eight months to complete, depending on staffing levels and workloads. Categorical Exempt developments such as accessory dwelling units require a minimal amount of time. As a result, State-mandated environmental review does not pose a significant constraint to housing development.

SB 35 Streamlining

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. The bill creates a streamlined approval process for qualifying infill developments in localities that have failed to meet their RHNA, requiring a ministerial approval process, removing the requirement for CEQA analysis, and removing the requirement for discretionary entitlements. Since the adoption of this section of the Government Code, the City has not received an application under these provisions.

As previously noted, the entire City is located within the California Coastal Zone and therefore was not subject to early implementation of SB 35 (see Government Code Section 65913.4(6)), which did not apply to areas located in a coastal zone. However, as of October 2023, SB 423 was signed into order expanding SB 35 measures to apply to coastal zones under specific criteria. The City has included Program 1.3.H in the 6th Cycle Housing Element to address SB 35 and SB 423 measures (see Chapter 2). The City will create a checklist and written procedures for processing SB 35 applications to ensure efficient and complete application processing.

SB 10 Building Opportunities for All

SB 10 makes it easier for cities to zone for smaller, lower-cost housing developments of up to 10 units to address California’s housing crisis. SB 10 provides tools for local governments to zone for up to ten homes per parcel in transit-rich areas, or urban infill sites. SB 10 maintains local control, as a local legislative body must pass a resolution to adopt the plan. The City has included a program in the 6th Cycle Housing Element to address SB-10 and encourage urban infill on large properties zoned single-family (R-1).

SB 9 California Housing Opportunity and More Efficiency (HOME) Act

SB 9, also known as the California Housing Opportunity and More Efficiency (HOME) Act, is a state bill that requires cities to allow one additional residential unit on parcels zoned for single-dwelling units. The City has not received any inquiries of interest for SB 9 lot splits and is not currently processing any SB 9 application.

Building and Fire Code

Building and safety codes are adopted to preserve public health and safety, and ensure the construction of safe and decent housing. These codes and standards also have the potential to increase the cost of housing construction or maintenance. The City’s Building Code is currently based on the latest, 2022 version of the California Building Code, along with all required updates (City Ordinance No. 2022-004). The City has not made any amendments to the Code that might diminish the ability to accommodate persons with disabilities or other special-needs groups.

The 2022 California Fire Code as adopted by the City and effective January 1, 2023 (found in Chapter 15.55 of the CMC), prescribes the issuance of Fire Code Operational Permits for operations, processes, and/or activities that present higher levels of risk to life and property. Operational permits allow the City to better track specific hazards and to assure that safeguards for hazardous operations, processes, and activities are maintained in accordance with local, State and Federal Regulations.

Carmel Municipal Code Title 8.32.100, Section 102.1(5) requires new structures, or existing structures to which additions, alterations or repairs are made that involve the addition, removal or replacement of fifty percent or greater of the linear length of the walls of the existing building (exterior plus interior) within a five-year period, are required to be outfitted with an automatic fire

sprinkler system. Fire sprinklers shall be addressed as part of the building permit review. It is recognized that the costs of an automatic fire sprinkler system can vary considerably based on various factors including water service capabilities, whether a new meter is required, and the type of fire suppression system required for the application in question. However, it is generally recognized by City staff that installing fire sprinklers can be expensive and can present challenges from a water flow standpoint. Parts of Carmel have low water pressure affecting the ability to install sprinklers, which in-turn significantly increases construction costs if additional on-site infrastructure is needed (water holding tanks, pumps, etc.) to serve the sprinkler system.

Additionally, vehicular access within the community is affected by steep, hilly terrain and many secondary ridge lines. Many streets are narrow and winding, restricting the speed at which a fire apparatus may safely respond and also increasing the time lapse between fire detection and apparatus arrival, during which a household will face the fire or other emergency on their own.

The State Fire Marshal's Office, and the City of Carmel-by-the-Sea, have adopted regulations for protection of structures built in areas susceptible to wildland fires under California Building Code Chapter 7A (2019 edition). Exterior wildfire exposure protection within the City of Carmel-by-the-Sea is prescribed in Municipal Code Title 15, Buildings and Construction. Protective features include such active measures as combustible vegetation management and sprinkler systems; and passive protection features such as fire resistive roofing and building opening protection. The extent of protection is determined by the location of the property. The currently adopted (October 2008) California Department of Forestry and Fire Protection (CAL FIRE) *Very High Fire Hazard Severity Zones in Local Responsibility Areas* (LRA) map for Carmel-by-the-Sea, identifies a large area encompassing northern and eastern portions of the City as a "Very High Fire Hazard Severity Zone." It should be noted that all LRA maps across the state of California are undergoing updates and according to CAL FIRE are anticipated to be released sometime in 2024. Within the areas identified in the "Very High Fire Hazard Severity Zone," additional construction features are mandated. These typically include ignition resistant materials, spark protection for ventilation openings, and exterior window and door protection. Detailed requirements are contained in Chapter 7A of the California Building Code and in Carmel Municipal Code Titles 8 and 15.

Building Code and Zoning Code enforcement activities are undertaken on a proactive and complaint basis. The City finds that the adopted Building Code and Zoning Code and associated enforcement activities are not constraints to the development, maintenance or preservation of housing.

On and Off-Site Improvement Standards

Since the City is largely built-out, all infrastructure, including curbs, gutters, sidewalks, streets and utilities are in place. Development of residential units involves hooking up to the existing utilities, which already exist in the right-of-way. All electrical distribution lines, telephone, cable television, and similar service wires or cables, which provide services to new development, are to be installed

underground. Typical infrastructure costs in the CC, SC, RC, and R-4 districts are limited to sidewalk, curb, and gutter improvements, undergrounding of utility wires, stormwater drainage improvements, and landscaping. The City's Municipal Code does not contain requirements for subdivision off-site improvements. However, the Code includes a chapter on requirements related to streets, sidewalks, and public places.

Sidewalks

Construction of sidewalks is not required in residential areas of the City. If sidewalk construction is proposed, a permit is required. The proposal must show that the construction of the sidewalk or walkway will preserve public safety, health or welfare, resolve a serious drainage problem, or that it would otherwise benefit the general public. The construction of the sidewalk or walkway must follow the natural contours of the land, and 50 percent or more of the sidewalk area in front of any building site must be retained in planting. It shall continue to be the policy of the City to avoid formal sidewalks in favor of meandering and unpaved footpaths where possible.

Driveways

Construction of a driveway requires a permit from the Department of Community Planning and Building in conjunction with the Director of Public Works and the Director of Forest, Parks and Beach.

Landscaping

Sidewalk street trees are encouraged by the City, with the City Forester determining the number of trees, species, and exact location. Sidewalk street trees should be located near the head of, and adjacent to, parallel parking spaces with the trunk of the tree located 4.5 feet back from the head of the parking space. For trees at the curb line there should be at least four feet between the trunk and the facing building or planters in front of the building. All tree planters are encouraged to be as large as possible so that additional landscaping can be incorporated into the planters.

The City also encourages including “mini-parks”, which is a park that protrudes into the street from the curb line or is in the street. The design of mini-parks must be consistent with the standards in the Forest and Beach Management Plan.

Streets

The improved portion of residential streets in Carmel are narrow in width, 26 to 34 feet, with no gutters or sidewalks. This lack of formal development of streets throughout Carmel's residential neighborhoods has been a conscious effort on the part of residents to maintain a “village in a forest” atmosphere. As Carmel is a built-out city and new development will occur as infill or redevelopment on parcels within the established street grid, construction of new streets is not anticipated.

Therefore, street standards will have no impact on the cost and supply of housing.

Summary of Governmental Constraints

The governmental constraints to the development of affordable housing in Carmel-by-the-Sea are summarized below and outlined in [Table B-13](#), along with implementation programs intended to address the constraints.

Lack of Water Resources

The primary infrastructure constraint to the development of housing in Carmel is the lack of potable water. The lack of a reliable available water supply continues to limit growth in Carmel and throughout the Monterey Peninsula region.

Location in the Coastal Zone

Carmel-by-the-Sea is located in the California Coastal Zone and is therefore subject to a host of regulations that are not present in communities outside the Coastal Zone. The presence of additional land use regulation via the Local Coastal Program, in general, means that housing development in Carmel-by-the-Sea faces a high bar to succeed. The additional hurdles presented by Coastal Zone regulations represent an additional layer of complexity to the City's already time-consuming review process. For example, the Coastal Act requires visual analysis during the review phase of development to determine if significant coastal views are at risk of being obstructed by proposed development. The City has no control over this development requirement, however, they are able to modify what type of visual analysis is used. Program 3.1.F includes an amendment to the Municipal Code to allow 3-D modeling or other visual analysis in lieu of story poles for multi-family developments.

City Design Review and Permit Processing

Architectural design is important in Carmel-by-the-Sea. The historic character of Carmel's built environment has been shaped by decades of careful and deliberative design review (referred to as "design study" in Carmel) that addresses such features as site design, architectural style, building materials, color palettes, fenestration, tree placement and landscaping. This attention to detail has resulted in a beautiful, forested village atmosphere that continues to capture the imagination of people from around the world who visit and even choose to make Carmel their home. The same design review process that has contributed to Carmel becoming a world-famous destination, however, has also impacted its ability to provide housing for lower-income households.

The City's design review (design study) process may be lengthy for projects involving significant trees, historic resources, and/or underdeveloped plans. The following are governmental bodies responsible for decision-making through the course of development review:

- Forest and Beach Commission if removal of a significant tree is proposed (one hearing);
- Historic Resources Board for historic properties and also for non-historic properties in the Conservation District (one hearing to ensure development is compatible with neighborhood context);

- Planning Commission: One hearing, minimum, for commercial and multi-family residential projects. Preliminary hearing/review for commercial/multi-family is optional but encouraged. Two hearings, minimum (one Concept hearing, one Final hearing) for single-family projects;
- City Council review on appeal; and
- Coastal Commission review on appeal (Coastal Zone Appeal jurisdiction only).

In addition, the City’s permit process, which includes a use permit above 22 du /acre and includes both objective and subjective standards, could also pose as a constraint to developers, especially of multi-family affordable housing projects. Program 3.1.G has been included in the 6th Cycle Housing Element to establish a minimum density of 33 dwelling units per acre for the base zoning in the CC, SC, RC, and R-4 districts (see [Chapter 2](#)). Establishing a minimum density will enable the development of residential units at a higher yield, lending to increased feasibility to develop affordable units.

City Fees and Regional Development Fees

The City’s design review process may be financially prohibitive for lower income households and likely most affordable housing projects. Regional development fees are exorbitant and makeup the bulk of costs for multi-family developments.

Parking Requirements

Parking is limited within Carmel-by-the-Sea. Off-street parking requirements can be prohibitive to building multi-family and affordable housing.

Commercial Overnight Visitor Accommodation

The Municipal Code Section 17.56.060 limits the total number of overnight visitor accommodations (hotel/motel/inn) units which increases the value of the use and acts as a disincentive to redevelop existing older non-conforming overnight visitor accommodations to refurbished permanent multi-family residences. The limit also acts as a disincentive to add on-site employee housing because scarce square footage is more valuable as an overnight visitor accommodation use rather than a residential use that serves lower-income employees.

The City will explore the development of a program to allow the transfer of development rights of overnight visitor accommodation located in key areas of the City and, the City will develop an Employee Housing Program.

Accessory Dwelling Units

The City of Carmel-by-the-Sea last updated its ADU ordinance in 2017, and therefore the City’s regulations addressing ADUs are out of date. The City has included a new program in this 6th Cycle Housing Element to revise its Municipal Code to be consistent with ADU and JADU state law, and develop standardized ADU plans. The City is currently updating their ADU Ordinance to comply with recent changes to state law.

The City is following State ADU law while the ADU Ordinance is being developed. The State ADU Handbook is posted on the City website and distributed to ADU applicants. ADUs/JADUs that are 800 square feet or less, 16' tall or less, with at least 4' rear and side setbacks bypass review by the Planning Division and are routed straight to the Building Division. ADUs/JADUs that do not meet these standards are subject to a ministerial Planning review to confirm the project meets City floor area standards (1,800 square feet of floor area permitted on a standard 4,000 square-foot-lot) and minimum setbacks (3' side setback, 3' rear setback if less than 15' high, 15' front setback). ADUs/JADUs are not subject to the City's Residential Design Guidelines, which contain both objective and subjective guidelines, nor are they subject to any public hearings. Because parking is not required for ADUs located within one half-mile walking distance of public transit, ADUs in Carmel-by-the-Sea do not require parking.

Manufactured Homes and Mobile Homes

A new program to amend the Municipal Code to clarify that manufactured homes and mobile homes are allowed as a permitted use in the R-1 zoning district is included in the Housing Element.

Use Permits

There are opportunities to reduce redundancies and facilitate residential construction while still enabling development to meet City regulations. Taking an overall critical look at the application of use permits, including application to increased densities for affordable multi-family residential projects, and removing this permit requirement where it does not add any necessary regulations will remove a regulatory constraint that adds to residential developer uncertainty, extends the permit entitlement process, and overall residential development costs. The 6th Cycle Housing Element includes Program 1.4.A to eliminate unnecessary use permits.

Transitional and Supportive Housing

The 6th Cycle Housing Element includes Program 3.3.A to update the Municipal Code to further clarify that transitional and supportive housing in the R-1 and R-4 zoning district are permitted uses.

Low Barrier Navigation Centers

The 6th Cycle Housing Element includes Program 3.3.B to develop by-right procedures for processing low-barrier navigation centers.

Development Standards for Senior Housing

A program is included to address the lack of development standards in the A-2 zone in order to provide greater clarity and certainty to guide and future development design.

The primary governmental constraints and the 6th Cycle Housing Element programs to address them, are shown in Table B-13 on the following page.

Table B-13 Summary of Governmental Constraints

Governmental Constraint	Programmatic Action
<p>Lack of Water Resources The primary infrastructure constraint to the development of housing in Carmel is the lack of potable water.</p>	<p>Program 1.2.A: Water Distribution Program 4.1.A: Water Conservation</p>
<p>Location in the Coastal Zone Carmel-by-the-Sea is located in the California Coastal Zone and is therefore subject to a host of regulations that are not present in communities outside the Coastal Zone.</p>	<p>Program 3.1.G: Establish Minimum Densities</p>
<p>City Design Review and Permit Processing The historic character of Carmel's built environment has been shaped by decades of careful and deliberative design review (referred to as "design study" in Carmel) that addresses such features as site design, architectural style, building materials, color palettes, fenestration, tree placement and landscaping. The City's design review (design study) process can be lengthy, impacting the City's ability to provide housing for lower-income households.</p>	<p>Program 3.1.F: Expedited Processing Procedures Program 1.3.E: Amend A-2 Zoning District. Program 1.4.B: Objective Design Standards Program 2.2.A: Historic Preservation Educational Program Program 3.1.G: Establish Minimum Densities Program 1.4.A: Eliminate Unnecessary Use Permits Program 1.3.C: Accessory Dwelling Units Program 1.3.F: Manufactured Homes on a Foundation System Program 3.1.B: Housing for Extremely-Low Income Households Program 3.3.B: Low-Barrier Navigation Centers</p>
<p>City Fees The City's design review and permitting process may be financially prohibitive for lower income households and likely most affordable housing projects.</p>	<p>Program 3.1.D: Reduced Entitlement and Development Fees Program 3.1.E: Reduced Parking Requirements</p>
<p>Parking Requirements Parking is limited within Carmel-by-the-Sea. Off-street parking requirements can be prohibitive to building multi-family and affordable housing.</p>	<p>Program 3.1.E: Reduced Parking Requirements</p>
<p>Commercial Overnight Visitor Accommodation</p>	<p>Program 1.3.B: Overnight Visitor Accommodation (Conversion) Development Transfer Rights Program 1.2.D: Overnight Visitor Accommodation – Employee Housing Program</p>

The City's development regulations are consistent with California housing law, and the Zoning Code enables development of affordable housing. However, because housing production has been limited in Carmel-by-the-Sea, primarily due to lack of potable water, the Housing Element Update includes programs to further incentivize development activity. Depending on site-specific conditions - such as the presence of significant trees or historic resources and degree of incompleteness of submitted plans, some applicants may find the City's design review process to be lengthy. The City's review fees, while comparable with those of surrounding jurisdictions, can pose a barrier for applicants without sufficient financial resources.

B.3 Non-Governmental Constraints

State law (Government Code Section 65583(a)(6)) requires an analysis of potential and actual governmental and non-governmental constraints to the maintenance, improvement, and development of housing for all income levels. The Housing Element must identify ways, if any, to reduce or overcome these constraints in order to meet the City's housing needs.

Land Availability and Cost

Three primary factors contribute to high land costs on the Monterey Peninsula, and in Carmel-by-the-Sea in particular: 1) the area is considered a desirable place to live, 2) available land is in short supply and 3) land costs vary both between and within jurisdictions based on factors such as the desirability of the location and the permitted density. According to the real estate website, Zillow, the typical land value for a single-family home is between \$800,000 and \$1.2 million in the city of Monterey, but between \$1.5 million and \$5 million in Carmel-by-the-Sea.

Due to the fact that land availability is limited within Carmel-by-the-Sea and the City is largely built out, a number of programs have been created to creatively increase density and affordable housing potential within the City.

Construction Costs

Construction costs associated with housing development are generally comprised of both soft and hard costs. Soft costs for housing development include the cost of architectural, engineering, accounting, legal and other professional services, as well as the cost of obtaining permits and paying government-imposed fees. Carrying costs and the cost of construction financing can also be considered soft costs. Hard costs include the costs of labor and materials and can also include costs accumulated through permitting delays.

Hard costs are very high in Carmel-by-the-Sea, and both the high cost of labor and the high cost of materials could be considered constraints on housing development. Hard construction costs can vary significantly based on the varied and unique geographic conditions throughout the City. Hard costs can be higher than average in Carmel-by-the-Sea compared to Monterey County.

Hard and soft costs contribute significantly to the overall cost of developing new housing. High hard costs are difficult for an individual jurisdiction to mitigate.

We're going to have to tell market-rate builders they're going to have to provide more money for our affordable housing quotient...we have got to subsidize it...take the people paying market rate and say, I'm sorry, if you want to live here you got to pay to play, and we put that money towards our affordable housing quotient and build something that makes sense

November 17, 2022 Housing Ad Hoc Committee Community Meeting Attendee

Availability of Financing

As a stable and affluent community, private housing mortgage financing is readily available in Carmel-by-the-Sea. There are no mortgage-deficient areas in the City and no identifiable underserved groups in need of financing assistance. At the time this Housing Element was drafted, interest rates for homebuyers were increasing from a low of 2.75 percent in 2020 to almost 7 percent in 2023 for a fixed rate, 30-year mortgage. The current economic climate is uncertain and still affected by increasing inflation, the possibility of a recession, geopolitical tensions, businesses rebounding and responding to changes brought on by the COVID-19 pandemic, and ongoing supply chain disruptions; however, there are a number of ways to finance residential development in the City, some of which are outlined below.

Banks, Community Development Financial Institutions Fund (CDFIs), and state housing agencies

Banks, Community Development Financial Institutions Fund (CDFIs), and state housing agencies all play a role in providing affordable housing.

- **Banks** are regulated by the Community Reinvestment Act (CRA), which requires them to provide lending and services to all segments of their communities, including low-and moderate-income borrowers. Banks can meet their CRA requirements through a variety of activities, including making loans to affordable housing developers, providing grants to community development organizations, and investing in CDFIs.
- **CDFIs** are specialized financial institutions that provide loans, investments, and other financial services to low-income communities and individuals. CDFIs are often more flexible than traditional banks, and they can provide loans to borrowers who may not be able to qualify for financing from other sources.
- **State housing agencies** (SHAs) are government agencies that provide financial assistance for affordable housing development. SHAs can provide loans, grants, and tax credits to developers, and they can also help to promote affordable housing through public education and outreach programs.

Together, banks, CDFIs, and SHAs play a vital role in providing affordable housing. These organizations work to ensure that everyone has access to safe, decent, and affordable housing, regardless of their income. The California Housing Finance Agency (CalHFA) is a SHA that provides financing for affordable housing development in California. These organizations are essential partners in the fight to ensure that everyone has access to safe, decent, and affordable housing.

Housing Credits

Federal

The 4 percent and 9 percent LIHTC (Low-Income Housing Tax Credit) are federal tax credits that can be used to finance the construction or rehabilitation of affordable housing. The 4 percent credit is for the acquisition of existing buildings for rehabilitation and new construction financed by tax-exempt bonds. The 9 percent credit is generally for new construction and substantial rehabilitation with no federal subsidies. The amount of the credit is equal to 4 percent or 9 percent of the project's qualified basis, and it can be used to offset federal income taxes. The credit is claimed over a 10-year period.

The 9 percent LIHTC is more valuable than the 4 percent LIHTC, so it is typically used for larger projects. The 9 percent LIHTC is also more competitive, as there is a limited amount of 9 percent credits available each year. Both the 4 percent and 9 percent LIHTCs are important tools for financing affordable housing. They have helped to create millions of affordable housing units across the country.

State

State housing credit is a state-level program that provides tax credits to developers who build or rehabilitate affordable housing. The credits are similar to the federal Low Income Housing Tax Credit (LIHTC), but they are administered by state housing finance agencies (HFAs).

State HFAs allocate tax credits to developers through a competitive process. The credits are then sold to investors, who use them to offset their state income tax liability. The proceeds from the sale of the credits are used to finance the construction or rehabilitation of affordable housing.

State housing credit benefits both developers and low-income households. For developers, the credits provide a valuable source of financing that can help them make affordable housing projects financially feasible. For low-income households, the credits help to keep rents affordable.

Federal Home Loan Bank System

The Federal Home Loan Banks (FHLBs) are 11 regional banks that provide funding to financial institutions in all 50 states and U.S. territories. They were created by Congress in 1932 to help revitalize the housing market during the Great Depression.

FHLBs are cooperatively owned by their member institutions, which include community banks, credit unions, commercial banks, savings institutions, and insurance companies. These member institutions can borrow money from FHLBs at a discounted rate, which helps them to offer lower interest rates on mortgages and other loans to their customers.

In addition to providing funding, FHLBs also offer a variety of other services to their members, such as:

- Technical assistance on housing and community development
- Affordable housing programs
- Letters of credit
- Mortgage purchase programs

FHLBs play an important role in the U.S. housing market. They help to ensure that there is a steady supply of affordable mortgage credit available to borrowers, and they also support community development efforts.

Federal Home Loan Bank and Affordable Housing Program

The Federal Home Loan Bank (FHLB) Affordable Housing Program (AHP) is a grant program that provides funding for the creation and preservation of affordable housing. The AHP is funded by a 10 percent contribution from each FHLB's earnings.

The AHP can be used to finance the following types of affordable housing projects:

- **Owner-occupied housing:** The AHP can be used to finance the purchase, construction, or rehabilitation of owner-occupied housing for low-or moderate-income households.
- **Rental housing:** The AHP can be used to finance the purchase, construction, or rehabilitation of rental housing where at least 20 percent of the units are affordable for and occupied by very low-income households.
- **Mixed-income housing:** The AHP can be used to finance the purchase, construction, or rehabilitation of mixed-income housing where a portion of the units are affordable for low-or moderate-income households.

The AHP is a competitive program, and applications are typically reviewed on a quarterly basis. To be eligible for an AHP grant, a project must meet the following criteria:

- The project must be located in a low-or moderate-income census tract.
- The project must be affordable to low-or moderate-income households.
- The project must be developed by a qualified project sponsor.

The AHP is a valuable resource for developers of affordable housing. The program provides much-needed funding for the creation and preservation of affordable housing, and it helps to ensure that low-and moderate-income households have access to safe and affordable housing.

Housing First

Supportive housing is a type of housing that provides permanent, affordable housing with on-site supportive services to help people who are homeless or at risk of homelessness. The supportive services can vary depending on the needs of the individual or family, but they may include case management, mental health services, substance abuse treatment, job training, and education.

There are a variety of supportive housing subsidy programs available in the United States. Some of the most common programs include:

- **Housing Choice Vouchers (HCVs):** HCVs are a federal program that provides rental assistance to low-income households. HCVs can be used to rent apartments on the private market, and they can also be used to pay for supportive housing.
- **Veterans Affairs Supportive Housing (VASH):** VASH is a federal program that provides rental assistance and case management services to homeless veterans.
- **Rapid Re-housing:** Rapid Re-housing is a short-term program that provides rental assistance and case management services to help people who are homeless quickly find and maintain housing.

The Housing First approach to homelessness is a philosophy that emphasizes providing permanent housing to people who are homeless, regardless of their other needs. The Housing First approach has been shown to be effective in reducing homelessness and improving the lives of people who are homeless.

The supportive housing subsidy system in the United States is a complex system, but it is an important part of the Housing First approach to homelessness. The subsidy programs help to make supportive housing affordable for people who are homeless, and they help to ensure that people who are homeless have access to the supportive services they need to succeed.

Requests to Develop at Densities Below Those Permitted

New State Housing Element law now requires the non-governmental constraints analysis to evaluate developer requests to build at densities below the density identified in the Housing Element sites inventory. Carmel-by-the-Sea assumed the base density of 22 dwelling units per acre identified in the Carmel Municipal Code for the CC, SC, and RC Districts for the 5th cycle sites inventory. Due to small lot sizes throughout the commercial districts, this density results in estimates of 1-8 units per site, with the majority of sites accommodating 1-2 units. A total development potential of 78 units was identified for the commercial districts. While a lack of water resources generally precludes higher-density projects, a review of development trends during the 5th cycle showed densities ranging from 7 dwelling units per acre to 44 dwelling units per acre for projects in the CC, SC, and RC Districts. Carmel-by-the-Sea did not receive requests during the 5th cycle to develop below densities identified in the site's inventory therefore this is not a constraint to development. Additionally, the

City identified a significant surplus of sites in the 5th cycle Housing Element for a total capacity of 164 housing units (the 2015-2023 RHNA was 31 units), ensuring that any property that developed at a lower density than projected would not adversely impact the City's ability to maintain sufficient sites throughout the planning period to achieve the RHNA.

Small Lots and Large Units

Property within Carmel-by-the-Sea is typically smaller than a half-acre, which can be a constraint for housing production. Lot consolidation incentives may be a solution. Large multi-family units have become commonplace with recent housing proposals. Large units reduce the number of multi-family units overall, which decreases the housing variety available, and increases the number of expensive luxury housing options. The City has proposed a minimum density requirement for sites in the Central Commercial (CC), Service Commercial (SC), Residential and Limited Commercial (RC), and R-4 District (see Program 3.1.G in Chapter 2).

Seasonal Vacancies

Carmel-by-the-Sea has a 50 percent vacancy rate of which 80 percent is attributed to seasonal vacancies, given the community's strong tourism industry. Second homeowners seeking seasonal homes skews the demand for housing, driving up rents and home prices and making it challenging for those working in Carmel-by-the-Sea to find available housing. Rising housing prices decrease the stock of housing affordable to those living or working in and around Carmel-by-the-Sea, further spurring the statewide housing shortage. Programs to address this issue are incorporated in the 6th cycle Housing Element and include encouraging Accessory Dwelling Units and establishing of an Affordable Housing Trust Fund which could be funded in part by a vacancy tax.

Length of Time between Application Approval and Building Permit Issuance

New Housing Element law now also requires an examination of the length of time between receiving approval for a housing development and submittal of an application for building permits. On average (based on City data from seven (7) developments of vacant sites) there are 84 days between approval of a housing development and submittal of a building permit application, and 165 days between submittal of a building permit application and issuance of a building permit. The time between application approval and building permit issuance (249 days on average) is influenced by a number of factors, none of which are directly impacted by the City. Factors that may impact the timing of building permit issuance include: required technical or engineering studies; completion of construction drawings and detailed site and landscape design; securing construction and permanent financing; and retention of a building contractor and subcontractors. Generally, building permits are submitted in a timely manner after planning entitlements; however larger projects have experienced longer timeframes given supply chain issues and labor shortages, neither of which the City controls.

Environmental Justice Element Requirement

An Environmental Justice Element or equivalent is not required for Carmel-by-the-Sea because no disadvantaged communities exist within the city’s boundaries (as defined in Gov. Code, § 65302, (h)(4)(A)). “Disadvantaged communities” means an area identified by the California Environmental Protection Agency pursuant to Section 39711 of the Health and Safety Code or a low-income area that is disproportionately affected by environmental pollution and other hazards that can lead to negative health effects, exposure, or environmental degradation.

Environmental Constraints

Environmental constraints affecting housing include geologic and seismic conditions and fire hazards, which are a threat to the built environment. These constraints are discussed in detail below. However, the primary environmental constraint to the development of housing in Carmel-by-the-Sea is the limited water supply, as already discussed.

Fire Hazards

Carmel-by-the-Sea is often referred to as a “Village in the Forest,” due to its extensive urban forest. The high density of structures within the Carmel residential areas and business district among numerous trees increases the fire hazard. In addition, the Pescadero Canyon, Del Monte Forest, and Mission Trails Nature Preserve, located adjacent to the City, introduce the possibility of a wildland fire. The currently adopted (October 2008) California Department of Forestry and Fire Protection (CAL FIRE) *Very High Fire Hazard Severity Zones in Local Responsibility Areas* (LRA) map for Carmel-by-the-Sea identifies a large area encompassing northern and eastern portions of the City as a Very High Fire Hazard Severity Zone. In such zones, roofs and exterior walls of new buildings must be made of noncombustible materials. It should be noted that all LRA maps across the state of California are undergoing updates and according to CAL FIRE are anticipated to be released sometime in 2024.

Obtaining insurance for structures is increasingly difficult given the Very High Fire Hazard Severity Zone, posing a constraint to residential development.

The City of Carmel-by-the-Sea is part of a regional coordination effort with other Monterey County cities, including Pacific Grove and Monterey. These neighboring agencies provide aid to each other on an as-needed basis. Fire protection for the City is provided by the City of Monterey Fire Department based out of the Carmel Fire Station located on 6th Avenue.

Emergency and Evacuation Planning

Emergency response is provided through coordinated efforts by the cities of Monterey, Pacific Grove, and Carmel. Emergency planning and evacuation pose many challenges for the City due to the precarious topography and narrow City roads. The General Plan Safety Element (both the currently adopted version and the updated Safety Element being prepared in conjunction with the 6th Cycle Housing Element) provides an in-depth analysis of emergency and evacuation planning and

protocols, as well as scenario mapping and evacuation route mapping. City staff generally note that particularly in Carmel, where small lots make meeting egress requirements difficult at higher densities, incentivizing lot mergers in the commercial district will help address concerns and challenges associated with emergency and evacuation planning across the City.

Seismic

The entire California Coast and Coast Range area is prone to earthquakes. Based on history, the probability of a moderate or high magnitude earthquake occurring in the greater Monterey region in the next few decades is quite likely. Faults that could present hazards to Carmel-by-the-Sea during an earthquake event include the following active or potentially active faults: San Andreas, San Gregorio-Palo Colorado, Chupines, Navy, and Cypress Point. The San Andreas and San Gregorio faults are two dominant faults within the Monterey County region that are considered active with evidence of historic or recent movement.

While the seismic hazards cannot be eliminated, there are a number of regulations that reduce the impact of these hazards. The Alquist-Priolo Earthquake Fault Zoning Act was passed in 1972 to mitigate the hazard of surface faulting to structures for human occupancy, by preventing the construction of buildings used for human occupancy on the surface trace of active faults. The California Building Code includes provisions associated with engineering design and building requirements that address seismic hazards. In addition, the City of Carmel-by-the-Sea General Plan includes policies addressing hazards from seismic activity.

Tsunami

The City would be minimally affected by a moderate to extreme tsunami event. This can be accredited to coastal topography along Carmel's western boundary. The steep cliff, or a step-down in elevation between the Scenic Road and the beach, acts as a protective boundary during a tsunami event. However, low lying portions of Carmel-by-the-Sea are susceptible to inundation from tsunami, known as waves produced from a seismic event. Only the southern-most portion of the City and the low-lying Carmel Lagoon neighborhood (within unincorporated Monterey County) could be impacted if a 21-foot-high tsunami wave were to enter the Carmel River lagoon. Impacts from tsunami could include damage to improvements from wave inundation and from wave-carried debris.

Tsunami is a potential safety hazard as well as a hazard to property. The actual areas that will be impacted from a tsunami will vary depending on factors such as the size of the tsunami wave, tide level at the time of the tsunami, the wave source location and the wave direction. In general, areas adjacent to the shoreline that are below an elevation of approximately 15 to 20 feet above mean sea level appear to have a higher level of risk.

Flooding

Carmel is located on a sloping terrain that offers good storm water runoff into both the Pacific Ocean and the Carmel River. Only a small portion of the City's southern tip is designated as a FEMA 100- year Flood Zone. Carmel Beach is subject to flooding during high tide and beach sand is lost yearly during winter storms. The beach is clearly separated from adjacent roads and houses by a moderately steep hill. Due to that topographical feature, the coastal flooding rarely extends past the beach. There are several areas of the City, which have been identified in the City's general plan as being prone to localized flooding. The main area subject to localized flooding is located within the Mission Trail Nature Preserve. The Mission Trail site is owned by the City and used as a park, and the City recently approved a CDP to correct flooding issues within Mission Trails Nature Preserve. This use mitigates some of the damage that would normally result from the retention of water on the site and the City recently approved a Coastal Development permit to correct some flooding issues in this area.

The City's General Plan includes a Safety Element with policies and programs which address flooding (see policies P8-27 through P8-31). The Safety Element Update will also include and update where necessary the City's policies and programs related to flooding. The City's Municipal Code (Chapter 15.56 Community Floodplain) further addresses flood risks and hazards found in the City as well as identifying methods for reducing flood losses. In order to accomplish its purposes, this chapter of the municipal code includes regulations to:

- 1) Restrict or prohibit uses which are dangerous to health, safety, and property due to water or erosion hazards, or which result in damaging increases in erosion or flood heights or velocities;
- 2) Require that uses vulnerable to floods, including facilities which serve such uses, be protected against flood damage at the time of initial construction;
- 3) Control the alteration of natural floodplains, stream channels, and natural protective barriers, which help accommodate or channel floodwaters;
- 4) Control filling, grading, dredging, and other development which may increase flood damage; and
- 5) Prevent or regulate the construction of flood barriers which will unnaturally divert floodwaters or which may increase flood hazards in other areas. (Ord. 2018-03 § 1 (Exh. A § 4), 2018).

Coastal Erosion and Landslides

Erosion on sloped inland areas and at the shoreline (beach) has been a problem for much of Monterey County, including Carmel. The hazards due to erosion are difficult to separate from those due to flooding and landsliding. In some cases, erosion is a result of flood and landslide conditions; in others, rapid water runoff and landsliding can occur in areas subject to prolonged erosion. The preventive costs of erosion are generally included within flood control measures and the overall costs of hillside development. Adoption of the present state of the art procedures for erosion prevention in hillside areas will, in most cases, eliminate losses.

Losses due to coastal erosion can be reduced most economically by avoiding construction in areas subject to severe erosion. Erosion of the beach bluffs is addressed in the City's Shoreline Management and Emergency Operations plans.

Summary of Non-Governmental Constraints

In summary, while Carmel-by-the-Sea is subject to the environmental constraints described above, the City's General Plan sets forth a series of actions to minimize these constraints. Carmel-by-the-Sea incorporates this information into its land use planning and development review processes. In an effort to continue to reduce constraints to housing development, the Housing Element Update includes specific policies and programs in Chapter 2 to reduce or eliminate non-governmental constraints to the extent feasible and practical.

The primary non-governmental constraints and the 6th Cycle Housing Element programs to address them are shown in Table B-14 below:

Table B-14 Summary of Non-Governmental Constraints

Non-Governmental Constraint	Programmatic Action
<p>Land Availability and Cost</p> <p>Carmel-by-the-Sea's limited availability of land coupled with its desirable coastal location and world-renowned architecture has resulted in high cost of land and a lack of affordable housing.</p> <p>Some of the primary factors that have contributed to high land costs in Carmel-by-the-Sea are its, and limited availability of land.</p>	<p>Program 3.1.A: Mixed Use Affordable Housing</p> <p>Program 3.1.B: Overnight Visitor Accommodation (Conversion) Transfer of Development Rights.</p> <p>Program 1.1.C: Development on Small Sites</p> <p>Program 3.1.C: Density Bonus</p>
<p>Construction Costs</p> <p>Costs of labor and materials are very high in Carmel-by-the-Sea and could be considered constraints on housing development.</p>	<p>Program 3.1.C: Density Bonus</p>
<p>Availability of Financing</p>	<p>Program 2.1.D: Establish Affordable Housing Trust Fund</p> <p>Program 5.1.C: Shared Housing Information</p> <p>Program 5.1.B: Housing Choice Voucher Program</p> <p>Program 5.2.A: Support Community Organizations</p>
<p>Small Lots and Large Units</p>	<p>Program 3.1.G: Establish Minimum Densities</p>
<p>Seasonal Vacancies</p>	<p>Program 2.1.D: Establish Affordable Housing Trust Fund</p>

Vacant and Available Sites

C
APPENDIX

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Appendix C

Housing Sites Inventory Analysis

C.1 Introduction

The Association of Monterey Bay Area Governments (AMBAG) forecasts that the two-county (Monterey and Santa Cruz) Monterey Bay Area will add 32,867 new households between 2020 and 2045¹. For the eight-year time frame covered by this 6th Cycle Housing Element Update, the State Department of Housing and Community Development (HCD) has identified the region’s housing need as 33,274 units. The total number of housing units assigned by HCD is separated into four income categories that cover housing types for all income levels, from very low-income households to above-moderate (market rate) housing. This calculation, known as the Regional Housing Needs Allocation (RHNA), is based on population projections produced by the California Department of Finance (DOF) as well as adjustments that incorporate the region’s existing housing need. The adjustments result from recent legislation requiring HCD to apply additional adjustment factors to the baseline growth projection from the California Department of Finance, in order for the regions to get closer to healthy housing markets. To this end, adjustments focus on the region’s vacancy rate, level of overcrowding and the share of cost burdened households, and seek to bring the region more in line with comparable ones. These new laws governing the methodology for how HCD calculates the 6th cycle RHNA resulted in a significantly higher number of housing units for which the Monterey Bay Area must plan compared to previous Housing Element cycles.

C.2 Regional Housing Needs Allocation

AMBAG adopted its *Final 6th Cycle Regional Housing Needs Allocation Plan 2023-2031* on October 12, 2022. The plan was approved by HCD on November 8, 2022. For Carmel-by-the-Sea, the RHNA to plan for this cycle is 349 units. Details are provided below.

RHNA Summary

Carmel-by-the-Sea’s share of the regional housing need for the eight-year period from 2023 to 2031 is 349 units, which is a 1,125 percent increase over the 31 units required during the 2014 to 2023 RHNA cycle. The housing need is divided into the four income categories of housing affordability. [Table C-1](#) shows Carmel-by-the-Sea’s RHNA for the planning period 2023 – 2031.

¹ Final 2022 Regional Growth Forecast, AMBAG, November 18, 2020

Table C-1 Carmel-by-the-Sea’s Regional Housing Needs Allocation – 2023–2031

Income Group	Carmel-by-the-Sea Units	Percent	Monterey County Units	Percent	Monterey Bay Area Units	Percent
Extremely Low Income (<30% of AMI)	57	16.3%	2,206	10.9%	3,934	11.8%
Very Low Income (30% - 50% of AMI)	56	16.0%	2,206	10.9%	3,934	11.8%
Low Income (50%-80% of AMI)	74	21.2%	2,883	14.2%	5,146	15.5%
Moderate Income (80%-120% of AMI)	44	12.6%	4,028	19.8%	6,167	18.5%
Above Moderate Income (>120% of AMI)	118	33.9%	8,972	44.2%	14,093	42.4%
Total	349	100.0%	20,295	100.0%	33,274	100.0%

SOURCE: AMBAG 2021

NOTE: The Association of Monterey Bay Area Governments (AMBAG) Executive Board adopted the 2023-2031 Regional Housing Needs Allocation Plan (RHNA) on October 12, 2022 (Resolution No. 2022-24). The plan was approved by the California Housing and Community Development on November 8, 2022.

Progress to Date

The RHNA planning period for the 2023-2031 Housing Element (6th Cycle) is June 30, 2023 through December 15, 2031. The statutory adoption date for the 6th Cycle Housing Element is December 15, 2023—a full six months after the beginning of the planning period. To account for this discrepancy, the City of Carmel-by-the-Sea must account for the number of housing units permitted prior to adoption of the 6th Cycle Housing Element and apply these to the 2023-2031 RHNA. Accordingly, the units permitted in this period count toward the 2023-2031 planning period RHNA and are subtracted from the 6th Cycle RHNA. [Table C-2](#) shows the City of Carmel-by-the-Sea’s adjusted RHNA, which accounts for progress made prior to the adoption of the updated Housing Element document.

Table C-2 Carmel-by-the-Sea’s Adjusted RHNA

	Very Low-Income Units	Low-Income Units	Moderate-Income Units	Above Moderate-Income Units	Total Units
2023–2031 RHNA	113	74	44	118	349
Units permitted between June 30, 2023 and December 31, 2023	7	7	7	36	57
Remaining RHNA	106	67	37	82	292

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

C.3 Overview of Sites Inventory

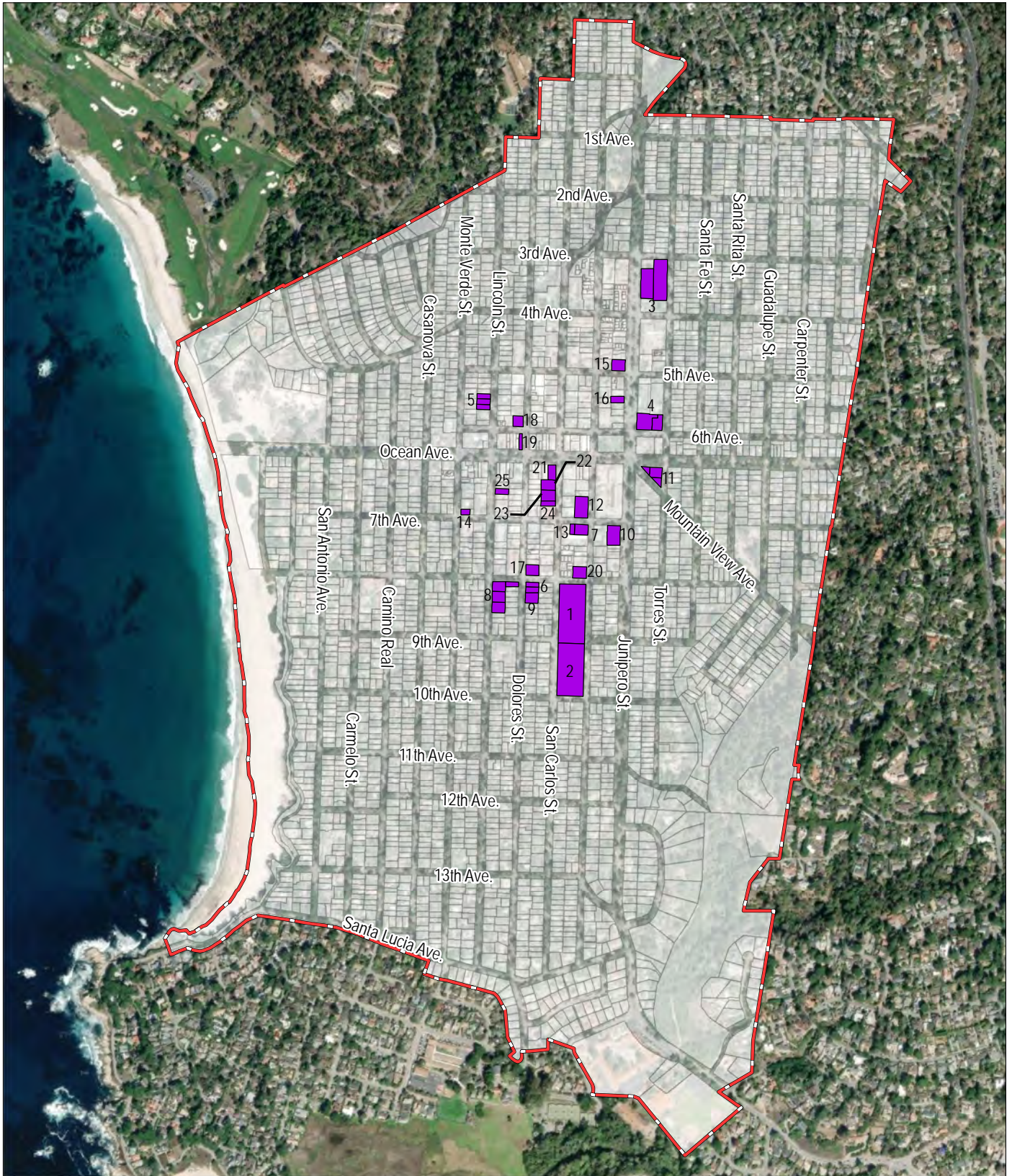
The purpose of the sites inventory is to identify and analyze specific sites that are available and suitable for residential development in order to accommodate Carmel-by-the-Sea’s assigned 349 housing units. The City isn’t responsible for building the housing but creates the programs and policies to plan for where it should go and how many units could be accommodated on potential sites.

Per state law and Housing Program 1.1.A (see Chapter 2 of this 6th Cycle Housing Element), the City is required to maintain “no net loss” of the housing capacity represented by this list of parcels and the sites they comprise. To facilitate this, the inventory presented below includes a 17 percent buffer. This allows some degree of flexibility in decision making for individual development projects as they come forward for approval by the Planning Commission.

In short, with some limited flexibility, the City is committed to permitting housing on each of the parcels listed in the table below, and in doing so, ensuring that the number of units listed for each parcel in the table--“planned capacity”—is achieved. Should the City approve development that is below the parcel’s planned capacity, it is then required as part of that approval to:

- Find, based on quantitative evidence, that the remaining inventory of housing sites is still sufficient to meet the City’s 6th Cycle RHNA; or
- Identify one or more available sites with the realistic development capacity to replace the housing that would have otherwise been developed had consistency with planned capacity been achieved.

Figure C-1, [Housing Sites Inventory](#), shows an overview of the Sites Inventory Map that has been developed for Carmel-by-the-Sea’s 6th Cycle Housing Element Update. [Table C-3, Housing Sites Inventory](#), provides details and capacity estimates for each of the parcels that comprise the 25 housing sites.



- Site Inventory Parcels
- City Limit

Source: Monterey County GIS 2023, Google Earth 2023



Figure C-1
Sites Inventory

Note: The following sites have been identified as potential housing sites. Site numbers are for identification purposes only and correspond to the map in Figure C-1. Site numbers have no bearing on priority.

Table C-3 Housing Sites Inventory

Site #	Location (Reference to ECO NW Study)	APN	Zoning	General Plan	Acreage	Applied Density (DU/AC)	Minimum Capacity	Very Low	Low	Moderate	Above Moderate
Primary Underutilized Sites											
1	Sunset Center North Lot Site (#1), East Side of San Carlos between 8 th & 10 th Avenues	010143001000	A-2	OS/ Rec Cultural	1.02	33	33	20	10	3	--
2	Sunset Center South Lot Site, East Side of San Carlos between 8 th & 10 th Avenues	010151001000	A-2	OS/ Rec Cultural	1.84	33	60	30	25	5	--
3	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	44	56	28	11	17	--
		010104004000									
4	Bruno's Market Site (#6) NE Corner of Junipero & 6 th , and NW Corner of Torres & 6th	010095013000	RC	RC	0.53	33	17	--	--	5	12
		010095012000									
5	First Church of Christ Parking Lot (#8), Lincoln 2-4 NW of 6th	010212027000	SB 10	SB 10	0.28	33	9	--	--	--	9
		010212004000									
		010212026000									
6	Red Cross Site (#10), SE Corner of Dolores & 8th	010144015000	SB 10	SB 10	0.18	33	5	--	--	--	5
		010144016000									
7	Girl Boy Girl, SW Corner of Mission & 7 th (#14)	010142001000	SC	CC	0.18	33	5	--	--	--	5
8	Carmel Foundation Site (#15), NE Corner of Lincoln & 8th	010149012000	A-3	SFR	0.62	33	21	11	10	--	--
		010149010000									
		010149011000									
		010149001000									
9	American Legion Site, Dolores 2 SE 8th	010144014000	SB 10	SB 10	0.18	33	5	--	--	--	5

Site #	Location (Reference to ECO NW Study)	APN	Zoning	General Plan	Acreage	Applied Density (DU/AC)	Minimum Capacity	Very Low	Low	Moderate	Above Moderate
10	AT&T Building SW Corner of Junipero & 7th	010087012000	RC	RC	0.35	33	11	--	--	--	11
11	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					6.78		228	89	58	30	51
Sites Recycled from 5 th Cycle											
12	Court of the Fountains NW Corner Mission & 7th	010141003000	CC	CC	0.37	33	12	--	--	--	12
13	First American Title 7th 2 SW of Mission	010142013000	SC	CC	0.07	33	2	--	--	--	2
14	Office building NE Corner Monte Verde & 7th	010191004000	RC	RC	0.07	33	2	--	--	--	2
15	Yafa NW Corner Junipero & 5th	010097007000	SC	CC	0.18	33	5	--	--	--	5
16	Three Garages Site (#7)	010098004000	SC	CC	0.11	33	3	--	--	--	3
17	Carmel Realty Office Site (#4) NE Corner 8 th & Dolores	010145008000	RC	RC	0.19	33	6	--	--	--	6
18	(Parashis) Millard Building NW Corner Dolores & 6th	010138006000	CC	CC	0.13	33	4	--	--	--	4
19	The Agency NW Corner Ocean & Dolores	010139001000	CC	CC	0.09	33	2	--	--	--	2
20	Sunset Terrace NW Corner Mission & 8th	010142006000	RC	RC	0.19	33	6	--	--	--	6
21	Enzo's San Carlos 2 SW of Ocean	010146001000	CC	CC	0.15	33	4	--	--	--	4
22	Doud Arcade San Carlos 2 SW of Ocean	010146002000	CC	CC	0.18	33	5	--	--	--	5
23	Paseo San Carlos Square San Carlos 2 NW of 7th Ave	010146003000	CC	CC	0.18	33	5	--	--	--	5

Site #	Location (Reference to ECO NW Study)	APN	Zoning	General Plan	Acreage	Applied Density (DU/AC)	Minimum Capacity	Very Low	Low	Moderate	Above Moderate
24	Paseo San Carlos Square San Carlos 2 NW of 7th Ave	010146004000	CC	CC	0.09	33	2	--	--	--	2
25	Carmel Office Supply & Business Center Lincoln SE of Ocean	010147010000	CC	CC	0.09	33	2	--	--	--	2
Subtotal Recycled Sites					2.09		60	0	0	0	60
TOTAL							288	89	58	30	111
Hospitality Employee Housing							31	8	12	11	0
Anticipated ADUs							34	10	10	10	4
Pipeline Projects (including 26 ADUs; see Table C-4)							57	7	7	7	36
Subtotal Other							122	25	29	28	40
GRAND TOTAL							410	114	87	58	151
RHNA							349	113	74	44	118
Difference							61	1	13	14	33
Difference (Percent)							117%	101%	118%	132%	128%

SOURCE: City of Carmel-by-the-Sea

Sites to Accommodate Lower-Income RHNA

Sites Used in Previous Planning Periods Housing Elements

Government Code Section 65583.2(c)

Each site includes information about whether it was used in a prior housing element planning period, if it is currently vacant, and the number of anticipated housing units according to income category.

Appropriate Zoning

Government Code Section 65583.2(c)(3)

For suburban jurisdictions such as Carmel-by-the-Sea, sites allowing at least 20 units per acre are appropriate to accommodate lower-income housing. The density range for all parcels that anticipate housing units to meet the lower-income RHNA include the default density. The General Plan designation that meets this prerequisite is Multi-Family Residential (and/or zoning at R-4), with a maximum density of up to 33 dwelling units per acre or 44 dwelling units per acre, when affordable units are provided.

The City is implementing Program 3.1.G to establish a minimum density of 33 dwelling units per acre in the Commercial (SC, RC, and CC) Districts and the Multi-Family Residential (R-4) District, to enable a higher yield of residential units, rather than larger units at a lower yield. Increased unit yield is likely to result in increased financial feasibility for the development of affordable units. In compliance with Government Code 65583.2(h)(i), Program 3.1.G also establishes a by-right approval process for sites identified in the site inventory utilizing the planned zoning density of 33 dwelling units per acre to accommodate the lower-income RHNA category.

The City intends to utilize SB 10 to maximize development on one (1) faith-based organization site and two (2) nonprofit mission-oriented sites. All three sites have expressed property owner interest in developing affordable housing. Additionally, the City has included three (3) city-owned sites for the development of affordable housing, which will be noticed and leased in compliance with the Surplus Land Act.

Site Size

Government Code Section 65583.2(c)(2)(A), (B), and (C)

Several factors outside of the City's control impact the availability and developability of land in the City including, the significant acreage that is within the coastal zone and the City's built-out nature. Additionally, the original subdivision maps for the City (1888 and 1902) established commercial parcels between 2,500 square feet (0.057 acres) and 3,000 square feet (0.068 acres), and residential parcels at 4,000 square feet (0.091 acres), many of which remain this size today. As a result, approximately 78 percent of sites included in the housing site inventory are less than 0.5 acres. The

sites included in the site inventory have been chosen by the City upon supportive evidence to be the most developable for new housing in the eight-year planning cycle. Several of the sites have property owner interest and the anticipated developments are supported by the City.

No Net Loss

Government Code Section 65863

Through the eight-year planning period of the 6th Cycle Housing Element, pursuant to the No Net Loss Law, City staff is required to identify an alternative site(s) if a site is developed at a lesser ratio of lower-income units than anticipated with this Sites Inventory. Program 1.1.A will regulate this requirement of No Net Loss for the 6th cycle (see [Chapter 2](#)).

Reliance on Nonvacant Sites to Accommodate More than 50 Percent of the RHNA for Lower-Income Units

Government Code Section 65583.2(g)(2)

More than 50 percent of the sites intended to accommodate the RHNA for lower-income households are projected to be developed at nonvacant sites.

As part of the resolution adopting the housing elements, findings stating the uses on nonvacant sites identified in the inventory to accommodate the RHNA for lower-income are likely to be discontinued during the planning period and the factors used to make that determination. The City will include this either in the body or in the recital section of the resolution.

Findings and a description of the substantial evidence can be found within the subsections for each area. The “substantial evidence” indicates that the existing use will not impede further residential development or that the existing use will be discontinued during the planning period.

City-Owned Sites and Surplus Land Act

The Surplus Land Act (SLA) is a “right of first refusal” law that requires all local agencies to offer surplus land for sale or lease to affordable home developers and certain other entities before selling or leasing the land to any other individual or entity (Government Code Sections 54220-54234). Any time a local agency disposes of land, it must follow the SLA unless the land qualifies as exempt surplus land. Dispositions include both sales and leases (unless the lease is less than five years or where no demolition or development will occur during the term of the lease).

The City plans to pursue four (4) underutilized parcels (Sites #1-3) over the next five years for the potential development of 149 units (124 affordable to lower-income households and 25 for moderate-income households). These sites would remain in City ownership and are anticipated to be made available for development through long-term leases. These sites would be made available for affordable housing consistent with the requirements of the Surplus Land Act.

Specific planned actions by the City include the establishment of development standards (for the Sunset Center site, specifically), development of a project description, publication of an RFP, selection of a development partner, entering into an Exclusive Negotiation Agreement, processing land use entitlements and development agreements, building permit issuance, and construction. Council approval is required and public participation will take place for each step in this process. The City has included Program 1.1.B to establish and monitor the City's anticipated timeline and actions for entering into the SLA process.

Vacant and Underutilized Sites

Nonvacant Site Analysis Methodology

Government Code Section 65583.2(g)(2)

Existing Uses

Each site included in the Site Inventory has been selected by the City based on its perceived developability and/or expressed interest by a property owner. Twenty (20) percent of the sites in the Site Inventory are zoned residential including the R-1 and R-4 districts. However, all zoning districts within the city allow residential uses.

Many sites included in the Sites Inventory are zoned commercial. This is in part, a result of the City's Municipal Code requirement that all newly constructed second-story floor area, including area in new buildings, remodeled buildings and replacement, rebuilt or reconstructed buildings, to be occupied by residential dwellings only and shall not be used for any commercial land use (CMC 17.14.050F). Currently, the Commercial District has a number of vacant space in need of remodeling and building code updates. Timing is ripe for redevelopment and/or second story additions to accommodate residential units, as remodels and repairs are currently being undertaken and are expected to continue.

These residential unit requirements have not been an impediment to development in the commercial district, and have successfully resulted in two-story structures that support residential development on the second floor and commercial on the ground floor. The City has not received applications or requests for single-story developments in the commercial district. This is in part due to land value and the cost of construction, which does not support the development of single-story commercial buildings in Carmel-by-the-Sea. The City's effort to support mixed-use development has been a strategy to encourage the development of housing, despite its built-out nature. Many commercial property owners have expressed interest in converting underutilized second floor office space to residential use or constructing a second story to accommodate residential units.

A goal in selecting sites has been to minimize displacement. For many sites, intentions for future housing include property owner interest in adding a second story to existing commercial structures to develop residential units. Conversion of motel units is another strategy the City is employing to develop residential units, as well as converting office space, and parking lots.

While the City does not anticipate the displacement of low- or very low-income households, the City is prepared to comply with the requirements of Government Code section 65915, subdivision (c)(3). Program 2.1.C in [Chapter 2](#) will be in effect to require replacement housing units subject to the requirements of the Government Code. Additionally, CMC 17.14.050.A prohibits the conversion or demolition of an existing residential unit unless replacement housing is provided subject to the findings in 17.64.070.

Development Trends

Historically, residential development in Carmel-by-the-Sea has been most feasible using densities ranging between 22-33 dwelling units per acre. Development trends in the City reveal successful residential development in the commercial district primarily through office conversion and second-story additions for residential units. In the last 10 years, the City has not had any one-story commercial developments. All new construction in the commercial district has consisted of two-story buildings with second-floor residential use (as required in CMC Section 17.14.050.F).

This has been a successful strategy utilized by the City to enable the development of residential units within the constraints of limited developable land. The following projects are examples of 5th cycle residential development in Carmel-by-the-Sea, which have been considered in determining the realistic capacity of sites identified in the Site Inventory.

Del Dono I: In 2016 the Planning Commission approved the demolition of an 11,000-square-foot two-story commercial building in the Service Commercial (SC) District for the construction of a 11,800-square foot two-story mixed-use building with four (4) condominiums (1,450 square feet to 1,550 square feet) and four (4) low/moderate-income apartments (500 square feet each). The property is 8,000 square feet (0.18 acres). The residential density on this parcel is 44 du/acre.

Del Dono II: In 2018 the Planning Commission approved the demolition of a 3,650-square-foot single-story commercial building in the Service Commercial (SC) District for the construction of a 11,800-square-foot two-story mixed-use building with four (4) condominiums and four (4) apartments. The property is 8,000 square feet (0.18 acres). The residential density on this parcel is 44 du/acre.

Both the Del Dono I and II projects received land use entitlements and building permits. While in the process of constructing the underground parking structure, the developer became financially insolvent and ultimately sold the property. In 2023, the new owner obtained approval from the Planning Commission for a new mixed-use project with 12 market rate apartments. The residential density for the new project is 33 dwelling units/acre.

Fink Condominium: In 2017 the Planning Commission approved the Fink Condominium on November 8, 2017. The 4,000-square-foot site contains a 3,800-square-foot one-story commercial building with two tenants, a full-service restaurant, and a delicatessen. The project consisted of a

second-floor addition for a 1,570-square-foot condominium. The ground-floor commercial spaces remained open during construction, experiencing limited closures due to construction activity. The project density is 11 dwelling units per acre. The development consists of one (1) condominium unit for ownership and one commercial unit.

This project is an example of a second-floor addition to an existing one-story commercial building in the Central Commercial (CC) District where existing tenants were not displaced. It is also an example of a missed opportunity for more housing if a minimum density existed. No appeals of the project were filed. The project has been constructed and received final occupancy.

Lincoln Lane: In 2018, the Planning Commission approved an extensive remodel and additions to a commercial property. The 8,000-square-foot site contained a 6,700-square-foot multi-tenant commercial building with a central courtyard. The project consisted of extensive remodeling and additions to convert a portion of the commercial square footage into two rental apartment units. The building was previously occupied by retail and office uses. The project density is 11 dwelling units per acre.

This project is an example of revitalizing an underutilized commercial property with residential uses while preserving the central courtyard in the Service Commercial (SC) District. The project is also an example of a missed opportunity for more housing if a minimum density existed. No appeals of the project were filed. Construction on the project has been completed and received final occupancy.

Marliz Estate: In 2018 the Community Planning & Building Director approved minor exterior modifications to a mixed-use building in the Central Commercial (CC) District to facilitate the rehabilitation of a 1,000-square-foot apartment. The property is 2,750 square feet (0.06 acres). The residential density on this mixed-use parcel is 17 du/acre.

Brigantino: In 2018 the Community Planning & Building Director approve an interior and exterior remodel of a duplex in the Residential & Limited Commercial (RC) District. The property is 3,500-square-feet (0.08 acres). The residential density on this two-unit parcel is 25 du/acre.

MDC Real Estate: In 2018 a building permit was approved to convert a second-floor office in a two-story commercial building in the Central Commercial (CC) District to an apartment. The property is 4,000 square feet (0.09 acres). The residential density on this mixed-use parcel is 11 du/acre.

Brosche Building: In 2019, an extensive remodel of the historic Brosche Building was approved by the Community Planning & Building Director. The 3,470-square-foot site contains a two-story, 8,450-square-foot commercial building with ground-floor retail and second-floor offices. The project included converting the second-floor office space into two residential rental units. The project density is 28 dwelling units per acre.

This project is an example of a second-floor conversion of office space to residential in the Central Commercial (CC) District. The ground-floor retail tenant temporarily relocated to a nearby community and has since returned to a new commercial space within the village. The project is also an example of a missed opportunity for more housing if a minimum density existed. The project has been constructed and received final occupancy.

Flint-Herman Residence: In 2019 the Community Planning & Building Director approved an extensive interior and exterior remodel of a 900-square-foot commercial building including a 150-square-foot addition in the Residential & Limited Commercial (RC) District for the conversion of commercial space to a residential unit. The property is 3,500 square feet (0.08 acres). The residential density on this two-unit parcel is 25 dwelling units per acre.

Der Ling Building: In 2019, the Community Planning & Building Director approved the conversion of the second-floor retail and storage space to a residential unit. The 3,000-square-foot site contains the historic Der Ling building. The two-story building was previously occupied by commercial uses, with a portion of the second floor utilized as storage space. The entire 1,300-square-foot second floor has been converted into a residential rental unit. The project density is 16 dwelling units per acre.

This project is an example of a second-floor conversion of retail and storage space in a historic commercial building to residential use in the Central Commercial (CC) District. The remodeling of the building was completed without displacing the ground-floor retail tenant. The project is also an example of a missed opportunity for more housing if a minimum density existed. The project has been constructed and received final occupancy.

Great Valley Holdings/Clark Apartments: In 2020, the Planning Commission approved the construction of a new two-story mixed-use building. The 3,600-square-foot site contained a 2,200-square-foot two-story commercial building with surface parking. The project consisted of demolishing the existing building and constructing a new 3,500-square-foot two-story mixed-use building for a ground-floor restaurant and two second-floor rental apartment units. The building was previously occupied on both floors by a restaurant and had been vacant for a few years. The project density is 25 dwelling units per acre.

This project is an example of redeveloping an underutilized site with a new two-story mixed-use building in the Service Commercial (SC) District. No appeals of the project were filed. The project has been constructed and received final occupancy.

Schultz: In 2020 the Community Planning & Building Director approved an interior and exterior remodel of a commercial space in a 4,500-square-foot multi-tenant two-story mixed-use building in the Service Commercial (SC) District for the conversion of second-floor commercial space to a 1,160-square-foot apartment. The property is 4,000 square feet (0.09 acres). The residential density on this mixed-use parcel is 22 du/acre.

Parashis: In 2020 the Community Planning & Building Director approved minor exterior alterations to a 6,700-square-foot two-story commercial building in the Central Commercial (CC) District to facilitate the conversion of second-floor office space to a 2,118-square-foot apartment. The property is 6,400 square feet (0.15 acres). The residential density on this mixed-use parcel is 7 du/acre.

While many of the projects listed above utilized densities between 22-33 dwelling units per acre, some developed at 44 dwelling units per acre (Del Dono I and Del Dono II) and a few developed below 20 dwelling units per acre (Fink Condominium; Lincoln Lane; MDC Real Estate; Marliz Estate; Der Ling Building; and Parashis). Additionally, all but one of the projects listed above are less than 0.5 acres. These factors were taken into consideration when determining appropriate densities to apply to the Sites Inventory, and supports the City's decision to amend the base zoning for the commercial zoning districts (SC, RC, and CC) and the multi-family residential district (R-4) to establish a minimum density of 33 dwelling units per acre. The intention of this zoning code amendment is to facilitate the development of residential units at a higher yield, rather than enabling the development of larger units at a lower yield.

Considerations for Capacity Analysis

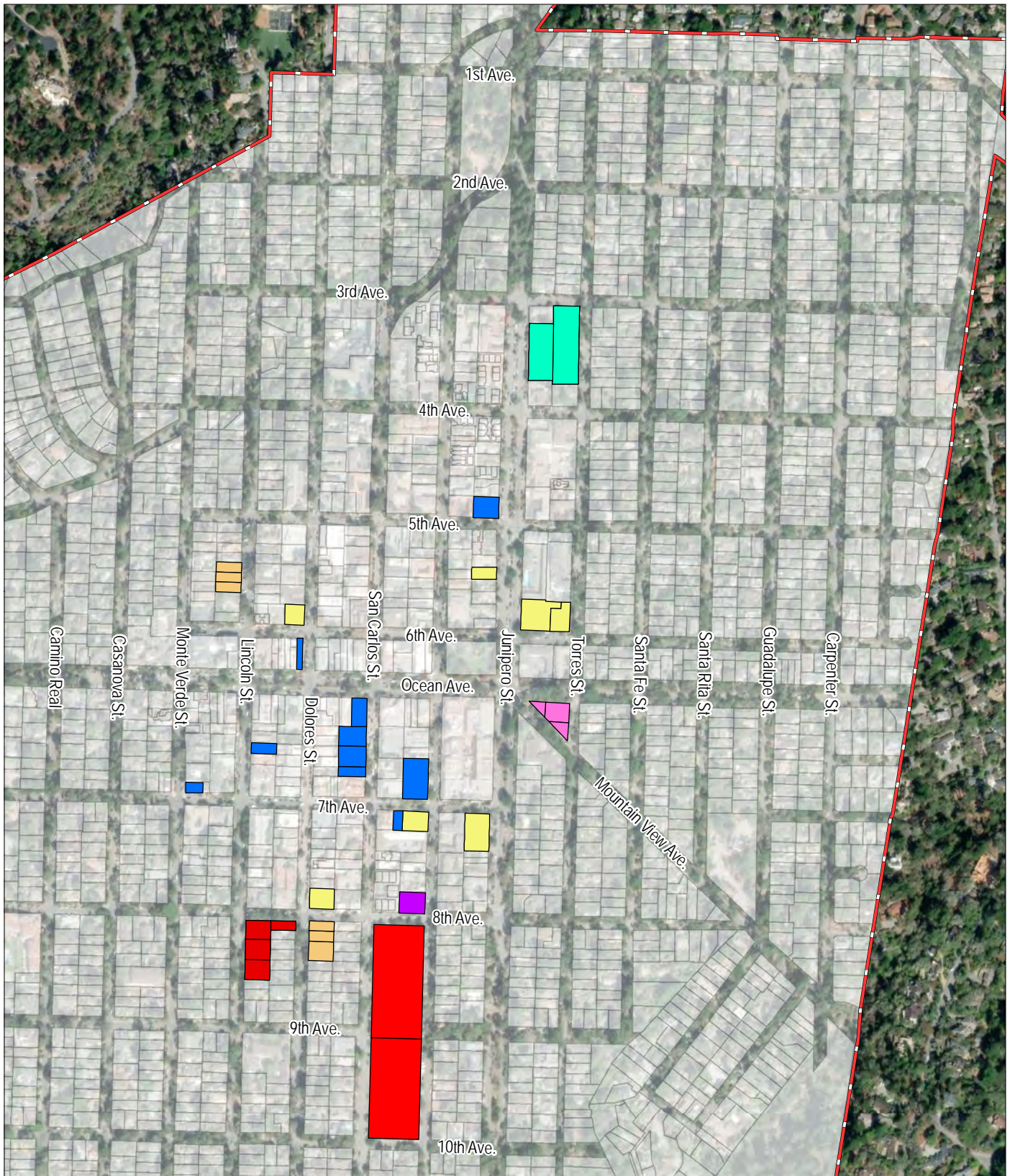
Dry Utilities and Water Capacity

Current or planned availability and accessibility of sufficient water, sewer, and dry utilities has also been considered and reported for each site. All sites have sufficient dry utilities. Program 1.2.A has been included to grant priority water and sewer services to proposed developments that include units affordable to lower-income households (see [Chapter 2](#)).

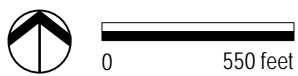
Site Typology

Government Code Section 65583.2 (c)

This housing plan and Site Inventory provides capacity for a variety of housing types; including multi-family rental housing, factory-built housing, mobile homes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. The Zoning Ordinance and General Plan for the sites allow the housing types listed above. [Figure C-2](#) illustrates the anticipated housing development types included in this site inventory.



Source: Monterey County GIS 2023, Google Earth 2023



- Affordable multi-family for seniors
- NGO sites, SB-10 multi-family new construction
- Mixed-income multi-family
- Adopted specific plan, cottages
- Second floor addition or full redevelopment of commercial sites
- Office conversion
- Affordable multi-family



Figure C-2
Anticipated Housing Development Types

To enable the development of a variety of housing types, the City has expanded possible options for property owners to construct, rehabilitate, convert, or add to an existing single-story structure including:

- Zoning changes included with programs in [Chapter 2](#) that incentivize existing overnight visitor accommodation sites to be converted into multi-family housing units;
- Development of City property, which has the highest likelihood of including lower-income units and provide additional multi-family opportunities; and
- By exercising Senate Bill (SB) 10, the City will enable multi-family units within otherwise single-family zoned neighborhoods.

Adjustment Factors for Realistic Capacity

Government Code Section 65583.2(c)(2)

Land use controls and site improvement requirements have been analyzed for constraints within [Appendix B – Housing Constraints](#), and necessary changes to the review process are included as programs within [Chapter 2 – Goals, Policies and Programs](#). Additionally, the City will amend the Municipal Code base zoning for the commercial zoning districts (SC, RC, and CC) and the multi-family residential (R-4) zoning district to establish a minimum density of 33 dwelling units per acre, to increase the potential yield of residential units. The realistic development capacity for the sites begins with assuming those process changes to be in place by or prior to December 2024. Generally, the following adjustment factors have been considered for determining realistic capacity of the sites:

- Site geometry, on-site improvements, and utility easements;
- Current market demand for medium-density housing types, current cost of construction, and property owner interest in development; and
- Small lot sizes, limited developable sites, and high demand for new units.

These factors may slightly differ based on a site-by-site analysis. Typical densities of existing or approved residential developments at similar site sizes in Carmel-by-the-Sea have been considered to discover a yield percentage of the minimum density used for the pipeline projects in [Table C-4](#).

Recent projects, including three of the four pipeline projects, utilize a minimum of 33 dwelling units per acre to develop residential units within the commercial district. More details for the pipeline projects are provided in the section below.

Pipeline Projects

Pipeline projects include entitled, permitted, or constructed projects. [Table C-4](#) exhibits four (4) current housing projects and 26 ADUs that have earned approval for entitlements and/or permits and will begin construction during the 6th Cycle Housing Element certification. [Table C-4](#) also includes two (2) pending housing project that are currently in the planning review process.

Table C-4 Pipeline Projects, 2022-23

APN	Project Name	Zoning	General Plan	Area	Min. Density (du/ac)	VLI	LI	MI	AM	Tenure	Entitlement Status
010138003000	Ulrika Plaza	SC	Core Commercial	0.37	33	--	--	--	12	Rental	Approved
010138021000											
010145012000	JB Pastor	SC	Core Commercial	0.27	33	--	--	--	8	Rental	Pending
010145024000											
010145023000											
010146010000	Scandia Lopez	CC	Core Commercial	0.09	33	--	--	--	3	Rental	Approved
010021014000	Carmel Resort Inn	R-1	Single-Family Residential	0.74	11	--	--	--	8	Ownership	Pending
010021013000											
010021012000											
010021011000											
010021030000											
010021031000											
010021032000											
010021033000											
Subtotal						0	0	0	31		
ADUs						7	7	7	5	Rental	Approved
Grand Total						7	7	7	36	57	

SOURCE: City of Carmel-by-the-Sea, 2023

NOTES: VLI = very low-income; LI = low-income; MI = moderate-income; AM = above moderate-income.

Ulrika Plaza

The Planning Commission approved the Ulrika Plaza project on August 9, 2023. The 16,000-square-foot (0.37 acres) project site includes a 22,400-square-foot mixed-use building with 9,000 square feet of ground-floor retail, 12 market-rate residential units, and 28 parking spaces in an underground garage. The project density is 33 dwelling units per acre.

The project was previously known as Del Dono and Del Dono II. The project resulted from merging two 8,000-square-foot lots to construct two (2) mixed-use buildings, each containing ground-floor commercial space and eight residential units (16 residential units total at a density of 44 dwelling units per acre). A two-story commercial building with underground parking was demolished on the north lot. A one-story commercial building with a surface parking lot was demolished on the south lot. The developer lost their funding during construction. The property was subsequently sold, and the project has been redesigned as Ulrika Plaza.

This project is an example of the redevelopment of underutilized commercial buildings and a surface parking lot in the Service Commercial (SC) District. All land use entitlements have been obtained. No appeals of the project were filed. The City is currently waiting for the submittal of a building permit application.

JB Pastor Building

The Planning Division is processing a new application to develop a 12,000-square-foot (0.27 acres) commercial lot. The site comprises three (3) lots of record and is currently developed with a two-story, historic community building, surface parking, one-story commercial building, and a two-story mixed building (office & residential). The developer proposes demolishing all existing site improvements, excluding the historic community room, and constructing a new 15,350-square-foot two-story mixed-use building with ground-floor commercial, eight (8) market-rate second-floor apartments, and 21 parking spaces in an underground garage. The proposed project density is 29 dwelling units per acre.

This project is an example of the redevelopment of underutilized commercial properties, including a surface parking lot in the Service Commercial (SC) District. The developer has requested that the Planning Commission conduct a preliminary review and provide feedback on the design before making a formal application.

Scandia Lopez/Hakim

The Planning Commission approved additions to the historic Percy Parkes Building for three (3) new residential units on July 13, 2022. The 4,000-square-foot (0.09 acres) project site includes a 2,750-square-foot one-story historic commercial building. The project consists of a second-floor addition to the existing commercial building and the construction of a two-story building in the courtyard behind the existing building. The project density is 33 dwelling units per acre.

This project is an example of additions to a one-story historic commercial building in the Central Commercial (CC) District to provide housing. The commercial tenant relocated to another retail space within the village prior to approval of the project. All land use entitlements have been obtained. No appeals of the project were filed. The City is currently waiting for the submittal of a building permit application.

Carmel Resort Inn Site

The Planning Commission approved the construction of a new single-family dwelling on Lot 2 on April 12, 2023. The 4,000-square-foot (0.091 acres) site includes a 1,971-square-foot two-story single-family dwelling inclusive of a 300-square-foot basement and 200-square-foot attached garage. The project density is 11 dwelling units per acre.

The Planning Commission approved the construction of a new single-family dwelling on Lot 4 on March 8, 2023. The 4,000-square-foot site includes a 1,995-square-foot two-story single-family dwelling inclusive of a 300-square-foot basement and 210-square-foot detached garage. The project density is 11 dwelling units per acre.

On August 1, 2023, an application was submitted to construct a new two-story single-family dwelling on Lot 10. The 4,000-square-foot site is proposed to contain a 1,900-square-foot single-family dwelling inclusive of a 100-square-foot basement and a 227-square-foot attached garage. The project density is 11 dwelling units per acre. The application is in review.

On August 1, 2023, an application was submitted to construct a new two-story single-family dwelling on Lot 12. The 4,000-square-foot site is proposed to contain a 1,900-square-foot single-family dwelling inclusive of a 100-square-foot basement and 243-square-foot attached garage. The project density is 11 dwelling units per acre. The application is in review.

Accessory Dwelling Units

Since July 1, 2023, the City has issued certificates of occupancy for four (4) new accessory dwelling units, and issued building permits for five (5) additional ADUs for a total of nine (9) ADUs. Furthermore, building permits issued prior to July 1, 2023 include 13 additional ADUs which are currently under construction and are expected to be completed during the 6th Cycle Housing Element planning period. An additional four (4) building permit applications for ADUs are currently in building plan check review and are also expected to be constructed during the planning period. In total, the City expects that at least 26 new ADUs will be completed during the planning period. The city continues to see a strong interest in ADUs and expects that number to be even higher by June 30, 2031. The following details ADUs that have a certificate of occupancy, building permit, or are under construction as of July 1, 2023.

Certificate of Occupancy Issued:

009-162-023	Sayre	Finalized: 10/31/2023
010-251-036	McLeod	Finalized: 11/22/2023
010-102-009	Lyons	Finalized: 12/6/2023
010-193-024	Altomare	Finalized: 12/20/2023

Building Permit Issued:

010-269-005	Witt	Issued: 12/18/2019
010-232-012	Westphal	Issued: 12/07/2020
009-382-019	Howley	Issued: 03/23/2021
010-037-003	Laney	Issued: 10/11/2021
010-284-003	Jung	Issued: 10/12/2021
010-103-015	Ardiaz	Issued: 01/13/2022
010-331-044	Reed	Issued: 06/09/2022
010-251-002	MacDonald	Issued: 08/25/2022
010-311-016	Soo	Issued: 10/10/2022
010-312-004	Paboojian	Issued: 10/13/2022
010-126-017	Bauer	Issued: 12/06/2022
010-164-015	Eaton	Issued: 12/22/2022
010-251-035	McLeod	Issued: 02/01/2023
010-031-021	Heyermann	Issued: 06/27/2023
010-076-014	Coria	Issued: 08/11/2023
010-043-005	Marazzo	Issued: 08/14/2023
010-174-024	Tilton	Issued: 09/27/2023
010-029-009	Mitchell-Bercham	Issued: 10/12/2023
009-352-016	Osborne	Issued: 10/19/2023
010-265-010	DeCaussin	Issued: 11/06/2023
010-211-004	Strimiatis	Issued: 11/20/2023
010-301-020	Libreri	Issued: 12/23/2023

C.4 Capacity Analysis of Sites

This section provides details on vacant and underutilized sites that are available for housing development in the city. There is sufficient capacity with existing zoning to accommodate the RHNA for the jurisdiction by income, per Government Code Section 65583(a)(3). [Table C-5, Capacity to Accommodate 2023-2031 RHNA](#), shows the City of Carmel-by-the-Sea’s capacity to meet the RHNA.

Table C-5 Capacity to Accommodate 2023-2031 RHNA

Adjustment Factor	Very Low-Income Units	Low-Income Units	Moderate-Income Units	Above Moderate-Income Units	Total
2023–2031 RHNA	113	74	44	118	349
Pipeline Projects	7	7	7	36	57
Underutilized Sites	89	58	30	51	228
5 th Cycle Recycled Sites	0	0	0	60	60
Hospitality Employee Housing	8	12	11	0	31
ADUs	10	10	10	4	34
Total	121	93	61	135	410
Surplus at 117% of RHNA	101%	118%	132%	128%	

SOURCE: City of Carmel-by-the-Sea, 2023

The City has identified 25 housing opportunity sites and 57 pipeline housing projects (including 21 ADUs) capable of accommodating 345 housing units. In addition, the City has developed a suite of new incentives to enable housing including:

- Incentivizing 31 hotel owners in the community to provide on-site housing for lower-income hospitality employees; and
- Continuing to incentivize an existing accessory dwelling unit program capable of providing additional lower-income housing, through which the City anticipates at least 34 ADUs to be constructed in the planning cycle.

Altogether, these housing resources have the potential to accommodate 410 units, approximately 117 percent of Carmel-by-the-Sea’s RHNA. Each of these opportunities is discussed in more detail below. The City’s estimate of the number of housing units that can realistically be developed on housing opportunity sites is considered conservative.

The redevelopment potential for these underutilized sites is supported, in part, by a 2023 housing feasibility study undertaken by the City in partnership with ECONorthwest in preparation for the City’s 6th Cycle Housing Element update.² This study provided an in-depth analysis of the redevelopment potential for 11 underutilized sites (the January 2023 feasibility study is attached in its entirety as [Appendix F](#)).

A description of each underutilized site, including a photograph of the site, is presented in the following section.

² ECO Northwest, January 27, 2023. “Housing Element Analysis for the City of Carmel by-the-Sea.”

Underutilized Sites

Site #1: Sunset Center North Parking Lot Site

Site #1, the north lot at Sunset Center, is a large (1.02 acre) parking lot with no improvements other than paving. The site is City-owned and currently zoned A-2.

Developed at a minimum of 33 dwelling units per acre, the gross acreage of the site would allow a minimum of 33 units to accommodate 20 very low-, 10 low, and three (3) moderate-income units.

When factoring in adjustments for potential land use controls and site improvements, realistic capacity of the site, and typical densities, the net acreage of the site would yield a total of 28 units to accommodate 20 very low- and eight (8) low-income units (Tables C-6 and C-7). Based on recent developments, the City has determined 33 dwelling units per acre to be the most feasible density for development on this site and intends to achieve this density. The City's confidence in achieving 33 dwelling units per acre is supported by past projects, on-site improvements have already taken place, site geometry is not an obstacle, and the City's ownership of the parcel. Additionally, the City proposes a zoning code amendment requiring a minimum density of 33 dwelling units per acre ensuring that at least 33 units will be developed.

Currently, the A-2 zoning district allows senior housing (55+), however development standards are not in place. As a result, design review is required to develop, which lengthens the development process and may lend to subjectivity in the approval process. To enable the development of affordable senior housing, Program 1.3.E has been included in this housing element to amend the A-2 zoning district to define clear development and design standards (see Chapter 2). This amendment will remove potential regulatory constraints to the development of the site.

The City has successfully entered into lease agreements for the utilization of surplus land. For example, the Carmel Foundation is currently in a long-term lease agreement with the City to provide residential apartment units for senior citizens. Additionally, Flanders Mansion is currently in a lease agreement process with the City to utilize surplus land. To ensure the Sunset Center North Parking Lot site is developed for residential use, the City has included Program 1.1.B to establish and monitor processes for utilization of city-owned parcels to develop housing in the eight-year planning cycle (see Chapter 2). The City intends to establish and implement development standards for the site (including Site #2, the south parking lot). Following approved development standards, the City will follow the requirements of the Surplus Lands Act to lease the land to facilitate the development of affordable residential units. With community input, the City will develop a project description and establish an RFP process to solicit developers. The City intends to target an Exclusive Negotiating


"I live near the Sunset Center. I would love to see that made into a usable space, and will completely support your efforts to do that. So, go for it. Have courage and get this work done."

May 24, 2023 Housing Ad Hoc Committee Community Meeting Attendee

Agreement by December 2026 and land use entitlements issuance by December 2028. The City has included Program 1.1.B to establish and monitor the City’s anticipated timeline and actions for entering into the SLA process. Council approval is required for each step in this process.

The City’s intention for development of this site includes partnering with a non-profit affordable housing developer with a demonstrated track record of building affordable housing in California to enable the development of deed-restricted residential units over podium parking. The City’s existing in-lieu fee for parking will be used to fund, in part, the development of podium parking. The City currently provides reduced parking requirements for affordable housing at 0.5 spaces per unit and 0.3 spaces per unit for senior housing. To address the parking requirements, Program 3.1.E has been included in this housing element to reduce parking requirements for affordable housing developments and waive in-lieu fees for affordable units (see [Chapter 2](#)).

Table C-6 Site #1 Description

Site Description		Site Image & Capacity Calculation
Address	East Side of San Carlos between 8 th and 10 th Ave	
APN	010-143-001-000	
By-Right with 20% Affordable	No, not used in previous cycle.	
Size of Site	1.02 acres	
Zoning	A-2	
Allowable Density	Minimum 33 du/ac	
Applied RHNA Affordability	Very low-income: 20 units Low-income: 10 units Moderate-income: 3 units	
Existing Use	Non-Vacant; parking lot	
Infrastructure Availability	Yes, no constraints.	Realistic Capacity utilizing factors = $(1.02 \times 33) (.95)(.95) = 28 \text{ units}$ 84% of minimum density
Environmental Constraints	None known	
Other Constraints	Shape: None Access: None Title Conditions: None Historic Preservation: None Easement: None	

SOURCE: City of Carmel-by-the-Sea

NOTE: *A-2 Zoning District does not have development standards in place. City is proposing a minimum of 33 dwelling units per acre for the zone see Program 1.3.E in Chapter 2 for full details.

Table C-7 Site #1 Capacity Assumptions

Site Description	Adjustment	Reasoning
Land use controls and site improvements	95%	For net acreage due to utility easement needs.
Realistic capacity of the site	100%	Based on market demand for medium-density housing types such as condominiums, apartments, townhomes, and single-family and current cost of construction.
Typical densities	95%	Future medium-density projects in Carmel-by-the-Sea are more likely to be built out close to maximum density due to lot sizes, limited developable sites, and very high demand for new units.
Infrastructure availability	No adjustment	Not applicable, no constraints
Environmental Constraints	No adjustment	No known site constraint

SOURCE: City of Carmel-by-the-Sea

Site #2: Sunset Center South Parking Lot Site

Site #2, the south lot at Sunset Center, is a large (1.84 acres) parking lot adjacent to two of the former classroom buildings associated with the Sunset Center school. The two buildings are currently occupied by an office and a yoga studio. The site is City-owned and zoned A-2.

Developed at a minimum of 33 dwelling units per acre, the gross acreage of the site would allow a minimum of 60 units to accommodate 30 very low-, 25 low-, and five (5) moderate-income units.

When factoring in adjustments for potential land use controls and site improvements, realistic capacity of the site, and typical densities, the net acreage of the site would yield a total of 52 units to accommodate 23 very low- and 29 low-income units (Tables C-8 and C-9). Based on recent developments, the City has determined 33 dwelling units per acre to be the most feasible density for development on this site and intends to achieve this density. The City’s confidence in achieving 33 dwelling units per acre is supported by past projects, on-site improvements have already taken place, site geometry is not an obstacle, and the City’s ownership of the parcel. Additionally, the City proposes a zoning code amendment requiring a minimum density of 33 dwelling units per acre ensuring that at least 33 units will be developed.


As discussed with Site #1, the A-2 zoning district currently allows senior housing (55+), but does not have development standards in place, which can pose constraints to timely development. Program 1.3.E is included in the housing element to establish and monitor amendments to the A-2 zoning district, to define design and development standards (see Chapter 2). This amendment will remove potential regulatory constraints to the development of the site.

The City's long-term lease agreement with the Carmel Foundation speaks to the City's track record for utilizing efficient processes for noticing and contract development under the Surplus Land Act. To ensure the Sunset Center South Parking Lot site is developed for residential use, the City has included Program 1.1.B to establish and monitor processes for utilization of city-owned parcels to develop housing in the eight-year planning cycle (see [Chapter 2](#)). The City intends to establish and implement development standards for the site (including Site #1, the north parking lot). Following approved development standards, the City will follow the requirements of the Surplus Lands Act to lease the land to facilitate the development of affordable residential units. With community input, the City will develop a project description and establish an RFP process to solicit developers. The City intends to target an Exclusive Negotiating Agreement by Fall 2025 and land use entitlements issuance by Winter 2026.

Similar to Site #1, the City's intention for development of this site includes partnering with a non-profit affordable housing developer with a demonstrated track record of building affordable housing in California to enable the development of deed-restricted residential units over podium parking. The City's existing in-lieu fee for parking will be used to fund, in part, the development of podium parking. The City currently provides reduced parking requirements for affordable housing at .5 spaces per unit and .3 spaces per unit for senior housing. To address the parking requirements, Program 3.1.E has been included in this housing element to reduce parking requirements for affordable housing developments and waive in-lieu fees for affordable units (see [Chapter 2](#)).

The entitlement process for this site is the same as Site #1. The City will partner with a non-profit affordable housing developer with a demonstrated track record of building affordable housing in California to enable the development of deed-restricted residential units over podium parking. This process includes the establishment of development standards for the Sunset Center site, development of a project description, publication of an RFP within six months, selection of a development partner, two years to enter into an Exclusive Negotiation Agreement, two years for land use entitlements and development agreements, 6-12 months for building permit issuance, and 2-3 years for construction. Council approval is required for each step in this process. The City has included Program 1.1.B to establish and monitor the City's anticipated timeline and actions for entering into the SLA process.

Table C-8 Site #2 Description

Site Description		Site Image & Capacity Calculation
Address	East side of San Carlos between 8 th and 10 th Ave	
APN	010-151-001-000	
By-Right with 20% Affordable	No, not used in previous cycle.	
Size of Site	1.84 acres	
Zoning	A-2	
Allowable Density	Minimum 33 du/ac*	
Applied RHNA Affordability	Very Low-income: 30 units Low-income: 25 units Moderate-income: 5 units	
Existing Use	Non-vacant; parking lot	<p>Realistic Capacity utilizing factors =</p> $(1.84 \times 33) (.95) (.95) (.95) = 52 \text{ units}$ <p>86% of minimum density</p>
Infrastructure Availability	Yes, no constraints.	
Environmental Constraints	None known	
Other Constraints	Shape: None Access: None Title Conditions: None Historic Preservation: None Easement: None	

SOURCE: City of Carmel-by-the-Sea

NOTE: *A-2 Zoning District does not have development standards in place. City is proposing a minimum of 33 dwelling units per acre for the zone see Program 1.3.E in Chapter 2 for full details.

Table C-9 Site #2 Capacity Assumptions

Site Description	Adjustment	Reasoning
Land use controls and site improvements	95%	For net acreage due to utility easement needs.
Realistic capacity of the site	95%	Based on market demand for medium-density housing types such as condominiums, apartments, townhomes, and single-family and current cost of construction.
Typical densities	95%	Future medium-density projects in Carmel-by-the-Sea are more likely to be built out close to maximum density due to lot sizes, limited developable sites, and very high demand for new units.
Infrastructure availability	No adjustment	Not applicable, no constraints
Environmental Constraints	No adjustment	No known site constraint

SOURCE: City of Carmel-by-the-Sea

Site #3: City Public Works (Vista Lobos) Site

Site #3, Vista Lobos, is a City-owned site totaling 1.28 acres at the northeast end of the commercial district. The site is a large parking lot with low value improvement used for public parking. The site is currently zoned R-4.

This City-owned site is the only site zoned R-4 (multi-family residential) that presents feasible residential development potential in the R-4 zoning district. To maximize development potential, the City is utilizing a local Bonus Density, which allows a maximum of 44 dwelling units per acre in the R-4 zoning district when 20 percent affordable units are provided (CMC 17.12.020). Developed at 44 dwelling units per acre, the gross acreage of the site would allow a total of 56 units to accommodate 28 very low-, 11 low-, and 17 moderate-income units.


When factoring in adjustments for potential land use controls and site improvements, realistic capacity of the site, and typical densities, the net acreage of the site would yield a total of 45 units to accommodate 28 very low-, one (1) low-, and 16 moderate-income units (Tables C-10 and C-11). Based on recent developments, the City has determined 44 dwelling units per acre to be the most feasible density for development on this site and intends to achieve this density. The City's confidence in achieving 44 dwelling units per acre is supported by past projects, site size, and the City's ownership of the parcels.

The City's long-term lease agreement with the Carmel Foundation speaks to the City's track record for utilizing efficient processes for noticing and contract development under the Surplus Land Act. To ensure the Vista Lobos site is developed for residential use, the City has included Program 1.1.B to establish and monitor processes for utilization of city-owned parcels to develop housing in the eight-year planning cycle (see Chapter 2). Following approved development standards, the City will follow the requirements of the Surplus Lands Act to lease the land to facilitate the development of affordable residential units. With community input, the City will develop a project description and establish an RFP process to solicit developers. The City intends to target an Exclusive Negotiating Agreement by Fall 2025 and land use entitlements issuance by Winter 2026.

Potential height restrictions due to a protected viewshed to Point Lobos (see CMC 17.12.050) could limit achievable density and feasibility, though opportunities exist to cut into the slope at street grade.

The entitlement process for this site is similar to that of Sites #1 and #2. The City will partner with a non-profit affordable housing developer with a demonstrated track record of building affordable housing in California to enable the development of deed-restricted residential units over podium parking. This process includes the development of a project description, publication of an RFP within six months, selection of a development partner, two years to enter into an Exclusive Negotiation Agreement, two years for land use entitlements and development agreements, 6-12 months for building permit issuance, and 2-3 years for construction. Council approval is required for each step in this process. The City has included Program 1.1.B to establish and monitor the City's anticipated timeline and actions for entering into the SLA process.

Table C-10 Site #3 Description

Site Description		Site Image & Capacity Calculation
Address	West side of Torres between 3 rd and 4 th Ave. E side of Junipero between 3 rd and 4 th Ave.	
APN	010-104-001-000 010-104-004-000	
By-Right with 20% Affordable	No, not used in previous cycle.	
Size of Site	1.28 acres	
Zoning	R-4	
Allowable Density	Maximum 33 du/ac * (up to 44 du/ac with affordable)	
Applied RHNA Affordability	Very Low-Income: 28 units Low-income: 11 unit Moderate-Income: 17 units	
Existing Use	Non-vacant; parking lot	
Infrastructure Availability	Yes, no constraints.	Realistic Capacity utilizing factors = $(1.28 \times 44) (.90) (.95) (.95) = 45$ units 80% of maximum density (44 du/ac)
Environmental Constraints	None known	
Other Constraints	Potential height restrictions due to viewshed (CMC 17.12.050). Shape: None Access: None Title Conditions: None Historic Preservation: None Easement: None	

SOURCE: City of Carmel-by-the-Sea

Table C-11 Site #3 Capacity Assumptions

Site Description	Adjustment	Reasoning
Land use controls and site improvements	90%	For net acreage due to challenging site geometry, on-site improvements, and utility easement needs.
Realistic capacity of the site	95%	Based on market demand for medium-density housing types such as condominiums, apartments, townhomes, and current cost of construction. Potential height limitations due to Point Lobos viewshed.
Typical densities	95%	Future medium-density projects in Carmel-by-the-Sea are more likely to be built out close to maximum density due to lot sizes, limited developable sites, and very high demand for new units.
Infrastructure availability	No adjustment	Not applicable, no constraints
Environmental Constraints	No adjustment	No known site constraint

SOURCE: City of Carmel-by-the-Sea

Site #4: Bruno's Market Site

Site #4, Bruno's Market, includes two adjacent parcels totaling over 0.53 acres under the same ownership. Existing use on the site includes a parking lot that leads to low lot coverage. It also scores in the top tier for land-to-improvement ratio.


The site is zoned Residential and Limited Commercial (RC), which currently allows residential densities up to a maximum of 22 dwelling units per acre by-right, 33 dwelling units per acre with approval of a conditional use permit, 44 dwelling units per acre under Density Bonus law, and up to 88 dwelling units per acre if the project is 100 percent affordable. However, Program 3.1.G has been included in this housing element to establish a minimum of 33 dwelling units per acre for residential development (see [Chapter 2](#)). The intention is to yield a higher number of residential units, rather than enabling the development of larger units at a lower yield.

Developed at a minimum of 33 dwelling units per acre, the gross acreage of the site would allow a minimum of 17 units to accommodate five (5) moderate- and 12 above moderate-income units.

When factoring in adjustments for potential land use controls and site improvements, realistic capacity of the site, and typical densities, the net acreage of the site would yield a total of 14 units to accommodate six (6) moderate- and eight (8) above moderate-income units ([Tables C-12 and C-13](#)). Based on recent developments, such as Ulrika Plaza and Scandia Lopez/Hakim, both of which are located in the commercial district, the City has determined 33 dwelling units per acre to be the most feasible density for development on this site. The City intends to achieve a minimum density of 33 dwelling units per acre through a zoning code amendment, and therefore is utilizing the gross density to calculate anticipated units.

Future redevelopment would replace existing commercial parking in a covered parking structure. To address parking requirements, Program 3.1.E has been included in this housing element to reduce parking requirements for affordable housing developments and waive in-lieu fees for affordable units (see [Chapter 2](#)).

Table C-12 Site #4 Description

Site Description		Site Image & Capacity Calculation
Address	North side of 6 th Ave between Junipero Ave and Torres Street	
APN	010-095-013-000 010-095-012-000	
By-Right with 20% Affordable	No, not used in previous cycle.	
Size of Site	0.53 acre	
Zoning	RC	
Allowable Density	0-22 du/ac**	
Applied RHNA Affordability	Moderate-income: 5 units Above moderate-income: 12 units	
Existing Use	Non-vacant; parking lot	
Infrastructure Availability	Yes, no constraints.	Realistic Capacity utilizing factors = $(0.53 \times 33) (.90) (.95) (.95) = 14$ units 82% of minimum density
Environmental Constraints	None known	
Other Constraints	Shape: None Access: None Title Conditions: None Historic Preservation: None Easement: None	

SOURCE: City of Carmel-by-the-Sea

NOTE: ** Existing zoning code permits 0-22 du/ac in commercial zones (SC, RC, CC). Program 3.1.G establishes a minimum density of 33 du/ac for commercial zones. Assumptions for site development use programmatic zoning amendment of minimum 33 du/ac.

Table C-13 Site #4 Capacity Assumptions

Site Description	Adjustment	Reasoning
Land use controls and site improvements	90%	For net acreage due to challenging site geometry, on-site improvements, and utility easement needs.
Realistic capacity of the site	95%	Based on market demand for medium-density housing types such as condominiums, apartments, townhomes, and single-family and current cost of construction.
Typical densities	95%	Future medium-density projects in Carmel-by-the-Sea are more likely to be built out close to maximum density due to lot sizes, limited developable sites, and very high demand for new units.
Infrastructure availability	No adjustment	Not applicable, no constraints
Environmental Constraints	No adjustment	No known site constraint

SOURCE: City of Carmel-by-the-Sea

Site #5: First Church of Christ Scientist Parking Lot Site

Site #5, is a parking lot used by the First Church of Christ Scientist. It includes three separate parcels totaling 0.28 acres.


In 2020, the State of California passed AB 1851. This bill makes it easier for religious institutions to convert excess parking to affordable housing by prohibiting a local agency from requiring the replacement of religious-use parking spaces, if eliminated to develop affordable housing.

In 2021, the State of California passed SB 10. This bill allows local agencies to adopt an ordinance to allow up to 10 dwelling units on any parcel that meets height and location requirements. The ordinance would not be subject to CEQA. The City intends to enable SB 10 through rezoning of the parcel to allow a minimum density of 33 dwelling units per acre. Program 1.3.I establishes and monitors implementation of SB 10 for these sites (see [Chapter 2](#)).

Developed at a minimum of 33 dwelling units per acre, the gross acreage of the site would allow a minimum of nine (9) above moderate-income units. When factoring in adjustments for potential land use controls and site improvements, realistic capacity of the site, and typical densities, the net acreage of the site would yield a total of seven (7) above moderate-income units ([Tables C-14 and C-15](#)). Based on recent developments, the City has determined 33 dwelling units per acre to be the most feasible density for development on this site. The City intends to achieve a density of 33 dwelling units per acre, and therefore is utilizing the gross density to calculate anticipated units.

City staff met with representatives of the church in November 2022 and September 2023. They continue to express interest in consolidating their church campus and developing housing. Because the current owner is a mission-driven organization, it's possible they may subsidize affordable housing construction and management.

Table C-14 Site #5 Description

Site Description		Site Image & Capacity Calculation
Address	Lincoln 2 NW of 6 th Ave Lincoln 3 NW of 6 th Ave Lincoln 4 NW of 6 th Ave	
APN	010-212-027-000 010-212-004-000 010-212-026-000	
By-Right with 20% Affordable	No, not used in previous cycle.	
Size of Site	0.28 acre	
Zoning	R-1; to be rezoned to enable SB 10	
Allowable Density	2-11 du/ac**	
Applied RHNA Affordability	Above moderate-income: 9 units	
Existing Use	Non-vacant; parking lot	
Infrastructure Availability	Yes, no constraints.	Realistic Capacity utilizing factors = $(0.28 \times 33) (.90) (.95) (.95) = 7 \text{ units}$ 77% of minimum density
Environmental Constraints	None known	
Other Constraints	Shape: None Access: None Title Conditions: None Historic Preservation: None Easement: None	

SOURCE: City of Carmel-by-the-Sea

NOTES: ** Existing zoning code permits 2-11 du/ac in R-1 zone. Assumptions for site development use programmatic zoning amendment of 33 du/ac through SB 10 rezoning of parcel.

Table C-15 Site #5 Capacity Assumptions

Site Description	Adjustment	Reasoning
Land use controls and site improvements	90%	For net acreage due to challenging site geometry, on-site improvements, and utility easement needs.
Realistic capacity of the site	95%	Based on market demand for medium-density housing types such as condominiums, apartments, townhomes, and single-family and current cost of construction. Mission driven property owner interest in development.
Typical densities	95%	Future medium-density projects in Carmel-by-the-Sea are more likely to be built out close to maximum density due to lot sizes, limited developable sites, and very high demand for new units.
Infrastructure availability	No adjustment	Not applicable, no constraints
Environmental Constraints	No adjustment	No known site constraint

SOURCE: City of Carmel-by-the-Sea

Site #6: American Red Cross Site

Site #6, the American Red Cross, includes two adjacent parcels owned and used by the American Red Cross. Existing uses on the site include a vacant office space and a parking lot. Collectively the site is 0.18 acres. Because the site is owned by a nonprofit organization it does not have Assessor's values to calculate redevelopment metrics. However, site inspection confirms a low intensity use. The Carmel Foundation recently purchased this property. The Foundation currently manages 50 affordable senior housing units in the village.


Similar to Site #5, the City intends to enable SB 10 through rezoning of the parcel to allow a minimum density of 33 dwelling units per acre. This bill enables the development of up to 10 residential units on a parcel through a rezone, which is facilitated through the adoption of an ordinance. The ordinance would not be subject to CEQA. Program 1.3.I establishes and monitors implementation of SB 10 for these sites (see [Chapter 2](#)).

Developed at a minimum of 33 dwelling units per acre, the gross acreage of the site would allow a minimum of five (5) above moderate-income units. When factoring in adjustments for potential land use controls and site improvements, realistic capacity of the site, and typical densities, the net acreage of the site would yield a total of four (4) above moderate-income units ([Tables C-16 and C-17](#)). Based on recent developments, the City has determined 33 dwelling units per acre to be the most feasible density for development on this site. The City intends to achieve a density of 33 dwelling units per acre, and therefore is utilizing the gross density to calculate anticipated units.

The new property owner of the site, the Carmel Foundation, currently manages 50 affordable apartment units in the Village and has an established working relationship with the City. They currently have a long-term lease with the City to provide affordable residential units to senior citizens (55+). The Foundation is a member organization for seniors aged 55-years of age and older, which provides a myriad of services in addition to affordable apartment units. The Foundation has expressed interest in expanding the number of residential units it manages. While the site is less than 0.5 acres, the property owner has expressed interest in developing affordable senior housing, increasing the likelihood of developing affordable units.

Intentions for this site include possible redevelopment of the site to maximize development potential.

Table C-16 Site #6 Description

Site Description		Site Image & Capacity Calculation
Address	Southeast corner of Dolores Street and 8 th Ave	
APN	010-144-015-000 010-144-016-000	
By-Right with 20% Affordable	No, not used in previous cycle.	
Size of Site	0.18 acre	
Zoning	R-1; to be rezoned to enable SB 10	
Allowable Density	2-11 du/ac**	
Applied RHNA Affordability	Above moderate-income: 5 units	
Existing Use	Non-vacant; vacant office space and parking lot	<p>Realistic Capacity utilizing factors =</p> $(0.18 \times 33) (.90) (.95) (.95) = 4 \text{ units}$ <p>80% of minimum density</p>
Infrastructure Availability	Yes, no constraints.	
Environmental Constraints	None known	
Other Constraints	Shape: None Access: None Title Conditions: None Historic Preservation: None Easement: None	

SOURCE: City of Carmel-by-the-Sea

NOTES: ** Existing zoning code permits 2-11 du/ac in R-1 zone. Assumptions for site development use programmatic zoning amendment of 33 du/ac through SB 10 rezoning of parcel.

Table C-17 Site #6 Capacity Assumptions

Site Description	Adjustment	Reasoning
Land use controls and site improvements	90%	For net acreage due to challenging site geometry, on-site improvements, and utility easement needs.
Realistic capacity of the site	95%	Based on market demand for medium-density housing types such as condominiums, apartments, townhomes, and single-family and current cost of construction.
Typical densities	95%	Future medium-density projects in Carmel-by-the-Sea are more likely to be built out close to maximum density due to lot sizes, limited developable sites, and very high demand for new units.
Infrastructure availability	No adjustment	Not applicable, no constraints
Environmental Constraints	No adjustment	No known site constraint

SOURCE: City of Carmel-by-the-Sea

Site #7: Girl Boy Girl

Site #7, Girl Boy Girl, is a 0.18-acre mixed-use site, which currently accommodates a clothing boutique on the ground floor and two apartments on the second floor. Half of the site is comprised of a parking lot, which leads to low lot coverage and a land-to-improvement ratio above 1.5.

The site is zoned Service Commercial (SC), which currently allows residential densities up to a maximum of 22 dwelling units per acre by-right, 33 dwelling units per acre with approval of a conditional use permit, 44 dwelling units per acre under Density Bonus law, and up to 88 dwelling units per acre if the project is 100 percent affordable. However, Program 3.1.G has been included in this housing element to establish a minimum of 33 dwelling units per acre for residential development (see [Chapter 2](#)). The intention is to yield a higher number of residential units, rather than enabling the development of larger units at a lower yield.


Developed at a minimum of 33 dwelling units per acre, the gross acreage of the site would allow a minimum of five (5) above moderate-income units. When factoring in adjustments for potential land use controls and site improvements, realistic capacity of the site, and typical densities, the net acreage of the site would yield a total of four (4) units to accommodate four (4) above moderate-income units ([Tables C-18 and C-19](#)). Based on recent developments, such as Ulrika Plaza and Scandia Lopez/Hakim, both of which are located in the commercial district, the City has determined 33 dwelling units per acre to be the most feasible density for development on this site. The City intends to achieve a density of 33 dwelling units per acre through a zoning code amendment, and therefore is utilizing the gross density to calculate anticipated units.

Due to the size of the site, less than 0.5 acres, the assumed affordability will be limited to above moderate units. Based on the feasibility to construct high-end townhomes, condos, etc., the site is expected to develop despite its small size.

Generally, parcels that are less than 0.5 acres are considered inadequate to accommodate housing affordable to lower-income households unless there is developer or property owner interest in constructing affordable units. Without property owner interest in developing affordable housing on the site, it is unrealistic to assume otherwise. Should the property owner express interest in developing affordable units, the site will be reconsidered for feasibility in developing affordable units.

The property owner has indicated interest in developing housing to replace the underutilized parking lot and to retain the existing mixed-use brick building.

Table C-18 Site #7 Description

Site Description		Site Image & Capacity Calculation
Address	Southwest corner of Mission and 7 th Ave	
APN	010-142-001-000	
By-Right with 20% Affordable	No, not used in previous cycle.	
Size of Site	0.18 acre	
Zoning	SC	
Allowable Density	0-22 du/ac**	
Applied RHNA Affordability	Above Moderate-Income: 5 units	
Existing Use	Non-Vacant; commercial space and parking lot	<p>Realistic Capacity utilizing factors =</p> $(0.18 \times 33) (.90) (.95) (.95) = 4 \text{ units}$ <p>80% of minimum density</p>
Infrastructure Availability	Yes, no constraints.	
Environmental Constraints	None known	
Other Constraints	Shape: None Access: None Title Conditions: None Historic Preservation: None Easement: None	

SOURCE: City of Carmel-by-the-Sea

NOTES: ** Existing zoning code permits 0-22 du/ac in commercial zones (SC, RC, CC). Program 3.1.G establishes a minimum density of 33 du/ac for commercial zones. Assumptions for site development use programmatic zoning amendment of minimum 33 du/ac.

Table C-19 Site #7 Capacity Assumptions

Site Description	Adjustment	Reasoning
Land use controls and site improvements	90%	For net acreage due to challenging site geometry, on-site improvements, and utility easement needs.
Realistic capacity of the site	95%	Based on market demand for medium-density housing types such as condominiums, apartments, townhomes, and single-family and current cost of construction.
Typical densities	95%	Future medium-density projects in Carmel-by-the-Sea are more likely to be built out close to maximum density due to lot sizes, limited developable sites, and very high demand for new units.
Infrastructure availability	No adjustment	Not applicable, no constraints
Environmental Constraints	No adjustment	No known site constraint

SOURCE: City of Carmel-by-the-Sea

Site #8: Carmel Foundation Site

Site #8, the Carmel Foundation, is the primary provider of affordable housing in Carmel-by-the-Sea. Their administrative offices/campus headquarters include four parcels totaling 0.64 acres. Existing uses on the site include office spaces and a parking lot. The site is currently zoned A-3, Senior Citizen Facility District, which permits senior housing.


This site does not score high on land-to-improvement ratio but scores in the top tier of value per-square-foot. This site is being considered as a candidate because the Carmel Foundation is a mission-driven organization, and interviews with leadership indicate that if they can accommodate their administrative functions and programming off-site, they would consider redeveloping their property for affordable housing. A letter of interest in developing affordable residential units is presented on the following page.

Recently, the Foundation has experienced a change in leadership, which may result in an increased focus on developing new affordable housing to meet the community's need. The Carmel Foundation currently manages a total of 50 affordable senior housing units in the Village including Norton Court, Trevett Court and Haseltine Court. Norton Court is operated on City-owned land through a long-term lease. The Foundation has a proven track record for developing affordable housing at densities higher than typical developments. For example, during the 5th cycle, the Foundation developed Trevett Court in the RC District on 0.18 acres at 76 dwelling units per acre to accommodate 14 affordable residential units.

Developed at a minimum of 33 dwelling units per acre, the gross acreage of the site would allow a minimum of 21 units to accommodate 11 very low- and 10 low-income units. When factoring in adjustments for potential land use controls and site improvements, realistic capacity of the site, and typical densities, the net acreage of the site would yield a total of 17 units to accommodate 11 very low- and six (6) low-income units (Tables C-20 and C-21). Based on recent developments and the Carmel Foundation's track record for developing at high densities, the City has determined 33 dwelling units per acre to be the most feasible minimum density for development on this site. The City intends to achieve a density of at least 33 dwelling units per acre through a zoning code amendment, and therefore is utilizing the gross density to calculate anticipated units.

To determine the site's potential for redevelopment, the existing structures underwent a historic evaluation to determine potential historical value/designation. However, the evaluation found the structures were not historic, increasing the likelihood for redevelopment to accommodate affordable residential units. While the Foundation has not indicated a timeline for redevelopment of the site, the City has a long-standing relationship with the Foundation, and is committed to meeting annually with the Foundation to identify funding sources to support redevelopment and to provide guidance on the types of residential development that is needed to meet the housing needs of the community. As a proactive measure, the City has developed Program 1.2.C, which outlines actions the City will take at mid-cycle if the identified residential units to meet the RHNA for this site are not likely to develop in partnership with the Foundation (see Chapter 2).

Table C-20 Site #8 Description

Site Description		Site Image & Capacity Calculation
Address	Northeast corner of Lincoln and 8 th Ave	
APN	010-149-001-000 010-149-010-000 010-149-011-000 010-149-012-000	
By-Right with 20% Affordable	No, not used in previous cycle.	
Size of Site	0.64 acre	
Zoning	A-3	
Allowable Density	Minimum 33 du/ac	
Applied RHNA Affordability	Very Low-Income: 11 units Low-Income: 10 units	
Existing Use	Non-Vacant	
Infrastructure Availability	Yes, no constraints.	Realistic Capacity utilizing factors = $(0.64 \times 33) (.90) (.95) (.95) = 17 \text{ units}$ 80% of minimum density
Environmental Constraints	None known	
Other Constraints	Shape: None Access: None Title Conditions: None Historic Preservation: None Easement: None	

SOURCE: City of Carmel-by-the-Sea

Table C-21 Site #8 Capacity Assumptions

Site Description	Adjustment	Reasoning
Land use controls and site improvements	90%	For net acreage due to challenging site geometry, on-site improvements, and utility easement needs.
Realistic capacity of the site	95%	Based on market demand for medium-density housing types such as condominiums, apartments, townhomes, and single-family and current cost of construction.
Typical densities	95%	Future medium-density projects in Carmel-by-the-Sea are more likely to be built out close to maximum density due to lot sizes, limited developable sites, and very high demand for new units.
Infrastructure availability	No adjustment	Not applicable, no constraints
Environmental Constraints	No adjustment	No known site constraint

SOURCE: City of Carmel-by-the-Sea

Site #9: American Legion Site


Site #9, the American Legion, is approximately 0.18 acres located immediately south of and adjacent to the Red Cross Site (Site #6). Existing uses on the site include office space and a meeting hall.

Similar to Sites #5 and #6, the City intends to enable SB 10 through rezoning of the parcel to allow a minimum density of 33 dwelling units per acre. This bill enables the development of up to 10 residential units on a parcel through a rezone, which is facilitated through the adoption of a zoning ordinance. The ordinance would not be subject to CEQA. Program 1.3.I establishes and monitors implementation of SB 10 for these sites (see [Chapter 2](#)).

Developed at a minimum of 33 dwelling units per acre, the gross acreage of the site would allow a minimum of five (5) above moderate-income units. When factoring in adjustments for potential land use controls and site improvements, realistic capacity of the site, and typical densities, the net acreage of the site would yield a total of four (4) above moderate-income units [Tables C-22 and C-23](#)). Based on recent developments, such as the Scandia Lopez/Hakim project, the City has determined 33 dwelling units per acre to be the most feasible density for development on this site. The City intends to achieve a density of 33 dwelling units per acre through a zoning code amendment, and therefore is utilizing the gross density to calculate anticipated units.

City staff have identified this site because it is underutilized and owned by a quasi-public organization. City staff met with representatives of the American Legion in July 2022, April 2023, and August 2023 to discuss potential development. Representatives of the American Legion continue to express interest in affordable veteran housing and possibly partnering with the Carmel Foundation. While the site is less than 0.5 acres, the property owner has expressed interest in developing affordable housing for veterans, increasing the likelihood of developing affordable units.

Table C-22 Site #9 Description

Site Description		Site Image & Capacity Calculation
Address	Dolores Street 2 SE of 8 th Ave	
APN	010-144-014-000	
By-Right with 20% Affordable	No, not used in previous cycle.	
Size of Site	0.18 acre	
Zoning	R-1; to be rezoned to enable SB 10	
Allowable Density	2-11 du/ac**	
Applied RHNA Affordability	Above moderate-income: 5 units	
Existing Use	Non-Vacant; office space and meeting hall	
Infrastructure Availability	Yes, no constraints.	Realistic Capacity utilizing factors = $(0.18 \times 33) (.90) (.95) (.95) = 4 \text{ units}$ 80% of minimum density
Environmental Constraints	None known	
Other Constraints	Shape: None Access: None Title Conditions: None Historic Preservation: None Easement: None	

SOURCE: City of Carmel-by-the-Sea

NOTES: ** Existing zoning code permits 2-11 du/ac in R-1 zone. Assumptions for site development use programmatic zoning amendment of 33 du/ac through SB 10 rezoning of parcel.

Table C-23 Site #9 Capacity Assumptions

Site Description	Adjustment	Reasoning
Land use controls and site improvements	90%	For net acreage due to challenging site geometry, on-site improvements, and utility easement needs.
Realistic capacity of the site	95%	Based on market demand for medium-density housing types such as condominiums, apartments, townhomes, and single-family and current cost of construction. SB 10.
Typical densities	95%	Future medium-density projects in Carmel-by-the-Sea are more likely to be built out close to maximum density due to lot sizes, limited developable sites, and very high demand for new units.
Infrastructure availability	No adjustment	Not applicable, no constraints
Environmental Constraints	No adjustment	No known site constraint

SOURCE: City of Carmel-by-the-Sea

Site #10: AT&T Building

Site #10, the AT&T Building, is approximately 0.35 acres and consists of a single building. The existing owner is AT&T, and the use is unknown.

The site is zoned Residential and Limited Commercial (RC), which currently allows residential densities up to a maximum of 22 dwelling units per acre by-right, 33 dwelling units per acre with approval of a conditional use permit, 44 dwelling units per acre under Density Bonus law, and up to 88 dwelling units per acre if the project is 100 percent affordable. However, Program 3.1.G has been included in this housing element to establish a minimum of 33 dwelling units per acre for residential development (see [Chapter 2](#)). The intention is to yield a higher number of residential units, rather than enabling the development of larger units at a lower yield.


Developed at a minimum of 33 dwelling units per acre, the gross acreage of the site would allow a minimum of 11 above moderate-income units. When factoring in adjustments for potential land use controls and site improvements, realistic capacity of the site, and typical densities, the net acreage of the site would yield a total of nine (9) above moderate-income units ([Tables C-24 and C-25](#)). Based on recent developments, such as Ulrika Plaza and Scandia Lopez/Hakim, both of which are located in the commercial district, the City has determined 33 dwelling units per acre including adjustments, to be the most feasible density for development on this site. The City intends to achieve a density of 33 dwelling units per acre through a zoning code amendment, and therefore is utilizing the gross density to calculate anticipated units.

Due to the size of the site, less than 0.5 acres, the assumed affordability will be limited to above moderate units. Based on the feasibility to construct high-end townhomes, condos, etc., the site is expected to develop despite its small size.

Generally, parcels that are less than 0.5 acres are considered inadequate to accommodate housing affordable to lower-income households unless there is developer or property owner interest in constructing affordable units. Without property owner interest in developing affordable housing on the site, it is unrealistic to assume otherwise. Should the property owner express interest in developing affordable units, the site will be reconsidered for feasibility in developing affordable units.

To maximize potential, the site would undergo full redevelopment to accommodate new housing units.

Table C-24 Site #10 Description

Site Description		Site Image & Capacity Calculation
Address	Southwest corner of Junipero and 7 th Ave	
APN	010-087-012-000	
By-Right with 20% Affordable	No, not used in previous cycle.	
Size of Site	0.35 acre	
Zoning	RC	
Allowable Density	0-22 du/ac**	
Applied RHNA Affordability	Above Moderate-Income: 11 units	
Existing Use	Non-Vacant	
Infrastructure Availability	Yes, no constraints.	Realistic Capacity utilizing factors = $(0.35 \times 33) (.90) (.95) (.95) = 9 \text{ units}$ 81% of minimum density
Environmental Constraints	None known	
Other Constraints	Shape: None Access: None Title Conditions: None Historic Preservation: None Easement: None	

SOURCE: City of Carmel-by-the-Sea

NOTES: ** Existing zoning code permits 0-22 du/ac in commercial zones (SC, RC, CC). Program 3.1.G establishes a minimum density of 33 du/ac for commercial zones. Assumptions for site development use programmatic zoning amendment of minimum 33 du/ac.

Table C-25 Site #10 Capacity Assumptions

Site Description	Adjustment	Reasoning
Land use controls and site improvements	90%	For net acreage due to challenging site geometry, on-site improvements, and utility easement needs.
Realistic capacity of the site	95%	Based on market demand for medium-density housing types such as condominiums, apartments, townhomes, and single-family and current cost of construction.
Typical densities	95%	Future medium-density projects in Carmel-by-the-Sea are more likely to be built out close to maximum density due to lot sizes, limited developable sites, and very high demand for new units.
Infrastructure availability	No adjustment	Not applicable, no constraints
Environmental Constraints	No adjustment	No known site constraint

SOURCE: City of Carmel-by-the-Sea

Site #11: Forest Cottages Specific Plan


Site #11, Forest Cottages, is approximately 0.30 acres and is located within a Specific Plan area. The Forest Cottages Specific Plan was adopted by the City Council in 2006 and amended in 2008. Existing use on the site includes a hotel/motel.

The Specific Plan allows a total of six (6) units to accommodate four (4) single-family residential units, and contains an affordable housing requirement of two (2) multi-family residential units permanently dedicated and used to provide housing for low-income or very low-income households as defined by State statutes. The Specific Plan requires that a deed restriction be recorded establishing this requirement prior to issuance of the first building permit within the Specific Plan.

Developed at 20 dwelling units per acre, the site would allow a total of six (6) units to accommodate two (2) low-income units and four (4) above-moderate income units (Table C-26). This density calculation does not account for adjustments since the site is part of a Specific Plan, which has approved densities, anticipated unit counts according to income category, and existing site improvements.

Generally, parcels that are less than 0.5 acres are considered inadequate to accommodate housing affordable to lower-income households unless there is developer or property owner interest in constructing affordable units. The Specific Plan affordable housing requirement discussed above, satisfies the “interest” intention to develop affordable housing on the site.

Table C-26 Site #11 Description

Site Description		Site Image & Capacity Calculation
Address	Northeast corner of Ocean and Mountain View	
APN	010-085-004-000 010-085-005-000 010-085-003-000	
By-Right with 20% Affordable	No, not used in previous cycle.	
Size of Site	0.30 acre	
Zoning	R-1	
Allowable Density	20 du/ac	
RHNA Affordability	Low-Income: 2 units Above Moderate-Income: 4 units	
Existing Use	Non-vacant; hotel/motel	
Infrastructure Availability	Yes, no constraints.	
Environmental Constraints	None known	
Other Constraints	Shape: None Access: None Title Conditions: None Historic Preservation: None Easement: None	

SOURCE: City of Carmel-by-the-Sea

Site #12: Court of the Fountains

Site #12, Court of the Fountains, is approximately 0.37 acres. The existing uses include multi-tenant retail shops and a restaurant across multiple single-story commercial buildings. The site was included in the 5th Cycle inventory.

The site is zoned Central Commercial (CC), which currently allows residential densities up to a maximum of 22 dwelling units per acre by-right, 33 dwelling units per acre with approval of a conditional use permit, 44 dwelling units per acre under Density Bonus law, and up to 88 dwelling units per acre if the project is 100 percent affordable. However, Program 3.1.G has been included in this housing element to establish a minimum of 33 dwelling units per acre for residential development (see [Chapter 2](#)). The intention is to yield a higher number of residential units, rather than enabling the development of larger units at a lower yield.

Developed at a minimum of 33 dwelling units per acre, the gross acreage of the site would allow a minimum of 12 above moderate-income units. When factoring in adjustments for potential land use controls and site improvements, realistic capacity of the site, and typical densities, the net acreage of


the site would yield a total of nine (9) above moderate-income units (Tables C-27 and C-28). Based on recent developments, such as Ulrika Plaza and Scandia Lopez/Hakim, both of which are located in the commercial district, the City has determined 33 dwelling units per acre including adjustments, to be the most feasible density for development on this site. The City intends to achieve a density of 33 dwelling units per acre through a zoning code amendment, and therefore is utilizing the gross density to calculate anticipated units.

Due to the size of the site, less than 0.5 acres, the assumed affordability will be limited to above moderate units. Based on the feasibility to construct high-end townhomes, condos, etc., the site is expected to develop despite its small size.

Generally, parcels that are less than 0.5 acres are considered inadequate to accommodate housing affordable to lower-income households unless there is developer or property owner interest in constructing affordable units. Without property owner interest in developing affordable housing on the site, it is unrealistic to assume otherwise. Should the property owner express interest in developing affordable units, the site will be reconsidered for feasibility in developing affordable units.

The property owner has expressed interest to add second-story residential uses to the site.

Table C-27 Site #12 Description

Site Description		Site Image & Capacity Calculation
Address	Northwest corner of Mission Street and 7 th Ave	
APN	010-141-003-000	
By-Right with 20% Affordable	No, used in 4 th and 5 th cycles, but nonvacant and market rate.	
Size of Site	0.37 acre	
Zoning	CC	
Allowable Density	0-22 du/ac**	
Applied RHNA Affordability	Above Moderate-Income: 12 units	
Existing Use	Non-vacant	
Infrastructure Availability	Yes, no constraints.	
Environmental Constraints	None known	
Other Constraints	Shape: None Access: None Title Conditions: None Historic Preservation: None Easement: None	

SOURCE: City of Carmel-by-the-Sea

NOTES: ** Existing zoning code permits 0-22 du/ac in commercial zones (SC, RC, CC). Program 3.1.G establishes a minimum density of 33 du/ac for commercial zones. Assumptions for site development use programmatic zoning amendment of minimum 33 du/ac.

Table C-28 Site #12 Capacity Assumptions

Site Description	Adjustment	Reasoning
Land use controls and site improvements	90%	For net acreage due to challenging site geometry, on-site improvements, and utility easement needs.
Realistic capacity of the site	95%	Based on market demand for medium-density housing types such as condominiums, apartments, townhomes, and single-family and current cost of construction.
Typical densities	95%	Future medium-density projects in Carmel-by-the-Sea are more likely to be built out close to maximum density due to lot sizes, limited developable sites, and very high demand for new units.
Infrastructure availability	No adjustment	Not applicable, no constraints
Environmental Constraints	No adjustment	No known site constraint

SOURCE: City of Carmel-by-the-Sea

Site #13: First American Title Site

Site #13, First American Title, is a small site comprised of approximately 0.07 acres, currently underdeveloped with a small commercial building.

The site is zoned Service Commercial (SC), which currently allows residential densities up to a maximum of 22 dwelling units per acre by-right, 33 dwelling units per acre with approval of a conditional use permit, 44 dwelling units per acre under Density Bonus law, and up to 88 dwelling units per acre if the project is 100 percent affordable. However, Program 3.1.G has been included in this housing element to establish a minimum of 33 dwelling units per acre for residential development (see [Chapter 2](#)). The intention is to yield a higher number of residential units, rather than enabling the development of larger units at a lower yield.

Developed at a minimum of 33 dwelling units per acre, the gross acreage of the site would allow a minimum of two (2) above moderate-income units. When factoring in adjustments for potential land use controls and site improvements, realistic capacity of the site, and typical densities, the net acreage of the site would yield a total of one (1) above moderate-income units ([Tables C-29 and C-30](#)). Based on recent developments, such as Ulrika Plaza and Scandia Lopez/Hakim, both of which are located in the commercial district, the City has determined 33 dwelling units per acre including adjustments, to be the most feasible density for development on this site. The City intends to achieve a density of 33 dwelling units per acre through a zoning code amendment, and therefore is utilizing the gross density to calculate anticipated units.

Due to the size of the site, less than 0.5 acres, the assumed affordability will be limited to above moderate units. Based on the feasibility to construct high-end townhomes, condos, single-family, etc., the site is expected to develop despite its small size.

Generally, parcels that are less than 0.5 acres are considered inadequate to accommodate housing affordable to lower-income households unless there is developer or property owner interest in constructing affordable units. Without property owner interest in developing affordable housing on the site, it is unrealistic to assume otherwise. Should the property owner express interest in developing affordable units, the site will be reconsidered for feasibility in developing affordable units.

Intentions for the site include a second flood addition to accommodate residential uses.

Table C-29 Site #13 Description

Site Description		Site Image & Capacity Calculation
Address	7 th Ave 2 Southwest of Mission Street	
APN	010-142-013-000	
By-Right with 20% Affordable	No, used in 4 th and 5 th cycles, but nonvacant.	
Size of Site	0.07 acre	
Zoning	SC	
Allowable Density	0-22 du/ac**	
Applied RHNA Affordability	Above Moderate-Income: 2 units	
Existing Use	Non-vacant	
Infrastructure Availability	Yes, no constraints.	
Environmental Constraints	None known	
Other Constraints	Shape: None Access: None Title Conditions: None Historic Preservation: None Easement: None	

SOURCE: City of Carmel-by-the-Sea

NOTES: ** Existing zoning code permits 0-22 du/ac in commercial zones (SC, RC, CC). Program 3.1.G establishes a minimum density of 33 du/ac for commercial zones. Assumptions for site development use programmatic zoning amendment of minimum 33 du/ac.

Table C-30 Site #13 Capacity Assumptions

Site Description	Adjustment	Reasoning
Land use controls and site improvements	90%	For net acreage due to challenging site geometry, on-site improvements, and utility easement needs.
Realistic capacity of the site	95%	Based on market demand for medium-density housing types such as condominiums, apartments, townhomes, and single-family and current cost of construction.
Typical densities	95%	Future medium-density projects in Carmel-by-the-Sea are more likely to be built out close to maximum density due to lot sizes, limited developable sites, and very high demand for new units.
Infrastructure availability	No adjustment	Not applicable, no constraints
Environmental Constraints	No adjustment	No known site constraint

SOURCE: City of Carmel-by-the-Sea

Site #14: NE Corner Monte Verde & 7th Site

Site #14 is a small site comprised of approximately 0.07 acres. The property is currently significantly underdeveloped. Existing use on the site includes a building currently used as office space. The site is in a transition zone from the Residential & Limited Commercial (RC) District to Single-Family Residential (R-1) District with a hotel to the north (that was originally constructed as apartments), an apartment complex to the south, and a duplex to the west.

The site is zoned Residential and Limited Commercial (RC), which currently allows residential densities up to a maximum of 22 dwelling units per acre by-right, 33 dwelling units per acre with approval of a conditional use permit, 44 dwelling units per acre under Density Bonus law, and up to 88 dwelling units per acre if the project is 100 percent affordable. However, Program 3.1.G has been included in this housing element to establish a minimum of 33 dwelling units per acre for residential development (see [Chapter 2](#)). The intention is to yield a higher number of residential units, rather than enabling the development of larger units at a lower yield.


Developed at a minimum of 33 dwelling units per acre, the gross acreage of the site would allow a minimum of two (2) above moderate-income units. When factoring in adjustments for potential land use controls and site improvements, realistic capacity of the site, and typical densities, the net acreage of the site would yield a total of one (1) above moderate-income units ([Tables C-31 and C-32](#)). Based on recent developments, such as Ulrika Plaza and Scandia Lopez/Hakim, both of which are located in the commercial district, the City has determined 33 dwelling units per acre including adjustments, to be the most feasible density for development on this site. The City intends to achieve a density of 33 dwelling units per acre through a zoning code amendment, and therefore is utilizing the gross density to calculate anticipated units.

Due to the size of the site, less than 0.5 acres, the assumed affordability will be limited to above moderate units. Based on the feasibility to construct high-end townhomes, condos, single-family, etc., the site is expected to develop despite its small size.

Generally, parcels that are less than 0.5 acres are considered inadequate to accommodate housing affordable to lower-income households unless there is developer or property owner interest in constructing affordable units. Without property owner interest in developing affordable housing on the site, it is unrealistic to assume otherwise. Should the property owner express interest in developing affordable units, the site will be reconsidered for feasibility in developing affordable units.

Intentions for the site may include full redevelopment or a second flood addition to accommodate residential uses.

Table C-31 Site #14 Description

Site Description		Site Image & Capacity Calculation
Address	Northeast corner of Monte Verde Street and 7 th Ave	
APN	010-191-004-000	
By-Right with 20% Affordable	No, used in 4 th and 5 th cycles, but nonvacant.	
Size of Site	0.07 acre	
Zoning	RC	
Allowable Density	0-22 du/ac**	
Applied RHNA Affordability	Above Moderate-Income: 2 units	
Existing Use	Non-vacant; office space	
Infrastructure Availability	Yes, no constraints.	Realistic Capacity utilizing factors = $(0.07 \times 33) (.90) (.95) (.95) = 1 \text{ unit}$ 50% of minimum density
Environmental Constraints	None known	
Other Constraints	Shape: None Access: None Title Conditions: None Historic Preservation: None Easement: None	

SOURCE: City of Carmel-by-the-Sea

NOTES: ** Existing zoning code permits 0-22 du/ac in commercial zones (SC, RC, CC). Program 3.1.G establishes a minimum density of 33 du/ac for commercial zones. Assumptions for site development use programmatic zoning amendment of minimum 33 du/ac.

Table C-32 Site #14 Capacity Assumptions

Site Description	Adjustment	Reasoning
Land use controls and site improvements	90%	For net acreage due to challenging site geometry, on-site improvements, and utility easement needs.
Realistic capacity of the site	95%	Based on market demand for medium-density housing types such as condominiums, apartments, townhomes, and single-family and current cost of construction.
Typical densities	95%	Future medium-density projects in Carmel-by-the-Sea are more likely to be built out close to maximum density due to lot sizes, limited developable sites, and very high demand for new units.
Infrastructure availability	No adjustment	Not applicable, no constraints
Environmental Constraints	No adjustment	No known site constraint

SOURCE: City of Carmel-by-the-Sea

Site #15: Yafa Building Site

Site #15, Yafa Building, is a corner lot site totaling 0.18 acres. The existing use is a parking lot and single-story commercial building.

The site is zoned Service Commercial (SC), which currently allows residential densities up to a maximum of 22 dwelling units per acre by-right, 33 dwelling units per acre with approval of a conditional use permit, 44 dwelling units per acre under Density Bonus law, and up to 88 dwelling units per acre if the project is 100 percent affordable. However, Program 3.1.G has been included in this housing element to establish a minimum of 33 dwelling units per acre for residential development (see [Chapter 2](#)). The intention is to yield a higher number of residential units, rather than enabling the development of larger units at a lower yield.


Developed at a minimum of 33 dwelling units per acre, the gross acreage of the site would allow a minimum of five (5) above moderate-income units. When factoring in adjustments for potential land use controls and site improvements, realistic capacity of the site, and typical densities, the net acreage of the site would yield a total of four (4) above moderate-income units ([Tables C-33 and C-34](#)). Based on recent developments, such as Ulrika Plaza and Scandia Lopez/Hakim, both of which are located in the commercial district, the City has determined 33 dwelling units per acre including adjustments, to be the most feasible density for development on this site. The City intends to achieve a density of 33 dwelling units per acre through a zoning code amendment, and therefore is utilizing the gross density to calculate anticipated units.

Due to the size of the site, less than 0.5 acres, the assumed affordability will be limited to above moderate units. Based on the feasibility to construct high-end townhomes, condos, single-family, etc., the site is expected to develop despite its small size.

Generally, parcels that are less than 0.5 acres are considered inadequate to accommodate housing affordable to lower-income households unless there is developer or property owner interest in constructing affordable units. Without property owner interest in developing affordable housing on the site, it is unrealistic to assume otherwise. Should the property owner express interest in developing affordable units, the site will be reconsidered for feasibility in developing affordable units.

Intentions for the site may include full redevelopment or a second flood addition to accommodate residential uses.

Table C-33 Site #15 Description

Site Description		Site Image & Capacity Calculation
Address	Northwest corner of Junipero and 5 th Ave	
APN	010-097-007-000	
By-Right with 20% Affordable	No, used in 4 th and 5 th cycles, but nonvacant.	
Size of Site	0.18 acre	
Zoning	SC	
Allowable Density	0-22 du/ac**	
Applied RHNA Affordability	Above Moderate-Income: 5 units	
Existing Use	Non-vacant; commercial space and parking lot	
Infrastructure Availability	Yes, no constraints.	Realistic Capacity utilizing factors = $(0.18 \times 33) (.90) (.95) (.95) = 4 \text{ units}$ 80% of minimum density
Environmental Constraints	None known	
Other Constraints	Shape: None Access: None Title Conditions: None Historic Preservation: None Easement: None	

SOURCE: City of Carmel-by-the-Sea

NOTES: ** Existing zoning code permits 0-22 du/ac in commercial zones (SC, RC, CC). Program 3.1.G establishes a minimum density of 33 du/ac for commercial zones. Assumptions for site development use programmatic zoning amendment of minimum 33 du/ac.

Table C-34 Site #15 Capacity Assumptions

Site Description	Adjustment	Reasoning
Land use controls and site improvements	90%	For net acreage due to challenging site geometry, on-site improvements, and utility easement needs.
Realistic capacity of the site	95%	Based on market demand for medium-density housing types such as condominiums, apartments, townhomes, and single-family and current cost of construction.
Typical densities	95%	Future medium-density projects in Carmel-by-the-Sea are more likely to be built out close to maximum density due to lot sizes, limited developable sites, and very high demand for new units.
Infrastructure availability	No adjustment	Not applicable, no constraints
Environmental Constraints	No adjustment	No known site constraint

SOURCE: City of Carmel-by-the-Sea

Site #16: Three Garages Site

Site #16, includes three attached garages equaling 0.11 acres. Neighboring structures are multi-story.

The site is zoned Service Commercial (SC), which currently allows residential densities up to a maximum of 22 dwelling units per acre by-right, 33 dwelling units per acre with approval of a conditional use permit, 44 dwelling units per acre under Density Bonus law, and up to 88 dwelling units per acre if the project is 100 percent affordable. However, Program 3.1.G has been included in this housing element to establish a minimum of 33 dwelling units per acre for residential development (see [Chapter 2](#)). The intention is to yield a higher number of residential units, rather than enabling the development of larger units at a lower yield.


Developed at a minimum of 33 dwelling units per acre, the gross acreage of the site would allow a minimum of three (3) above moderate units. When factoring in adjustments for potential land use controls and site improvements, realistic capacity of the site, and typical densities, the net acreage of the site would yield a total of two (2) above moderate-income units ([Tables C-35 and C-36](#)). Based on recent developments, such as Ulrika Plaza and Scandia Lopez/Hakim, both of which are located in the commercial district, the City has determined 33 dwelling units per acre including adjustments, to be the most feasible density for development on this site. The City intends to achieve a density of 33 dwelling units per acre through a zoning code amendment, and therefore is utilizing the gross density to calculate anticipated units.

Due to the size of the site, less than 0.5 acres, the assumed affordability will be limited to above moderate units. Based on the feasibility to construct high-end townhomes, condos, single-family, etc., the site is expected to develop despite its small size.

Generally, parcels that are less than 0.5 acres are considered inadequate to accommodate housing affordable to lower-income households unless there is developer or property owner interest in constructing affordable units. Without property owner interest in developing affordable housing on the site, it is unrealistic to assume otherwise. Should the property owner express interest in developing affordable units, the site will be reconsidered for feasibility in developing affordable units.

Intentions for the site include full redevelopment to accommodate residential uses.

Table C-35 Site #16 Description

Site Description		Site Image & Capacity Calculation
Address	Southwest of Junipero between 5 th and 6 th Ave	
APN	010-098-004-000	
By-Right with 20% Affordable	No, used in 4 th and 5 th cycles, but nonvacant.	
Size of Site	0.11 acre	
Zoning	SC	
Allowable Density	0-22 du/ac**	
Applied RHNA Affordability	Above Moderate-Income: 3 units	
Existing Use	Non-vacant; attached garages	
Infrastructure Availability	Yes, no constraints.	
Environmental Constraints	None known	
Other Constraints	Shape: None Access: None Title Conditions: None Historic Preservation: None Easement: None	

SOURCE: City of Carmel-by-the-Sea

NOTES: ** Existing zoning code permits 0-22 du/ac in commercial zones (SC, RC, CC). Program 3.1.G establishes a minimum density of 33 du/ac for commercial zones. Assumptions for site development use programmatic zoning amendment of minimum 33 du/ac.

Table C-36 Site #16 Capacity Assumptions

Site Description	Adjustment	Reasoning
Land use controls and site improvements	90%	For net acreage due to challenging site geometry, on-site improvements, and utility easement needs.
Realistic capacity of the site	95%	Based on market demand for medium-density housing types such as condominiums, apartments, townhomes, and single-family and current cost of construction.
Typical densities	95%	Future medium-density projects in Carmel-by-the-Sea are more likely to be built out close to maximum density due to lot sizes, limited developable sites, and very high demand for new units.
Infrastructure availability	No adjustment	Not applicable, no constraints
Environmental Constraints	No adjustment	No known site constraint

SOURCE: City of Carmel-by-the-Sea

Site #17: Carmel Realty Office Site

Site #17, Carmel Realty Office, is a 0.19-acre corner-lot parcel that is currently owned and used for office space by Carmel Realty. It is a single-story structure with low lot coverage and is surrounded by two-story structures to the north and east.

The site is zoned Residential and Limited Commercial (RC), which currently allows residential densities up to a maximum of 22 dwelling units per acre by-right, 33 dwelling units per acre with approval of a conditional use permit, 44 dwelling units per acre under Density Bonus law, and up to 88 dwelling units per acre if the project is 100 percent affordable. However, Program 3.1.G has been included in this housing element to establish a minimum of 33 dwelling units per acre for residential development (see [Chapter 2](#)). The intention is to yield a higher number of residential units, rather than enabling the development of larger units at a lower yield.


Developed at a minimum of 33 dwelling units per acre, the gross acreage of the site would allow a minimum of six (6) above moderate-income units. When factoring in adjustments for potential land use controls and site improvements, realistic capacity of the site, and typical densities, the net acreage of the site would yield a total of five (5) above moderate-income units ([Tables C-37 and C-38](#)). Based on recent developments, such as Ulrika Plaza and Scandia Lopez/Hakim, both of which are located in the commercial district, the City has determined 33 dwelling units per acre including adjustments, to be the most feasible density for development on this site. The City intends to achieve a density of 33 dwelling units per acre through a zoning code amendment, and therefore is utilizing the gross density to calculate anticipated units.

Due to the size of the site, less than 0.5 acres, the assumed affordability will be limited to above moderate units. Based on the feasibility to construct high-end townhomes, condos, single-family, etc., the site is expected to develop despite its small size.

Generally, parcels that are less than 0.5 acres are considered inadequate to accommodate housing affordable to lower-income households unless there is developer or property owner interest in constructing affordable units. Without property owner interest in developing affordable housing on the site, it is unrealistic to assume otherwise. Should the property owner express interest in developing affordable units, the site will be reconsidered for feasibility in developing affordable units.

Intentions for the site include full redevelopment to accommodate residential uses.

Table C-37 Site #17 Description

Site Description		Site Image & Capacity Calculation
Address	Northeast corner of Dolores Street and 8 th Ave	
APN	010-145-008-000	
By-Right with 20% Affordable	No, used in 4 th and 5 th cycles, but nonvacant.	
Size of Site	0.19 acre	
Zoning	RC	
Allowable Density	0-22 du/ac**	
Applied RHNA Affordability	Above Moderate-Income: 6 units	
Existing Use	Non-vacant; office space	
Infrastructure Availability	Yes, no constraints.	
Environmental Constraints	None known	
Other Constraints	Shape: None Access: None Title Conditions: None Historic Preservation: None Easement: None	

SOURCE: City of Carmel-by-the-Sea

NOTES: ** Existing zoning code permits 0-22 du/ac in commercial zones (SC, RC, CC). Program 3.1.G establishes a minimum density of 33 du/ac for commercial zones. Assumptions for site development use programmatic zoning amendment of minimum 33 du/ac.

Table C-38 Site #17 Capacity Assumptions

Site Description	Adjustment	Reasoning
Land use controls and site improvements	90%	For net acreage due to challenging site geometry, on-site improvements, and utility easement needs.
Realistic capacity of the site	95%	Based on market demand for medium-density housing types such as condominiums, apartments, townhomes, and single-family and current cost of construction.
Typical densities	95%	Future medium-density projects in Carmel-by-the-Sea are more likely to be built out close to maximum density due to lot sizes, limited developable sites, and very high demand for new units.
Infrastructure availability	No adjustment	Not applicable, no constraints
Environmental Constraints	No adjustment	No known site constraint

SOURCE: City of Carmel-by-the-Sea

Site #18: (Parashis) Millard Building

Site #18, Parashis Building, is a 0.13-acre mixed-use parcel that includes one- and two-story buildings.

The site is zoned Central Commercial (CC), which currently allows residential densities up to a maximum of 22 dwelling units per acre by-right, 33 dwelling units per acre with approval of a conditional use permit, 44 dwelling units per acre under Density Bonus law, and up to 88 dwelling units per acre if the project is 100 percent affordable. However, Program 3.1.G has been included in this housing element to establish a minimum of 33 dwelling units per acre for residential development (see [Chapter 2](#)). The intention is to yield a higher number of residential units, rather than enabling the development of larger units at a lower yield.


Developed at a minimum of 33 dwelling units per acre, the gross acreage of the site would allow a minimum of four (4) above moderate-income units. When factoring in adjustments for potential land use controls and site improvements, realistic capacity of the site, and typical densities, the net acreage of the site would yield a total of three (3) above moderate-income units ([Tables C-39 and C-40](#)). Based on recent developments, such as Ulrika Plaza and Scandia Lopez/Hakim, both of which are located in the commercial district, the City has determined 33 dwelling units per acre including adjustments, to be the most feasible density for development on this site. The City intends to achieve a density of 33 dwelling units per acre through a zoning code amendment, and therefore is utilizing the gross density to calculate anticipated units.

Due to the size of the site, less than 0.5 acres, the assumed affordability will be limited to above moderate units. Based on the feasibility to construct high-end townhomes, condos, single-family, etc., the site is expected to develop despite its small size.

Generally, parcels that are less than 0.5 acres are considered inadequate to accommodate housing affordable to lower-income households unless there is developer or property owner interest in constructing affordable units. Without property owner interest in developing affordable housing on the site, it is unrealistic to assume otherwise. Should the property owner express interest in developing affordable units, the site will be reconsidered for feasibility in developing affordable units.

City staff met with the new property owner in June 2022. They are interested in redeveloping the site with a new mixed-use building (similar to the MacDonald Gallery building one block west).

Table C-39 Site #18 Description

Site Description		Site Image & Capacity Calculation
Address	Northwest corner of Dolores Street and 6 th Ave	
APN	010-138-006-000	
By-Right with 20% Affordable	No, used in 4 th and 5 th cycles, but nonvacant.	
Size of Site	0.13 acre	
Zoning	CC	
Allowable Density	0-22 du/ac**	
Applied RHNA Affordability	Above Moderate-Income: 4 units	
Existing Use	Non-vacant; commercial space	
Infrastructure Availability	Yes, no constraints.	<p>Realistic Capacity utilizing factors =</p> $(0.13 \times 33) (.90) (.95) (.95) = 3 \text{ units}$ <p>75% of minimum density</p>
Environmental Constraints	None known	
Other Constraints	Shape: None Access: None Title Conditions: None Historic Preservation: None Easement: None	

SOURCE: City of Carmel-by-the-Sea

NOTES: ** Existing zoning code permits 0-22 du/ac in commercial zones (SC, RC, CC). Program 3.1.G establishes a minimum density of 33 du/ac for commercial zones. Assumptions for site development use programmatic zoning amendment of minimum 33 du/ac.

Table C-40 Site #18 Capacity Assumptions

Site Description	Adjustment	Reasoning
Land use controls and site improvements	90%	For net acreage due to challenging site geometry, on-site improvements, and utility easement needs.
Realistic capacity of the site	95%	Based on market demand for medium-density housing types such as condominiums, apartments, townhomes, and single-family and current cost of construction.
Typical densities	95%	Future medium-density projects in Carmel-by-the-Sea are more likely to be built out close to maximum density due to lot sizes, limited developable sites, and very high demand for new units.
Infrastructure availability	No adjustment	Not applicable, no constraints
Environmental Constraints	No adjustment	No known site constraint

SOURCE: City of Carmel-by-the-Sea

Site #19: The Agency Site

Site #19, The Agency, is a 0.09-acre corner-lot parcel that is currently used as retail space by the property owner. It has low lot coverage and is a single-story structure that is surrounded by two-story structures to the west, and across the street to the east.

The site is zoned Central Commercial (CC), which currently allows residential densities up to a maximum of 22 dwelling units per acre by-right, 33 dwelling units per acre with approval of a conditional use permit, 44 dwelling units per acre under Density Bonus law, and up to 88 dwelling units per acre if the project is 100 percent affordable. However, Program 3.1.G has been included in this housing element to establish a minimum of 33 dwelling units per acre for residential development (see [Chapter 2](#)). The intention is to yield a higher number of residential units, rather than enabling the development of larger units at a lower yield.


Developed at a minimum of 33 dwelling units per acre, the gross acreage of the site would allow a minimum of two (2) above moderate-income units. When factoring in adjustments for potential land use controls and site improvements, realistic capacity of the site, and typical densities, the net acreage of the site would yield also yield a total of two (2) above moderate-income units ([Tables C-41 and C-42](#)). Based on recent developments, such as Ulrika Plaza and Scandia Lopez/Hakim, both of which are located in the commercial district, the City has determined 33 dwelling units per acre including adjustments, to be the most feasible density for development on this site. The City intends to achieve a density of 33 dwelling units per acre through a zoning code amendment, and therefore is utilizing the gross density to calculate anticipated units.

Due to the size of the site, less than 0.5 acres, the assumed affordability will be limited to above moderate units. Based on the feasibility to construct high-end townhomes, condos, single-family, etc., the site is expected to develop despite its small size.

Generally, parcels that are less than 0.5 acres are considered inadequate to accommodate housing affordable to lower-income households unless there is developer or property owner interest in constructing affordable units. Without property owner interest in developing affordable housing on the site, it is unrealistic to assume otherwise. Should the property owner express interest in developing affordable units, the site will be reconsidered for feasibility in developing affordable units.

Intentions for the site include a second-floor addition to accommodate residential uses.

Table C-41 Site #19 Description

Site Description		Site Image & Capacity Calculation
Address	Northwest corner of Ocean and Dolores	
APN	010-139-001-000	
By-Right with 20% Affordable	No, used in 4 th and 5 th cycles, but nonvacant.	
Size of Site	0.09 acre	
Zoning	CC	
Allowable Density	0-22 du/ac**	
Applied RHNA Affordability	Above Moderate-Income: 2 units	
Existing Use	Non-vacant; retail space	
Infrastructure Availability	Yes, no constraints.	Realistic Capacity utilizing factors = $(0.09 \times 33) (.90) (.95) (.95) = 2 \text{ units}$ 100% of minimum density
Environmental Constraints	None known	
Other Constraints	Shape: None Access: None Title Conditions: None Historic Preservation: None Easement: None	

SOURCE: City of Carmel-by-the-Sea

NOTES: ** Existing zoning code permits 0-22 du/ac in commercial zones (SC, RC, CC). Program 3.1.G establishes a minimum density of 33 du/ac for commercial zones. Assumptions for site development use programmatic zoning amendment of minimum 33 du/ac.

Table C-42 Site #19 Capacity Assumptions

Site Description	Adjustment	Reasoning
Land use controls and site improvements	90%	For net acreage due to challenging site geometry, on-site improvements, and utility easement needs.
Realistic capacity of the site	95%	Based on market demand for medium-density housing types such as condominiums, apartments, townhomes, and single-family and current cost of construction.
Typical densities	95%	Future medium-density projects in Carmel-by-the-Sea are more likely to be built out close to maximum density due to lot sizes, limited developable sites, and very high demand for new units.
Infrastructure availability	No adjustment	Not applicable, no constraints
Environmental Constraints	No adjustment	No known site constraint

SOURCE: City of Carmel-by-the-Sea

Site #20: Sunset Terrace Site

Site #20, Sunset Terrace, is a 0.19-acre corner-lot parcel that includes both a single-story and a two-story structure.

The site is zoned Residential and Limited Commercial (RC), which currently allows residential densities up to a maximum of 22 dwelling units per acre by-right, 33 dwelling units per acre with approval of a conditional use permit, 44 dwelling units per acre under Density Bonus law, and up to 88 dwelling units per acre if the project is 100 percent affordable. However, Program 3.1.G has been included in this housing element to establish a minimum of 33 dwelling units per acre for residential development (see [Chapter 2](#)). The intention is to yield a higher number of residential units, rather than enabling the development of larger units at a lower yield.


Developed at a minimum of 33 dwelling units per acre, the gross acreage of the site would allow a minimum of six (6) above moderate-income units. When factoring in adjustments for potential land use controls and site improvements, realistic capacity of the site, and typical densities, the net acreage of the site would yield a total of six (6) above moderate-income units ([Tables C-43 and C-44](#)). Based on recent developments, such as Ulrika Plaza and Scandia Lopez/Hakim, both of which are located in the commercial district, the City has determined 33 dwelling units per acre including adjustments, to be the most feasible density for development on this site. The City intends to achieve a density of 33 dwelling units per acre through a zoning code amendment, and therefore is utilizing the gross density to calculate anticipated units.

Due to the size of the site, less than 0.5 acres, the assumed affordability will be limited to above moderate units. Based on the feasibility to construct high-end townhomes, condos, single-family, etc., the site is expected to develop despite its small size.

Generally, parcels that are less than 0.5 acres are considered inadequate to accommodate housing affordable to lower-income households unless there is developer or property owner interest in constructing affordable units. Without property owner interest in developing affordable housing on the site, it is unrealistic to assume otherwise. Should the property owner express interest in developing affordable units, the site will be reconsidered for feasibility in developing affordable units.

City staff met with the property owner in June 2020. They expressed interest in converting offices to residential if sufficient water is available.

Table C-43 Site #20 Description

Site Description		Site Image & Capacity Calculation
Address	Northwest corner of Mission and 8 th Ave	
APN	010-142-006-000	
By-Right with 20% Affordable	No, used in 4 th and 5 th cycles, but nonvacant.	
Size of Site	0.19 acre	
Zoning	RC	
Allowable Density	0-22 du/ac**	
Applied RHNA Affordability	Above Moderate-Income: 6 units	
Existing Use	Non-vacant; commercial space	
Infrastructure Availability	Yes, no constraints.	Realistic Capacity utilizing factors = $(0.19 \times 33) (.90) (.95) (.95) = 5 \text{ units}$ 83% of minimum density
Environmental Constraints	None known	
Other Constraints	Shape: None Access: None Title Conditions: None Historic Preservation: None Easement: None	

SOURCE: City of Carmel-by-the-Sea

NOTES: ** Existing zoning code permits 0-22 du/ac in commercial zones (SC, RC, CC). Program 3.1.G establishes a minimum density of 33 du/ac for commercial zones. Assumptions for site development use programmatic zoning amendment of minimum 33 du/ac.

Table C-44 Site #20 Capacity Assumptions

Site Description	Adjustment	Reasoning
Land use controls and site improvements	90%	For net acreage due to challenging site geometry, on-site improvements, and utility easement needs.
Realistic capacity of the site	95%	Based on market demand for medium-density housing types such as condominiums, apartments, townhomes, and single-family and current cost of construction.
Typical densities	95%	Future medium-density projects in Carmel-by-the-Sea are more likely to be built out close to maximum density due to lot sizes, limited developable sites, and very high demand for new units.
Infrastructure availability	No adjustment	Not applicable, no constraints
Environmental Constraints	No adjustment	No known site constraint

SOURCE: City of Carmel-by-the-Sea

Site #21: Enzo’s Site

Site #20, Enzo’s, is a 0.15-acre corner-lot parcel adjacent to the Doud Arcade (Site #22) and includes frontage on Ocean. It is a single-story structure that could either be fully redeveloped or receive a second-floor addition.

The site is zoned Central Commercial (CC), which currently allows residential densities up to a maximum of 22 dwelling units per acre by-right, 33 dwelling units per acre with approval of a conditional use permit, 44 dwelling units per acre under Density Bonus law, and up to 88 dwelling units per acre if the project is 100 percent affordable. However, Program 3.1.G has been included in this housing element to establish a minimum of 33 dwelling units per acre for residential development (see [Chapter 2](#)). The intention is to yield a higher number of residential units, rather than enabling the development of larger units at a lower yield.


Developed at a minimum of 33 dwelling units per acre, the gross acreage of the site would allow a minimum of four (4) above moderate-income units. When factoring in adjustments for potential land use controls and site improvements, realistic capacity of the site, and typical densities, the net acreage of the site would also yield a total of four (4) above moderate-income units ([Tables C-45 and C-46](#)). Based on recent developments, such as Ulrika Plaza and Scandia Lopez/Hakim, both of which are located in the commercial district, the City has determined 33 dwelling units per acre including adjustments, to be the most feasible density for development on this site. The City intends to achieve a density of 33 dwelling units per acre through a zoning code amendment, and therefore is utilizing the gross density to calculate anticipated units.

Due to the size of the site, less than 0.5 acres, the assumed affordability will be limited to above moderate units. Based on the feasibility to construct high-end townhomes, condos, single-family, etc., the site is expected to develop despite its small size.

Generally, parcels that are less than 0.5 acres are considered inadequate to accommodate housing affordable to lower-income households unless there is developer or property owner interest in constructing affordable units. Without property owner interest in developing affordable housing on the site, it is unrealistic to assume otherwise. Should the property owner express interest in developing affordable units, the site will be reconsidered for feasibility in developing affordable units.

Intentions for the site may include full redevelopment or a second-floor addition to accommodate residential uses.

Table C-45 Site #21 Description

Site Description		Site Image & Capacity Calculation
Address	San Carlos 2 Southwest of Ocean	
APN	010-146-001-000	
By-Right with 20% Affordable	No, used in 4 th and 5 th cycles, but nonvacant.	
Size of Site	0.15 acre	
Zoning	CC	
Allowable Density	0-22 du/ac**	
Applied RHNA Affordability	Above Moderate-Income: 4 units	
Existing Use	Non-vacant; commercial	
Infrastructure Availability	Yes, no constraints.	<p>Realistic Capacity utilizing factors =</p> $(0.15 \times 33) (.90) (.95) (.95) = 4 \text{ units}$ <p>100% of minimum density</p>
Environmental Constraints	None known	
Other Constraints	Shape: None Access: None Title Conditions: None Historic Preservation: None Easement: None	

SOURCE: City of Carmel-by-the-Sea

NOTES: ** Existing zoning code permits 0-22 du/ac in commercial zones (SC, RC, CC). Program 3.1.G establishes a minimum density of 33 du/ac for commercial zones. Assumptions for site development use programmatic zoning amendment of minimum 33 du/ac.

Table C-46 Site #21 Capacity Assumptions

Site Description	Adjustment	Reasoning
Land use controls and site improvements	90%	For net acreage due to challenging site geometry, on-site improvements, and utility easement needs.
Realistic capacity of the site	95%	Based on market demand for medium-density housing types such as condominiums, apartments, townhomes, and single-family and current cost of construction.
Typical densities	95%	Future medium-density projects in Carmel-by-the-Sea are more likely to be built out close to maximum density due to lot sizes, limited developable sites, and very high demand for new units.
Infrastructure availability	No adjustment	Not applicable, no constraints
Environmental Constraints	No adjustment	No known site constraint

SOURCE: City of Carmel-by-the-Sea

Site #22: Doud Arcade Site

Site #22, Doud Arcade, is comprised of a 0.18-acre mid-block parcel that includes a single-story structure.

The site is zoned Central Commercial (CC), which currently allows residential densities up to a maximum of 22 dwelling units per acre by-right, 33 dwelling units per acre with approval of a conditional use permit, 44 dwelling units per acre under Density Bonus law, and up to 88 dwelling units per acre if the project is 100 percent affordable. However, Program 3.1.G has been included in this housing element to establish a minimum of 33 dwelling units per acre for residential development (see [Chapter 2](#)). The intention is to yield a higher number of residential units, rather than enabling the development of larger units at a lower yield.


Developed at a minimum of 33 dwelling units per acre, the gross acreage of the site would allow a minimum of five (5) above moderate units. When factoring in adjustments for potential land use controls and site improvements, realistic capacity of the site, and typical densities, the net acreage of the site would yield a total of four (4) above moderate-income units ([Tables C-47 and C-48](#)). Based on recent developments, such as Ulrika Plaza and Scandia Lopez/Hakim, both of which are located in the commercial district, the City has determined 33 dwelling units per acre including adjustments, to be the most feasible density for development on this site. The City intends to achieve a density of 33 dwelling units per acre through a zoning code amendment, and therefore is utilizing the gross density to calculate anticipated units.

Due to the size of the site, less than 0.5 acres, the assumed affordability will be limited to above moderate units. Based on the feasibility to construct high-end townhomes, condos, single-family, etc., the site is expected to develop despite its small size.

Generally, parcels that are less than 0.5 acres are considered inadequate to accommodate housing affordable to lower-income households unless there is developer or property owner interest in constructing affordable units. Without property owner interest in developing affordable housing on the site, it is unrealistic to assume otherwise. Should the property owner express interest in developing affordable units, the site will be reconsidered for feasibility in developing affordable units.

The property owner has indicated an intention to construct housing as a second-story addition to the site. The existing building would likely remain on the site.

Table C-47 Site #22 Description

Site Description		Site Image & Capacity Calculation
Address	San Carlos 2 Southwest of Ocean	
APN	010-146-002-000	
By-Right with 20% Affordable	No, used in 4 th and 5 th cycles, but nonvacant.	
Size of Site	0.18 acre	
Zoning	CC	
Allowable Density	0-22 du/ac**	
Applied RHNA Affordability	Above Moderate-Income: 5 units	
Existing Use	Non-vacant; commercial space	
Infrastructure Availability	Yes, no constraints.	
Environmental Constraints	None known	
Other Constraints	Shape: None Access: None Title Conditions: None Historic Preservation: None Easement: None	

SOURCE: City of Carmel-by-the-Sea

NOTES: ** Existing zoning code permits 0-22 du/ac in commercial zones (SC, RC, CC). Program 3.1.G establishes a minimum density of 33 du/ac for commercial zones. Assumptions for site development use programmatic zoning amendment of minimum 33 du/ac.

Table C-48 Site #22 Capacity Assumptions

Site Description	Adjustment	Reasoning
Land use controls and site improvements	90%	For net acreage due to challenging site geometry, on-site improvements, and utility easement needs.
Realistic capacity of the site	95%	Based on market demand for medium-density housing types such as condominiums, apartments, townhomes, and single-family and current cost of construction.
Typical densities	95%	Future medium-density projects in Carmel-by-the-Sea are more likely to be built out close to maximum density due to lot sizes, limited developable sites, and very high demand for new units.
Infrastructure availability	No adjustment	Not applicable, no constraints
Environmental Constraints	No adjustment	No known site constraint

SOURCE: City of Carmel-by-the-Sea

Site #23: Paseo San Carlos Square Site 1

Site #23, Paseo San Carlos Square (parcel 1), is a 0.18-acre parcel. It has low lot coverage and is a single-story structure that is surrounded on by two-story structures to the west, and across the street to the east.

The site is zoned Central Commercial (CC), which currently allows residential densities up to a maximum of 22 dwelling units per acre by-right, 33 dwelling units per acre with approval of a conditional use permit, 44 dwelling units per acre under Density Bonus law, and up to 88 dwelling units per acre if the project is 100 percent affordable. However, Program 3.1.G has been included in this housing element to establish a minimum of 33 dwelling units per acre for residential development (see [Chapter 2](#)). The intention is to yield a higher number of residential units, rather than enabling the development of larger units at a lower yield.


Developed at a minimum of 33 dwelling units per acre, the gross acreage of the site would allow a minimum of five (5) above moderate units. When factoring in adjustments for potential land use controls and site improvements, realistic capacity of the site, and typical densities, the net acreage of the site would yield a total of four (4) above moderate-income units ([Tables C-49 and C-50](#)). Based on recent developments, such as Ulrika Plaza and Scandia Lopez/Hakim, both of which are located in the commercial district, the City has determined 33 dwelling units per acre including adjustments, to be the most feasible density for development on this site. The City intends to achieve a density of 33 dwelling units per acre through a zoning code amendment, and therefore is utilizing the gross density to calculate anticipated units.

Due to the size of the site, less than 0.5 acres, the assumed affordability will be limited to above moderate units. Based on the feasibility to construct high-end townhomes, condos, single-family, etc., the site is expected to develop despite its small size.

Generally, parcels that are less than 0.5 acres are considered inadequate to accommodate housing affordable to lower-income households unless there is developer or property owner interest in constructing affordable units. Without property owner interest in developing affordable housing on the site, it is unrealistic to assume otherwise. Should the property owner express interest in developing affordable units, the site will be reconsidered for feasibility in developing affordable units.

Intentions for the site include a second-floor addition to accommodate residential uses. The existing building would likely remain on the site.

Table C-49 Site #23 Description

Site Description		Site Image & Capacity Calculation
Address	San Carlos 2 Northwest of 7 th Ave	
APN	010-146-003-000	
By-Right with 20% Affordable	No, used in 4 th and 5 th cycles, but nonvacant.	
Size of Site	0.18 acre	
Zoning	CC	
Allowable Density	0-22 du/ac**	
Applied RHNA Affordability	Above Moderate-Income: 5 units	
Existing Use	Non-vacant; commercial space	
Infrastructure Availability	Yes, no constraints.	
Environmental Constraints	None known	
Other Constraints	Shape: None Access: None Title Conditions: None Historic Preservation: None Easement: None	

SOURCE: City of Carmel-by-the-Sea

NOTES: ** Existing zoning code permits 0-22 du/ac in commercial zones (SC, RC, CC). Program 3.1.G establishes a minimum density of 33 du/ac for commercial zones. Assumptions for site development use programmatic zoning amendment of minimum 33 du/ac.

Table C-50 Site #23 Capacity Assumptions

Site Description	Adjustment	Reasoning
Land use controls and site improvements	90%	For net acreage due to challenging site geometry, on-site improvements, and utility easement needs.
Realistic capacity of the site	95%	Based on market demand for medium-density housing types such as condominiums, apartments, townhomes, and single-family and current cost of construction.
Typical densities	95%	Future medium-density projects in Carmel-by-the-Sea are more likely to be built out close to maximum density due to lot sizes, limited developable sites, and very high demand for new units.
Infrastructure availability	No adjustment	Not applicable, no constraints
Environmental Constraints	No adjustment	No known site constraint

SOURCE: City of Carmel-by-the-Sea

Site #24: Paseo San Carlos Square Site 2

Site #24, Paseo San Carlos Square (parcel 2), is a 0.09-acre mid-block narrow site with a single-story structure.

The site is zoned Central Commercial (CC), which currently allows residential densities up to a maximum of 22 dwelling units per acre by-right, 33 dwelling units per acre with approval of a conditional use permit, 44 dwelling units per acre under Density Bonus law, and up to 88 dwelling units per acre if the project is 100 percent affordable. However, Program 3.1.G has been included in this housing element to establish a minimum of 33 dwelling units per acre for residential development (see [Chapter 2](#)). The intention is to yield a higher number of residential units, rather than enabling the development of larger units at a lower yield.


Developed at a minimum of 33 dwelling units per acre, the gross acreage of the site would allow a minimum of two (2) above moderate units. When factoring in adjustments for potential land use controls and site improvements, realistic capacity of the site, and typical densities, the net acreage of the site would also yield a total of two (2) above moderate-income units ([Tables C-51 and C-52](#)). Based on recent developments, such as Ulrika Plaza and Scandia Lopez/Hakim, both of which are located in the commercial district, the City has determined 33 dwelling units per acre including adjustments, to be the most feasible density for development on this site. The City intends to achieve a density of 33 dwelling units per acre through a zoning code amendment, and therefore is utilizing the gross density to calculate anticipated units.

Due to the size of the site, less than 0.5 acres, the assumed affordability will be limited to above moderate units. Based on the feasibility to construct high-end townhomes, condos, single-family, etc., the site is expected to develop despite its small size.

Generally, parcels that are less than 0.5 acres are considered inadequate to accommodate housing affordable to lower-income households unless there is developer or property owner interest in constructing affordable units. Without property owner interest in developing affordable housing on the site, it is unrealistic to assume otherwise. Should the property owner express interest in developing affordable units, the site will be reconsidered for feasibility in developing affordable units.

The property owner met with City staff in December 2023 and expressed interest in providing three (3) residential units. Intentions for the site may include full redevelopment or a second-floor addition to accommodate residential uses. The existing building would likely remain on the site.

Table C-51 Site #24 Description

Site Description		Site Image & Capacity Calculation
Address	San Carlos 2 Northwest of 7 th Ave	
APN	010-146-004-000	
By-Right with 20% Affordable	No, used in 4 th and 5 th cycles, but nonvacant.	
Size of Site	0.09 acre	
Zoning	CC	
Allowable Density	0-22 du/ac**	
Applied RHNA Affordability	Above Moderate-Income: 2 units	
Existing Use	Non-vacant	
Infrastructure Availability	Yes, no constraints.	<p>Realistic Capacity utilizing factors =</p> $(0.09 \times 33) (.90) (.95) (.95) = 2 \text{ units}$ <p>100% of max density</p>
Environmental Constraints	None known	
Other Constraints	Shape: None Access: None Title Conditions: None Historic Preservation: None Easement: None	

SOURCE: City of Carmel-by-the-Sea

NOTES: ** Existing zoning code permits 0-22 du/ac in commercial zones (SC, RC, CC). Program 3.1.G establishes a minimum density of 33 du/ac for commercial zones. Assumptions for site development use programmatic zoning amendment of minimum 33 du/ac.

Table C-52 Site #24 Capacity Assumptions

Site Description	Adjustment	Reasoning
Land use controls and site improvements	90%	For net acreage due to challenging site geometry, on-site improvements, and utility easement needs.
Realistic capacity of the site	95%	Based on market demand for medium-density housing types such as condominiums, apartments, townhomes, and single-family and current cost of construction.
Typical densities	95%	Future medium-density projects in Carmel-by-the-Sea are more likely to be built out close to maximum density due to lot sizes, limited developable sites, and very high demand for new units.
Infrastructure availability	No adjustment	Not applicable, no constraints
Environmental Constraints	No adjustment	No known site constraint

SOURCE: City of Carmel-by-the-Sea

Site #25: Carmel Office Supply & Business Center

Site #25, Carmel Office Supply & Business Center, is a 0.09-acre parcel that includes a single-story structure that neighbors a two-structure to the south.

The site is zoned Central Commercial (CC), which currently allows residential densities up to a maximum of 22 dwelling units per acre by-right, 33 dwelling units per acre with approval of a conditional use permit, 44 dwelling units per acre under Density Bonus law, and up to 88 dwelling units per acre if the project is 100 percent affordable. However, Program 3.1.G has been included in this housing element to establish a minimum of 33 dwelling units per acre for residential development (see [Chapter 2](#)). The intention is to yield a higher number of residential units, rather than enabling the development of larger units at a lower yield.


Developed at a minimum of 33 dwelling units per acre, the gross acreage of the site would allow a minimum of two (2) above moderate units. When factoring in adjustments for potential land use controls and site improvements, realistic capacity of the site, and typical densities, the net acreage of the site would also yield a total of two (2) above moderate-income units ([Tables C-53 and C-54](#)). Based on recent developments, such as Ulrika Plaza and Scandia Lopez/Hakim, both of which are located in the commercial district, the City has determined 33 dwelling units per acre including adjustments, to be the most feasible density for development on this site. The City intends to achieve a density of 33 dwelling units per acre through a zoning code amendment, and therefore is utilizing the gross density to calculate anticipated units.

Due to the size of the site, less than 0.5 acres, the assumed affordability will be limited to above moderate units. Based on the feasibility to construct high-end townhomes, condos, single-family, etc., the site is expected to develop despite its small size.

Generally, parcels that are less than 0.5 acres are considered inadequate to accommodate housing affordable to lower-income households unless there is developer or property owner interest in constructing affordable units. Without property owner interest in developing affordable housing on the site, it is unrealistic to assume otherwise. Should the property owner express interest in developing affordable units, the site will be reconsidered for feasibility in developing affordable units.

The property owner has indicated an intention to add a second story to accommodate new residential units.

Table C-53 Site #25 Description

Site Description		Site Image & Capacity Calculation
Address	Lincoln Southeast of Ocean	
APN	010-147-010-000	
By-Right with 20% Affordable	No, used in 4 th and 5 th cycles, but nonvacant.	
Size of Site	0.09 acre	
Zoning	CC	
Allowable Density	0-22 du/ac**	
Applied RHNA Affordability	Above Moderate-Income: 2 units	
Existing Use	Non-vacant; commercial space	
Infrastructure Availability	Yes, no constraints.	<p>Realistic Capacity utilizing factors =</p> $(0.09 \times 33) (.90) (.95) (.95) = 2 \text{ units}$ <p>100% of minimum density</p>
Environmental Constraints	None known	
Other Constraints	Shape: None Access: None Title Conditions: None Historic Preservation: None Easement: None	

SOURCE: City of Carmel-by-the-Sea

NOTES: ** Existing zoning code permits 0-22 du/ac in commercial zones (SC, RC, CC). Program 3.1.G establishes a minimum density of 33 du/ac for commercial zones. Assumptions for site development use programmatic zoning amendment of minimum 33 du/ac.

Table C-54 Site #25 Capacity Assumptions

Site Description	Adjustment	Reasoning
Land use controls and site improvements	90%	For net acreage due to challenging site geometry, on-site improvements, and utility easement needs.
Realistic capacity of the site	95%	Based on market demand for medium-density housing types such as condominiums, apartments, townhomes, and single-family and current cost of construction.
Typical densities	95%	Future medium-density projects in Carmel-by-the-Sea are more likely to be built out close to maximum density due to lot sizes, limited developable sites, and very high demand for new units.
Infrastructure availability	No adjustment	Not applicable, no constraints
Environmental Constraints	No adjustment	No known site constraint

SOURCE: City of Carmel-by-the-Sea

C.5 Additional Opportunities for Residential Development and Affordable Housing

Employee Housing at Local Hotels

The City has many hotels in need of renovation and many are actively applying for building permits to begin the process of refurbishing their properties. As part of the refurbishment process, the City has begun to reach out to hotel owners to discuss including at least one (1) affordable unit on-site for a current employee. To incentivize the development of on-site employee housing within existing sites for overnight visitor accommodations, the City has developed Program 1.3.D, which amends the Municipal Code to allow at least one on-site affordable employee housing unit in conjunction with one new overnight visitor accommodation room (see [Chapter 2](#)). Initially, the program would be voluntary. However, at the mid-cycle mark, if the program has not gained interest, it would become mandatory.

The City is currently piloting the development of on-site employee housing in existing hotels with two establishments, the Hofsas House and the Pine Inn. Both establishments anticipate undergoing remodeling within the next two years and are in the preliminary planning stages with plans showing on-site employee housing. Both property owners have been tracking the housing element update, and have been in discussion with City staff regarding potential incentives for providing on-site employee housing. The City plans to codify actions in an ordinance for these sites based on the outcome of the projects by December 2026.

The City intends to conduct more extensive outreach with overnight visitor accommodation property owners to better discern the viability of the incentive program by December 2024.

Table C-55 includes known properties that fit the Overnight Visitor Accommodation and would therefore be candidates for incentive Program 1.3.D (see Chapter 2). As there are 46 hotels in the City, this program has the potential to add at least 31 moderate- and lower-income units to the City’s housing stock.

Table C-55 Existing Overnight Visitor Accommodation Locations

APN	Address	Overnight Visitor Accommodation Establishment Name
010148015000	Dolores & 8th	Adobe Inn
010095010000	Junipero between 5th & 6th	Best Western Carmel Bay View Inn
010136023000	5th & San Carlos	Best Western Carmel's Townhouse Lodge
010131011000	San Carlos between 4th & 5th	Briarwood Inn
010131013000	E/S San Carlos between 4th & 5th	Briarwood Inn II/Holland Court Inn
010136022000	San Carlos between 4th & 5th	Candle Light Inn
010268008000	San Antonio & 8th	Carmel Cottage Inn LLC
010124009000	SE Dolores & 3rd	Carmel Country Inn LLC
010136021000	San Carlos @ 4th	Carmel Fireplace Inn
010104002000	4th & Torres	Carmel Garden Inn
010195501500	7th & Casanova	Carmel Green Lantern Inn
010097007000	Junipero & 5th	Carmel Inn & Suites
010131025000	San Carlos at 5th	Carmel Lodge
010097018000	Mission & 5th	Carmel Oaks
010021024000 010021025000 010021002000 010021003000 010021026000 010021027000 010021028000 010021029000	Carpenter between 1st & 2nd	Carmel Resort Inn
010094002000	Ocean & Junipero	Carmel Village Inn
010123005000	4th @ Mission Street	Carmel Wayfarer Inn
010087002000	Junipero between 7th & 8th	Carriage House Inn
010142002000	San Carlos @ 7th	Coachman's Inn
010286015000	San Antonio & 13th	Colonial Terrace
010094001000	Torres & Ocean Ave	Comfort Inn Carmel by the Sea
010147008000	7th & Lincoln Ave	Cypress Inn
010287008000	San Antonio, 4 SE of 13th	Edgemere Cottages
010085005000	SW Ocean/Torres	Forest Lodge
010124001000 010124014000	2 NW of 4th on San Carlos	Hofsas House

APN	Address	Overnight Visitor Accommodation Establishment Name
010109015000	SWC 3rd & Junipero	Horizon Inn
010123014000	4th & San Carlos	Hotel Carmel
010264006000	8th & Camino Real	La Playa Hotel
010261014000	SE Camino Real & Ocean	Lamplighter Inn
010191005000	Monte Verde @ 7th	L'Auberge Carmel
010214032000	Ocean @ Monte Verde	Lobos Lodge
010196027000	Monte Verde & 7th	Monte Verde Inn
010201013000	Monte Verde @ 7th	Monte Verde Inn East
010019061000	Ocean & Monte Verde	Normandy Inn
010104005000	SEC 3rd & Junipero	Ocean View Lodge
010273014000	Camino Real between 11th & 12th	Sea View Inn
010194018000	SS 8th between Monte Verde & Casanova	Stonehouse Inn c/o Carmel Realty
010261015000	Camino Real 2 SE of Ocean	Sunset House
010124012000	4th & San Carlos	Svensgaard's Inn
010214029000	Monte Verde & 6th	Tally-Ho Inn
010087003000	Junipero between 7th & 8th	The Hideaway
010148007000	NE Corner Lincoln & 8th	The Homestead
010213003000	Ocean between Lincoln/Monte Verde	The Pine Inn
010109016000	Mission @ 3rd Ave	Tradewinds Carmel
010136016000	Dolores & 7th	Vagabond House
010087013000	7th & Mission	Wayside Inn

SOURCE: City of Carmel-by-the-Sea

Additionally, the City has developed Program 1.3.B (see [Chapter 2](#)), which encourages property owners to consider rehabilitating their sites as multi-family rental residences through a transfer of development rights.

[Table C-56](#) lists Overnight Visitor Accommodation properties that meet the eligibility criteria to be considered for transfer of development rights to rehabilitate as multi-family rental residences. Eligibility criteria include the site being zoned for commercial or multi-family residential development and being at least 0.5 acres in size. Of the 46 Overnight Visitor Accommodation sites listed in [Table C-55](#), five (5) meet the eligibility criteria for transfer of development rights to rehabilitate as multi-family residential. Each of these sites are located in the City's Commercial District and are greater than 0.5 acres in size. The City will develop an incentive program for property owners to encourage the transfer of development rights. Program 1.3.B will monitor the implementation of the incentive program (see [Chapter 2](#)).

Table C-56 Eligible Sites for Transfer of Development Rights

APN	Address	Overnight Visitor Accommodation Establishment Name	Size (Acres)	Zoning
010124001000 010124014000	2 NW of 4th on San Carlos	Hofsas House	0.84	RC
010123014000	4th & San Carlos	Hotel Carmel	0.60	RC
010214032000	Ocean @ Monte Verde	Lobos Lodge	0.62	RC
010124012000	4th & San Carlos	Svensgaard's Inn	0.67	RC
010213003000	Ocean between Lincoln/Monte Verde	The Pine Inn	0.52	CC

SOURCE: City of Carmel-by-the-Sea

Accessory Dwelling Units (ADUs and Junior ADUs)

Based on HCD’s Annual Progress Report Dashboard, between 2018 and 2022, Carmel received 33 permit applications for new ADUs, approved/entitled 30 applications, issued building permits for 13 ADUs, and finalized one (1) ADU. However, the Community Planning & Building Department reports that over the 5.5-year period between 2017 and June 2023, 7 permit applications for ADUs are actively in review, 11 permits have been approved but have not yet started construction, and 33 ADUs are currently under construction. Since 2017, 24 ADUs have completed construction. Based on the number of ADUs approved and under construction (44 total) plus the number that have completed construction (24), the City has averaged 12 ADUs per year over the last 5.5 years. Using the more conservative number of 30 ADUs permitted between 2018 and 2022, extrapolated to the eight-year planning period for the 6th Cycle Housing Element update, this equates to 48 units.

Additionally, property owners with existing ADUs constructed between the 1920s and 1980s have received building permits for remodeling of their ADUs, bringing them up to current building code standards. The City is also seeing new ADUs combined with new home construction.

Lastly, the Community Planning & Building Department actively encourages property owners with existing guest houses to convert them into ADUs by adding a kitchen.

Based on the City’s permit history and active support for ADUs, as well as the continued interest by property owners in rehabilitating existing ADUs and constructing new ADUs, it is reasonable to estimate a minimum of 34 ADUs over the eight-year planning period, although City staff expects to exceed this number. Following the rule of thumb recommended by HCD, these 34 units have been distributed to very low-, low-, moderate-, and above moderate-income households as follows: 30 percent, 30 percent, 30 percent, 10 percent, respectively.

C.6 AFFH Analysis of Sites

Per Assembly Bill (AB) 686, housing elements must analyze the location of lower-income sites in relation to areas of high opportunity, and in instances where lower-income sites are located in lower resource areas and/or segregated concentrated areas of poverty, cities must incorporate policies and programs to remediate those conditions. For example, implementing place-based strategies to create opportunity in areas of disinvestment such as, investments in enhanced infrastructure, services, schools, jobs, and other community needs. The following serves as a complete AFFH analysis of potential sites for new housing developments for the next eight-year planning cycle.

Tables C-57 through C-65 and Figures C-3 through C-13 show the distribution of projected units by income category of the following indicators compared to citywide patterns to understand how the projected locations of units will affirmatively further fair housing: median income, predominant population, female headed households, poverty rates, TCAC/HCD opportunity areas, disability rates, cost burden rates, overcrowding, substandard housing, and median contract rent. The following sites inventory discussion includes an analysis of the number of projected units by income category, total RHNA capacity, and city acreage by income category to further assess the potential impacts of the sites inventory to affirmatively further fair housing.

The City has a total RHNA of 349 units for the 2023-2031 period. Carmel-by-the-Sea has adequate sites to accommodate housing development at 117 percent of the RHNA. The site inventory provides a total capacity for 410 units and opportunities for the development of a variety of housing types suitable for a range of households and income levels. Of this, 345 units are to be accommodated through underutilized sites, 5th cycle recycled sites, and pipeline projects. In accordance with State law, all of the sites in the inventory are considered to be zoned appropriately to facilitate housing affordable to lower-income households.

Please note: several of the City's sites in the inventory list are comprised of multiple parcels (referred to as APNs (Assessor's Parcel Numbers)). Each APN is shown with a separate dot symbol on Figures C-3 through C-13.

Table C-57 AFFH Indicators Table

Assessment of Fair Housing Indicators															
Site #	Census Tract	APN	Realistic Capacity				Segregation/Integration					Access to Opportunity		Disproportionate Housing Needs	
			VLI	LI	MI	AM	Household Median Income ¹	Predominant Race ²	Diversity Index ³	Female Headed HH ⁴	Disabled Population ⁵	Poverty Level ⁶	TCAC/HUD Opportunity Area ⁷	Cost Burdened Renters ⁸	Overcrowding ⁹
Primary Underutilized Sites															
1	118.02	010143001000	20	10	3		\$98,839	Non-Hispanic White	24.6	4.60%	7.7%	0.40%	Highest Resource	61.8%	0%
2		010151001000	30	25	5										
3	118.01	010104001000 010104004000	28	11	17		\$101,042		37.8	2.70%	17.1%	1.90%		52%	3.30%
4		010095013000 010095012000			5	12									
5		010212027000 010212004000 010212026000	2	1	3	3									
6	118.02	010144015000 010144016000	3	2			\$98,839		24.6	4.60%	7.7%	0.40%		61.80%	0%
7		010142001000				5									
8		010149012000 010149010000 010149011000 010149001000	11	10											
9		010144014000	2	3											
10		010087012000				11									
11		010085004000 010085005000 010085003000		2		4									
		Subtotal	96	64	33	35									
5th Cycle Recycled Sites															
12	118.02	010141003000				12	\$98,839	Non-Hispanic White	24.6	4.60%	7.7%	0.40%	Highest Resource	61.80%	0%
13		010142013000				2									
14		010191004000				2									
15	118.01	010097007000				5	\$101,042		37.8	2.70%	17.1%	1.90%		52%	3.30%
16		010098004000				3									
17	118.02	010145008000				6	\$98,839		24.6	4.60%	7.7%	0.40%		61.80%	0%

Assessment of Fair Housing Indicators																	
Site #	Census Tract	APN	Realistic Capacity				Segregation/Integration					Access to Opportunity		Disproportionate Housing Needs			
			VLI	LI	MI	AM	Household Median Income ¹	Predominant Race ²	Diversity Index ³	Female Headed HH ⁴	Disabled Population ⁵	Poverty Level ⁶	TCAC/HUD Opportunity Area ⁷	Cost Burdened Renters ⁸	Overcrowding ⁹		
18	118.01	010138006000				4	\$101,042		37.8	2.70%	17.1%	1.90%		52%	3.30%		
19		010139001000				2											
20	118.02	010142006000				6	\$98,839		24.6	4.60%	7.7%	0.40%		61.80%	0%		
21		010146001000				4											
22		010146002000				5											
23		010146003000				5											
24		010146004000				2											
25		010147010000				2											
		Subtotal	0	0	0	60											
Pipeline Projects																	
26	118.01	010138003000 010138021000				12	\$101,042	Non-Hispanic White	37.8	2.70%	17.1%	1.90%	Highest Resource	52%	3.30%		
27	118.02	010145012000 010145024000 010145023000				8	\$98,839		24.6	4.60%	7.7%	0.40%		61.80%	0%		
28	118.01	010021014000 010021013000 010021012000 010021011000 010021030000 010021031000 010021032000 010021033000				8	\$101,042		37.8	2.70%	17.1%	1.90%		52%	3.30%		
29	118.02	010146010000				3	\$98,839		24.6	4.60%	7.7%	0.40%		61.80%	0%		
30	118.01	009-162-023				1	\$101,042			37.8	2.70%	17.1%		1.90%		52%	3.30%
31		010-251-036				1											
32		010-102-009				1											
33	118.02	010-193-024				1	\$98,839			24.6	4.60%	7.7%		0.40%		61.80%	0%
34		010-043-005				1											
35		010-174-024				1											
36	118.01	010-029-009				1	\$101,042	37.8	2.70%	17.1%	1.90%	52%	3.30%				
37	118.02	009-352-016				1	\$98,839	24.6	4.60%	7.7%	0.40%	61.80%	0%				

Assessment of Fair Housing Indicators																
Site #	Census Tract	APN	Realistic Capacity				Household Median Income ¹	Segregation/Integration				Access to Opportunity		Disproportionate Housing Needs		
			VLI	LI	MI	AM		Predominant Race ²	Diversity Index ³	Female Headed HH ⁴	Disabled Population ⁵	Poverty Level ⁶	TCAC/HUD Opportunity Area ⁷	Cost Burdened Renters ⁸	Overcrowding ⁹	
38	118.01	010-211-004				1	\$101,042		37.8	2.70%	17.1%	1.90%		52%	3.30%	
39	118.02	010-269-005				1	\$98,839		24.6	4.60%	7.7%	0.40%		61.80%	0%	
40		009-382-019				1										
41		010-284-003				1										
42	118.01	010-103-015				1	\$101,042		37.8	2.70%	17.1%	1.90%		52%	3.3	
43		010-037-003				1										
44		010-232-012				1										
45	118.02	010-311-016				1	\$98,839		24.6	4.60%	7.7%	0.40%		61.80%	0%	
46		010-331-044				1										
47		010-312-004				1										
48	118.01	010-126-017				1	\$101,042		37.8	2.70%	17.1%	1.90%		52%	3.30%	
49	118.02	010-164-015				1	\$98,839		24.6	4.60%	7.7%	0.40%		61.80%	0%	
50	118.01	010-251-035				1	\$101,042		37.8	2.70%	17.1%	1.90%		52%	3.30%	
51		010-251-002				1										
52	118.02	010-076-014				1	\$98,839		24.6	4.60%	7.7%	0.40%		61.80%	0%	
53	118.01	010-031-021				1	\$101,042		37.8	2.70%	17.1%	1.90%		52%	3.30%	
54	118.02	010-265-010				1	\$98,839		24.6	4.60%	7.7%	0.40%		61.80%	0%	
55		010-301-020				1										
		Subtotal	0	0	0	57										
		Total	96	64	33	152	345									

SOURCE: City of Carmel-by-the-Sea; US Census ACS 5-Year Estimates; HCD AFFH Data Viewer; CTCAC/HCD Opportunity Area Maps

NOTES: VLI = very low-income; LI = low-income; MI = moderate-income; AM = above moderate-income; HH = household

1 US Census ACS 5-Year Estimate, 2021, Table DP03; census tract level

2 US Census ACS 5-Year Estimate, 2021, Table B03002; census tract level

3 HCD AFFH Data Viewer, Diversity Index, 2023; census tract level

4 US Census ACS 5-Year Estimate, 2021, Table B11001; census tract level

5 US Census ACS 5-Year Estimate, 2021, Table S1810; census tract level

6 US Census ACS 5-Year Estimate, 2021, Table S1701; census tract level

7 CTCAC/HCD Opportunity Area Maps, 2023; census tract level

8 HCD AFFH Data Viewer, Overpayment by Renter Households, 2021; census tract level

9 HCD AFFH Data Viewer, Overcrowding, 2021; census tract level

Potential Effect on Access to Opportunity

TCAC/HCD Opportunity Areas

The TCAC/HCD Opportunity Areas are categorized by census tracts into high, moderate, or low-resource areas based on a composite score of economic, education, and environmental factors that have the ability to perpetuate poverty and segregation. These factors include: school proficiency, median income, median housing prices, and environmental pollution.

Table C-58 reports the census tracts for which housing opportunity sites are located and the associated TCAC/HCD opportunity area domain scores. As shown in Table C-58, Carmel-by-the-Sea is comprised of only highest resource areas. Census Tract 118.01 shows an insignificant difference of 0.01 for the economic domain and a difference of 0.02 for the environmental domain compared to Census Tract 118.02.

Table C-58 Census Tracts by TCAC/HCD Opportunity Area Domains, 2023

Census Tract	Economic Domain	Environmental Domain	Education Domain	Composite Index	Opportunity Designation
118.01	0.99	0.94	0.94	5.0	Highest Resource
118.02	1.0	0.96	0.94	5.0	Highest Resource

SOURCE: TCAC/HCD Opportunity Map, 2023; City of Carmel-by-the-Sea

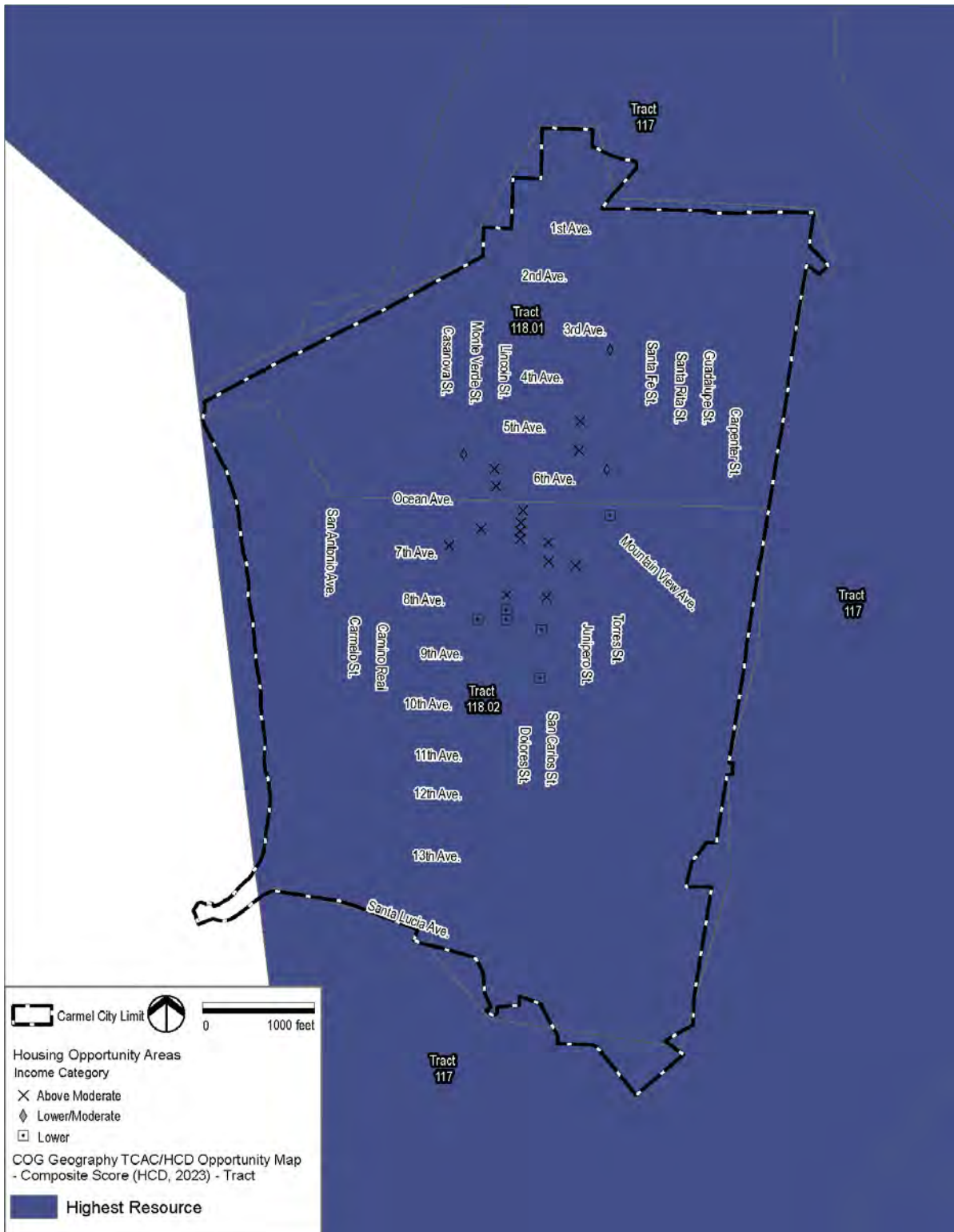
Table C-59 and Figure C-3 show the distribution of housing opportunity units at each income level according to their designated resource area. All anticipated housing opportunity units are planned to be accommodated in highest resource areas with adequate access to economic and educational opportunities, and in areas with positive environmental outcomes (low levels of pollution burden).

Table C-59 Site Inventory Unit Count by TCAC/HCD Opportunity Area, 2023

Income Group	Highest Resource	Percent
Very Low-Income	96	27.8%
Low Income	64	18.5%
Moderate-Income	33	9.5%
Above Moderate-Income	152	44.0%
Total	345	100%

SOURCE: TCAC/HCD Opportunity Areas Map, 2023; City of Carmel-by-the-Sea

Figure C-3 Sites Inventory Analysis by TCAC/HCD Opportunity Areas, 2023



SOURCE: HCD AFFH Data Viewer; City of Carmel-by-the-Sea

Educational Opportunities, Economic Mobility, and Environmental Health

As discussed at length in [Appendix A](#), all census tracts across Carmel-by-the-Sea score high in the educational, economic, and environmental domains that comprise TCAC/HCD opportunity area designations.

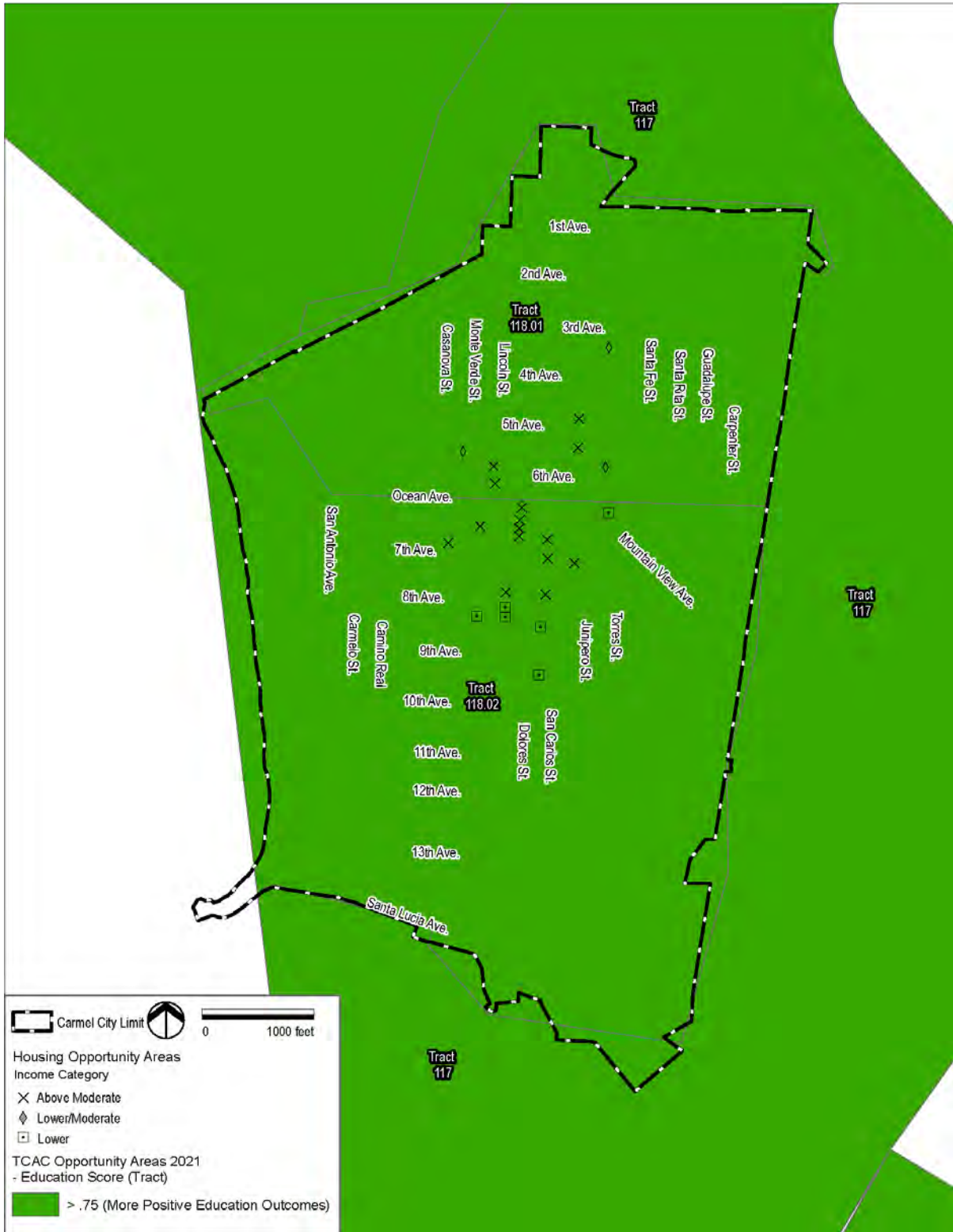
The TCAC/HCD Opportunity Area Education score is based on math proficiency, reading proficiency, high school graduation rates, and the student poverty rate. As shown in [Figure C-4](#), all census tracts across the city received positive scores for the education domain, indicating that households city-wide have adequate access to educational institutions and poverty rates are low (also supported in [Figure C-10](#)).

The TCAC/HCD Opportunity Area Economic score is based on poverty, adult education, employment, proximity to jobs, and median home value. As shown in [Figure C-5](#), all census tracts across the city received positive scores for the economic domain, indicating that households city-wide have adequate access to public resources, education, employment, live in close proximity to jobs, median home values reflect low crime rates, and good overall neighborhood characteristics.

As shown in [Figure C-6](#), Carmel-by-the-Sea is within the 0-20 range, indicating residents are less likely to have health problems resulting from poor environmental conditions. The City has demonstrated commitment to reducing negative environmental conditions through its 2021 adopted Climate Action Plan (CAP), which is further prioritized through policies and programs developed through the Housing Element that align with the City's mission to reduce greenhouse gas emissions.

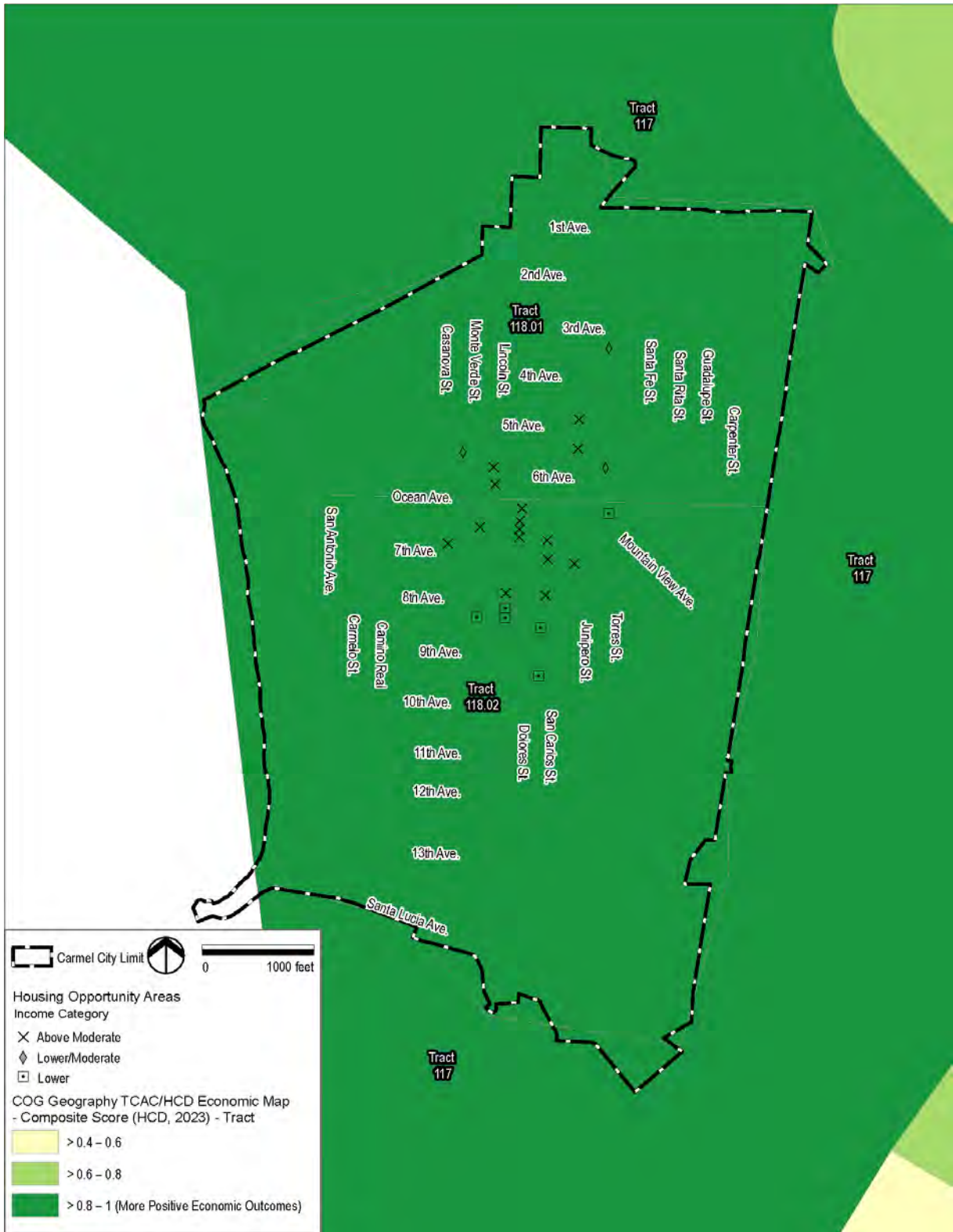
Overall, residents across the city experience similar access to educational opportunities, economic mobility, and low levels of pollution burden. Therefore, the distribution of housing opportunity sites and units at each affordability level will not create a discrepancy in access or perpetuate existing barriers to access. Rather, the increase in housing supply is intended to create more balanced living patterns in Carmel-by-the-Sea.

Figure C-4 Sites Inventory Analysis by TCAC/HCD Education Domain, 2021



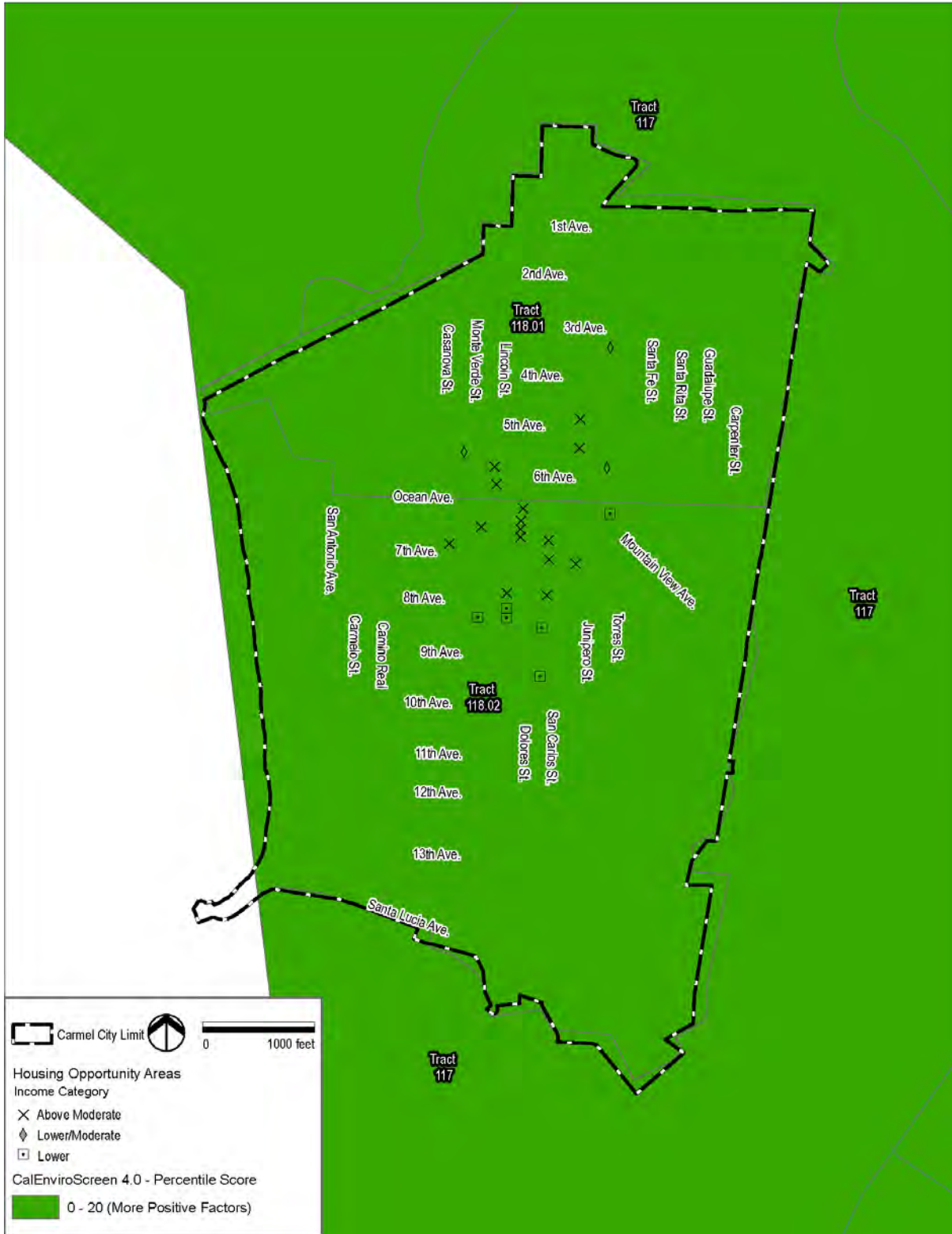
SOURCE: HCD AFFH Data Viewer; City of Carmel-by-the-Sea

Figure C-5 Sites Inventory Analysis by TCAC/HCD Economic Domain, 2023



SOURCE: HCD AFFH Data Viewer; City of Carmel-by-the-Sea

Figure C-6 Sites Inventory Analysis by CalEnviroScreen 4.0, 2021



SOURCE: HCD AFFH Data Viewer; City of Carmel-by-the-Sea

Potential Effect on Patterns of Integration and Segregation

Diversity

As discussed in the Housing Needs and Fair Housing Report ([Appendix A](#)), non-Hispanic White residents comprise the largest racial group in Carmel-by-the-Sea (86.5 percent of population), followed by Hispanic/Latino (8.2 percent), Asian/Pacific Islander (5.2 percent), and Black or African American populations (less than 1 percent). [Figure C-7](#) shows the distribution of anticipated housing opportunity units at each income level according to predominant populations. When analyzing predominant populations in Carmel-by-the-Sea, there is no geographic variation at the census tract or block group level, non-Hispanic White residents makeup the majority across the city.

[Table C-60](#) reports the distribution of units at each income level by the Diversity Index score developed by ESRI in 2023, and the percent of non-Hispanic White population present according to census tract. The Diversity Index represents the likelihood that two persons, chosen at random from the same area, belong to different race or ethnic groups.

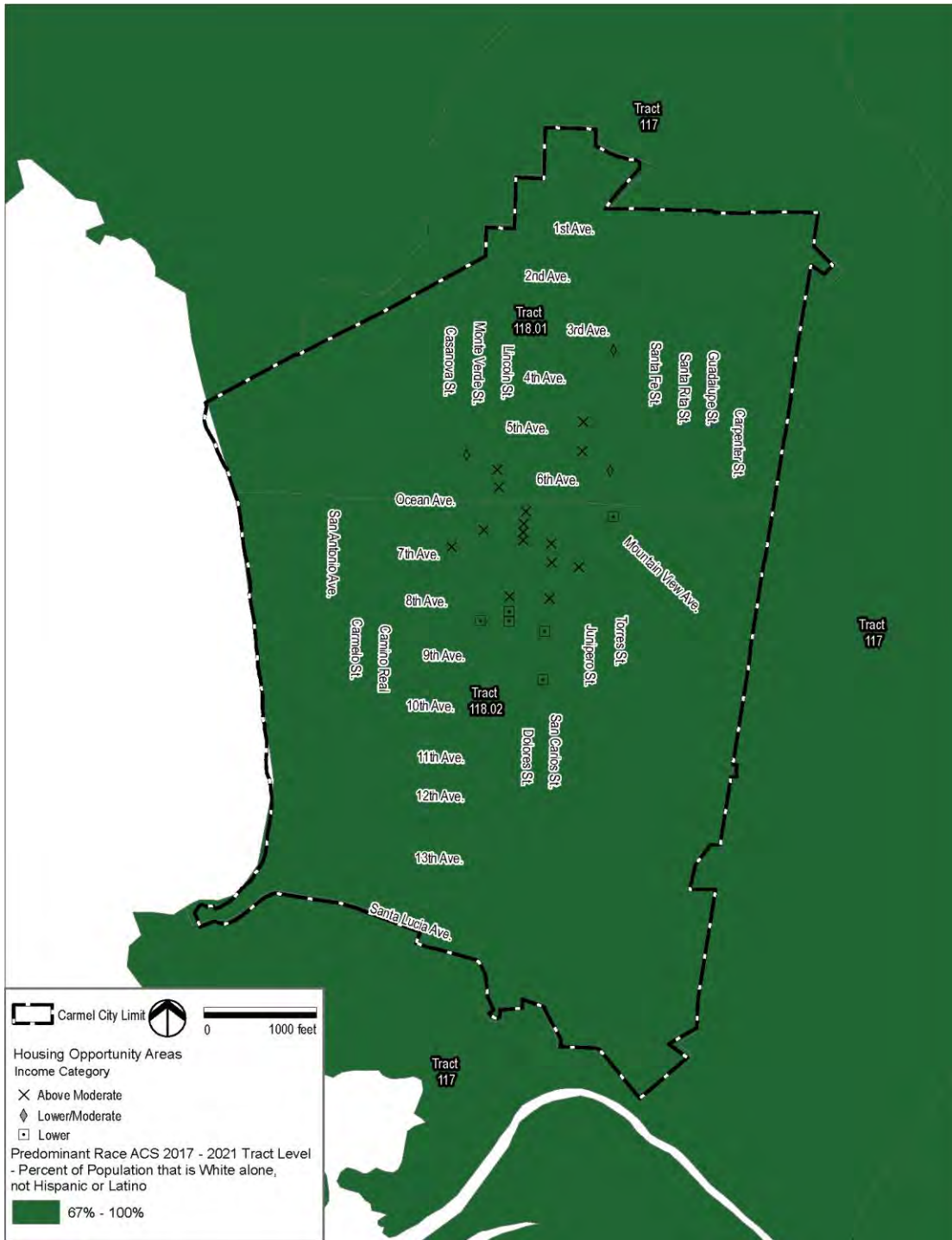
Overall, diversity in Carmel-by-the-Sea is low and only slightly varies according to census tract. As shown in [Table C-60](#), Census Tract 118.01, located north of Ocean Avenue, has a slightly lower proportion of non-Hispanic White residents (86.5 percent), compared to Census Tract 118.02, located south of Ocean Avenue (96.7 percent non-Hispanic White). This aligns with the City’s Diversity Index for each census tract. Census Tract 118.01 has a diversity score of 37.8, whereas Census Tract 118.02 has a diversity score of 24.6, indicating that in both census tracts, there is a probability of approximately 38 percent of 25 percent, respectively, that two people randomly chosen from Carmel-by-the-Sea would belong to different race or ethnic groups.

Table C-60 Site Inventory Unit Count by Diversity Index, 2023

Income Group	Census Tract 118.01 (37.8 Diversity Score and 86.5% Non-Hispanic White Population)	Percent	Census Tract 118.02 (24.6 Diversity Score and 96.7% Non-Hispanic White Population)	Percent
Very Low-Income	30	23%	66	30%
Low Income	12	9%	52	24%
Moderate-Income	25	20%	8	4%
Above Moderate-Income	61	48%	91	42%
Total	128	100%	217	100%

SOURCE: HCD AFFH Data Viewer, 2023; U.S. Census Bureau, ACS 5-Year Estimate 2021, Table B03002, Census Tract level

Figure C-7 Sites Inventory Analysis by Predominant Population, 2021



SOURCE: HCD AFFH Data Viewer; City of Carmel-by-the-Sea; EMC Planning Group

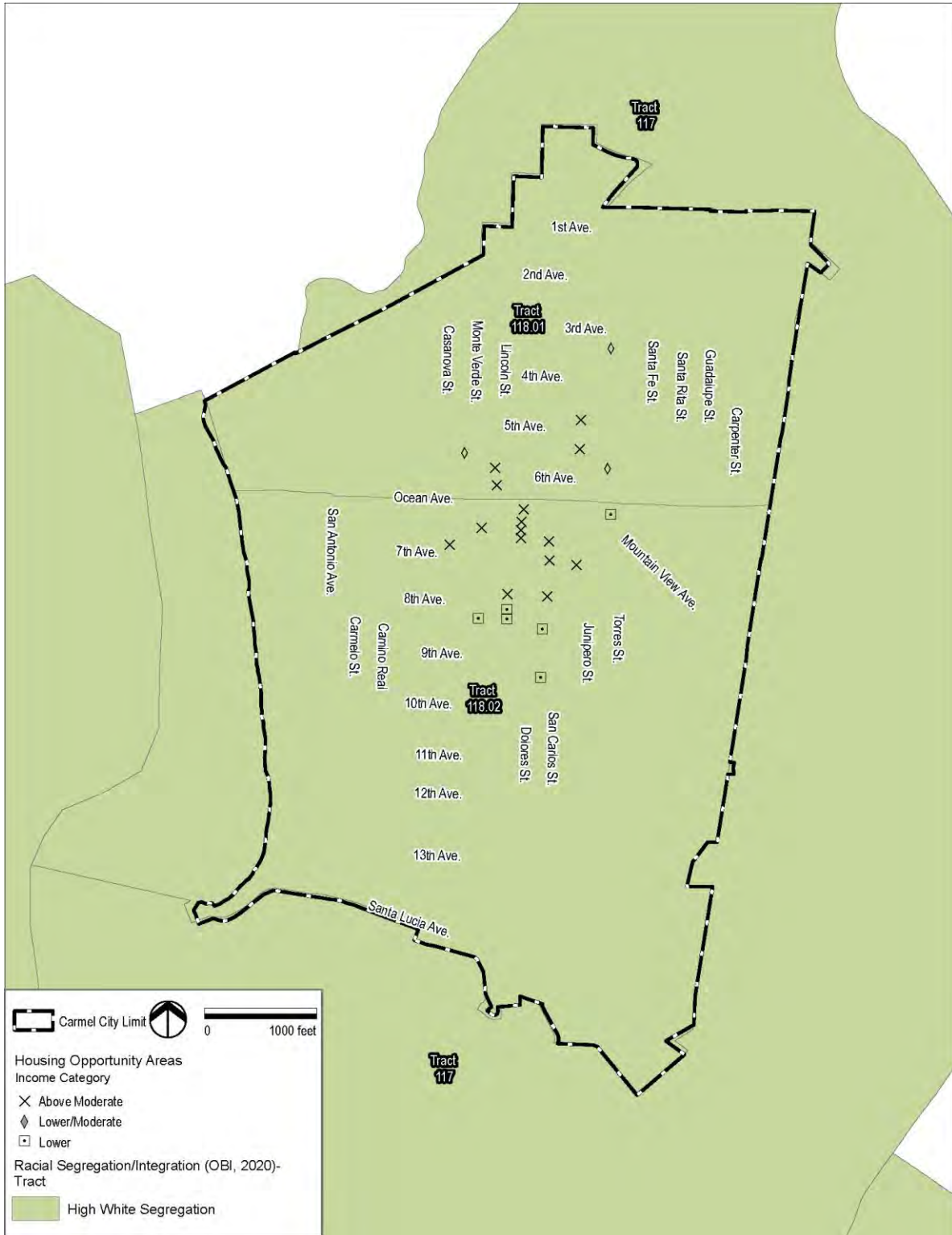
As shown in [Table C-60](#), Census Tract 118.01 is anticipated to accommodate 128 housing opportunity units, of which approximately 33 percent are lower-income. Census Tract 118.02 is anticipated to accommodate 217 housing opportunity units, of which approximately 54 percent are lower-income. This distribution of units is intended to increase the level of diversity in the area. Increasing the supply of housing affordable to a range of income categories is intended to mitigate further segregation between racial and ethnic groups, while also providing an opportunity for lower-income households with economic connections to the area to obtain adequate and affordable housing.

To support households in need of assistance, the City has partnered with several service organizations in the region to connect residents with the appropriate assistance (I.e., housing, employment, in-home care, etc.) The City's demographic makeup includes a large senior population. The Carmel Foundation provides a myriad of services for senior citizens including affordable housing, in-home support, meal delivery, and daily activities to cultivate community. Additionally, the City coordinates with the County and State to provide fair housing resources to ensure that all residents are aware of the processes to file a complaint, receive counseling on housing and employment, and mediate landlord/tenant disputes. These efforts to affirmatively further fair housing for all ages, races, and ethnicities are rooted in enabling a range of households to secure housing in Carmel-by-the-Sea.

[Figure C-8](#) shows the distribution of anticipated housing opportunity units at each income level according to racial segregation. As shown, the City of Carmel-by-the-Sea has a high level of White segregation. This aligns with data reported for the Diversity Index and predominant populations in Carmel-by-the-Sea. Despite the City's small size of one-square-mile, there is little racial and ethnic integration.

The City's historic land use and zoning has primarily enabled the development of single-family homes, which coupled with high land values, construction costs, and tedious design and review processes can pose financial barriers for lower income households attempting to move into the City. This may have been a contributing factor to the lack of racial and ethnic integration within the City. In reviewing potential governmental constraints to development, the City has acknowledged that current design review and permitting processes should be updated to provide a more expedient and objective review process. A suite of programs has been established to monitor the implementation of improving the development review and approval process, including Program 1.4.A – Eliminate Unnecessary Use Permits; Program 1.4.B – Objective Design and Development Standards; and Program 3.1.F – Expedited Processing Procedures (see [Chapter 2](#)). Additionally, the City is committed to enabling employee housing through the use of transfer of development rights for hotel/motels in the City, as well as incentivizing hotel/motel owners to provide on-site affordable employee housing. These incentives are established and monitored by Program 1.3.B and Program 1.3.D (see [Chapter 2](#)). Through the use of these programs, the City intends to facilitate the development of new affordable residential units available to lower-income households.

Figure C-8 Site Inventory Analysis by Racial Segregation, 2020



SOURCE: HCD AFFH Data Viewer; City of Carmel-by-the-Sea; EMC Planning Group

Median Household Income

Figure C-9 and Figure C-10 illustrate the distribution of anticipated housing opportunity units at each income level according to median household income and poverty status, respectively.

As shown in Figure C-9 and Figure C-10, according to census tract, the median household income in Carmel-by-the-Sea ranges from less than \$90,100 to \$120,000 and coincides with a low rate of poverty (less than 10 percent). Census Tract 118.01 has the highest median household income with households earning approximately \$101,042. Whereas, households located in Census Tract 118.02 earn a slightly lower median household income of \$98,849.

Table C-61 reports the distribution of housing opportunity sites by income category according to median income and poverty status. All anticipated housing units are located in census tracts that have a poverty rate of less than 5 percent and earn more than the Monterey County median household income of \$81,600.³ Approximately 74 percent of anticipated lower-income sites are located in Census Tract 118.02, which has a median income of \$98,839 and approximately 26 percent are located in Census Tract 118.01, which has a median income of \$101,042. The distribution of units is intended to prevent segregated living patterns based on income, while also alleviating existing affordability pressures for lower-income households.

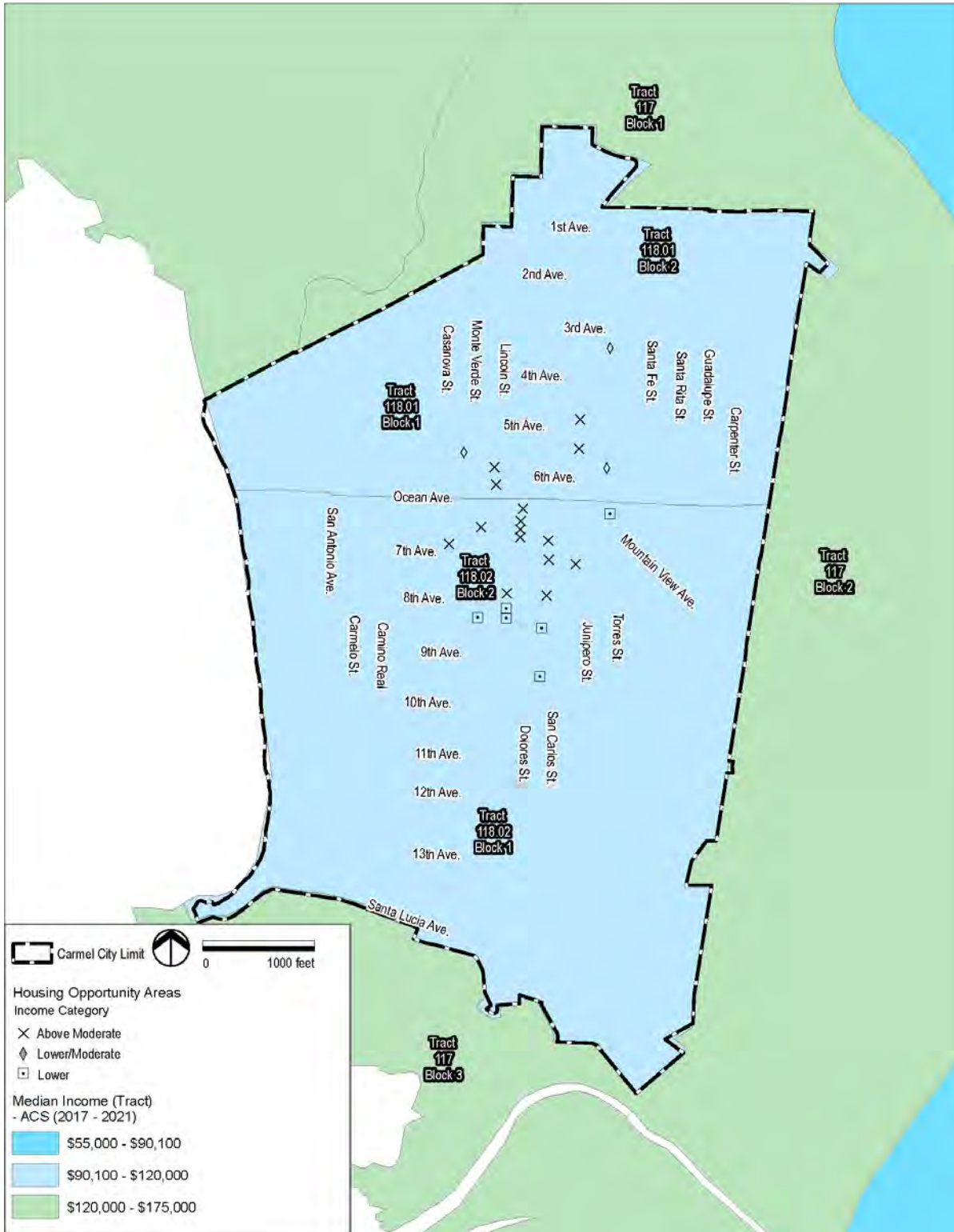
Table C-61 Site Inventory Unit Count by Median Income and Poverty Status, 2021

Income Group	Poverty Level Less Than 5%			
	Census Tract 118.01 \$101,042		Census Tract 118.02 \$98,839	
Very Low-Income	30	23%	66	30%
Low Income	12	9%	52	24%
Moderate-Income	25	20%	8	4%
Above Moderate-Income	61	48%	91	42%
Total	128	100%	217	100%

SOURCE: U.S. Census Bureau ACS 5-Year Estimate, 2021, Table S1701; City of Carmel-by-the-Sea

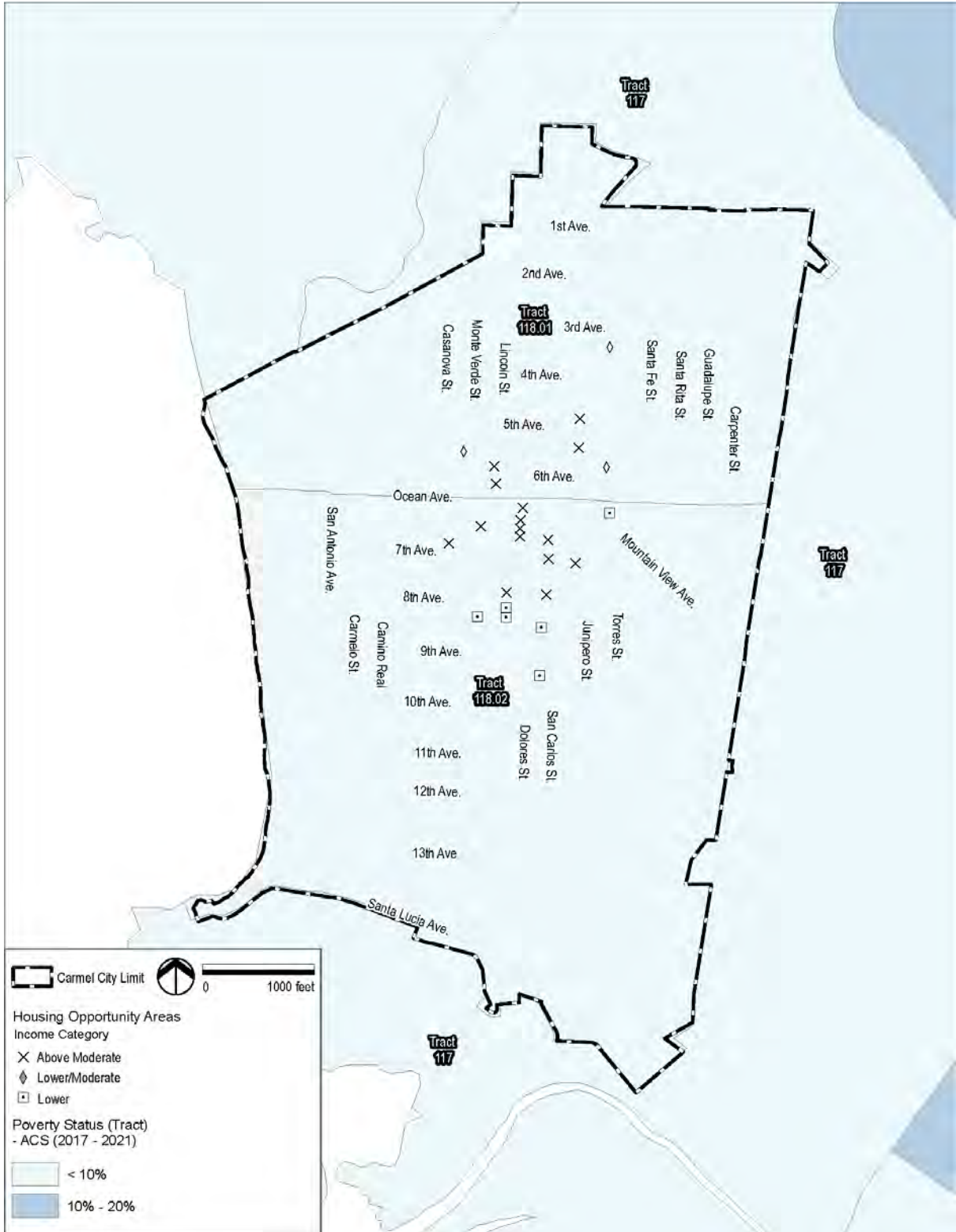
³ California Revised State Income Limits December 31, 2021.

Figure C-9 Sites Inventory Analysis by Median Income, 2021



SOURCE: HCD AFFH Data Viewer; City of Carmel-by-the-Sea

Figure C-10 Sites Inventory Analysis by Poverty Status, 2021



SOURCE: HCD AFFH Data Viewer; City of Carmel-by-the-Sea

The slight geographical variation in median household income by census tract may be linked to the affordability of housing types in the City. Census Tract 118.02, Block Group 2, encompasses the portion of the City located south of Ocean Avenue and north of 11th Avenue. This includes part of the City's downtown Commercial District, which allows medium density residential uses. All newly constructed second story floor area, including area in new buildings, remodeled buildings and replacement, rebuilt or reconstructed buildings, must be occupied by residential dwellings only and cannot not be used for any commercial land use (CMC 17.14.050F). While this has enabled the development of more dense residential uses in the largely built-out community, it may have also contributed to the isolation of lower-income households.

To mitigate existing and future segregated living patterns, the City identified housing opportunity sites that are dispersed throughout the city. However, due to the small size of the city, being less than one-square-mile, and it's built out nature, most units are located in the central region of the City where higher densities and mixed uses are allowed. In the last five years, the City has seen several remodeling and redevelopment projects within the Commercial District, and has engaged in discussions with several property owners who are interested in developing residential units. Based on recent projects and property owner interest, the City believes the most developable sites for housing are located within the City's Commercial District.

To facilitate the development of residential units, the City has committed to amending its Municipal Code to enable higher residential densities (establishing a minimum density for the base zoning of 33 dwelling units per acre) in the Commercial Districts (SC, CC, RC) and Multi-Family Residential District (R-4) (Program 3.1.G); requires residential uses for any new second story floor area in the Commercial District (CMC 17.14.050F); and is incentivizing hotel/motel owners to provide on-site affordable employee housing (Program 1.3.D) and/or to engage in a transfer of development rights process to convert existing accommodations to provide affordable multi-family residential units (Program 1.3.B). All programs are listed in full in [Chapter 2](#).

Female-Headed, Single-Parent Households

According to 2021 ACS data, female-headed households comprise 3.6 percent of all households in Carmel-by-the-Sea. [Table C-62](#) reports the distribution of anticipated housing opportunity units at each income level according to the concentrations of single-parent families with a female-headed householder.

As shown in [Table C-62](#), all anticipated housing opportunity units are located in census tracts where female-headed households makeup less than 5 percent of all households. Census Tract 118.01 has a slightly lower percentage of female-headed households (2.7 percent) compared to Census Tract 118.02 (4.6 percent). Census Tract 118.01 is anticipated to accommodate approximately 128 units ranging from very low- to above moderate-income. Census Tract 118.02 is anticipated to accommodate approximately 217 units ranging from very low- to above moderate-income.

Table C-62 Sites Inventory Unit Count by Female-Headed Households, 2021

Income Group	Census Tract 118.01 Female-Headed Households 2.7%	Percent	Census Tract 118.02 Female-Headed Households 4.6%	Percent
Very Low-Income	30	23%	66	30%
Low Income	12	9%	52	24%
Moderate-Income	25	20%	8	4%
Above Moderate-Income	61	48%	91	42%
Total	128	100%	217	100%

SOURCE: U.S. Census Bureau ACS 5-Year Estimate, 2021, Table B11001; City of Carmel-by-the-Sea

Both census tracts coincide with low rates of poverty (less than 2 percent) and are designated highest resource areas with adequate access to public goods, services, transportation, educational institutions, and economic opportunities. The distribution of lower-income units in areas with lower concentrations of female-headed households is intended to mitigate current and future concentrations of female-headed households. Additionally, increasing housing supply across the city is expected to mitigate the overpayment, housing scarcity, and displacement that lower-income persons and single-parent households are susceptible to. Increasing housing supply will be coupled with programs to incentivize the development of affordable housing for lower-income and special needs households (Programs 3.1.B, 5.1.A, 5.1.B, 5.1.C, see [Chapter 2](#)).

Due to a lack of available mapping data, a map illustrating female-headed households across Carmel-by-the-Sea is not provided.

Population with a Disability

According to 2021 ACS data, approximately 12.3 percent of Carmel-by-the-Sea’s population live with at least one disability. [Table C-63](#) and [Figure C-11](#) show the distribution of anticipated housing opportunity units at each income level according to the population with a disability.

As shown in [Figure C-11](#), less than 10 percent of residents located in Census Tract 118.02 live with a disability. Whereas, approximately 17 percent of residents located in Census Tract 118.01 live with a disability.

As shown in [Table C-63](#), approximately 63 percent of the anticipated housing opportunity units are located in census tracts where approximately 8 percent of the population live with a disability, and 37 percent of the units are located in census tracts where approximately 17 percent of the population live with a disability. Census Tract 118.01 has a higher proportion of residents living with a disability (17 percent) compared to Census Tract 118.02 (7.7 percent). There is no correlation

between disability rates and resource areas in Carmel-by-the-Sea, as both census tracts are highest resource areas, coinciding with low poverty rates (less than 2 percent), and median incomes greater than Monterey County.

As previously mentioned, Carmel-by-the-Sea houses a large proportion of senior citizens, likely contributing to the percentage of residents living with a disability. The Carmel Foundation is located in Census Tract 118.02, south of Ocean Avenue. The Foundation provides 50 affordable residential units for seniors aged 55 and older. In addition to providing affordable housing, the Foundation offers a myriad of services to seniors from meal delivery to daily social activities.

Table C-63 Sites Inventory Unit Count by Population with a Disability, 2021

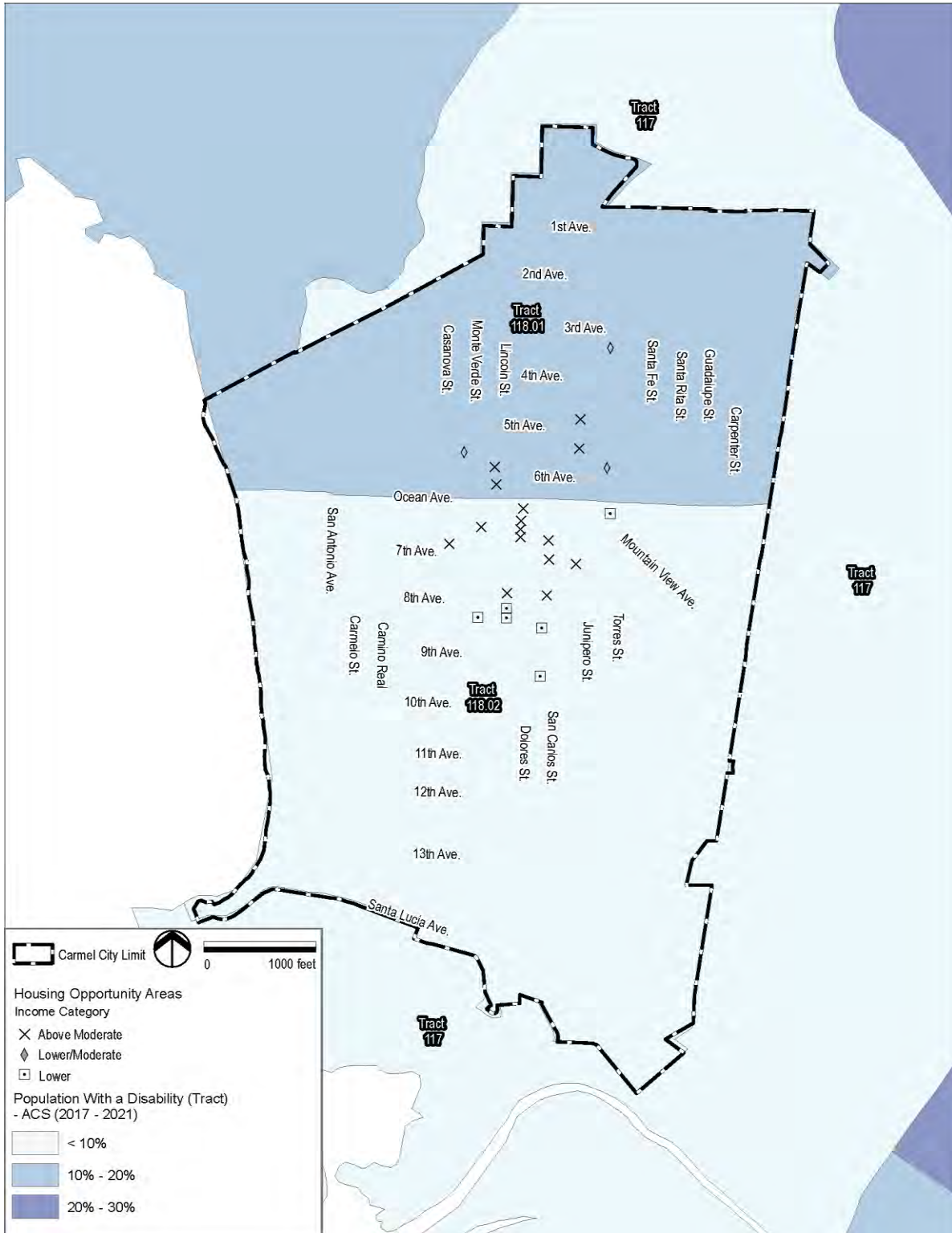
Income Group	Census Tract 118.02 Population with a Disability 7.7%	Percent	Census Tract 118.01 Population with a Disability 17.1%	Percent
Very Low-Income	66	30%	30	23%
Low Income	52	24%	12	9%
Moderate-Income	8	4%	25	20%
Above Moderate-Income	91	42%	61	48%
Total	217	100%	128	100%

SOURCE: U.S. Census Bureau ACS 5-Year Estimate, 2021, Table S1810; City of Carmel-by-the-Sea

Census Tract 118.02 is anticipated to accommodate 217 units ranging from very low- to above moderate-income. Of the 217 units, approximately 54 percent are lower-income. Census Tract 118.01 is anticipated to accommodate 128 units ranging from very low- to above moderate-income. Of the 128 units, approximately 33 percent are lower-income. The distribution of units is intended to meet existing housing needs, while also mitigating concentrations of residents living with a disability. Increasing the housing supply throughout the city is expected to mitigate the overpayment, housing scarcity, and displacement that lower-income persons with disabilities are susceptible to.

To address barriers to obtaining accessible and affordable housing for residents/households living with a disability, the City has included Program 3.2.A, which commits the City to revising procedures for reasonable accommodation, as well as reducing and/or waiving permit fees for persons with a disability (see [Chapter 2](#)).

Figure C-11 Sites Inventory Analysis by Population with a Disability, 2021



SOURCE: HCD AFFH Data Viewer; City of Carmel-by-the-Sea

Potential Effect on Disproportionate Housing Needs & Displacement Risk Overcrowding

Overcrowding is defined as a household with more than one occupant per room excluding bathrooms and kitchens. Units with more than 1.5 persons per room are considered severely overcrowded. According to 2021 ACS data, approximately 1.6 percent of households in Carmel-by-the-Sea experience some level of overcrowded living conditions. [Table C-64](#) and [Figure C-12](#) show the distribution of housing opportunity units at each income level according to overcrowding.

As shown in [Table C-64](#), approximately 63 percent of anticipated housing opportunity units are located in Census Tract 118.02 where no households experience overcrowding. In Census Tract 118.01, approximately 3 percent of households experience overcrowding. Census Tract 118.01 is anticipated to accommodate 128 units ranging from very low- to above moderate-income. As discussed in [Appendix A – Housing Needs and Fair Housing Report](#), the level of overcrowding in Carmel-by-the-Sea is lower than Monterey County and nearby jurisdictions, ranging from 1 to 14 percent.

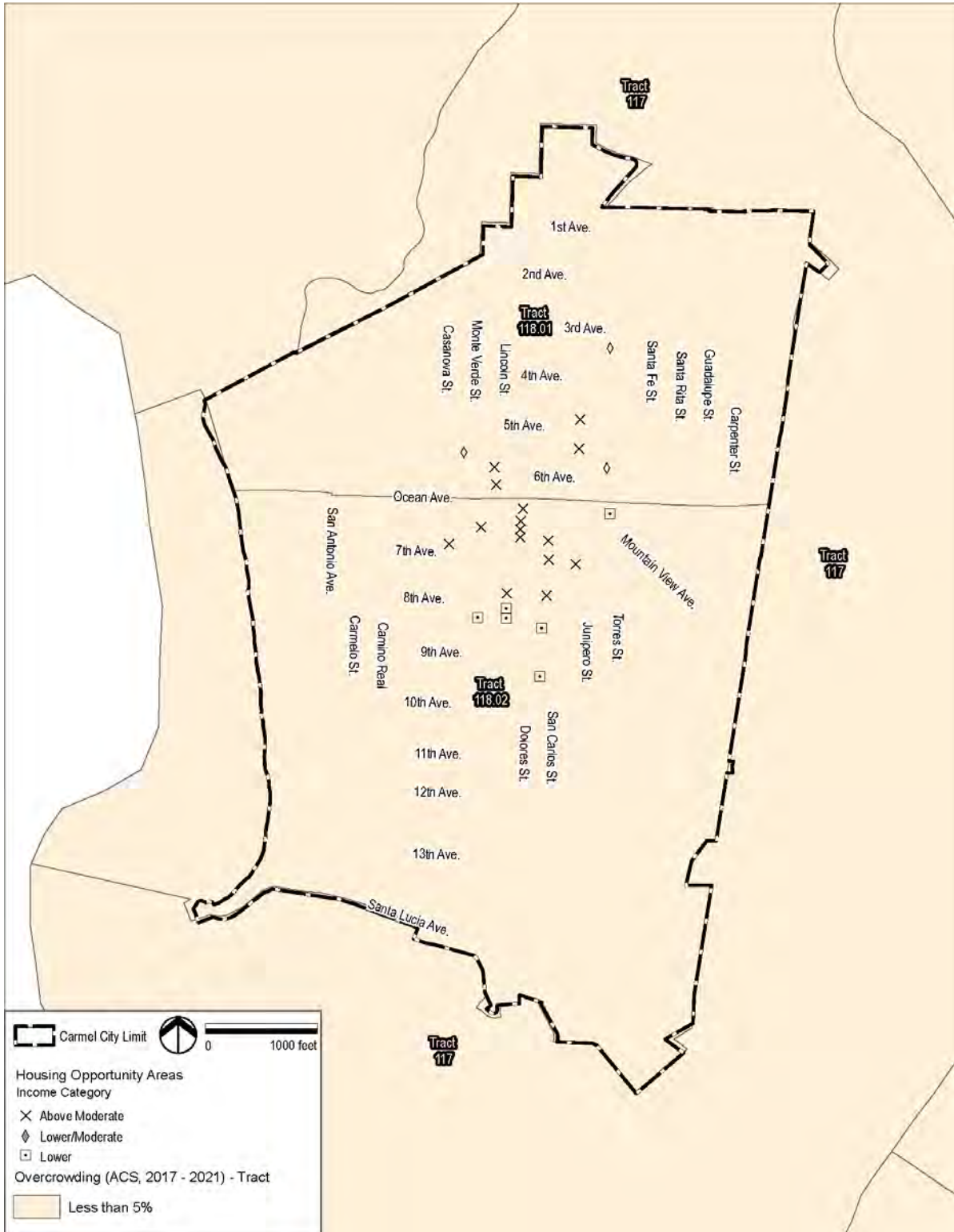
The distribution of housing opportunity units is anticipated to reduce overcrowding by increasing housing supplying throughout the city. A total of 42 lower-income units are anticipated in Census Tract 118.01 to meet the existing need for affordable residential units and mitigate future concentrations. The City has developed a suite of programs to facilitate the development of a variety of housing types for all income levels (Programs 1.3.A, 1.3.C, 1.3.D, 1.3.F, 1.3.G, 1.3.J, 3.3.A, 3.3.B, 3.3.C, 3.3.D, see [Chapter 2](#)).

Table C-64 Sites Inventory Unit Count by Overcrowding, 2021

Income Group	Census Tract 118.02 Household Overcrowding 0%	Percent	Census Tract 118.01 Household Overcrowding 3.3%	Percent
Very Low-Income	66	30%	30	23%
Low Income	52	24%	12	9%
Moderate-Income	8	4%	25	20%
Above Moderate-Income	91	42%	61	48%
Total	217	100%	128	100%

SOURCE: HCD AFFH Data Viewer, 2017-2021; City of Carmel-by-the-Sea

Figure C-12 Sites Inventory Analysis by Overcrowding, 2021



SOURCE: HCD AFFH Data Viewer; City of Carmel-by-the-Sea

Cost Burden & Displacement Risk

Cost burden is measured as households spending more than 30 percent of their gross income including utilities for housing. Consistent with the region, households throughout Carmel-by-the-Sea are overpaying for housing due to rapidly increasing market conditions that outpace wage increases. [Table C-65](#) and [Figure C-13](#) show the distribution of housing opportunity units at each income level according to the percentage of cost burdened renter households.

As shown in [Figure C-13](#), between 40 to 80 percent of households experience cost burden in Carmel-by-the-Sea. In Census Tract 118.01, located north of Ocean Avenue, approximately 52 percent of renter households experience cost burden. Whereas, in Census Tract 118.02, located south of Ocean Avenue, approximately 62 percent of renter households experience cost burden.

As shown in [Table C-65](#), approximately 63 percent of the anticipated housing opportunity units are located in Census Tract 118.02, where approximately 62 percent of renter households experience cost burden. Thirty-seven (37) percent of anticipated housing opportunity units are located in Census Tract 118.01, where approximately 52 percent of renter households experience cost burden. There is no correlation between cost burden rates and resource areas in Carmel-by-the-Sea, as all census tracts are designated highest resource areas, coinciding with low poverty rates (less than 2 percent), and median incomes greater than Monterey County.

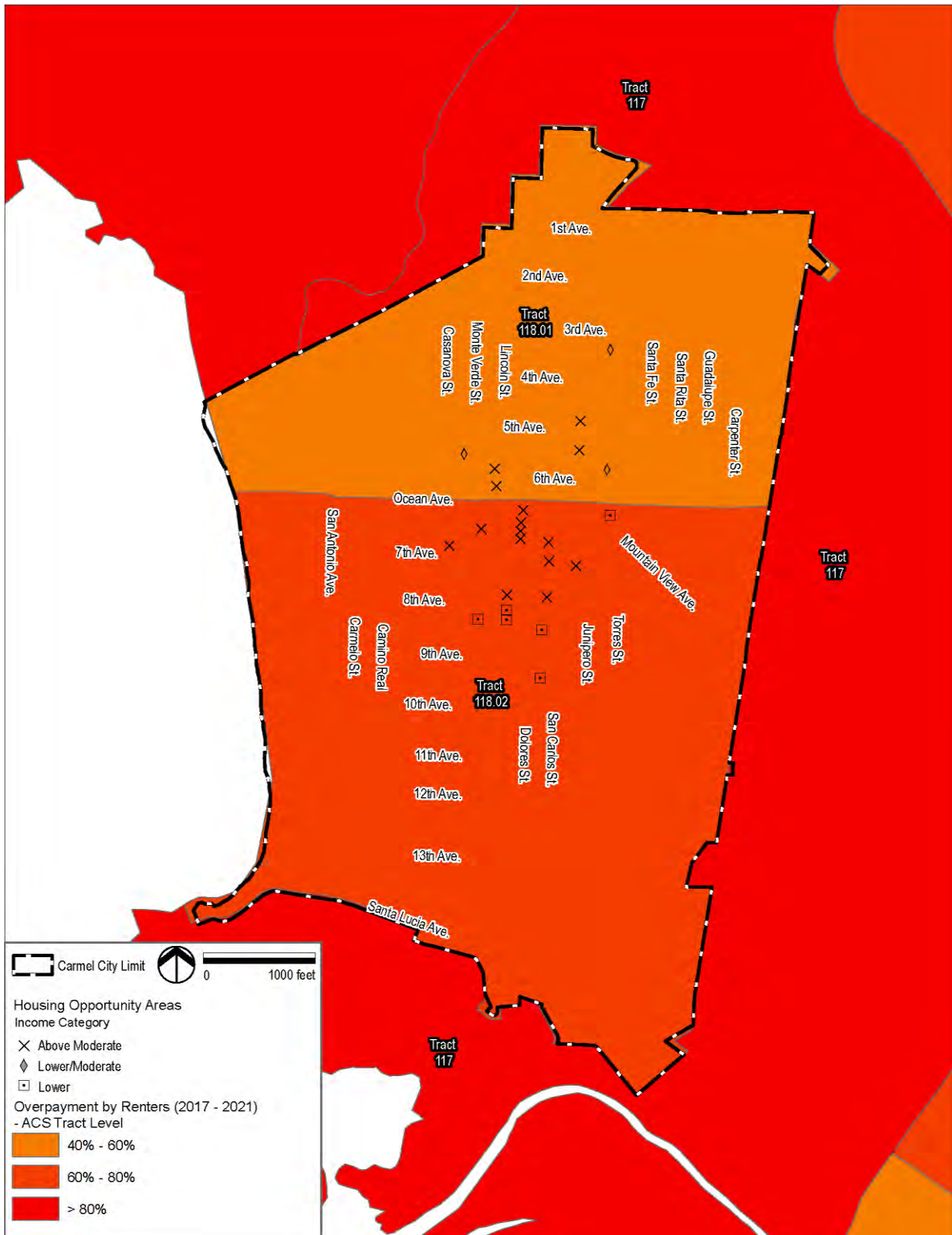
Table C-65 Site Inventory Unit Count by Cost Burdened Renter Households, 2021

Income Group	Census Tract 118.01 Household Overcrowding 52%	Percent	Census Tract 118.02 Household Overcrowding 62%	Percent
Very Low-Income	30	23%	66	30%
Low Income	12	9%	52	24%
Moderate-Income	25	20%	8	4%
Above Moderate-Income	61	48%	91	42%
Total	128	100%	217	100%

SOURCE: HCD AFFH Data Viewer, 2021; City of Carmel-by-the-Sea

Census Tract 118.02 is anticipated to accommodate approximately 74 percent of the City’s anticipated lower-income units, and Census Tract 118.01 is anticipated to accommodate approximately 26 percent. The distribution of housing units is intended to alleviate existing conditions of cost burden among renter households by increasing the supply of affordable housing in areas where it is needed most, while also acting as a mitigation measure against segregated living patterns based on income. The City intends the housing site inventory distribution to encourage a balanced environment for future housing development.

Figure C-13 Sites Inventory Analysis by Cost Burdened Renter Households, 2021



SOURCE: HCD AFFH Data Viewer; City of Carmel-by-the-Sea

To address barriers to obtaining affordable housing for lower-income and special needs households, the City has developed a suite of programs to facilitate the construction of housing affordable to lower-income households and support lower-income households through continued education (Programs 1.4.A, 3.1.B, 3.1.C, 3.1.D, 3.1.E, 3.1.F, 5.1.A, 5.1.B, 5.1.C, see [Chapter 2](#)).

Summary of AFFH Analysis of Sites

Generally, Carmel-by-the-Sea is designated a highest resource area with a low level of diversity, low levels of poverty, and predominantly comprised of non-Hispanic White households. The household median income varies slightly according to census tract, ranging from \$90,100 to \$120,000 annually. Household overcrowding also slightly varies according to census tract, ranging from 0 to 5 percent across the city. Additionally, cost burden among renter households varies according to census tract, ranging from 52 to 62 percent of renter households. Residents living with a disability vary according to census tract, ranging from 7 to 17 percent. Lastly, female headed-households comprise a total of 3.6 percent of all households in Carmel-by-the-Sea.

The selected sites for the housing opportunity sites inventory are distributed throughout the city and are anticipated to mitigate segregated patterns of development and increase opportunities through the integration of all affordability levels for housing units. The City has developed a suite of programs to facilitate the construction of housing affordable to lower-income and special needs households, and to support lower-income households. For a comprehensive discussion of the City's goals, policies, and programs to support the development of affordable housing, see [Chapter 2](#).

C.7 Conclusion

The underutilized sites, on-site hospitality employee housing, accessory dwelling units, and pipeline projects identified in this report are sufficient to accommodate approximately 117 percent of the City of Carmel-by-the-Sea's Regional Housing Needs Allocation for the 6th Cycle planning period. Many of the sites identified in this report have existing uses that would need to be temporarily relocated, remodeled, or replaced before new housing could be constructed. Several sites have property owner interest.

Carmel-by-the-Sea has successfully produced the variety of housing types projected to meet RHNA with this 6th Cycle Housing Element update. Examples can be found with [Figure C-14, Example Development Map](#). Further, the incumbent staff, Marnie Waffle, has led four out of the five example projects shared with this image.

Nonetheless, for communities like Carmel-by-the-Sea that are largely built out and surrounded on all sides by natural resources and other communities, redevelopment and densification is the only practical solution to providing its share of housing for the Monterey Bay Area RHNA. By its nature, such redevelopment is more costly and more time consuming than building new units on vacant land.

Figure C-14 Example Development Map



Der Ling Apartment -
Conversion of commercial to residential use.



Clark Apartments -
New residential construction and demolition of prior commercial use.



Fink Condominium -
New residential addition to existing commercial use.



Brosche Apartments -
Conversion of office to residential use.



Brigantino Apartments -
Rehabilitation of existing residential units.

Source: Monterey County GIS 2023



Example Development Map
Carmel Housing & Safety Element Update

Review of Previous Housing Element

D
APPENDIX

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Appendix D

Review of Previous Housing Element

D.1 Introduction

In order to effectively plan for the future, it is important to reflect back on the goals of the previous Housing Element and to identify those areas where progress was made and those areas where continued effort is needed. State Housing Element guidelines require communities to evaluate their previous Housing Element according to the following criteria:

- Effectiveness of the Element;
- Progress in Implementation; and
- Appropriateness in Goals, Objectives and Policies.

D.2 Effectiveness of the Element

The City's 2015 Housing Element identified the following goals:

- Goal G3-1 Preserve the existing housing stock;
- Goal G3-2 Preserve existing residential units and encourage the development of new multi-family housing in the Commercial and R-4 Districts;
- Goal G3-3 Provide adequate sites for the development of a wide range of housing types for all citizens;
- Goal G3-4 Protect the stability of residential neighborhoods by promoting year-round occupancy and neighborhood enhancement; and
- Goal G3-5 Preserve and increase the supply of housing for lower- and moderate-income households, senior citizens and other special needs groups. Prohibit discrimination in the sale or rental of housing.

In order to achieve these goals, the 2015 Housing Element listed a series of policies and actions. The policies covered a range of actions, including (but not limited to): development of mixed-use projects with high-density housing; preserving existing second-floor housing over first-floor commercial uses; converting R-1 hotels to housing; enforcing the City's prohibition on short-term rentals; reviewing requirements for conditional use permits on multi-family developments with

densities greater than 22 du/ac; using City-owned surplus sites for affordable housing; and granting water priority to affordable housing projects. The 2015 policies and programs complied with State Housing Law guidelines in effect at the time.

D.3 Progress in Implementation

To assess the City’s progress in implementing the 2015 Housing Element, the following key areas were reviewed:

- Adopted Programs;
- Production of Housing;
- Preservation of “At Risk” Units; and
- Rehabilitation of Existing Units.

Each of these areas is discussed in detail below.

Overview of Adopted Programs

[Table D-1, Overview of Adopted Programs](#), identifies all of the actions the City committed to in the 2015 Housing Element. The table also includes a description of the progress that was made during the 2015–2023 planning period.

Production of Housing

The 2015 Housing Element identified a Regional Housing Needs Allocation of 31 housing units in the City of Carmel-by-the-Sea between January 1, 2015 and June 30, 2023. The RHNA was divided into the following income categories:

- 7 units affordable to extremely low- and very low-income households;
- 5 units affordable to low-income households;
- 6 units affordable to moderate-income households; and
- 13 units affordable to above moderate-income households.

Table D-1 Overview of Adopted Programs

Program Number	Programs/Actions [The text provided in this column is a synopsis only; for complete program language please refer to the 2015 Housing Element]	Achievements/Effectiveness	Continue/ Modify/ Delete in 6 th Cycle
Goal G3-1: Preserve the existing housing stock.			
Program 3-1.1.a	Housing Rehabilitation Information. Distribute information on the Inspection Services and Housing Rehabilitation programs available through Monterey County, and alternative ways of financing home repairs.	<p>During the planning period, the City provided information on rehabilitation programs, inspection services, and home repair financing at City Hall and on the City's website. During the Planning period, the City's website was redesigned with new features that make navigation easier.</p> <p>Dissemination of information at City Hall and on the City's website is a passive activity that can effectively educate and inform the public.</p>	Modify to improve effectiveness by taking a more active role in disseminating information at established venues such as the Farmer's Market, Library programming and local service organizations.
Program 3-1.1.b	Residential Inspection Services. Inspect residences in the community for structural deficiencies and repair needs at the request of the property owner.	Throughout the Planning period, the City provided residential inspection services to residents as part of Code Enforcement complaints and during the building permit process. However, the City is not staffed to provide inspections outside of the building permit process and does not maintain the required certifications to identify structural deficiencies.	Delete
Program 3-1.1.c	Housing Maintenance Information. Disseminate informational materials identifying techniques used to upgrade property consistent with health and safety standards. The informational materials will continue to be disseminated at public buildings, through the City's website, and in conjunction with Program 3-1.1.a.	<p>During the planning period, the City provided housing maintenance information at City Hall and on the City website to facilitate the preservation of the existing housing stock. During the Planning period, the City's website was redesigned with new features that make navigation easier.</p> <p>Dissemination of information at City Hall and on the City's website is a passive activity that can effectively educate and inform the public. To improve program effectiveness, capture a broader audience, and take a more active role in disseminating information, the City will take advantage of established venues such as the Farmer's Market, Library programming, and local service organizations to promote available resources.</p>	Modify and Combine with 3-1.1.a.

Program Number	Programs/Actions [The text provided in this column is a synopsis only; for complete program language please refer to the 2015 Housing Element]	Achievements/Effectiveness	Continue/ Modify/ Delete in 6 th Cycle
Goal G3-2: Preserve existing residential units and encourage the development of new multi-family housing in the Commercial and R-4 Districts.			
Program 3-2.1.a	Incentives for Mixed-Use Development. Provide floor area bonuses of up to 15 percent for projects that include housing for Moderate-, Low- and Very-Low-income households. Distribute informational materials outlining the floor area and other applicable incentives.	The City continues to encourage affordable housing in mixed-use development. No development participated in this program and it was not effective in generating additional new units.	Modify to improve the incentive
Program 3-2.1.b	Preserve and Increase Second Floor Residential Uses. Prohibit the conversion of existing second-floor residential floor space to commercial use. Require newly constructed floor space at the second floor to be used as residential units.	The City continues to preserve existing second floor residential uses and encourages the conversion of second floor commercial space to residential use. This was a successful program that resulted in protection of existing units and construction of new units.	Continue.
Program 3-2.1.c	Incentives for Mixed Use Affordable Housing. Explore options to further incentivize upper-story housing opportunities, such as the potential of allowing a third story when devoted to affordable housing subject to appropriate design standards, including the City's 30-foot height limit.	The City continues to look for ways to increase affordable housing opportunities. The City approved the Del Dono I and Del Dono II projects which included Moderate income units and a 3 rd floor mezzanine.	Modify to specify 3 rd floor mezzanine.
Program 3-2.1.d	Multi-Family Residential Development Review. Monitor multi-family residential development applications to assess whether the CUP requirement (CUP for MFDs at densities 22 du/ac +) is posing an unreasonable development constraint. If it is determined that the CUP requirement is negatively affecting the cost and supply of housing, the City will initiate Zoning Code and LCP amendments to revise permit requirements for residential projects with densities greater than 22 du/ac to ensure permits are granted based on objective criteria.	<p>The City monitored the review process for multi-family residential development and found that the Use Permit requirement for multi-family projects at densities between 23 and 33 dwelling units per acre was not a deterrent to development. The primary constraint to increased density remains a lack of water resources. However, the City remains open to eliminating the Use Permit requirement for all densities greater than 22 dwelling units per acre.</p> <p>While the monitoring of multi-family residential development applications did not reveal an unreasonable development constraint, the elimination of the Use Permit requirement would result in cost savings for applicants who would no longer have to pay the Use Permit application fee. Additionally, the application processing time would be reduced by eliminating one of the permit entitlements.</p>	Modify to remove the CUP requirement for densities up to 33 du/ac.

Program Number	Programs/Actions [The text provided in this column is a synopsis only; for complete program language please refer to the 2015 Housing Element]	Achievements/Effectiveness	Continue/ Modify/ Delete in 6 th Cycle
Goal G3-3: Provide adequate sites for the development of a wide range of housing types for all citizens.			
Program 3-3.1.a	Adequate Sites. The City will encourage and facilitate the development of new dwelling units consistent with the RHNA need by continuing to work with housing providers such as the Carmel Foundation. The City will also encourage development of new affordable units through incentives and concessions outlined in Programs 3-5.4.a, 3-5.4.b, 3-5.5.a, 3-5.5.b, and 3-5.5.c of this Housing Element.	<p>The City encouraged the construction of new dwelling units to meet the City's RHNA requirements and promoted incentives and concessions to facilitate new construction. A lack of water resources continues to be the largest constraint to developing high-density housing.</p> <p>The Carmel Foundation manages 50 affordable senior housing units in Carmel. While the City has a long-standing relationship with the Foundation, they do not accept government funding, and the operating costs of the housing units result in an annual deficit. Identification of additional funding sources and housing providers should be considered while maintaining a strong relationship with the Foundation.</p> <p>City staff regularly promotes the incentives available for developing new affordable units when meeting with prospective developers and processing new development applications. The primary constraint to increased density remains a lack of water resources.</p>	Modify. The City will craft a policy requiring minimum densities.
Program 3-3.1.b	Surplus Sites. Investigate the feasibility of utilizing surplus sites for housing development and partnering with housing providers to develop housing for lower-income households and/or senior housing on appropriate surplus sites.	The City continues to evaluate the feasibility of constructing new housing on surplus land, specifically the Sunset Center parking lots (north and south). No development partners emerged during this Housing Element cycle; however, discussions remain ongoing.	Modify to identify underutilized City-owned sites including Flanders Mansion, Sunset Center parking lots, Post Office parking lot and Vista Lobos.
Program 3-3.1.c	Development on Small Sites. The City will continue incentives and provisions that facilitate development on small sites including reduced parking requirements for affordable housing projects (0.5 parking spaces per unit), density bonuses that allow for development up to 88 du/ac, flexible or in some cases no required	During the planning period, the City maintained reduced parking requirements for affordable housing projects and the density bonus provisions allowing high-density housing development of up to 88 dwelling units per acre. A lack of water resources continues to be the largest constraint to developing high-density housing.	Modify to continue lot merger approval by Director, simplify parking requirement reductions,

Program Number	Programs/Actions [The text provided in this column is a synopsis only; for complete program language please refer to the 2015 Housing Element]	Achievements/Effectiveness	Continue/ Modify/ Delete in 6 th Cycle
	setbacks in the R-4 zone, and lot mergers. The City will review its Lot Merger Program to determine if any refinements should be made, including a requirement that mergers be approved by the Planning Commission rather than the Director. The City may also consider incentives for commercial lot mergers when lower-income units are provided, and eliminating any provisions of this program that have the unintended effect of restricting housing opportunities.	<p>The City continued to promote incentives associated with lot mergers in the single-family district, including additional floor area for the primary dwelling and accessory dwelling units, additional site coverage, and an additional accessory structure. Lot merger applications continue to be approved by the Community Planning & Building Director.</p> <p>No development participated in the density bonus or setback incentive in the commercial or multi-family districts.</p> <p>The City did not pursue a lot merger incentive program for the commercial districts. Density bonus regulations continue to provide the greatest incentive.</p> <p>Most lot merger applications were for single building sites comprised of multiple legal lots of record. Merging these sites did result in the granting of incentives</p>	reevaluate the density bonus and setback incentives.
Program 3-3.2	Address Infrastructure Constraints. Work cooperatively with the Monterey Peninsula Water Management District (MPWMD) and other regional agencies to address infrastructure limitations (e.g. sewer, water, roads) that affect the ability to serve new housing development. Grant water allocation priority to those projects that assist the City in meeting its share of the regional housing need for lower- and moderate-income households.	<p>During the planning period, the City continued to work with regional agencies such as the Monterey Peninsula Water Management District (MPWMD) and the Carmel Area Wastewater District (CAWD) to ensure adequate infrastructure is in place to accommodate new housing and maintenance of existing residential units. Additionally, the City focused on stormwater drainage improvements to reduce flooding. The City's Public Works Department continues to improve City infrastructure related to road maintenance and storm drains. The City continued prioritizing water allocation for lower-income units; however, no development applications were received for lower-income housing.</p> <p>Lack of water resources continues to be a significant constraint to housing development. The City will establish a formal policy to prioritize water allocations to affordable housing projects.</p>	Modify to further prioritize water allocation for lower income units by developing a new City policy.

Program Number	Programs/Actions [The text provided in this column is a synopsis only; for complete program language please refer to the 2015 Housing Element]	Achievements/Effectiveness	Continue/ Modify/ Delete in 6 th Cycle
Goal G3-4: Protect the stability of residential neighborhoods by promoting year-round occupancy and neighborhood enhancement.			
Program 3-4.1.a	Permanent Housing. Continue to implement the ordinance adopted in 1988 prohibiting short-term, transient rentals and timeshares of residential dwellings in the R-1 District.	<p>The City continued to enforce the prohibition of short-term rentals in the single-family residential district. The City continues to use Host Compliance as part of the ongoing enforcement. On average, 27 violation letters were mailed annually during the planning period.</p> <p>A significant percentage of single-family homes continue to remain vacant for part of the year due to second home ownership.</p> <p>During the planning period, the City enforced the provisions of the Timeshare Ordinance and made minor updates to the Ordinance to increase clarity. One enforcement action was taken against a timeshare company during the planning period.</p>	Modify to explore methods to raise funds including establishing an Affordable Housing Trust Fund, , property tax reduction or ADU incentive program.
Program 3-4.1.b	Conversion of R-1 Motels. Continue to allow conversion of R-1 motel units into permanent residences with the transfer of vacated rooms to the commercial district.	During the planning period, the City allowed the conversion of R-1 motels to permanent residences. Specifically, the Happy Landing Inn was converted to a permanent residence during the planning period. Additionally, a change in ownership of the Carmel Resort Inn resulted in a development application to downsize the footprint of the hotel property and construct 8 new single-family dwellings. Two of the 8 homes have been approved by the Planning Commission.	Modify to better incentivize the program to encourage MFD.
Program 3-4.2.a	Neighborhood Compatibility. Continue to enforce height, coverage and floor area standards to ensure that new construction and remodels do not present excess visual mass or bulk to public view or to adjoining properties. Continue to enforce design standards which ensure that buildings relate to a human scale and that they avoid use of oversize design elements that make them appear dominating or monumental. Continue to require that projects not meeting adopted design guidelines be reviewed by the Planning Commission.	The City continues to review new construction for compatibility with the existing neighborhood. In 2021, the City received 26 new Track 2 Design Study planning applications for single-family units which required Planning Commission hearings.	Delete.

Program Number	Programs/Actions [The text provided in this column is a synopsis only; for complete program language please refer to the 2015 Housing Element]	Achievements/Effectiveness	Continue/ Modify/ Delete in 6 th Cycle
Program 3-4.2.b	Support Community Organizations. Continue to support neighborhood organizations that promote neighborhood involvement, safety and improvement. When appropriate, develop partnerships with these organizations to promote neighborhood enhancement programs, conduct outreach, and solicit community input.	The City continues to support and partner with neighborhood organizations such as the Carmel Residents Association and the Carmel Foundation and the more recently formed Carmel Cares. These community organizations are an effective means to provide a wide variety of services to residents including meal programs, mobility equipment loans, caregiver support and general information and resources to help navigate the complex world of services and resources.	Modify to further support outreach and education.
Program 3-4.3.a	Neighborhood Preservation Educational Programs. Continue to use education programs to improve public understanding of the City's rich cultural and design heritage as a means of encouraging compatible housing design within existing neighborhoods, and provide zoning flexibility and incentives to facilitate rehabilitation of historic resources.	The City continues to implement the Historic Preservation Ordinance and the review of properties for historical significance upon submittal of a planning application. In 2021, the City reviewed 75 residential properties for historical significance and property improvements. The City uses the Historic Building Code to facilitate residential rehabilitation.	Continue.
Goal G3-5: Preserve and increase the supply of housing for lower- and moderate-income households, senior citizens and other special needs groups. Prohibit discrimination in the sale or rental of housing.			
Program 3-5.1	Reasonable Accommodation Procedures. Continue to implement Policy C11-01, which describes procedures to provide reasonable accommodation for persons with disabilities in compliance with the provisions of SB 520. Information on reasonable accommodation procedures shall be provided at City Hall and on the City's website.	The City continues to promote the reasonable accommodation process to residents on a project specific basis. A number of inquiries were received throughout the planning period; however, only seven (7) applications were received. All applications were approved. The City is currently evaluating the application fee to ensure it does not discourage the use of the policy.	Modify to reduce permit fee.
Program 3-5.2	Shared Housing Information. Distribute informational materials from the Monterey County Housing Authority to the Carmel Foundation and display information at City Hall and other public buildings and posted on the City's website.	The City continues to provide information related to shared housing information at City Hall and on the City's website. This program has generally been effective and the Carmel Foundation has over 2,600 members, many of whom live in Carmel and the surrounding region.	Modify to clarify intent and enhance education and outreach.

Program Number	Programs/Actions [The text provided in this column is a synopsis only; for complete program language please refer to the 2015 Housing Element]	Achievements/Effectiveness	Continue/ Modify/ Delete in 6 th Cycle
Program 3-5.3a	Condominium Conversions. Continue to implement condominium conversion policy, which restricts the conversion of apartments to condominiums to preserve the lower-cost rental housing options, typical of apartments, within the City. Apartments cannot be converted to condominiums unless a new apartment is being created to offset the conversion.	The City continues to implement the Condominium Conversion Ordinance to actively preserve and protect existing apartments. No formal applications for condominium conversions were submitted during the planning period and the Ordinance appears to be effective in halting conversions.	Continue.
Program 3-5.3.b	Section 8 Rental Assistance. Continue to facilitate use of the Section 8 program in the community by distributing information for the program at City Hall and the Library.	The City continues to provide information regarding Housing Choice Voucher (Section 8) rental assistance at City Hall, on the City's website, and through the library.	Continue.
Program 3-5.3.c	Subordinate Units. The City's Municipal Code allows construction of new subordinate units as a permitted use on lots of 8,000 square feet or greater to provide additional rental housing in the R-1 District to lower-income households. To further encourage the creation of subordinate units, the City will investigate potential amendments such as permitting subordinate units on smaller lots. In addition, the City will implement incentives which may include waiver/reduction of certain fees, priority processing, and reduced parking and setback requirements. The City will provide informational materials on incentives and technical assistance to property owners. The informational materials will be available at City Hall and on the City's website.	The City has a long history of permitting Subordinate Units (now called Accessory Dwelling Units). The City reviewed the subordinate unit regulations during the planning period and adopted updated regulations to facilitate new dwelling units. The amended regulations were approved by the California Coastal Commission and incorporated into the City's Local Coastal Plan. The City is currently working on additional amendments to the regulations in accordance with State law. During the planning period 36 applications (in 2021, the City received 18 new applications) for Accessory Dwelling Units (ADUs) were received and continues to issue building permits for ADUs. This program was effective and will be modified to further encourage ADUs and Junior ADUs.	Modify to reflect State Laws governing ADUs and combine regulations for Subordinate Units and Guest Houses to clarify regulations. Allow the use of ADUs at existing hotels as a means of employee housing.
Program 3-5.3.d	Monitor Affordable Housing Stock. Continue to monitor affordable housing projects and work with the owners to preserve affordability through identification of funding sources and/or opportunities for partnerships with other housing providers. Annually monitor the affordable housing stock in the coastal zone to ensure the affordable housing within the coastal zone is being protected and provided as required by Government Code Section 65590. The City will track data on the new construction, demolition, conversion and replacements housing units for low- and moderate-income households within the coastal zone including the following:	The City continued to monitor the existing affordable housing stock in partnership with the Carmel Foundation. Other than the defunct Del Dono I and II projects, no new affordable housing units were approved in the Coastal Zone during the planning period. Additionally, no existing affordable units were demolished or converted.	Modify to update the City database to better track affordable housing and facilitate monitoring.

Program Number	Programs/Actions [The text provided in this column is a synopsis only; for complete program language please refer to the 2015 Housing Element]	Achievements/Effectiveness	Continue/ Modify/ Delete in 6 th Cycle
	<ul style="list-style-type: none"> • The number of new housing units approved for construction within the coastal zone; • The number of housing units for persons and families of low- and moderate-income required to be provided in new housing developments either within or within three miles of the coastal zone; • The number of existing residential dwelling units occupied by low- and moderate-income households required either within or three miles of the coastal zone that have been authorized to be demolished or converted; and, • The number of residential dwelling units for low- and moderate-income persons and families that have been required for replacement (of those units being demolished or converted) within or three miles of the coastal zone. 		
Program 3-5.4.a	Density Bonus. Review and revise applicable density bonus ordinances to comply with State law.	The City adopted a new density bonus ordinance in conformance with State requirements. No development took advantage of the density bonus ordinance during the planning period possibly because the regulations are confusing and difficult to apply.	Modify to clarify regulations.
Program 3-5.4.b	Housing for Extremely-Low Income Households. Encourage the development of housing units for households earning 30 percent or less of the Median Family Income (MFI) for Monterey County. Specific emphasis shall be placed on the provision of family housing and non-traditional housing types such as single-room-occupancy units and transitional housing. Encourage development of housing for extremely-low-income households through a variety of activities such as targeted outreach to for-profit and non-profit housing developers on at least an annual basis, providing in-kind technical assistance, fee deferrals, expedited/priority processing, identifying grant and funding opportunities, applying for or supporting applications for funding on an ongoing basis, reviewing and prioritizing local funding for developments that include housing for ELI households and/or	<p>The City continued to work with developers and promote the construction of affordable housing. Projects that included affordable housing units received expedited review. These included Del Dono I and Del Dono II. However, no applications for lower-income households were submitted during the planning period.</p> <p>During the planning period, the construction of Accessory Dwelling Units (ADUs) provided housing opportunities for extremely low-income households.</p> <p>Group Residential facilities are permitted with the approval of a Use Permit in the R-4 district. Group Residential is defined as <i>Shared living quarters without separate kitchens or bathrooms for each room or unit, including boarding houses, dormitories, and private residential clubs, but excluding guesthouses.</i></p>	Continue.

Program Number	Programs/Actions [The text provided in this column is a synopsis only; for complete program language please refer to the 2015 Housing Element]	Achievements/Effectiveness	Continue/ Modify/ Delete in 6 th Cycle
	offering additional incentives to supplement the density bonus provisions in State law.		
Program 3-5.5.a	Reduced Entitlement and Development Fees. Continue to reduce the amount of fees required for projects that provide affordable housing to the extent feasible.	The City continued to waive parking requirements for apartments in the Central Commercial (CC) District. The City also provides reduced parking in-lieu fees for constructing new residential units in other commercial zones. Fee studies are conducted every 3 years. Fees are based on staff processing time. Other than the parking in-lieu fee (which has not been collected in years), the City does not impose impact fees.	Modify to reduce fees for affordable residential projects.
Program 3-5.5.b	Reduced Parking Requirements. Continue to offer reduced parking requirements for affordable housing developments. In addition, investigate the feasibility and effectiveness of further reducing existing in-lieu fees and amending the existing shared parking program to include housing units in affordable housing projects.	The City continued to offer reduced parking standards for affordable housing and senior housing units. The City also waived on-site parking requirements and payment of parking in-lieu fees for new apartments in the Central Commercial (CC) zoning district. Additionally, the City passed an Ordinance fixing the parking in-lieu fee at the 2003 rate until further notice. The regulations can be confusing and the City will work to better clarify the program.	Modify.
Program 3-5.5.c	Expedited Processing Procedures. Continue to offer expedited review procedures for residential projects that include affordable housing units.	The City continues to expedite the review of projects that include an affordable housing component. Specifically, the City expedited the review of two housing projects, Del Dono I and Del Dono II, which included 16 residential units with 2 deed-restricted moderate-income units. Unfortunately, a lack of construction funding halted the project's construction, and the properties are now under new ownership. A revised housing proposal that includes 12 apartments is under review and does not currently include any affordable housing and therefore does not qualify for expedited processing. The expedited regulations can be confusing and the City will work to better clarify the program.	Modify to clarify and refine expedited processing procedures.
Program 3-5.6.a	Energy Conservation and Green Building. Continue to review applications for new construction and substantial alterations taking into consideration solar orientation and access to sunlight. Additionally, continue to require compliance with current state building standards for energy efficiency in all new homes.	The City continues to promote energy conservation through the building plan check review process. The City will continue to implement the energy conservation requirements set forth in the Building Code and look for opportunities to promote energy conservation at City Hall and on the City website.	Modify to enhance outreach efforts.

Program Number	Programs/Actions [The text provided in this column is a synopsis only; for complete program language please refer to the 2015 Housing Element]	Achievements/Effectiveness	Continue/ Modify/ Delete in 6 th Cycle
Program 3-5.6.b	Water Conservation. Enforce the Water Management Program and provide information to the community on water conservation retrofits and best practices. In addition, provide information on and promote water conservation education and retrofit rebates provided by the Monterey Peninsula Water Management District.	The City continues to promote water conservation in coordination with the Monterey Peninsula Water Management District. The City will continue these efforts and look for opportunities to further promote water conservation measures.	Modify to enhance outreach efforts.
Program 3-5.7	Fair Housing Services. The California Department of Fair Employment and Housing and the Conflict Resolution and Mediation Center of Monterey County provide fair housing services and information. These agencies advise persons in need of information on housing and employment, mediate landlord/tenant disputes and research complaints about discriminatory housing practices. The City shall coordinate with these agencies to provide printed information about fair housing services at City Hall, on the City's website, and in other public buildings. The City shall also refer inquiries related to fair housing to these agencies.	The City provides fair housing information to the public at City Hall and on the City website and will continue to maintain and update the information. The City will continue to maintain, update and look for opportunities to expand the information available to the public.	Modify to enhance outreach efforts.
Program 3-5.8	Zoning for Transitional and Supportive Housing. In compliance with SB 2, the City will continue to allow transitional/supportive housing as a residential use, subject only to those requirements of other residential dwellings of the same type in the same zone.	The City did not receive any inquiries regarding transitional or supportive housing during this planning period.	Continue and update the Municipal Code.

SOURCE: City of Carmel-by-the-Sea

Table D-2 provides a summary of housing units produced in the city from 2015-2023. During the 2015–2023 planning period, 18 new units were added to the City’s housing stock, achieving approximately 58 percent of the City’s RHNA. This indicates that residential growth was slower than anticipated, likely due to the lack of available water, the COVID pandemic, the cost of land, and the overall lack of support for new housing development in the community. All 18 units produced were affordable to households with above-moderate incomes.

Table D-2 Housing Units Produced, 2015-2023

Affordability	New Construction Need	Housing Units Produced	Percent Achieved
Very Low	7	0	0.0%
Low	5	0	0.0%
Moderate	6	0	0.0%
Above Moderate	13	18	100.0%
Total	31	18	58%

SOURCE: HCD Annual Progress Report Dashboard (as of May 19, 2023).

NOTE: This table should be updated prior to finalization to account for units through January 1, 2024.

Preservation of “At Risk” Units

The California Housing Partnership Preservation Database is the state’s most comprehensive source of information on subsidized affordable housing at risk of losing its affordable status and converting to market-rate housing.¹ According to the database, there are no federal or state assisted units in Carmel-by-the-Sea. Currently, there are no affordable housing units at risk of conversion to market rate.

Rehabilitation of Existing Units

The 2015 Housing Element identified an objective of rehabilitating a total of 16 affordable units and 784 above-moderate-income units in the 2015–2023 planning period. The City issued over 250 building permits on average each year that permitted re-roofs, water heater upgrades and replacement, electrical upgrades, window repairs and replacements, and remodels.

D.4 Summary

Like many communities, the City of Carmel-by-the-Sea experienced strong development of single-family homes, Accessory Dwelling Units and conversion of second-floor commercial space to residential units during the 2015–2023 planning period. Of the 31 units identified in the City’s

¹ This database does not include all deed-restricted affordable units in the state, so there may be at-risk assisted units in a jurisdiction that are not captured.

RHNA, the City permitted 18 units (approximately 58 percent of the total), all of them for above moderate-income households; however, some of these units are ADUs which represent housing opportunities for lower-income housing.

The goals, objectives, and policies identified in the 2015 Housing Element were appropriate for the 2015-2023 timeframe because they complied with the program requirements mandated by State law at the time. The 6th Cycle Housing Element will be revised to address new state mandates and to put the City of Carmel-by-the-Sea on track to fully meet its housing obligations.

List of Contacted Organizations

E

APPENDIX

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Appendix E

List of Contacted Organizations

E.1 Introduction

This Appendix provides the names of organizations, tribal units, and other stakeholders that were contacted during the preparation of Carmel-by-the-Sea’s 6th Cycle Housing Element. In addition to these contacts, the City created a dedicated website called: “HOME Carmel-by-the-Sea” which can be found at <https://homecarmelbythesea.com>. This website provides a portal to all of the Housing Element-related community engagement activities that were available to members of the public during the update process. This includes information on Housing Element basics, site surveys, stakeholder surveys, and materials from community workshops.

E.2 List of Contacted Organizations

This section provides contact information for organizations and agencies in the Monterey Bay Area, stakeholder property owners, and interested parties that were contacted during the Housing Element preparation.

Organizations and Agencies

Association of Monterey Bay Area Governments
24580 Silver Cloud Court
Monterey, CA 93940
T: (831) 883-3750
Heather Adamson
[Association of Monterey Bay Area Governments \(ambag.org\)](https://www.ambag.org)

Monterey Peninsula Water Management District
5 Harris Court, Building G
Monterey, CA 93940
T: (831) 658-5601
Stephanie Locke
[Monterey Peninsula Water Management District \(mpwmd.net\)](https://www.mpwmd.net)

Carmel Area Wastewater District
3945 Rio Rd.
Carmel, CA 93922
T: (831) 624-1248
[Carmel Area WasteWater District \(cawd.org\)](https://www.cawd.org)

Carmel Chamber of Commerce
Ocean Ave. between Junipero and Mission
Inside Carmel Plaza 3rd Floor
Carmel, CA 93921
(831) 624-3877
[Carmel Chamber of Commerce](#)

Carmel Foundation
SE Corner of 8th Ave. and Lincoln St.
Carmel, CA 93923
T: (831) 624-1588
Holly Zoller
www.carmelfoundation.org

Landwatch Monterey County
306 Capitol Street #101
Salinas, CA 93901
T: (831) 759-2824
Jose Torres
[Monterey County - LandWatch](#)

Stakeholder Property Owners

- Esperanza Carmel, Christopher Mitchell;
- Carmel Realty, Bill Mitchell;
- Pine Inn, Richard Gunner & Dave Tipton;
- Bruno's, Thomas Sweeney;
- 3 Garages, Judie Profeta;
- First Church of Christ, Kent Wadsworth;
- Café Carmel, Greg Kraft and Kim Marie Archer;
- Wells Fargo, Brian Buhowsky;
- GBG, Montag Ivestor;
- Carmel Presbyterian, Bob Spencer;
- Yafa Property, Sandy Freschi;
- Levett Properties, Denny Levett & Jeanne Cox Levett;
- Doud Arcade, John Plastini; and
- Linggi Building / Flaherty's, Alan Buchwald.

Interested Parties

- Eric Miller Architects, Eric Miller;
- Silverie Properties, Dan Silverie III;
- Silcon Constructors, Dan Silverie IV;
- Winter & Co, Nore Winter;
- Carmel Plaza, Kristin Torrice;
- Carmel Residents Association, Nancy Twomey;
- Carmel Preservation Association;
- Carmel Heritage Society;
- Monterey Bay AIA, Executive Director;
- Builders Exchange, Sandy Steele;
- Christ Tescher Construction, Chris Tescher;
- Carmel Boutique Inns/Vagabond House Inn, Amanda Levett;
- Jody LeTout;
- Walker and Reed, Jim Heisinger;
- American Legion, Gerry Paratore;
- Cal-Clark Farms, Stu Clark;
- Bennett Sculpture Carmel, Ashley Stoddard;
- Sue McCloud;
- Su Vecino, Shari Polovneff;
- Vesuvio, Little Napoli, Carmel Bakery, Rich Pepe;
- Luca/L'auberge/Carmel Beach Hotel, David Fink;
- Hakim, Jack Hakim;
- Mandurrago & Associates, John Mandurrago;
- Forge in the Forest, Greg Profeta;
- Classic Hotels, Mary Crowe;
- Carmel Lodge, Mark Stilwell;
- Dyar Architects, Erik Dyar;
- Thomas Bateman Hood Architects, Thomas Hood;

- Justin Pauly Architects, Justin Pauly;
- Cushman Wakefield Properties, Michael Schoeder;
- Fred Kern;
- Lewis Builders, Scott Julian;
- Beesley Realty, Ben Beesley;
- Visit Carmel, Amy Herzog;
- Jeanne Cox Levett;
- Gerard Rose;
- Franklin Williams; and
- Catherine and John Compango.

E.3 City Contact List

This section provides contact information for City officials that were involved with Housing Element preparation.

Elected and Appointed Officials

City Council

- Dave Potter, Mayor;
- Payor Pro Tem/Housing Ad Hoc Member, Bobby Richards;
- City Councilmember/Housing Ad Hoc Member, Karen Ferlito;
- City Councilmember Jeff Baron; and
- City Councilmember, Alissandra Dramov.

Planning Commission

- Michael LePage;
- Stephanie Locke;
- Chris Bolton;
- Robert Delves; and
- Erin Allen.

Historic Resources Board

- Eric Dyar;
- Karyl Hall;
- Jordan Chroman;
- Kathy Pomeroy; and
- Esther Goodhue.

City Staff

- Brandon Swanson, Director of Community Planning & Building;
- Marnie Waffle, AICP, Principal Planner;
- Katherine Wallace, AICP, Associate Planner;
- Chip Rerig, City Administrator;
- Robert Harary, Public Works Director;
- Gaudenz Panholzer, Fire Chief; and
- Ashlee Wright, Library and Community Activities Director.

E.4 Tribal Consultation

This section provides contact information for all tribal consultation during Housing Element preparation.

Irene Zwierlein, Chairperson
Amah Mutsun Tribal Band of Mission San Juan Bautista
3030 Soda Bay Road
Lakeport, CA, 95453

Valentin Lopez, Chairperson
Amah Mutsun Tribal Band
P.O. Box 5272
Galt, CA 95632

Tony Cerda, Chairperson
Costanoan Rumsen Carmel Tribe
244 E. 1st Street
Pomona, CA, 91766

Rudolph Rosales (Ulax Huchumas)
Indigenous Peoples Consultant
Esselen Nation
P.O. Box 647
Monterey, CA 93942

Susan Morley, Cultural Resources
Esselen Tribe of Monterey County
3059 Bostick Avenue
Marina, CA 93933

Tom Little Bear Nason, Chairman
Esselen Tribe of Monterey County
P. O. Box 95
Carmel Valley, CA, 93924

Ann Marie Sayers, Chairperson
Indian Canyon Mutsun Band of Costanoan
P.O. Box 28
Hollister, CA, 95024

Kanyon Sayers-Roods, MLD Contact
Indian Canyon Mutsun Band of Costanoan
1615 Pearson Court
San Jose, CA, 95122

Isaac Bojorquez, Chairman
Kakoon Ta Ruk Band of Ohlone-Costanoan Indians of the Big Sur Rancheria
PO Box 8355
Woodland, CA, 95776

Christanne Arias, Vice Chairperson
Ohlone/Costanoan-Esselen Nation
519 Viejo Gabriel
Soledad, CA, 93960

Louise Miranda-Ramirez, Chairperson
Ohlone/Costanoan-Esselen Nation
P.O. Box 1301
Monterey, CA, 93942

Dee Dee Ybarra, Chairperson
Rumsen Am:a Tur:ataj Ohlone
14671 Farmington Street
Hesperia, CA, 92345

Kenneth Woodrow, Chairperson
Wuksache Indian Tribe/Eshom Valley Band
1179 Rock Haven Ct.
Salinas, CA, 93906

E.5 Service Organizations

Housing Authority of the County of Monterey
123 Rico Street
Salinas, CA 93907
(831) 775-5000

Monterey County Department of Social Services
1000 South Main Street
Salinas, CA 93901
(831) 755-4448

Catholic Charities Dioceses of Monterey
922 Hilby Avenue, Suite C.
Seaside, CA 93955
Monterey Peninsula (831) 393-3110
Salinas Valley (831) 422-0602

United Way Monterey County
232 Monterey Street
Suite 200
Salinas, CA 93901
(831) 372-8026

CHISPA, Inc.
295 Main St. #100
Salinas, CA 93901
(831) 757-6251

Mid-Peninsula Housing Coalition
303 Vintage Park Drive
Suite 250
Foster City, CA 94404
(650) 356-2900
info@midpen-housing.org

Habitat for Humanity Monterey Bay
108 Magnolia Street
Santa Cruz, CA 95062
(831) 469-4663
www.habitatmontereybay.com

ECHO Fair Housing Services
580 Pacific Street
Monterey, CA 93940
(831) 566-0824
<https://www.echofairhousing.org/fair-housing-services.html>

Central Coast Center for Independent Living
318 Cayuga Street
Suite 208
Salinas, CA 93901
(831) 757-2968
<https://www.cccil.org/>

Center for Community Advocacy
22 West Gabilan Street
Salinas, CA 93901
(831) 753-2324
<https://cca-viva.org/>

The Salvation Army Good Samaritan Center
1491 Contra Costa
Seaside, CA 93955
(831) 899-4911
<https://monterypeeninsula.salvationarmy.org/>

Hope Services
1144 Fremont Blvd.,
Suite D
Seaside, CA 93955
(831) 393-1575
<https://www.hopeservices.org/>

Coalition of Homeless Service Providers
1942 Fremont Boulevard
Seaside, CA 93955
(831) 883-3080
<https://chsp.org/>

Monterey County Stand Down for Homeless Veterans
<https://www.monterestanddown.org/>

Diocese of Monterey
425 Church Street
Monterey, CA 93940
(831) 373-4345
<https://dioceseofmonterey.org/>

E.6 Additional Outreach

- Website: “Housing Opportunities Made Easier (H.O.M.E.) Carmel-by-the-Sea” (homecarmelbythesea.com) launched April 5, 2023. The website is presented in English with surveys in English and in Spanish. Information continues to be posted on this website;
- Housing Element Website Information Published: April 2023, May 2023, June 2023;
- April, 2023 – ongoing: E-Notification informing the public to, “Visit our Dedicated Housing Element Website” was sent in April 2023 and included in subsequent “City Administrator Friday Letter” e-notifications on a near-weekly basis;
- November 17, 2022: Housing Ad Hoc Committee Community Meeting provided a Housing Element Introduction and Overview;
- February 7, 2023: City Council meeting to review the Housing Feasibility Study by ECONorthwest and enter into contract with EMC Planning Group for Housing and Safety Element updates;
- March 28, 2023: Housing Ad Hoc Committee Community Meeting provided an overview of the housing feasibility study authored by ECONorthwest and constraints that limit housing production;
- April 6, 2023: Housing Ad Hoc Committee Community Meeting addressed 5th Cycle accomplishments and goals, programs, and policies;
- May 24, 2023: Housing Ad Hoc Committee Community Meeting discussed the importance of equity, housing needs assessment information, and potential 6th Cycle programs, and provided some strategies for sites and ways to provide feedback throughout this process;
- June 15, 2023: Joint City Council and Planning Commission Special Meeting hosted by the Housing Ad Hoc Committee was held to discuss the draft Housing Element and the 30-day public comment period and to provide an opportunity for the public to give verbal feedback/comments on the draft Housing Element;
- July 11, 2023: City Council to provide strategic direction related to public comment received;
- August 1, 2023: City Council to review revised draft Housing Element before submittal to HCD;
- Advance (10-day minimum) public notice of all scheduled Housing Ad Hoc and Council meetings published in the local newspaper, *The Carmel Pine Cone*;
- City staff have notified all property owners of identified sites via U.S. mail and - where e-mail addresses were known - have e-mailed property owners to encourage potential redevelopment of private property; and

- The City has implemented varied methods of involvement for community members, including: the HOME Carmel-by-the-Sea website, the Carmel-by-the-Sea City website/Long-Range Planning page, “Housing” email Listserv, “City Council” email listserv, announcements published in the City Administrator’s “Friday Letter” and vlog, public notices in *The Carmel Pine Cone*, a staffed table at the local Farmer’s Market; a Community Housing Stakeholder Survey made available in both English and Spanish, and seven (5) community meetings specific to the Housing Element topic and three (3) regular City Council meetings with an agenda item on Housing Element topic completed prior to submission of the Draft Housing Element to HCD.

ECONorthwest Feasibility Study

F

APPENDIX

ECONorthwest Study Background

On May 20, 2022, the City of Carmel-by-the-Sea entered into a professional services agreement with ECONorthwest to prepare a housing feasibility study. The study informs the analysis required as part of the 6th Cycle Housing Element update. The feasibility study evaluated current market conditions, the City's development standards related to housing, and potential opportunities for housing development. The study was not meant to be exhaustive. Instead, it starts the conversation about development opportunities and constraints within the City of Carmel-by-the-Sea.

DATE: January 27, 2023
 TO: Brandon Swanson, City of Carmel-by-the-Sea
 FROM: Chris Blakney, ECONorthwest
 SUBJECT: Housing Element Analysis for the City of Carmel-by-the-Sea

Introduction

In the State of California, local jurisdictions maintain a General Plan that serves as a blueprint for its long-term vision. Among the required “elements” of a general plan is the Housing Element. The Housing Element is the only element that state law requires be updated on a periodic cycle. The California Department of Housing and Community Development (HCD) is responsible for overseeing Housing Element updates. Every eight years, HCD allocates a share of projected statewide housing need to regions across the state. This is called the Regional Housing Need Allocation (RHNA). The state is currently in the sixth of these cycles. The sixth cycle will cover the June 30, 2023 to December 15, 2031 planning period for the City of Carmel-by-the-Sea [Carmel].

The City is a part of the Association of Monterey Bay Area Governments (AMBAG). AMBAG is responsible for developing a methodology for allocating its regional share of housing need to its individual jurisdictions. The Final Sixth Cycle (2023-2031) Regional Housing Needs Allocation plan, completed in October 2022, determined that Carmel’s share of regional housing need is 349 units; 187 of these units must be suitable to accommodate lower income households. It is important to note that RHNA targets reflect zoned capacity, not a construction quota.

Figure 1: Regional Housing Needs Allocation, Fifth and Sixth Cycle

Source: California Department of Housing and Community Development¹

Cycle	Income Level				Total
	Very Low	Low	Moderate	Above Mod.	
RHNA5 (2015-2023)	11	5	6	13	31
RHNA6 (2023-2031)	113	74	44	118	349
Sixth Cycle Income and Rent Ranges (County of Monterey)					
Income Levels	\$0 - \$45,050	\$45,050 - \$72,080	\$72,080 - \$108,120	\$108,120 +	
Rent Level/mo	\$0 - \$1,126	\$1,126 - \$1,802	\$1,802 - \$2,703	\$2,703 +	

While the City satisfied its Fifth Cycle RHNA planning target and received a certification for the 2015-2023 planning period, the market did not produce all 31 planned units. This underscores a considerable hurdle for the City in the Sixth Cycle which represents a 1,000% increase in its housing target for the cycle. This capacity is particularly challenging because Carmel does not have a deep supply of vacant land and presently lacks water resources to accommodate significant growth. This is further complicated by a parcelization pattern that includes many

¹ <https://www.hcd.ca.gov/docs/grants-and-funding/inc2k22.pdf>

small taxlots and market conditions that support high values for existing structures, making redevelopment improbable.

Executive Summary

As City officials begin to prepare for the Housing Element Update, they want to better understand some of the challenges to development and opportunities for adding housing capacity. This analysis summarizes our work exploring market conditions, observations in the City's zoning code, and sites/locations that are most likely to have development potential. While this report does not constitute a site alternatives analysis suitable for the City's Housing Element Update, it may provide insights into the development challenges, opportunities, and candidate sites for meeting the City's RHNA obligation in the Sixth Cycle.

Although renovation and replacement construction is common in Carmel, the City has had very limited net-new residential development during the Fifth Cycle (2015-2023) RHNA planning period². This has been in part a function of barriers in the current zoning code, access to water rights, market conditions, and the existing development pattern in the City's commercial core. In this work, we have found that existing development standards, such as a two-story height limit, effectively prohibit achieving maximum allowed residential densities. Another challenge is a parcelization pattern of smaller lots with existing moderate scale commercial development with well-performing tenants. Despite these challenges, our analysis identified 17 sites in or adjacent to the commercial core that could be viable candidates for redevelopment or densification. To be sure, for development to occur on these sites—specifically development serving lower income households—the City will need to take action to remove barriers and identify resources to support financial feasibility. Actions recommended for consideration include financial subsidies, disposition of City-owned land, targeted rezoning of specific sites adjacent to the existing commercial zones, and amendments to development standards to remove development constraints.

Local Context

Carmel-by-the-Sea is a small coastal community located on the Monterey Peninsula. Incorporated in 1916, the City is among the most affluent communities in California. The City has a strong residential character and a centralized business district. Carmel's architecture in its business district has a distinct character, having been built out during the 1920s and 1930s. Over 45 properties in the commercial district are considered historical resources.

Carmel is also a popular coastal tourism and second home destination. There are over three dozen hotels in Carmel and roughly 40 percent of all housing units are for seasonal, recreational, or occasional use—a rate ten times the national average.³ This dynamic has created a housing market that severely lacks affordability. Forty-seven percent of all households that

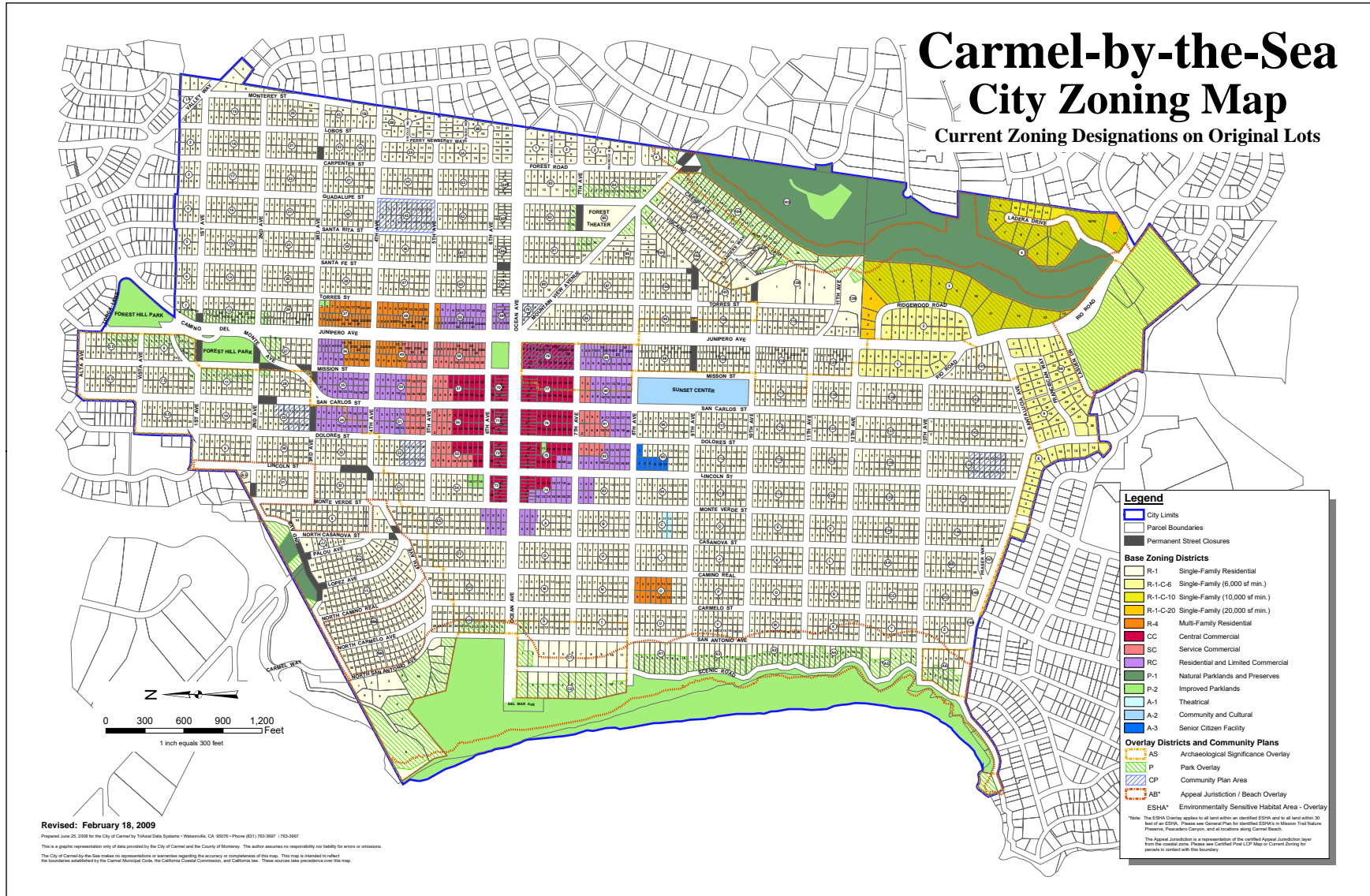
² According to Carmel's most recent Annual Progress Report to HCD.

³ U.S. Census Bureau. American Community Survey 5-Year Estimates (2016-2020); Table B2004. (See <https://data.census.gov/>)

rent (vs. own) their homes in Carmel are cost burdened, spending greater than 20 percent of their income on housing. Among these, a full 25 percent of renter households are severely cost burdened, spending 50 percent or more of their income on housing. 2,102 individuals work in Carmel, of whom only 2.6 percent live in Carmel.⁴

⁴ U.S. Census Bureau Longitudinal Employer-Household Dynamics Data (See <https://lehd.ces.census.gov/>)

Figure 2: Carmel-by-the-Sea Zoning Map on Original Plat
 Source: City of Carmel-by-the-Sea (see <https://planningsites.org/CarmelPlanning/>)



Site Visit

In June 2022, City staff hosted a walking tour of the village. The purpose of this exercise was to observe the characteristics of the built environment and evaluate the potential of City-owned sites to accommodate development of housing. Key themes from this visit include:

Height. The City's current code has a two-story height limit. However, there are many older structures throughout the commercial core that are taller than two stories and are adjacent to single- or two-story buildings.

Interior Courtyards. One of the unique characteristics of Carmel's built environment is the network of interior courtyards and intra-block passageways that connect businesses. Residents and visitors are encouraged to explore these interior areas behind business frontages and facades.

City-Owned Sites. The City owns several sites across the village. In addition to larger and potentially underutilized sites in the downtown core, it owns a series of sites that are unimproved street rights-of-way.

Sunset Center North and South Lots. If on-site parking could be accommodated, the north lot of the Sunset Center could be a redevelopment candidate. The South Lot may also be explored for development potential.

Topography. Some areas within and on the periphery of the commercial district have steep slopes. These areas could be opportunities for development with tuck-under parking.



Low density retail in commercial district



Example of interior courtyard



Ulrika Plaza at 5th and Dolores



Example of City-owned ROW site



Sunset Center North Lot



Example of underutilized parking

Market Overview

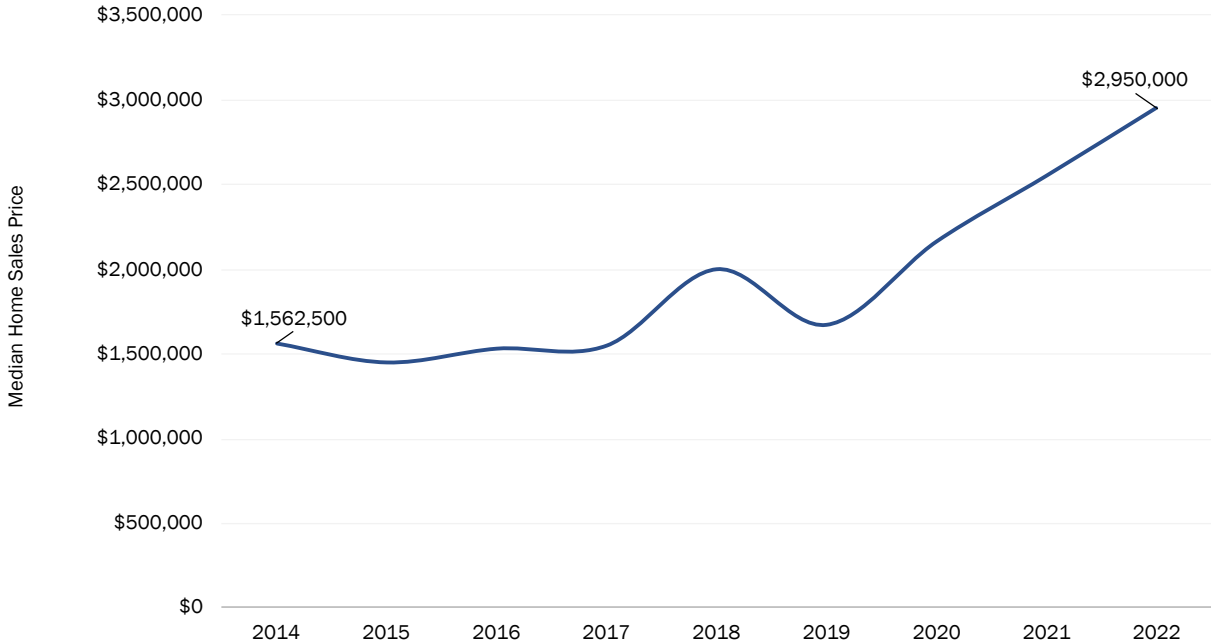
The ability of the market to deliver housing production in the future is largely a function of existing market conditions. An observation of socioeconomic conditions also informs housing need in the community.

For-Sale Market

Following several years of relative stability, the price of homeownership in Carmel has accelerated rapidly in recent years. Since 2019, the median home price in Carmel has jumped from \$1.6 million to \$2.95 million, an increase of 84 percent.⁵ Price increases are being driven by demand-side forces.

Figure 3: Median Home Price

Source: Property Radar⁶



Over this same period, there has been an acceleration of both sales volume and the share of homes that are purchased all cash or with mostly cash. For example, in 2020 and 2021 sales volumes were 50 percent higher than the previous five-year average. Moreover, the percentage of home sales with 75 percent to 100 percent cash down increased from 53 percent to 61 percent through the first half of 2022. This is indicative of a market that is attracting outside capital from other high-value markets. In the context of observed migration patterns in Northern California because of the COVID-19 pandemic, we suspect that much of the movement in the market is being driven by migration of high-net-worth households out of the Bay Area. This is observed

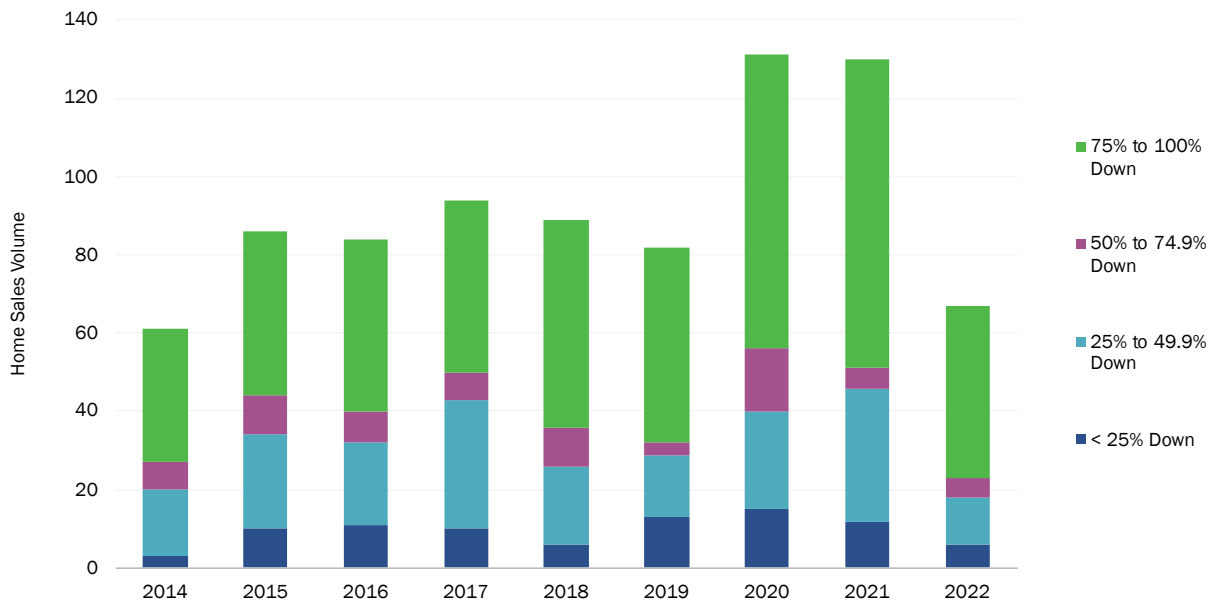
⁵ Property Radar. (See <https://www.propertyradar.com/>) Data reported through most recent period available

⁶ Property Radar. (See <https://www.propertyradar.com/>) Data reported through most recent period available

in migration data from the U.S. Postal Service that shows that since March 2020 Carmel has seen a migration-driven increase of 552 households.⁷

Figure 4: Sales Volume and Percent of Purchase Price in Cash

Source: Property Radar⁸



Second-Home Market

Tourism and the impacts of second homes and long-term rentals are also having an observed impact on affordability in Carmel.⁹ Data from the U.S. Census Bureau shows that nearly 40 percent of all housing units are used for seasonal, recreational, or occasional use. This rate is ten times the national average.

Figure 5: Share of Housing Units that are Second Homes

Source: U.S. Census American Community Survey (2016-2020 estimates); Table B25004¹⁰

	Nation	Carmel
Total housing units	138,432,751	3,731
For seasonal, recreational, or occasional use	5,303,302	1,479
Share of housing units that are second homes	3.8%	39.6%

⁷ USPS Change-of-Address Migration Data

<https://www.arcgis.com/apps/dashboards/951428e32723456c879d0966af4baa8a>

⁸ Property Radar. (See <https://www.propertyradar.com/>)

⁹ Short-term rentals are not permissible as per CMC 17.08.060 and CMC 17.14.040. (See <https://www.codepublishing.com/CA/CarmelbytheSea/html/Carmel17/Carmel1708.html>)

¹⁰ U.S. Census American Community Survey (2016-2020 estimates); Table B25004. (See <https://data.census.gov/>)

Renter Market

Reliable real-time market data on the local rental market is challenging to obtain because the majority of the rental market is organized through individual transactions, small property management firms, and in some cases informal agreements. Figure 6 below demonstrates that tenure split (owner vs. renter-occupied) in Carmel is roughly equal. However, a full 78 percent of the rental market is being met by single-family housing units (rather than apartment buildings), typically rented out by individuals as opposed to large property management firms.

Figure 6: Tenure (Rent vs. Own) by Units in Structure in Structure

Source: U.S. Census American Community Survey (ACS) (2016-2020 estimates)¹¹

Note: Tenure refers to whether a unit is occupied by someone who owns the unit (owner-occupied) or rents the unit (renter-occupied).

Unit Type	Owner-Occupied	Renter-Occupied	Total
Single-family Detached	993	694	1,687
Single-family Attached	0	19	19
Duplex	0	0	0
Triplex/Quadplex	0	22	22
Small Multifamily (5-19 units)	0	162	162
Large Multifamily (20+ units)	0	0	0
Mobile Homes ¹²	0	19	19
Total	993	916	1,909
<i>Tenure Split</i>	52.0%	48.0%	

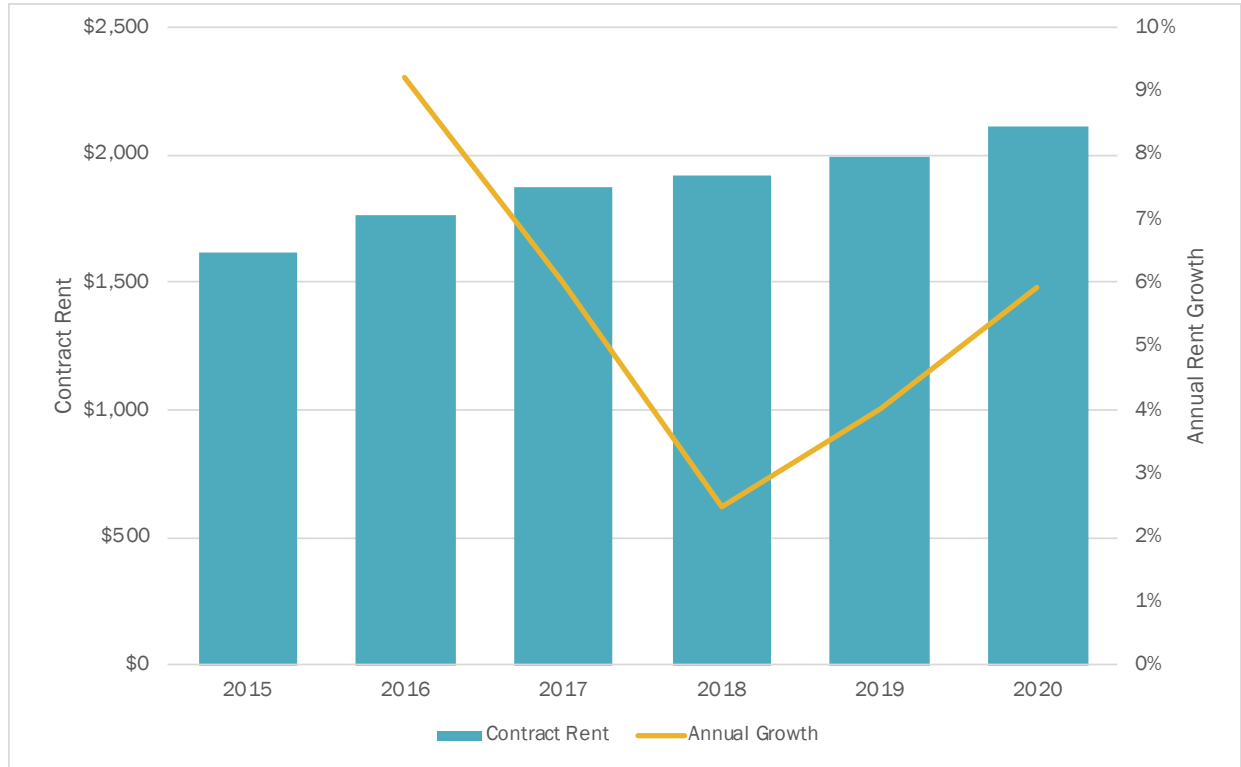
In Figure 7 below, we report annual contract rent reported for the market by the U.S. Census Bureau’s American Community Survey. We consider “average” rent levels reported in the survey to be considerably lower than where rental properties transact at in the market based on observations of current rent levels. However, this data is showing the expected trend of accelerated rent growth over the last two observation years.

¹¹ U.S. Census American Community Survey (2016-2020 estimates). (See <https://data.census.gov/>)

¹² The U.S. Census uses survey data across a five-year period to produce estimates across a broad range of demographic and socioeconomic variables in the American Community Survey (ACS). Because the ACS uses survey data to develop estimates, results can be unintuitive and have larger margins of error in smaller geographies. See <https://www.census.gov/programs-surveys/acs/methodology.html> for a review of the Census Bureau’s methodology for the ACS.

Figure 7: Annual Contract Rent

Source: U.S. Census American Community Survey (5-year estimates from 2015-2020)¹³



Cost Burden

State and federal standards specify that households spending more than 30% of gross annual income on housing experience a housing cost burden. Housing cost burdens occur when housing costs increase faster than household income. When a household spends more than 30% of its income on housing costs, it has less disposable income for other necessities, including health care, food, education, and clothing. In the event of unexpected circumstances such as the loss of employment or serious health problems, lower-income households with a burdensome housing cost are more likely to become homeless or be forced to double-up with other households. Homeowners with a housing cost burden have the option of selling their homes and becoming renters. Renters, on the other hand, are vulnerable and subject to constant changes in the housing market.

In Carmel, 47 percent of all households that rent their homes are cost burdened, spending greater than 30 percent of their income on housing. Among these, a full 25 percent of renter households are severely cost burdened, spending 50 percent or more of their income on housing.

Figure 8: Percent of Income Spent on Rent, City of Carmel-by-the-Sea (2020)

Source: American Community Survey 2016-2020 Five-Year Estimate (Table B25070)¹⁴

Income on Rent	Households	Share
----------------	------------	-------

¹³ U.S. Census American Community Survey (5-year estimates from 2015-2020). (See <https://data.census.gov/>)

¹⁴ American Community Survey 2016-2020 Five-Year Estimate (Table B25070). (See <https://data.census.gov/>)

Less than 10.0 percent	153	16.7%
10.0 to 14.9 percent	49	5.3%
15.0 to 19.9 percent	182	19.9%
20.0 to 24.9 percent	63	6.9%
25.0 to 29.9 percent	39	4.3%
30.0 to 34.9 percent	61	6.7%
35.0 to 39.9 percent	70	7.6%
40.0 to 49.9 percent	70	7.6%
50.0 percent or more	229	25.0%
Total:	916	100.0%

Commute Patterns

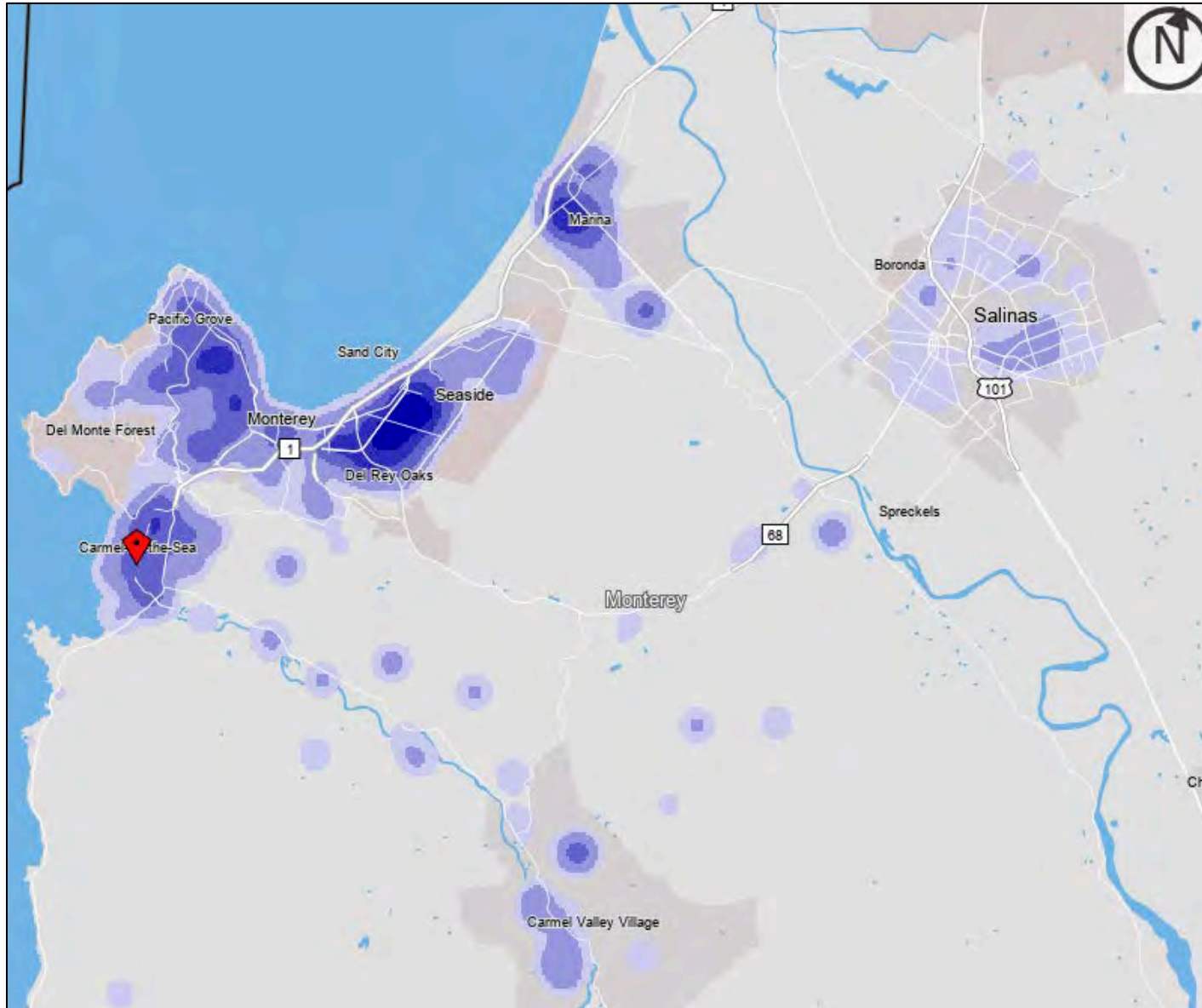
It is hypothesized that Carmel's concentration of jobs in the leisure and hospitality sector creates challenges for local workers who do not have sufficient incomes to afford housing in the community. This imbalance of jobs to housing impacts quality of life including how far workers must travel for work, increasing transportation costs, and reducing individual productivity. In general, a good balance of jobs to housing would occur where the jobs available in a community match the labor force skills, and where housing is available at prices, sizes, and locations suited to workers who wish to live in the area.

In Carmel, roughly half of all workers live within 10 miles of the city. Primary areas where workers live include Seaside, Monterey, Salinas, and Pacific Grove. A full 26 percent of workers commute from greater than 25 miles away. Only 2.6 percent of workers live and work in Carmel.¹⁵

¹⁵ U.S. Census Bureau Longitudinal Employer-Household Dynamics Data (See <https://lehd.ces.census.gov/>)

Figure 9: Commute Patterns, Where Employees in Carmel Live (2019)

Source: U.S. Census Bureau Longitudinal Employer-Household Dynamics Data. (See <https://data.census.gov/>)



Code Review

As part of our scope, we conducted a code review to identify potential issues and barriers that could limit housing production in the Multifamily Residential (R-4) district and the commercial zones; Residential and Limited Commercial (RC) Central Commercial (CC), and Service Commercial (SC).

General Notes

- The pattern of existing development is small lot (3,800-6,000), detached single-family. Most new development will be infill.
- Multifamily is defined as any development with two or more units on the same lot.

Building Height in All Zones

Building height throughout the city is limited to two stories, with maximum heights established for each zone. CMC 17.14.150.B-C establishes maximum building heights for the R-4¹⁶, RC, SC, and CC zones. Structures in R-4 and RC zones are limited to 26 feet and structures in the CC and SC zones are limited to 30 feet. Building sites which face, abut or adjoin any property in the R-1 district are limited to a height of 24 feet. Building height may also be determined by compatibility with nearby structures facing the same street or intersection and within the same pedestrian field of view (i.e., generally, within 100 feet to either side of, or across the street from the proposed structure).

Given the existing small lot sizes observed throughout the city and off-street parking requirements (discussed in more detail below for the R-4 zone), a two-story maximum height will likely prohibit many multifamily projects from achieving base density allowances in the R-4 zone. Building height limitations, maximum building coverage, and floor area ratio (F.A.R) limitations (discussed in more detail below) will even more severely limit multifamily projects from achieving base density allowances in commercial zones, even if parking requirements are lower than in residential zones.

R-4 Development Standards

Density

CMC 17.12.020.B establishes a maximum base density of 33 du/ac, and CMC 17.12.020.C offers a density bonus of 44 du/ac in exchange for affordable units. While these density thresholds are relatively high, they are difficult to achieve given the City's inventory of small lots between roughly 3,800-6000 square feet, with lot widths around 50-60 feet and two-story building height maximum. Off-street parking requirements will further limit the ability to achieve base density.

Given the site constraints and a need for many developments to achieve base density for financial reasons, it is unlikely developers will be able to take advantage of the density bonus

¹⁶ Underground parking does not count as a story in the R-4 zone.

since their ability to achieve the *base* density is already constrained. If the density bonus was offered in another story, rather than du/ac, it could help reduce barriers and allow more housing production on smaller sites.

Parking

CMC 17.38.020 requires 1.5 parking spaces per residential dwelling unit and offers reduced parking standards for affordable units (0.5 spaces per unit) in the R-4 zone. CMC 17.12.020.F.1 prohibits parking requirements in the R-4 zone to be met on-street or through a fee-in-lieu.

Providing parking onsite while achieving the allowed density will be a challenge for many development sites given that many of the existing lots in the city are only 50-60 feet wide. While underground parking is allowed and does not count against the maximum building height, underground parking is far more expensive to construct. Reducing parking standards for certain areas (i.e. areas with access to transit or walkable to commercial districts) or for unit types (i.e. studios and one-bedrooms) may help developments achieve base densities.

Unit Distribution

CMC 17.12.020 requires that on sites larger than 4,000 sf, 50 percent of all units must be provided as rental apartments.

CMC 17.08.050.F. requires at least 25 percent of all units in a multifamily project containing more than two units be between 400-650 square feet. While this provision on its own is not necessarily a barrier to housing development, parking standards for these small units are the same as a single-family home. Reducing the parking standard for smaller multifamily units will help developments to achieve density more easily.

Commercial Zone Development Standards

Building Coverage

CMC 17.14.130.A. limits building coverage to 80 percent in the CC and SC zones.¹⁷ The existing pattern of development in these two zones appears to exceed 80 percent building coverage on many parcels. Additionally, the code prohibits the removal of existing courtyard or intra-block walkways, which will further limit the amount of allowable building coverage on some sites.

Since the land costs in Carmel-by-the-Sea are exceptionally high, these maximum building coverage requirements will likely act as a development barrier. This becomes even more of a challenge in the context of redevelopment where the existing structure exceeds 80 percent building coverage. New developments may be required to build a smaller building than previously existed.

¹⁷ Exceptions are granted up to 95 percent.

Floor Area Ratio

CMC 17.14.140.A-B establish F.A.R limits for the commercial zones. One-story buildings in the CC and SC zones are allowed to achieve an F.A.R equal to 95 percent of the site area. However, this contradicts the allowed building coverage discussed above (80 percent), excluding the exceptions. Two-story buildings can obtain an F.A.R equal to 135 percent of the site area, which further limits the allowed square footage outside of the building coverage maximums, as either the first or second story would need to be smaller than the other to meet this F.A.R. For example:

- A 5,000 square foot lot is allowed a maximum of 4,000 square feet in building coverage, which could translate to about an 8,000 square foot building if the two stories were of equal size. However, two-story buildings are limited to 135 percent of the total site area.
 - 135 percent of the total site area is 6,750 square feet. The F.A.R requirements reduces the potential square footage by approximately 1,250. This lost square footage could translate into roughly two additional apartment units.
 - However, if using a density bonus the limit would be 150% of the total site area, reducing the amount of lost square footage for project utilizing a density bonus.

The restriction is even more severe in the RC zone adjacent to the Single Family Residential (R-1) zone, where F.A.R requirements limit two-story buildings to 80 percent of the total site area. For example:

- A 5,000 square foot lot could result in a maximum building coverage of 3,500 (70 percent), so two stories of the same size could render a 7,000 square foot building.
 - With F.A.R. limited to 80 percent of the total site area for two-story structures, this limits the building to 4,000 square feet. This represents a loss of about 3,000 square feet.
 - Like the example above, the loss of square footage is reduced if a project can capitalize on a bonus.

F.A.R. bonuses are available for projects that include affordable housing, courtyards, and/or intra-block walkways.

Review Processes and Additional Studies

The City should be mindful of how additional procedures and studies can add time and cost to projects that are facing unprecedented cost escalations in the current economic environment. For example, CMC 17.08.050.F.1 requires all multifamily projects to prepare an acoustical analysis and the implementation of acoustical design treatments to meet noise standards contained in Title 25 of the California Government Code. While this is not a barrier to development on its own, it does require a small amount of time and cost to the development process. Cumulatively, review processes can add up to be a significant barrier to development and the City should endeavor to streamline review and approvals wherever possible.

The City also requires conditional use permits for certain residential developments in all zones (i.e. developments over 22 du/ac). The City’s standard practice is to process approvals concurrently where possible; but removing this additional process could reduce extra steps and cost in the development process for both City staff and applicants, while eliminating the additional cost of preparing a conditional use application.

High-Level Sites Analysis

In its forthcoming update to the Housing Element of the General Plan, the City will be required to identify physical sites that have the zoned capacity to accommodate its share of regional housing need (349 units). The State agency (Housing and Community Development “HCD”) responsible for oversight and certification of the Housing Element has specific requirements for this analysis. It is beyond the scope of this project to conduct a full HCD compliant alternative sites analysis. And the sites included in this review is unlikely to be an exhaustive list of candidates. It likely also includes candidates that future study may find less viable. However, as a precursor to the Housing Element Update, we provide a high-level overview of potential candidate sites. In our methodology we combine anecdotal context through conversations with local developers and property owners alongside a range of variables that are theoretically indicative of redevelopment potential. These include:

- Historic resources
- Sites with adjacent ownerships
- Sites identified in RHNA5
- Land-to-improvement ratio
- Total value per-square-foot
- Sites with high value uses
- Discussions with developers
- Site visit and spot checking

Defining a Study Area

Housing redevelopment generally requires scale to be financially feasible because the value of the new use must be measurably higher than the existing use. Scale is a function of site size and allowed density. Under the existing zoning code, only the R-4 and commercial zones allow multifamily development. For this reason, the focus of this work is on the commercial core, defined in Figure 11.

Conservation District

The purpose of the Conservation District (codified in 2004) is to “recognize that Ocean Avenue and the commercial properties that surround this corridor contain some of the most memorable and important commercial buildings in Carmel”.¹⁸ The district includes special procedures that influence the development and design context for properties in the district. While we did not consider all properties in the district to be infeasible, the additional development and design standards add an additional layer of complexity to redevelopment potential.

¹⁸ Carmel Municipal Code § 17.20.260. (See <https://www.codepublishing.com/CA/CarmelbytheSea/html/Carmel17/Carmel1720.html>)

Figure 10: Zoning Map; Carmel-by-the-Sea

Source: City of Carmel-by-the-Sea

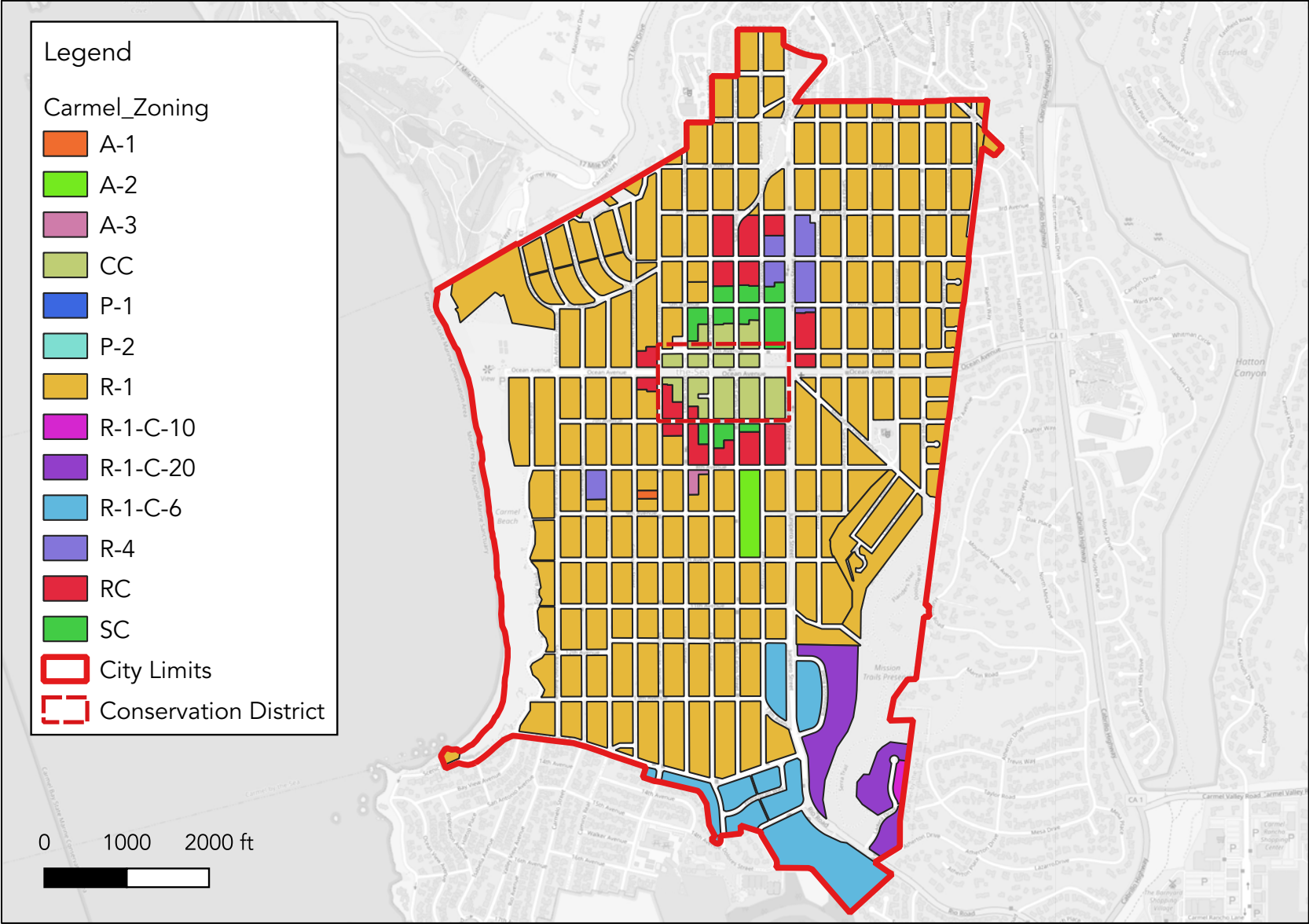
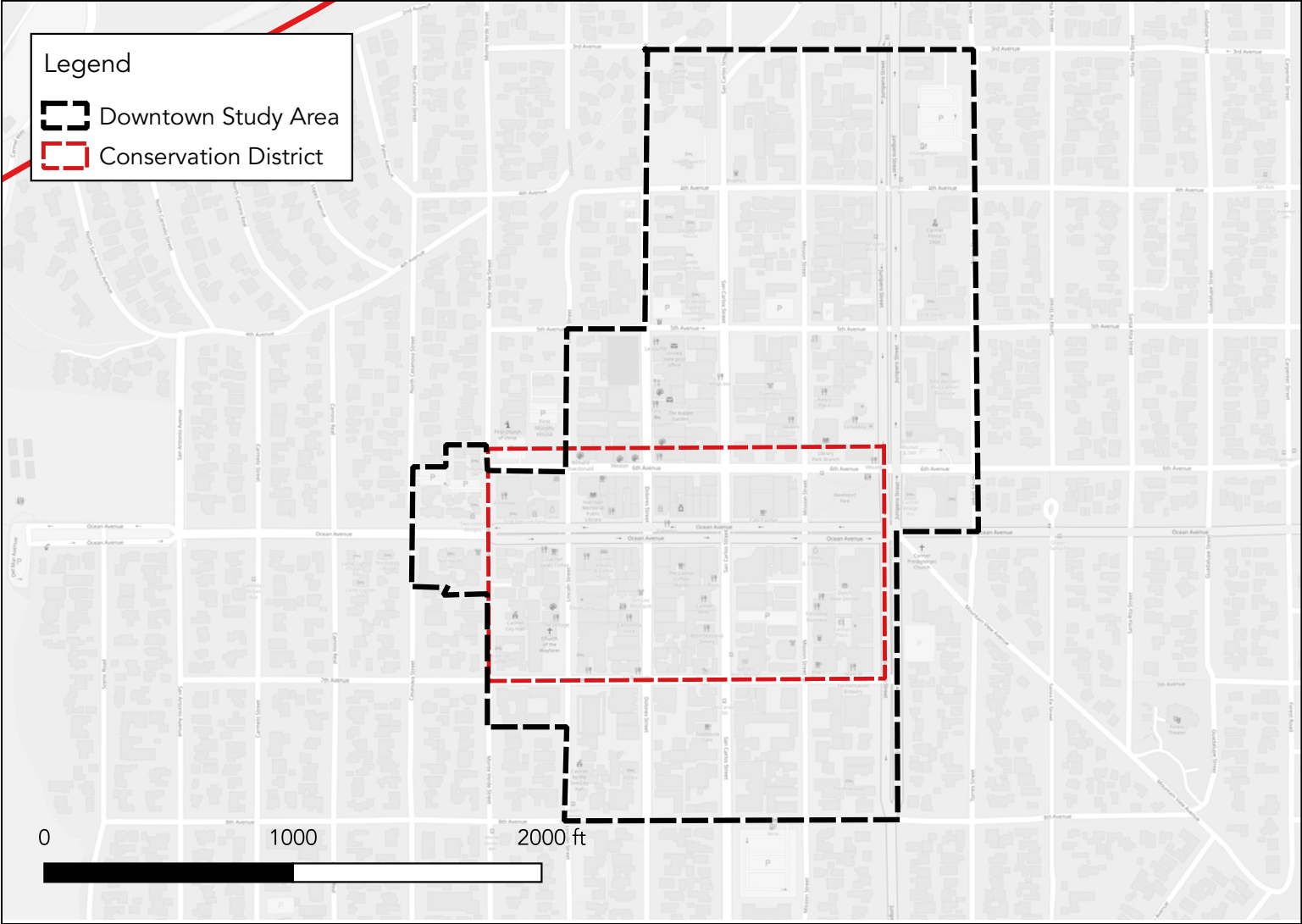


Figure 11: Commercial Core Study Area Definition

Source: ECONorthwest



Historic Resource Properties

The project study area includes 45 properties that are identified as historic. All but seven of these are in the Conservation District (see Figure 12). While we did not omit historic resource sites from being considered redevelopment candidates outright, redevelopment or renovation of historic resource sites will have an additional layer of complexity, as projects will need to meet the Secretary of the Interior's Standards for Rehabilitation.¹⁹

Properties Omitted Due to Existing Use

In this step we removed properties from consideration that have clear uses that would be a barrier to redevelopment, regardless of the redevelopment economics of the physical sites (see Figure 13). This included a removal of civic and institutional uses such as City Hall, libraries, parks, and open space. It also removed all attached ownership sites (such as condominiums) because assembling ownerships of these properties is nearly impossible. Lastly, we removed sites with businesses where the likely income generating potential of the use was high relative to the real estate asset (such as hotel properties). Due to Carmel's tourism draw, even a 2-star hotel commands room rates well above average for the class. Conversations with City staff and local developers further suggested that it would be highly unlikely that any hotel property in the commercial core would fully redevelop or reposition to permanent housing. However, there is opportunity to add workforce housing capacity through programs that convert a single hotel room to an on-site managers unit.

Fifth Cycle (RHNA5) Housing Element Sites

Carmel's Fifth Cycle Housing Element was adopted in 2015. This document includes an inventory of sites that were identified at the time as the most likely to accommodate future housing need (see Figure 14). The analytical process to identify these sites is established and findings certified by the State Department of Housing and Community Development (HCD).

Adjacent Ownerships

Sites that can obtain scale through size and density generally have a higher likelihood of redevelopment. Larger sites offer greater flexibility and fewer barriers. Often, two or more sites adjacent to each other that are both underutilized can be combined to make more feasible development site. However, assemblage of multiple ownerships can be a barrier. In this step we used ownership data in Assessor's records to identify properties that are adjacent to each other but have the same owner (see Figure 15). If they meet other redevelopment criteria, these sites are more likely to redevelop.

¹⁹ Secretary of the Interior's Standards for Rehabilitation. (See <https://www.nps.gov/subjects/taxincentives/secretarys-standards-rehabilitation.htm>)

Figure 12: Historic Resource Properties

Source: City of Carmel-by-the-Sea.

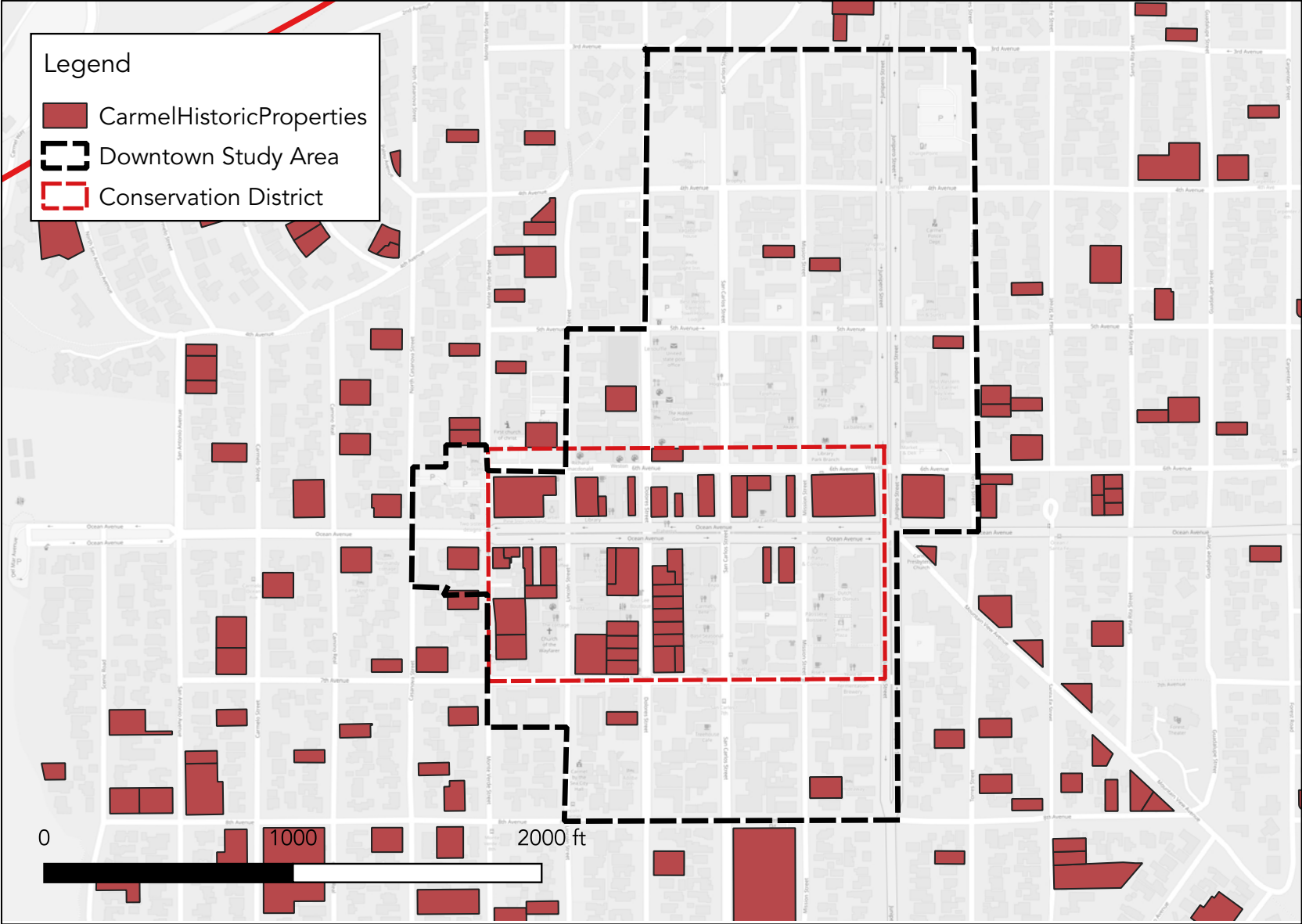


Figure 13: Omitted Properties do to Existing Use

Source: ECONorthwest



Figure 14: RHNA5 Sites in the Commercial Core

Source: Carmel-by-the-Sea Fifth Cycle Housing Element, Digitized by ECONorthwest



Figure 15: Sites with Adjacent Ownerships

Source: ECONorthwest



Land-to-Improvement Ratio

Land-to-Improvement ratio is a metric that compares the value of an improvement on a property to the value of the land using data from the Monterey County Assessor's Office. Theoretically, the more valuable land is compared to improvements on a site, the more likely the site is to redevelop (see Figure 16).

Data Limitations

The land-to-improvement metric and the value per-square-foot metric (below) use assessed value as reported by the Assessor. Assessor's data can deviate broadly from real market value in California due to Proposition 13 which limits the annual increase in assessed value to 2 percent until a property transacts. While the ratio of improvement and land value should be more stable, properties that have not transacted for a long time could provide misleading results. For this reason, we consider these metrics alongside all other variables and in conjunction with site/spot checks.

Total Value Per-Square-Foot

In development economics the term "residual land value" is defined as the maximum value that a developer can pay for a site for a given development program. It is influenced by a range of factors including construction costs, development form, market conditions, and the developer's threshold for rate of return, among other factors. It was beyond the scope of this work to do feasibility testing that would calculate actual residual land values. However, we know that the more expensive it is to acquire sites, the less likely development is to be feasible. Therefore, identifying sites in the study area with the lowest combined value (land plus improvements) relative to the size of the site can be an indicator of redevelopment potential (see Figure 17).

Candidate Site List

We combined the analysis above with an in-person site visit, visual assessment using aerial and streetscape photography, and conversations with local representative to develop an inventory of candidate sites that could have redevelopment potential. In addition to properties within the study area, we also evaluated sites adjacent to the commercial core that could be candidates for future rezoning to allow more housing density. Each site is briefly discussed below Figure 18.²⁰

²⁰ Sites are not listed in any particular order of prioritization

Figure 16: Land-to-Improvement Ratio

Source: ECONorthwest using Monterey County Assessor's Data



Figure 17: Total Value Per-Square-Foot

Source: ECONorthwest using Monterey County Assessor's Data



Figure 18: Candidate Site List

Source: ECONorthwest

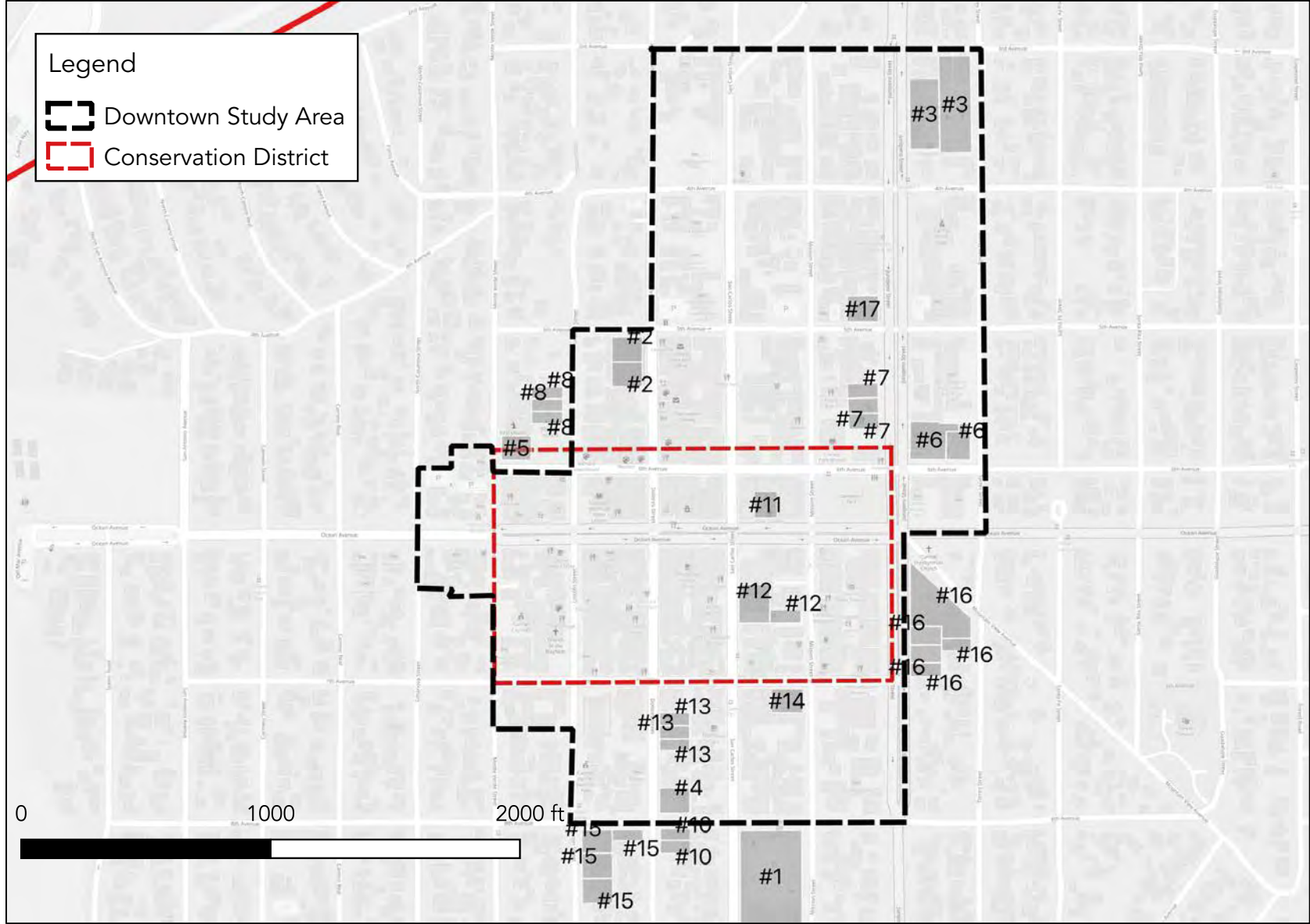


Figure 19: Data Table of Candidate Sites

Source: City of Carmel-by-the Sea Planning Department

Site ID	APN	Zoning	Lot Size	Acres	Max units @ 22 DUA ²¹	Max Units @ 44 DUA ²²	Max Units @ 88 DUA ²³
#1	10143001000	A-2	90,084	1.02	22	45	90
#2	10138003000	SC	7,913	0.37	8	17	33
	10138021000	SC	7,949				
#3	10104001000	R-4	32,136	1.28	28	57	113
	10104004000	R-4	21,576				
#4	10145008000	RC	7,878	0.18	3	8	16
#5	10212010000	R-1	7,637	0.18	3	8	16
#6	10095013000	RC	15,313	0.53	11	24	47
	10095012000	RC	8,027				
#7	10098005000	SC	4,871	0.33	7	15	30
	10098004000	SC	4,676				
	10098006000	SC	4,901				
#8	10212027000	R-1	4,014	0.28	6	13	25
	10212004000	R-1	4,004				
	10212026000	R-1	3,994				
#10	10144015000	R-1	4,155	0.18	3	8	16
	10144016000	R-1	3,738				
#11	10133004000 (Example)	CC	6,398	0.14	3	7	13
#12	10141006000	CC	12,520	0.38	8	17	34
	10141011000	CC	4,377				
#13	10145012000	SC	3,632	0.30	6	14	27
	10145024000	SC	4,030				
	10145023000	SC	4,118				
#14	10142001000	SC	8,009	0.18	3	8	16
#15	10149012000	A-3	7,435	0.62	13	28	55
	10149010000	A-3	7,964				
	10149011000	A-3	7,985				
	10149001000	A-3	3,615				
#16	10084030000	R-1	26,874	1.10	24	49	97
	10084023000	R-1	5,822				
	10084024000	R-1	6,016				
	10084022000	R-1	4,496				
	10084003000	R-1	3,856				
#17	10097007000		8,534	.020	4	9	18
			TOTAL:	7.27 acres	152 units	327 units	646 units

²¹ Permitted by-right. No affordable requirements

²² 20% of units must be for low-income households OR 10% must be for very low-income households OR 50% must be for seniors. All units must be deed restricted for a minimum of 30 years.

²³ All units must be deed restricted affordable for a minimum of 30 years.

Site 1: Sunset Center Lots Site

The north lot at Sunset Center is a large (1.02 acre) parking lot with no improvements other than paving. It is a City-owned site. The City has expressed interest in redeveloping the site for housing so long as parking needs for Sunset Center could be accommodated in the development program. A zone change from Theatrical District (A-2) to Multifamily Residential (R-4) would be required to facilitate development of the site. The south lot could also be viable, but larger scale development may not be as compatible with existing residential development scale this far removed from the commercial core.



Site 2: Ulrika Plaza Site

The 0.37-acre Ulrika Plaza site previously entitled as a mixed-use building. The initial developer lost the project for financial reasons, and it was acquired by another developer. This developer has been working to get a development program for 12 market-rate apartment units approved on the site for several years. The site is a case study of a development not building to maximum density.



Site 3: City Public Works (Vista Lobos) Site

This is a City-owned site totaling 1.28 acres at the north end of the study area. The site is a large parking lot with low value improvement used for public parking. The City has expressed interest in using the site for housing if feasible. Potential height restrictions due to a protected viewshed to Point Lobos (see CMC 17.12.050) could limit achievable density and feasibility.



Site 4: Carmel Realty Office Site

This site is a 0.18-acre corner-lot parcel that is currently owned and used for office space by Carmel Realty. It has low lot coverage and scores well with a land-to-improvement ratio. It is a single-story structure that is surrounded on all sides by structures that are at least two stories tall. The site was previously used in the RHNA5 inventory.



Site 5: Pine Inn Parking Lot

This 0.18-acre site is the parking lot for the Pine Inn. The site is not attached or adjacent to the inn, it is a separate parcel across the street. As driving patterns and parking needs change, this site could be a future candidate for redevelopment.



Site 6: Bruno's Market Site

This site is two adjacent parcels totaling over 0.53 acres under the same ownership. The site includes a parking lot that leads to low lot coverage. It also scores in the top tier for land-to-improvement ratio. It could be a potential redevelopment candidate.



Site 7: Three Garages Site

This site would be an assemblage of three equal sized parcels totaling 0.33 acres. Two of the parcels are under the same ownership, and one was previously used in the RHNA5 inventory. Existing uses include a site with parking and three attached garages, and a commercial building used for real estate sales. Combined the site scores in the top tier for land-to-improvement ratio and in the mid-tier for value per-square-foot.



Site 8: First Church of Christ Parking Lot

This site is a parking lot used by the First Church of Christ. It is three separate taxlots totaling 0.28 acres. Assessor's records have missing values for ownership on the two southern parcels but given its existing use we assume that all three parcels are owned by the Church. In 2020, the State of California passed AB1851²⁴, commonly referred to as the "yes in God's backyard" bill. This bill makes it easier for religious institutions to convert excess parking to affordable housing by prohibiting a local agency from requiring the replacement of religious-use parking spaces that a developer of a religious institution affiliated housing development project proposes to eliminate as part of that housing development project. Redevelopment of the site would require a zone change.



Site 9: Misc. City-Owned Sites (Not Mapped)

The City owns a series of miscellaneous small vacant sites in the R-1 zone. These sites are legacy right-of-way that were not developed for streets. Some of these sites may have development potential. However, our site visit identified that barriers were common, including mature trees, topography, and use for primary access for existing homes.



²⁴ California Assembly Bill. 2020. "Religious institution affiliated housing development projects: parking requirements." 2019-2020 Regular Session. AB 1851. (See <https://openstates.org/ca/bills/20192020/AB1851/>)

Site 10: Red Cross Site

This site is two adjacent parcels owned and used by the American Red Cross. Collectively the site is 0.18 acres. Because the site is owned by a non-profit organization it does not have Assessor's values to calculate redevelopment metrics. However, site inspection confirms a low intensity use. Because the owner is a mission-driven organization, it's possible they may be a willing partner if they can find an alternative for their current operations.



Site 11: Café Carmel Site (Representing ALL single-story downtown buildings)

All single-story downtown buildings can be explored as opportunities for densification. Site orientation, existing and surrounding uses, and access are contributing factors to feasibility. The Café Carmel site pictured is one example of a single-story commercial property with two-story building on either side. The Café Carmel site specifically scores in the top tier for land-to-improvement ratio and has a land value around \$100 per-square-foot. The site was previously used in the RHNA5 inventory.



Site 12: Wells Fargo Site

This site is two adjacent parcels comprised of the existing Wells Fargo building and associated parking lot. Combined the site is 0.38 acres. The site was identified as a candidate site in the RHNA5 Housing Element inventory. It scores in the top tier for land-to-improvement ratio. It is owned by an institutional entity (Wells Fargo). However, conversations with City staff indicate that it could be a candidate for inclusion as a historic property which would complicate redevelopment.



Site 13: Esperanza 7th and Dolores Site

This site is three adjacent parcels owned by Esperanza Carmel. The site totals roughly 0.30 acres. Esperanza has a development proposal on the site for eight market rate apartment units.



Site 14: 7th and Mission Site

This 0.18-acre site currently accommodates a clothing boutique in a single-story commercial building. Half of the site is comprised of a parking lot, which leads to low lot coverage and a land-to-improvement ratio above 1.5. However, it's value per-square-foot is high at nearly \$500 per-square-foot, making acquisition of the property less likely.



Site 15: Carmel Foundation Site

The Carmel Foundation is the only provider of deed-restricted affordable housing in Carmel. Their administrative offices include four parcels totaling 0.62 acres. This site does not score high on land-to-improvement ratio but scores in the top tier of value per-square-foot. This site is being considered as a candidate because the Carmel Foundation is a mission-driven organization and interviews with leadership indicated that if they can accommodate their administrative functions off-site, they would consider redeveloping their property for affordable housing. Redeveloping this site would require rezoning.



Site 16: Carmel Presbyterian Site

This site is five adjacent parcels totaling almost 1.1 acres. Over a third of the site is a parking lot. See previous comments about AB1851. The site is outside of the commercial core and would require a zone change to facilitate redevelopment.



Site 17: 5th and Junipero Site

This is a corner lot site totaling just under 0.20 acres. The existing use is a parking lot and single-story commercial building. The site was included in the RHNA5 inventory. It scores in the mid-tier for both redevelopment metrics.



Housing Capacity Opportunities

Based on our review of market conditions, the character of existing development, and potential needs in the community, we see opportunities to add housing capacity in the following ways:

Promote Accessory Dwelling Units

Accessory dwelling units are commonly built as additional structures on lots with an existing home or are created through garage conversions. Lots that are conducive to accommodating ADUs have common characteristics including larger lot sizes, detached garages, and low lot coverage ratios. In Carmel over 87 percent of parcels are zoned for single-family residential uses (R-1), totaling nearly 2,900 lots. Carmel has also had growing interest in ADU development, receiving 13 applications for ADUs in 2021, up from 8 in 2020.



Infill Capacity

There are several sites, including City-owned properties, where infill could be possible. Development of these sites would require careful consideration of existing adjacent uses. Depending on the scale of the site, this redevelopment could be small-scale plex (duplex, triplex, quadplex) infill or relatively large-scale development. The City should consider amendments to development standards and design guidelines to facilitate achieving the maximum allowed densities. This would result in a greater likelihood of development feasibility for low-to-mid-rise multifamily development forms ranging from three to four stories.



Encourage adding residential units above commercial uses

Carmel’s business district has many properties that are single-story low-intensity commercial uses. Some of these properties may be candidates to add an additional story of housing above the existing commercial. There is existing and recent development precedent that this densification is feasible, even for historic properties. The best candidates would be properties where the scale of adjacent properties is two-stories or greater.



Full Redevelopment

There may be opportunities in the commercial district where the value of housing may be higher than the existing commercial use. These sites would be candidates for razing the existing structure and building maximum feasible density. To be feasible the scale of development would have to maximize the development potential of the site through larger massing and maximum height.



Recommended Actions and Potential Incentives

Based on the preceding analysis, we offer the following recommendations for further consideration as the City progresses to an update of its Housing Element.

Explore changes to development standards. Our review of Carmel’s zoning code found that overly restrictive development standards, such as the two-story height limit are not likely to facilitate maximum allowed densities. The City should explore options to remove these barriers consistent with the findings above.

Adopt objective design standards. Local developers indicate that the review and approval process in Carmel is overly restrictive. Senate Bill 35 and the Housing Accountability Act also require the use of objective standards. The City’s code currently includes subjective standards. The City should analyze its current code language and develop recommendations for objective criteria and opportunities for a streamlined review process.

Create an accessory dwelling unit program. An accessory dwelling unit program could range broadly from creating promotional materials and informational outreach to an aggressive program that could project subsidies, development of pre-approved plans, assisting with allocating water credits (for deed-restricted units only), and technical assistance with planning and building staff navigating the planning and permitting process for property owners.

Create a preservation and monitoring program. The City should take action to understand its inventory of existing deed-restricted units and understand the risk of them converting to market rate.

Consider expanding the R-C and/or R-4 zone. Our analysis identified areas south and west of the commercial core that have opportunity sites and/or concentrations of parcels that could be candidates for redevelopment based on common metrics. The City should explore rezoning opportunities in these areas.

Inventory and incentivize properties with opportunities for densification. The City should consider at a minimum creating an inventory of single-story commercial properties with opportunities for densification and conducting property owner outreach. Other alternatives would be to establish flexible development standards like parking waivers and height limit adjustments, or to assist with water credits.

Explore solutions to water credit barriers to development. The water supply conditions on the Monterey Peninsula are a significant barrier to development. To add units to an existing structure or develop/redevelop a property, a developer must obtain water credits to accommodate the net change in fixtures. However, there are a finite number of credits available and no secondary market for transfer. To accommodate future development, the City should play an active role in regional efforts to improve access to water resources and water credits and facilitate prioritizing water credits for affordable housing.

Energy Conservation and Reduction of
Greenhouse Gas Emissions



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Appendix G

Energy Conservation and Reduction of Greenhouse Gas Emissions

G.1 Introduction

This chapter summarizes opportunities for energy conservation and the reduction of greenhouse gas emissions in the construction of housing in the City of Carmel-by-the-Sea.

G.2 Opportunities for Energy Conservation and Reducing Greenhouse Gas Emissions

The city adopted a Climate Adaption Plan (CAP) and Climate Action Plan on August 2, 2022. The documents identify goals, policies, and actions that seek to increase resilience to climate change in Carmel. The CAP policy to minimize health impacts of climate change includes the following actions that address energy conservation and reduction of greenhouse gases:

- **Invest in Improving Resilience in Critical Facilities.** Invest in sustainable backup power sources to provide redundancy and continued services for critical facilities, including City Hall, Carmel Police Department, Carmel Fire Department, the Libraries, and assisted living facilities in the event of a power outage.
- **Conduct a Feasibility Study for Existing Building Electrification and Back-up Power.** Perform an electrification feasibility study/existing building analysis in order to understand the potential for, and associated costs of, electrification retrofitting. Needs may include new heat pumps, on-site energy generation, and battery storage to provide more resilient back-up power supply. Establish a plan for reducing or eliminating natural gas from existing buildings, potentially through a reach code, and building resilience to potential electrical grid shutoffs.
- **Improve Resilience in Existing Building Stock.** Develop a program for identifying funding and incentives to weatherize residential and commercial buildings. The program will address severe weather protection, energy efficiency, indoor air quality improvements, and other housing improvements. Include an outreach campaign as part of this program to advertise the benefits of weatherizing and electrifying buildings.

- **Promote Funding Opportunities.** Work with partners like 3CE and PG&E to identify and promote potential resilience opportunities and accessible funding and financing mechanisms to pay for building electrification, weatherization, and battery backups.

State Regulations

The City requires compliance with Title 24 of the California Code of Regulations on the use of energy efficient appliances and insulation. Through compliance with Title 24, new residential development has reduced energy demand particularly when contrasted with older building stock.

Providing energy conservation opportunities to residents who reside in less energy efficient residential units can ultimately lead to a reduction in utility-related housing costs for many households. The City processes in excess of 500 building permits per year for remodels, additions and other construction which rehabilitates the existing housing stock, increases energy efficiencies, and improves water conservation.

Central Coast Community Energy

Central Coast Community Energy (3CE) is the community electricity provider for 33 Central Coast communities in Monterey, San Benito, Santa Cruz, San Luis Obispo, and Santa Barbara counties and is governed by local elected officials serving on the Board of Directors. 3CE was formed with the mission to reduce dependence on fossil fuels by providing carbon-free, affordable, and reliable electricity, and innovative programs within the community. 3CE is on a path to sourcing 100 percent clean and renewable energy by 2030. In collaboration with regional and statewide partners, 3CE provides customers with access to energy program rebates and incentives to electrify the region's transportation, buildings, and agricultural sector. Carmel-by-the-Sea is a member of 3CE.

Pacific Gas & Electric

Pacific Gas and Electric Company (PG&E), which provides energy efficiency services in Carmel-by-the-Sea, offers public information and technical assistance to homeowners regarding energy conservation. PG&E also provides numerous incentives for energy efficiency in new construction and home remodeling. For example, remodeling rebates exist for projects installing three or more upgrades from a flexible menu of options that earn points towards incentives and rebates. This program's incentives range between \$1,000 and \$4,500.

Additionally, PG&E provides residents with information regarding energy saving measures including various incentives and programs available to developers and residential property owners. [Table G-1, PG&E Programs and Incentives for Residential Properties](#), includes a description of the various types of financial and energy-related assistance that PG&E offers low-income customers.

Table G-1 PG&E Programs and Incentives for Residential Properties

Program	Description
Energy Savings Assistance Program	PG&E's Energy Savings Assistance program offers free weatherization measures and energy-efficient appliances to qualified low-income households. PG&E determines qualified households through the same sliding income scale used for CARE. The program includes measures such as attic insulation, weather stripping, caulking, and minor home repairs. Some customers qualify for replacement of appliances including refrigerators, air conditioners, and evaporative coolers.
Energy Efficiency for Multifamily Properties	The Energy Efficiency for Multi-Family Properties program is available to owners and managers of existing multi-family residential dwellings containing five or more units.
Multifamily Properties	The Energy Efficiency for Multifamily Properties program is available to owners and managers of existing multifamily residential dwellings containing five or more units. The program encourages energy efficiency by providing rebates for the installation of certain energy-saving products.
California Alternate Rates for Energy (Care)	PG&E offers this rate reduction program for low-income households. PG&E determines qualified households by a sliding income scale based on the number of household members. The CARE program provides a discount of 20 percent or more on monthly energy bills.
Reach (Relief for Energy Assistance Through Community Help)	The REACH program is sponsored by PG&E and administered through a non-profit organization. PG&E customers can enroll to give monthly donations to the REACH program. Qualified low-income customers who have experienced uncontrollable or unforeseen hardships, which prohibit them from paying their utility bills may receive an energy credit. Eligibility is determined by a sliding income scale based on the number of household members. To qualify for the program, the applicant's income cannot exceed 200 percent of the Federal poverty guidelines.
Medical Baseline Allowance	The Medical Baseline Allowance program is available to households with certain disabilities or medical needs. The program allows customers to get additional quantities of energy at the lowest or baseline price for residential customers.

SOURCE: PG&E, 2022.

Monterey Peninsula Water Management District (MPWMD)

The Monterey Peninsula Water Management District (MPWMD) was formed on June 6, 1978 under the enabling legislation found in West's Annotated California Water Code. District functions include:

- Augmenting the water supply through integrated management of ground and surface water;
- Promoting water conservation;
- Promoting water reuse and reclamation of storm and wastewater; and
- Fostering the scenic values, environmental qualities, native vegetation, fish and wildlife, and recreation on the Monterey Peninsula and in the Carmel River Basin.

The Water Management District serves approximately 105,911 people within the cities of Carmel-by-the-Sea, Del Rey Oaks, Monterey, Pacific Grove, Seaside, Sand City, Monterey Peninsula Airport District, and portions of unincorporated Monterey County including Pebble Beach, Carmel Highlands, and Carmel Valley. The District has established five main goals:

1. Increase the water supply to meet community and environmental needs;
2. Assist California American (Cal-Am) Water in developing a legal water supply;
3. Protect the quality of surface and groundwater resources and continue the restoration of the Carmel River environment;
4. Instill public trust and confidence; and
5. Manage and allocate available water supplies and promote water conservation.

Rebates are available for water saving fixtures and appliances for homes and businesses. California American Water (Cal-Am), Seaside Municipal Water District, and other system customers within the District are eligible for a rebate when purchasing and installing water saving devices. Residential rebates are available for purchase of Qualifying Devices when funding is available. The following are residential rebates:

- High Efficiency Toilet — \$75;
- Ultra High Efficiency Toilet — \$125;
- Toilet Flapper — \$15;
- Pint Urinal — \$250;
- High Efficiency Residential Dishwasher (Maximum of 3.5 gallons per cycle and has Energy Star certification) — \$125;
- High Efficiency Residential Clothes Washer (Water Factor of 4.3 and Energy Star Certification) — \$500;
- A second or subsequent rebate for replacing a High Efficiency Clothes Washer is available after 8 years;
- Instant-Access Hot Water System — \$200 per Qualifying Property;
- On-demand pump or point-of source water heater as part of an Instant-Access Hot Water System — \$100 per component, to a maximum of two components per Qualifying Property;
- Multi-Family Dwelling Meter Split — \$100/dwelling unit;
- Smart Irrigation Controller — \$100 with four stations. Additional \$10 available per station up to twenty (20) stations;

- One or more Soil Moisture Sensor(s) on a conventional automatic Irrigation System — \$25 per sensor;
- Cistern water tanks — \$50 per 100 gallons of water storage capacity (up to 500 gallons) in a Cistern, then \$25 per 100 gallons of water storage capacity up to a maximum storage capacity of 25,000 gallons per Qualifying Property. Sites must have sufficient roof area to fill Cistern and may require an inspection;
- Lawn removal and replacement with low water use plants or permeable surfaces — \$1.00 per square-foot to a maximum of 2,500 square-feet per Qualifying Property. Pre-qualification, inspections and deed restrictions are required;
- Rotating Sprinkler Nozzles (minimum purchase and installation of ten) — \$4.00 per nozzle;
- Graywater Irrigation System supplied by one Clothes Washer for irrigation — \$100. A site inspection is required by Building Inspector and/or MPWMD; and
- Graywater Irrigation System supplied by one or more Bathrooms that have a Bathtub/Shower connected to a Graywater Irrigation System — \$100 per Bathroom. (Residential limit: 4) A site inspection is required by Building Inspector and/or MPWMD.

As part of the 6th Cycle Housing Element Update process, the City of Carmel-by-the-Sea will continue to implement a Water Conservation program that supports the MPWMD and also provides information to the community on water conservation retrofits and best practices.

Federal and State Programs

The Low-Income Home Energy Assistance Program (LIHEAP) is a federally funded program to assist low-income households that pay a high portion of their income on energy needs. LIHEAP is funded by the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Community Services.

- The Home Energy Assistance Program (HEAP) provides one-time financial assistance to help balance an eligible household's utility bill;
- The Energy Crisis Intervention Program (ECIP) provides assistance to low-income households that are in a crisis situation. Such an example would be a household receiving a 24-48 hour disconnect notice or service termination by their utility company. Another example would be a household facing an energy-related crisis that could be deemed potentially life-threatening in the household, such as a combustible appliance;
- LIHEAP Weatherization provides free energy efficiency upgrades to low-income households to lower their monthly utility bills while also improving the health and safety of the household's occupants;

- Education on basic energy efficiency practices and instruction on the proper use and maintenance of installed weatherization measures; and
- Energy budget counseling.

The Inflation Reduction Act (IRA) has provided significant federal funding to support electrification of new construction, renovations, and existing buildings over the next ten years. Enhanced amounts are provided for income-qualified residents. Support provided by IRA includes:

New Home Construction Tax Credits (single family or multi-unit)

- Up to \$2,500 tax credit if meets Energy Star certification requirements;
- Up to \$5,000 tax credit if meets Zero Energy Ready Homes certification requirements; and
- Tax credit is "per unit" for multifamily developments; maximum tax credit requires conformance with prevailing wage requirements.

Home Improvement Tax Credits (for households with tax liability)

- 30 percent of project cost, capped at \$2,000 for heat pump installation and \$1,200 for other energy efficiency appliances and improvements; and
- Available January 2023 through 2032; tax credits can be claimed on a per year basis.

Home Improvement Tax Rebates (for low and moderate-income households)

- Rebates up to \$14,000 depending on income for heat pumps, induction and electric ranges, and other energy efficient improvements; and
- Available Fall 2023 through 2032.

Home Renewable Power Tax Credits

- 30 percent of project cost for installation of solar panels, battery storage, and any other renewable power source on property;
- Example: \$19,000 to install rooftop solar panels generates \$5,700 tax credit; and
- Retroactive to 2022, full credit sunsets in 2032; then 22 percent credit expires in 2035.

The Property Assessed Clean Energy (PACE) Financing program enables property owners to secure upfront funding for energy efficiency, water efficiency, renewable energy, and seismic improvement projects. These improvements are repaid through an up to 20-year special line item on their property taxes instead of traditional consumer credit.

The City includes programs in the 6th Cycle Housing Element to promote energy conservation and green building and to actively disseminate information about State and Federal programs.

Energy and Resource Conservation Need	Programmatic Action
Energy Efficiency	Program 2.4.A: Housing Rehabilitation and Maintenance Information Program 4.1.B: Energy Conservation and Green Building
Water Conservation	Program 4.1.A: Water Conservation

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Stakeholder Survey



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H.1 Stakeholder Survey

The Housing Element Stakeholder Survey was conducted from May 24, 2023 to July 6, 2023 to provide residents, business owners, visitors, and people working in Carmel-by-the-Sea with an opportunity to share input on what housing needs exist in Carmel-by-the-Sea and to share ideas on how the City can achieve its Regional Housing Needs Allocation (RHNA). The survey consisted of 21 questions designed to inform the City of what demographics exist in the City, what the affordable housing needs are, and how the 6th Cycle Housing Element can best meet these affordable housing needs. The survey was conducted in both English and Spanish. The survey was available online at the Carmel-by-the-Sea Housing Element page (homecarmelbythesea.com).

City of Carmel-by-the-Sea staff shared information about how to take the survey during the June 15, 2023 joint City Council and Planning Commission meeting. The survey was also distributed throughout town to local businesses in an effort to reach groups who are not typically represented, including people who work in Carmel-by-the-Sea. A total of 156 survey responses were received in English and 1 response was received in Spanish.

The survey responses discussed below represent responses from an uncontrolled sample size of self-selected community members who are considered to be motivated and interested in the 6th Cycle Housing Element. This can make it difficult to draw conclusions based on the responses received. The following serves as a brief summary of the responses received.

Online Survey Results

Respondent Demographics

The City collected a total of 157 responses to the survey. As shown in **Figure 1** below, survey respondent ages range from 18 to 75 years and older. The fewest survey responses were collected from respondents ages 18-34 (3 percent) and the majority of the survey responses collected were from respondents ages 55-74 (87 percent). This indicates an underrepresentation of younger community members in the survey results, and indicates a need for additional future outreach to target these groups.

Of the respondents, 74 percent identified as non-Hispanic White and 50 percent of the respondents identified as earning above \$100,000. Thirty-one percent of survey respondents preferred not to disclose their annual income. In general, the majority of survey respondents are between the ages of 55-74, are non-Hispanic White, and earn over \$100,000.

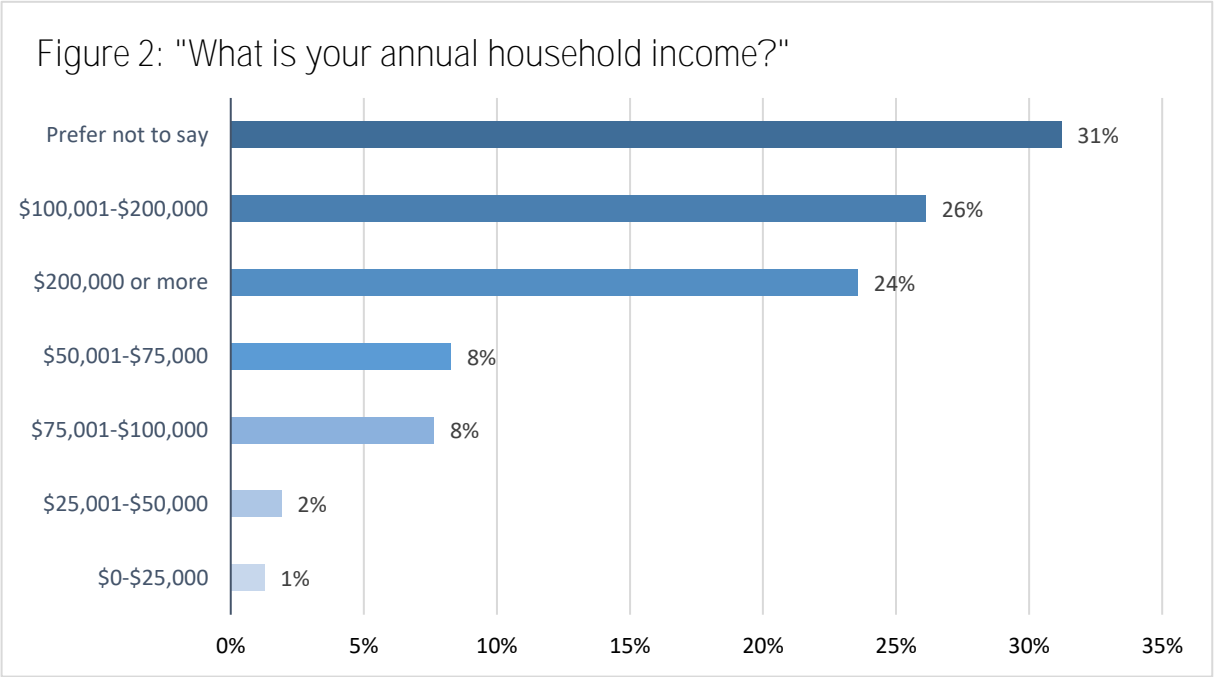
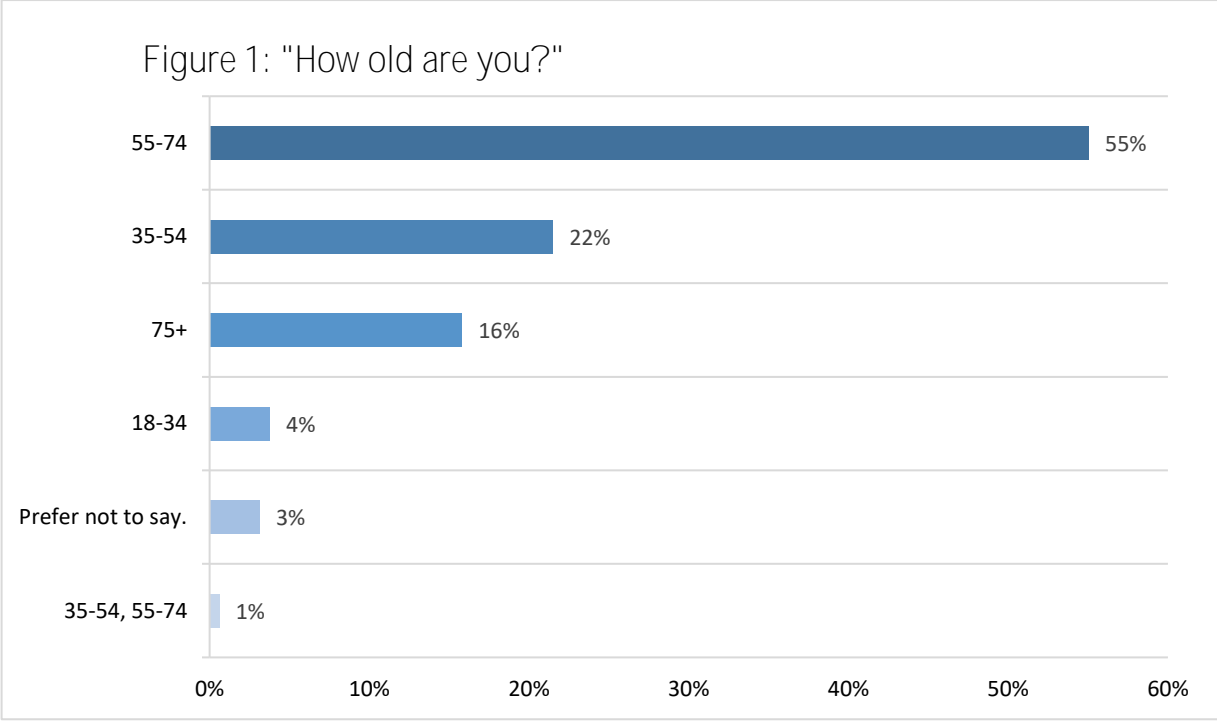


Figure 3: "Which racial or ethnic group(s) do you identify as?"

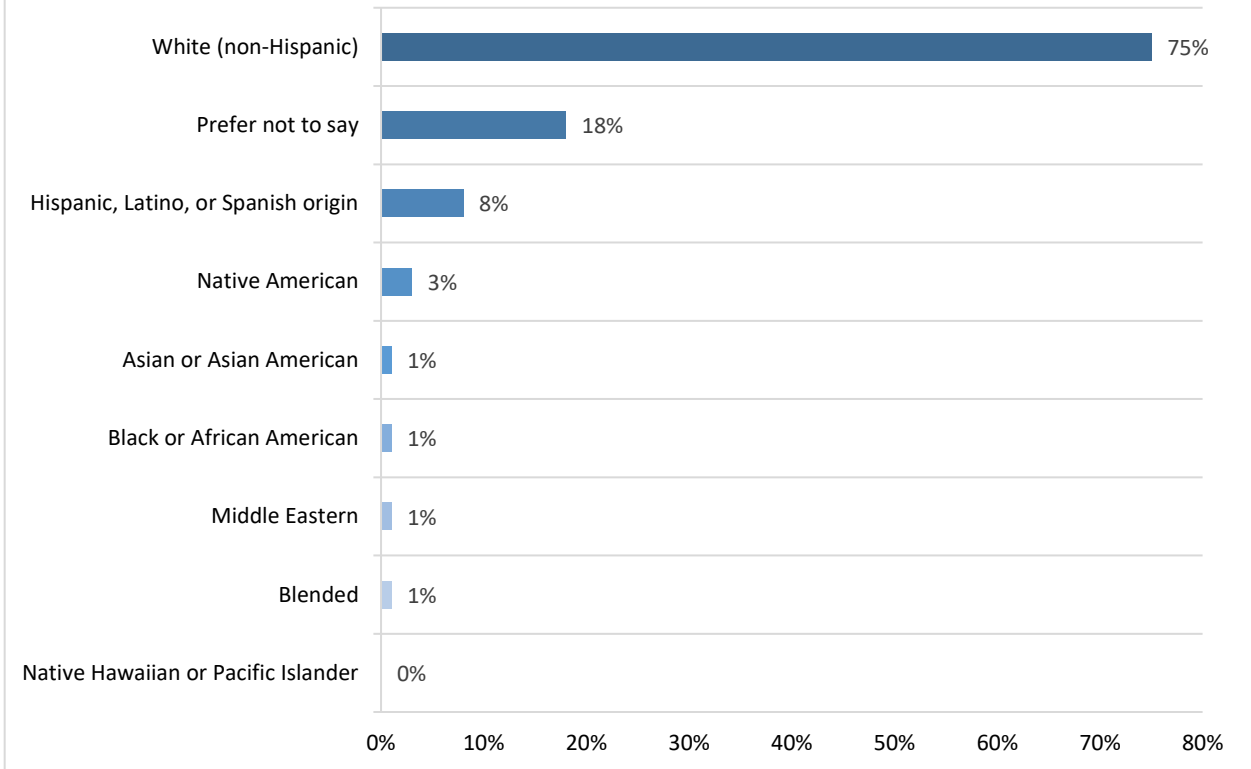


Figure 4 below demonstrates the majority of respondents identified themselves as Carmel residents owning their home (61 percent) compared to 14 percent of survey respondents indicating they rent their homes. Twenty-two percent of respondents identified as working in Carmel-by-the-Sea, 8 percent identified as business owners in Carmel-by-the-Sea, and one respondent identified as being unhoused or lacking permanent housing.

Figure 4: "Describe your role in the community."

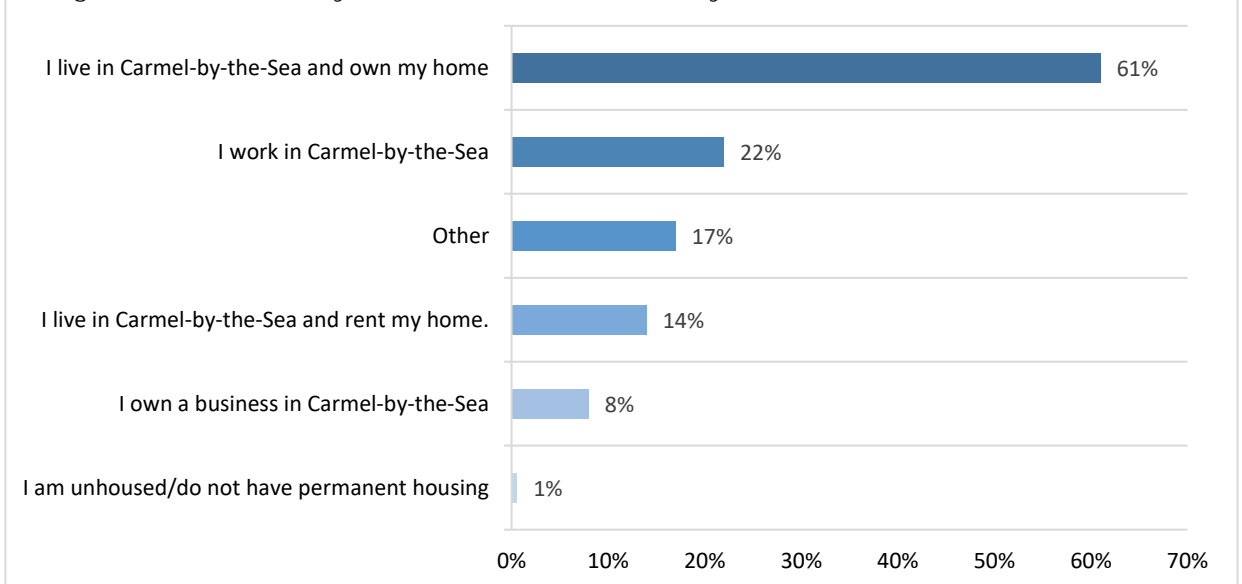
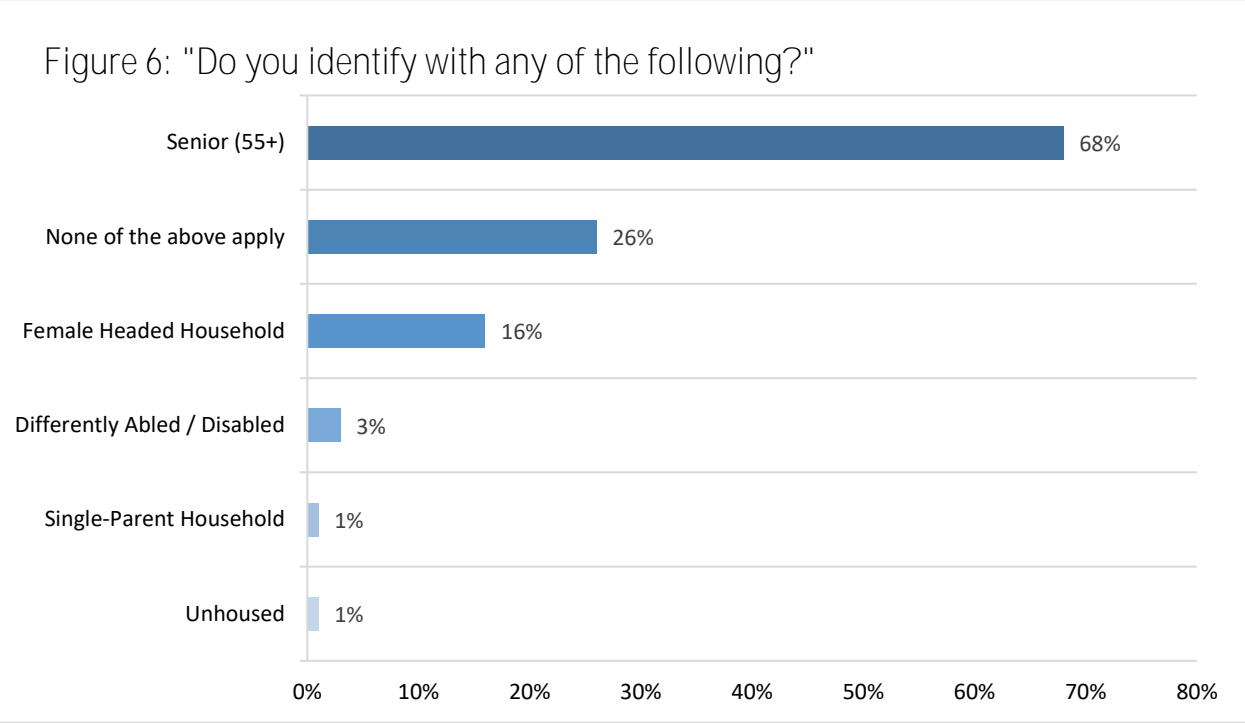
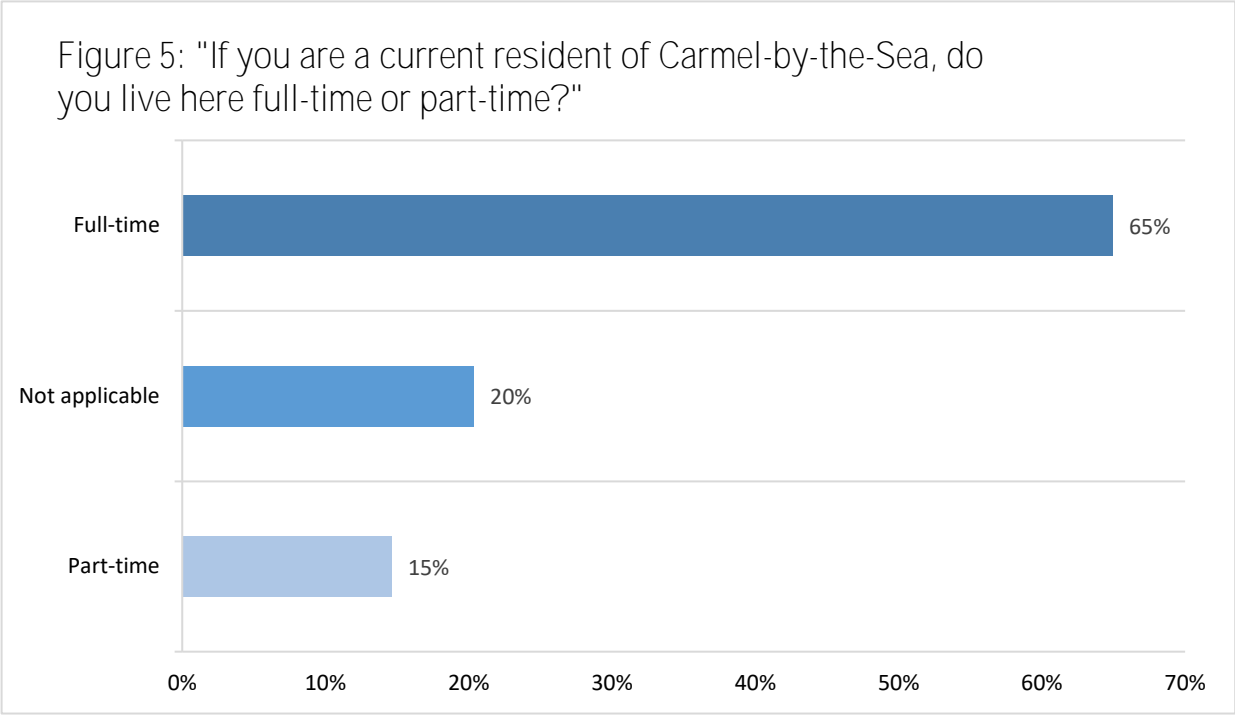
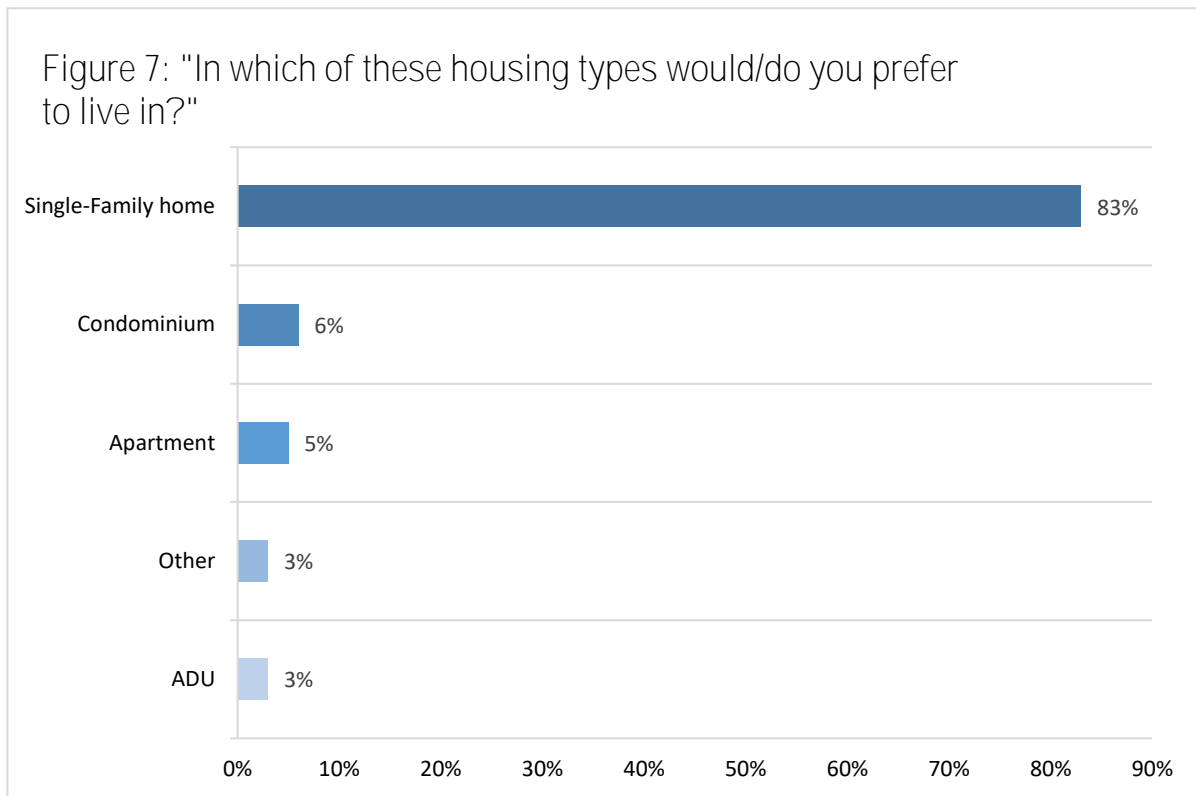


Figure 5 below demonstrates that the majority of survey respondents live in Carmel-by-the-Sea full-time, and **Figure 6** below demonstrates that 68 percent of survey respondents are 55 years or older followed by 16 percent being female-headed households. This demographic data suggests that respondents are likely more established community members in the City.



Desired Housing Types

Survey respondents were asked to identify which housing types they would prefer to live in, of which approximately 83 percent identified single-family homes, followed by 6 percent identifying condominiums, 5 percent identifying apartments, and 3 percent identifying ADUs (**Figure 7**).



Respondents were asked to explain why they would prefer to live in ADUs. The following 5 responses were received:

- Privacy;
- Aesthetic (assuming newer prefabricated ADU), privacy and affordability;
- Privacy & more quiet than apartment;
- I only need space for a single bed, table & chair, toilet sink, shower. I work 7 days a week. I just need 800 square feet; and
- Affordable housing.

Respondents were asked to explain why they would prefer to live in an Apartment. The following 7 responses were received:

- I have little time for motivation for the upkeep of a whole house;

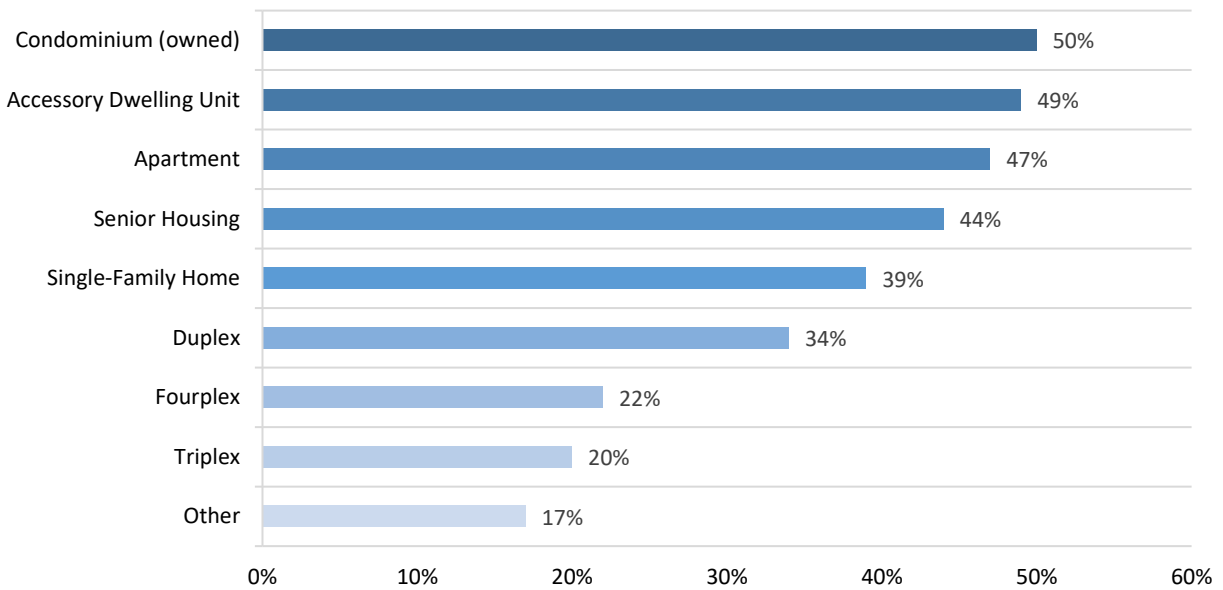
- I am at the stage in my life where I am seeking to maximize my financial solvency through steady accrual of work skills/experience and high willingness to relocate for greater chances of quality employment. I will not seek any living place requiring greater commitment until I have found the community most suited to sustaining both my professional growth and my standard of living;
- Affordability and community living opportunities. Apartments are like little families. Single family homes are like balkanized islands, with little communion;
- Affordable and give the freedom to move quickly;
- Most affordable option;
- Convenience; and
- Single; No maintenance; Safety/Security.

Respondents were asked to explain why they would prefer to live in a Condominium. The following 10 responses were received:

- It's the right amount of space I'd need and likely more affordable and feasible than a single-family home;
- Pride of ownership, take better care of community and more involved;
- Makes better use of land without the problems associated with high density rental properties;
- Easy maintenance;
- Maintenance lower;
- Less maintenance;
- Less expensive alternative to single-family housing;
- Amenities;
- Would rather own than rent; and
- No maintenance

In the next survey question, respondents were asked to identify the types of housing they would like to see constructed in Carmel-by-the-Sea. A list of options was provided and respondents were asked to select all that applied (they could select more than one choice). **Figure 8** below demonstrates the most common housing types respondents would like to see built are: Condominiums (50 percent); ADUs (49 percent); Apartment rentals (47 percent); and Senior Housing (44 percent). Seventeen percent of respondents shared their own ideas, which are captured as “other” in **Figure 8**, and can be found under Question #10 in [Attachment B](#) where all “free responses” are listed.

Figure 8: "What type of housing would you like to see constructed in Carmel-by-the-Sea?"



Note: See Attachment B for a full list of "other" responses received.

Affordable Housing in Carmel-by-the-Sea

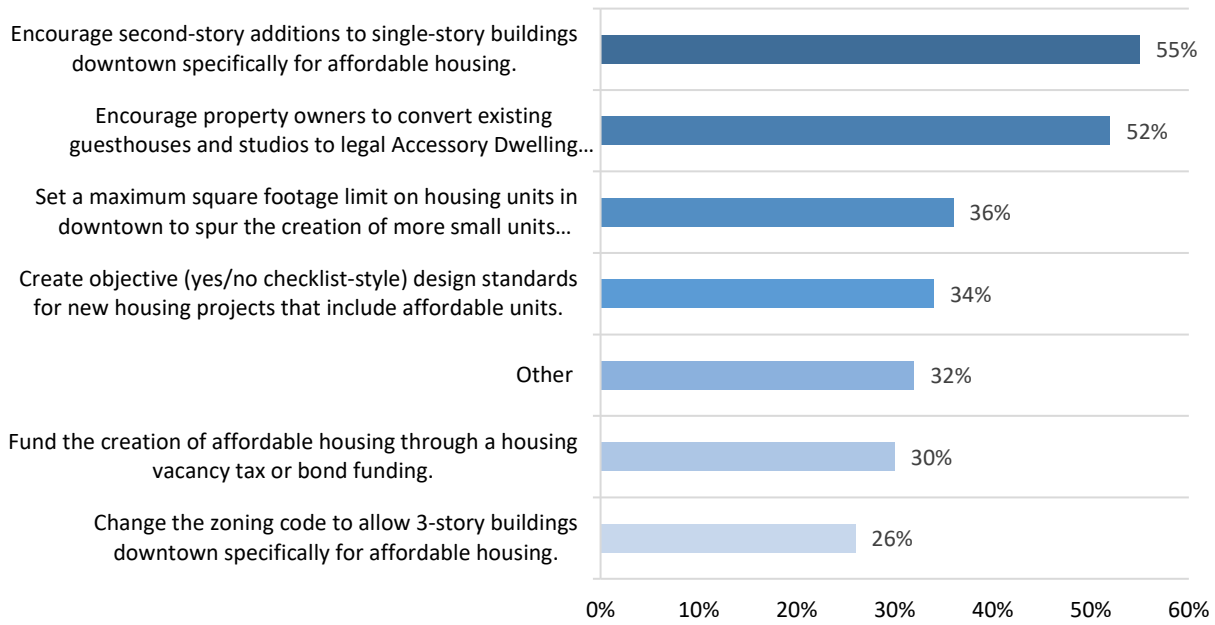
Survey respondents were asked how the supply of affordable housing could be increased to meet the needs of the community. A list of options was provided and respondents were asked to select all that applied, with many respondents selecting more than one choice.

The majority of respondents (55 percent) selected "second-story additions to single story buildings could provide affordable housing downtown," followed by 52 percent of respondents selecting "guesthouses could be converted to Accessory Dwelling Units," and 36 percent selecting "set a maximum square footage limit on housing units downtown as a means to create more small units."

Thirty-two percent of respondents shared their own ideas, which are captured as "other" in

Figure 9, and can be found under Question #11 in [Attachment B](#) where all free responses are listed.

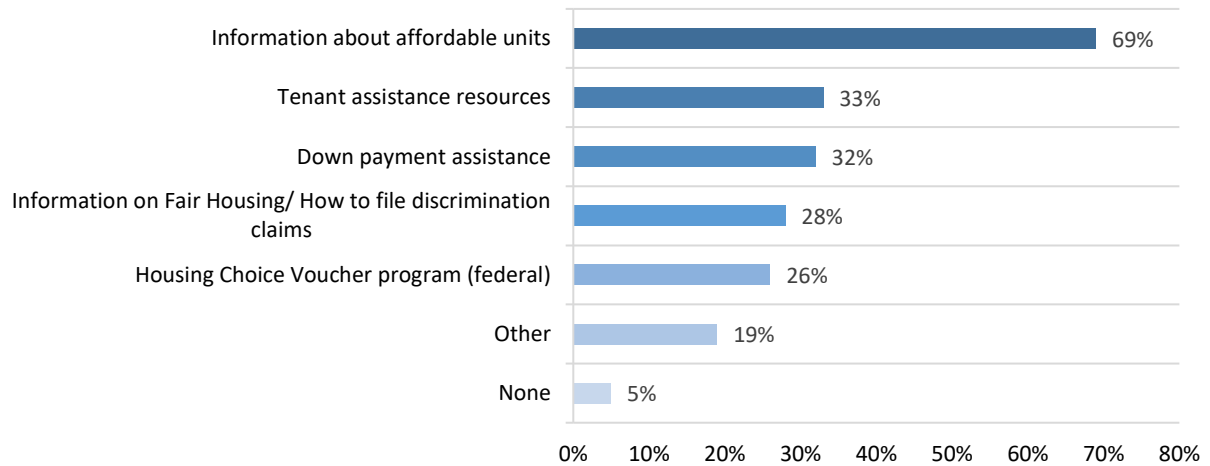
Figure 9: "How can the supply of affordable housing be increased to meet the needs of our community?"



Note: See Attachment B for a full list of the "other" responses received. The "other" responses are the open-ended responses that were received.

Respondents were asked what affordable housing resources should be provided in the City of Carmel-by-the-Sea (**Figure 10**). Out of 157 responses, the majority of respondents (69 percent) selected "information about affordable units," followed by 33 percent selecting "tenant assistance resources," and 32 percent of respondents selecting "down payment assistance." Nineteen percent of respondents shared their own ideas, which are captured as "other" in **Figure 10**, and can be found under Question #12 in **Attachment B** where all free responses received in the survey are listed.

Figure 10: "What affordable housing resources do you feel should be provided in Carmel-by-the-Sea?"

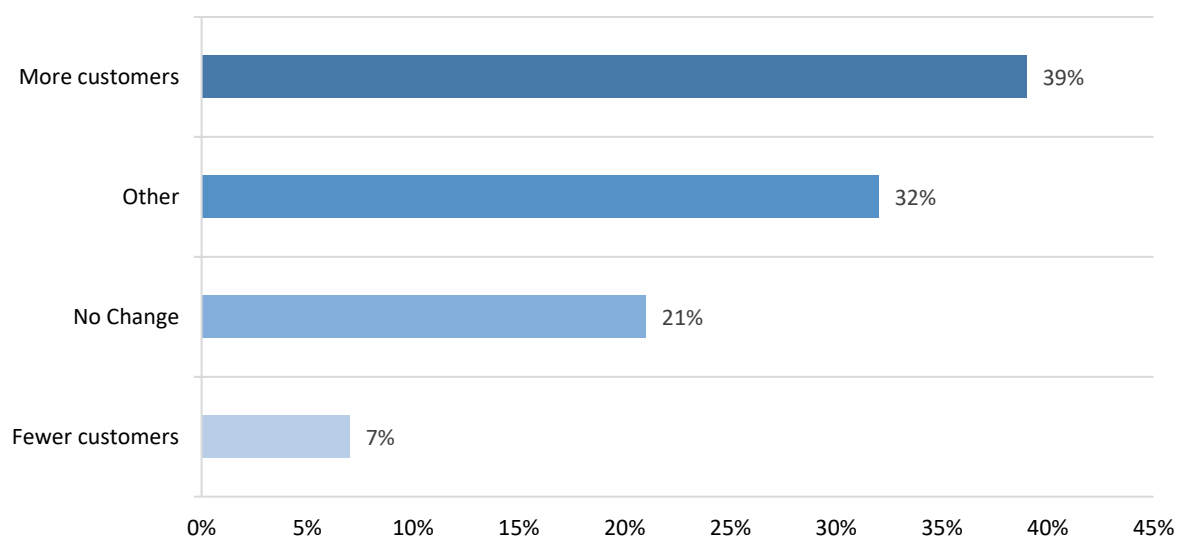


Note: See Attachment B for a full list of the "other" responses received. The "other" responses are the open-ended responses that were received.

Increased Housing and Local Businesses

Survey respondents were asked what effect providing more housing units would have on local businesses in Carmel-by-the-Sea, of which 39 percent indicated more customers, 21 percent indicated no change, and 7 percent indicated fewer customers. Thirty-two percent of respondents shared their own ideas, which are captured as "other" in **Figure 11**, and can be found under Question #15 in [Attachment B](#) where all free responses received in the survey are listed.

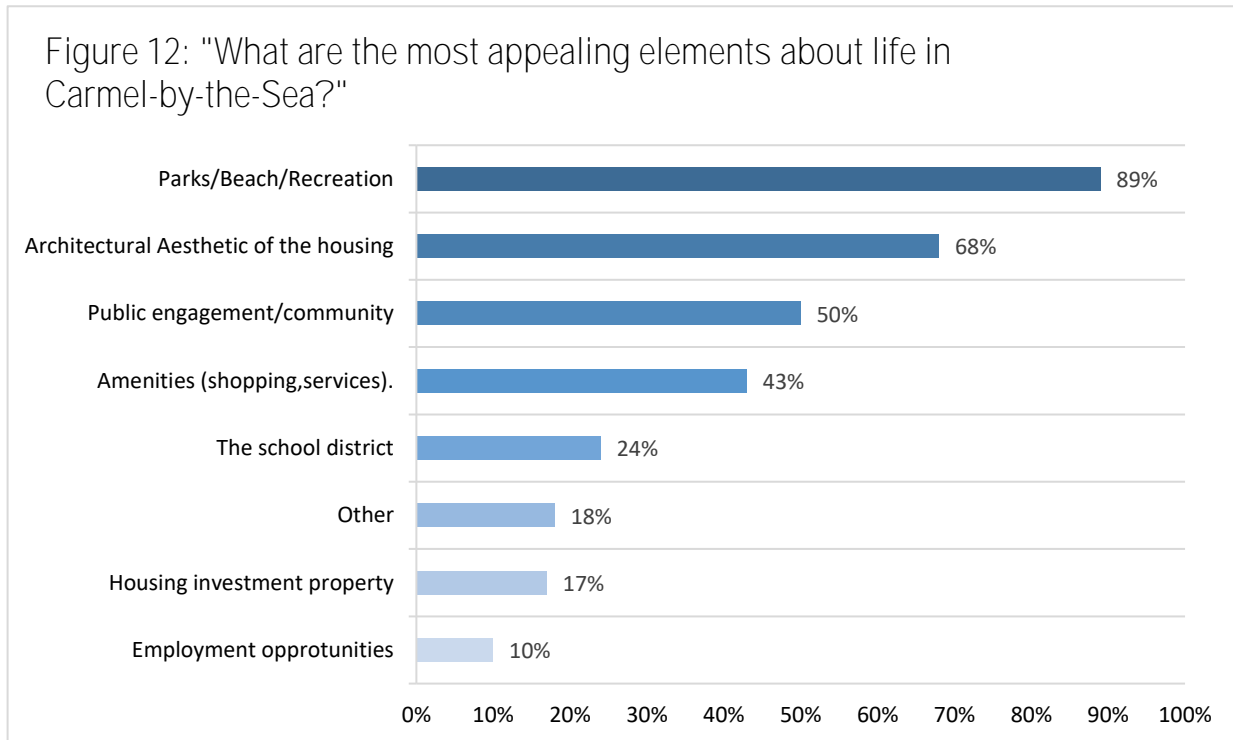
Figure 11: "What effect would providing more housing units in Carmel-by-the-Sea have on local businesses?"



Note: See Attachment B for a full list of the "other" responses received. The "other" responses are the open-ended responses that were received.

Benefits of Living in Carmel

Survey respondents were asked what the most appealing elements about life in Carmel-by-the-Sea is. The most common response was Parks/Beach/Recreation (89 percent), followed by Architectural Aesthetic (67 percent), and Public Engagement/Community (50 percent). Eighteen percent of respondents shared their own ideas, which are captured as “other” in **Figure 12**, and can be found under Question #7 in **Attachment B** where all free responses are listed.



Note: See Attachment B for a full list of the “other” responses received. The “other” responses are the open-ended responses that were received.

Discussion of Results

The majority of respondents were between the ages of 55 and 75, earned more than \$100,000 year, and owned homes in Carmel-by-the-Sea. This indicates responses from a group who is generally well established in the City and may not adequately capture community-wide ideas towards housing needs, for example from a younger renter or worker in the community.

Although respondents indicated their preferred housing type to live in is a single-family dwelling, many respondents indicated a need for more diverse housing types within the City, such as condominiums, apartments, and ADUs which could help to provide more affordable housing options in the City. The 6th Cycle Housing Element includes programs to increase these housing types. Program 1.3.C (Accessory Dwelling Units) will streamline ADU permitting, Program 1.4.A (Eliminate Unnecessary Use Permits) will incentive multi-family type housing by removing permitting barriers, and Program 3.1.G (A Housing Priority Overlay Zoning District) encourages a higher unit yield within the commercial and multi-family zoning districts.

A number of respondents did indicate a preference for constructing condominiums, apartments, and ADUs.

When asked how the supply of affordable housing could be increased within Carmel-by-the-Sea, the most common selected responses out of provided options were: 1) encourage second-story additions to single-story buildings downtown, 2) convert guesthouses to ADUs, and 3) set a maximum square footage limit on housing units downtown. Number one will be addressed via Program 2.3.A (Preserve and Increase Upper Floor Residential Uses), number two will be addressed via Program 1.3.C (Accessory Dwelling Units), and number three will be addressed via Program 3.1.G (A Housing Priority Overlay Zoning District). For this question, respondents were also given the opportunity to provide their own response. Themes from these free responses include: utilize empty or underutilized parking lots for housing, turn Flanders Mansion into housing, and sentiment that there is not enough space in Carmel for additional housing. Program 1.1.B (Underutilized Sites) addresses exploring underutilized sites, with the City committed to actively investigate underutilized publicly owned sites such as parking lots.

When asked what affordable housing resources should be provided in Carmel-by-the-Sea, the overwhelming majority of respondents selected “information about affordable units.” The 6th Cycle Housing Element includes a Program 5.1.A in which the City will work with fair housing organizations and increase outreach efforts to connect community members to affordable housing opportunities.

Most property owners indicate they are not interested in re-developing their property to include more housing, such as ADUs. However, there were a handful of property owners that did indicate interest. Property owners indicated interest in building additional housing on their property if parking requirements were waived, permitting fees lowered, and water credits made available.

The last two survey questions focused on life in Carmel-by-the-Sea. The majority of respondents believe more housing would result in more customers for local businesses. A handful of respondents said that more housing would result in fewer customers, which appears to be an assumption based on the concern that more housing would result in less parking available for visitors. While the 6th Cycle Housing Element does allow for parking reductions for affordable housing projects, it also requires that all existing parking be integrated into the new housing development, if for example a parking lot is converted.

Finally, respondents were asked about the most appealing aspects about living in Carmel-by-the-Sea. The most popular response was “Parks/Beach/Recreation,” followed by “Architectural Aesthetic of the Housing,” followed by “Public Engagement/Community.” It is clear that the architectural character and charm of Carmel-by-the-Sea is a major reason people choose to live in Carmel-by-the-Sea. It is evident that a number of community members fear that meeting the RHNA will disrupt this charm they love. Program 1.4.B (Objective Design Standards) will allow the City to retain their

design aesthetic while streamlining the permit process. Additionally, based on the survey results, community is also an important aspect of living in Carmel-by-the-Sea. With a current vacancy rate of 51 percent, more market rate and affordable units will result in more full-time community members, which will enrich the community of Carmel-by-the-Sea.

Stakeholder Survey Questions



ATTACHMENT

1. How old are you?

- <18
- 18-34
- 35-54
- 55-74
- 75+
- Prefer not to say

2. Which racial or ethnic group(s) do you identify as?

- Black or African American
- White (non-Hispanic)
- Asian or Asian American
- Hispanic, Latino, or Spanish Origin
- Native American
- Native Hawaiian or Pacific Islander
- Prefer not to say
- Other: _____

3. Do you identify with any of the following? Select all that apply.

- Senior (55+)
- Female-Headed Household
- Differently Abled/Disabled
- Unhoused
- Single-Parent Household
- None of the above apply

4. What is your annual household income?

- \$0 - \$25,000
- \$25,001 - \$50,000
- \$50,001 - \$75,000
- \$75,001 - \$100,000
- \$100,001 - \$200,000
- \$200,000 or more
- Prefer not to say

5. Describe your role in the Community. Select all that apply.

- I live in Carmel-by-the-Sea and rent my home.
- I live in Carmel-by-the-Sea and own my home.
- I represent a community organization (please specify): _____
- I am unhoused/do not have permanent housing.
- I own a business in Carmel-by-the-Sea.
- I work in Carmel-by-the-Sea.
- I visit the City but live elsewhere (please specify): _____
- Other: _____

6. If you are a current resident of Carmel-by-the-Sea, do you live here full-time or part-time?

- Full-time.
- Part-time.
- Not applicable.

General Survey Questions

7. Residents and non-residents, what are the most appealing elements about life in Carmel-by-the-Sea? Select all that apply.

- a. The school district.
- b. Parks/Beach/Recreation.
- c. Employment opportunities
- d. Housing (please specify, i.e. "investment property" or "architectural aesthetic," etc.):
- e. Amenities (Shopping, Services).
- f. Public engagement/community.
- g. Other: _____

8. When considering housing affordability and availability, what factors might influence your decision to reside in Carmel-by-the-Sea or outside of the City? Select all that apply.

- a. Limited supply/availability of housing.
- b. High cost of housing.
- c. Limited employment opportunities.
- d. Limited variety of housing options (limited multi-family options, micro-unit options, etc).
- e. Small lot sizes.
- f. Lack of demographic diversity.
- g. Other: _____

9. In which of these housing types would/do you prefer to live, and why?

- a. Accessory Dwelling Unit, because:
- b. Single-Family Home, because:
- c. Apartment, because:
- d. Condominium, because:
- e. Other, because:

10. The State housing goal for Carmel-by-the-Sea is 349 new housing units (market rate and affordable) between 2023 and 2031. What type of housing would you like to see constructed in Carmel-by-the-Sea? Select all that apply.

- a. Apartment (rental).
- b. Condominium (owned).
- c. Single-family home.
- d. Duplex.
- e. Triplex.
- f. Fourplex.
- g. Accessory Dwelling Unit (ADU)/Junior Accessory Dwelling Unit (JADU).
- h. Senior Housing.
- i. Other: _____

11. How can the supply of affordable housing be increased to meet the needs of our community? Select all that apply. Note: The following are examples and not the only options available. Use "Other" to suggest additional options.

- a. Encourage property owners to convert existing guesthouses and studios to legal Accessory Dwelling Units (ADUs) or construct new ADUs.
- b. Encourage second-story additions to single-story buildings downtown specifically for affordable housing.
- c. Change the zoning code to allow 3-story buildings downtown specifically for affordable housing.
- d. Set a maximum square footage limit on housing units in downtown to spur the creation of more small units rather than just a few large units.
- e. Create objective (yes/no checklist-style) design standards for new housing projects that include affordable units.
- f. Fund the creation of affordable housing through a housing vacancy tax or bond funding.
- g. Other: _____

12. What affordable housing resources do you feel should be provided in Carmel-by-the-Sea? Select all that apply.

- a. Tenant assistance resources.
- b. Information about affordable units.
- c. Information on Fair Housing/how to file discrimination claims.
- d. Down payment assistance.
- e. Housing Choice Voucher Program (Federal).
- f. Other: _____

13. If you own property, what would it take for you to consider adding a housing unit(s) on your property, such as an accessory dwelling unit?

- a. Answer:
- b. Not applicable because:

14. If you own property, would you consider redeveloping your property to include new housing? Examples include building an ADU/JADU, converting commercial office space to an apartment, or constructing a second-floor addition with apartments.

- a. Yes, because:
- b. No, because:
- c. Not applicable because:

15. What effect would providing more housing units in Carmel-by-the-Sea have on local businesses?

- a. More customers.
- b. Fewer customers.
- c. No change.
- d. Other: _____

16. How does, or how would, living in Carmel-by-the-Sea benefit you? (Quality of life question). Answer:

Open-ended Responses

B

ATTACHMENT

The following lists the open-ended responses received for survey questions 7, 10, 11, 12, 13, 14 ,15, and 16. These responses are indicated as “other” in the figures.

Question 7: “What are the most appealing elements about life in Carmel-by-the-Sea? Select all that apply.” See corresponding **Figure 12.**

A forest with a village and a beach!
Our neighbors are kind and we help one another.
2 hour commute from home
The natural beauty of the setting on the California coastline.
Trees, scenic pathway, ocean views, sunsets, walking town, dog friendly
Volunteer opportunities
The natural beauty of the Forest and beach, etc.
The peninsula provides most big city benefits without the downside
beauty of our area and lack of traffic and homeless
garage bands
No streetlight, quiet, good air quality
Weather/climate
Mainly small unostentatious but unique homes on small lots in natural settings.
Serenity, beauty, simple life
Weather, mountains, beach

Question 10: “The State housing goal for Carmel-by-the-Sea is 349 new housing units (market rate and affordable) between 2023 and 2031. What type of housing would you like to see constructed in Carmel-by-the-Sea? Select all that apply.” See corresponding **Figure 8.**

Condominium (owned), *Must say, unless you convert a hotel I don't know how you will nicely achieve this. I don't think anyone wants to see high rises.
Housing that naturally flows from a century of local control
I appreciate the efforts of the city to meet the State's dictates, but I do not believe adequate thought has been placed on the implications of additional housing on the natural setting of Carmel, as well as traffic, parking, services, etc. Once built, who will be responsible for maintenance? And who will fairly determine who is allowed to live in these 350 units? I also do not believe that the longer-term has been considered. If 350 units are added in this round will more units be required in the future? There are many more people who work in Carmel's low paying service sector than can ever be accommodated in the surrounding residential area, and the existing residential area should not be expected to serve Carmel's commercial sector. Also, if changes are made to accommodate development of affordable housing, won't some of these changes also be used by clever developers of luxury housing to build larger, more ostentatious housing?
I don't think it is feasible to build affordable housing given the value of the property and cost of building.

Less housing. Isn't 3,000 homes in one square mile enough? I'm not pro-densification. 4,000 square foot lots are already small. We already have small setbacks.
Minimally invasive to character of Carmel.
No additional housing
no more new housing
None
None — Carmel should determine what is right for its citizens not bow to government bureaucrats
None It is too crowded already. Parking is already a problem
None - this needs to be a local decision - not mandated by the state
None.
none. we have no space. how about building housing at fort ord area
None. Ridiculous amount of homes being required by the State. Will destroy Carmel by the Sea.
Resistance/Reduction of State housing goal
We should fight this ridiculous "mandate" from on high!
Would like to see use of second story condos over downtown business only. Against removing Sunset Center parking unless able to dig subterranean parking. Do not think there is space for 349 homes without razing the character of Carmel. Eastwood and others improved water availability and do not believe there is sustainable possibility here--instead, build up city portions in other portions of Monterey county. If would be more efficient and better for the environment

Question 11: How can the supply of affordable housing be increased to meet the needs of our community? Select all that apply. *Note: The following are examples and not the only options available. Use "Other" to suggest additional options. See corresponding Figure 9.*

"Affordable housing" is not a right. Supply and demand is the driver of market rates for housing and all other products and services. Work with builders and developers to find solutions and don't make everything so arduous and difficult and fee intensive. There is no "one size fits all solution". Each neighborhood, street and property presents its own problems and solutions.
Affordable housing directives aren't necessary.
Aggressively tax homes that are NOT primary residences. Anyone using Carmel as their vacation home is contributing to the housing problem. Let's make all of Carmel primary residences or full time rentals!
allow free market forces to guide the housing in the community
Annex land outside city for affordable housing
Build housing on the outskirts and empty parking lots
Carmel should not be forced to change its look, feel and style!
CBTS is nearly fully built out and highly desirable and therefore expensive. Adding housing will only ruin the quality of life in the city. Build the additional housing out in the Fort Ord area.
encourage landowners to build on empty lots, fast-track building permits

Fight back. There's no land here for development.
First define "our community." Whose needs are being met? Service workers in the business district? Teachers? Artists? Seniors? If racial/ethnic diversity is a goal, then make sure these people are included in the discussion. Then ask what sort of housing these people wish to have - do not dictate this for them. Keeping in mind that at this point only 350 units would be available, then do what it appears the planning office is recommending. Focus on areas in the central business district that could be enhanced by development and that will not encroach upon residential areas that are already built out with small homes on small lots. Prioritize opportunities for purchasing versus renting so people can benefit from investment and not simply pay rent to a landlord. Any building should require attention to parking availability, increased traffic, environmental impact, and potential increased commercial needs (grocery stores, etc.). I also believe that an argument can and should be made that areas beyond the tiny jurisdiction of Carmel by the Sea can do more to accommodate affordable housing needs, and provide people with larger dwellings and ownership opportunities. Senator Laird seems to be leaning this way.
Hospitality requires workers who aren't paid enough to live here. Hospitality should bear the cost of providing housing for their workers; it is not the responsibility of residents
I did not think that there is a good reason to change the town as we are too small and do not have the availability of land to do this
I do not believe CBTS should be required to provide "affordable housing". I believe in the free market factors.
It is absolutely ridiculous to plan affordable housing in a community the size of Carmel By-the-Sea.
Less short term rental places, more long term rental options
Limit the number of the short term vacation rentals of houses
MAKE CERTAIN THE NEED EXISTS. Ask those who work in Carmel if they & their families are willing to give up the square footage they now enjoy to live in Carmel in half the space.
N/A. How will you address the issue of water & parking?
Not everyone can live in the Carmel area. Not enough room! Small lots. Neighbors too close!
OPPOSE THE MANDATE
Press upon our representatives the lack of space in our tiny village and encourage housing in other parts of the county
Push back on State mandate
Reaching the state mandated goal will destroy the character and charm of Carmel
There is no space for this in Carmel - but our state is huge - build housing elsewhere. Anyone who thinks Carmel can accommodate "affordable" housing hasn't built here!
Utilize empty lots for single family housing.
Where is the Water going to come from for any of this?
work with our neighboring communities that have land/water available for housing

Question 12: “What affordable housing resources do you feel should be provided in Carmel-by-the-Sea? Select all that apply.” See corresponding **Figure 10**.

A map of someplace else
affordability is the main factor. No gov. assistance should be involved
Affordable housing outside city limits.
I don't know.
I don't care for any of the choices
I'm not sure.
Limit to that which is currently available
N/A. The city is not obligated to provide affordable housing
None
None
None
None
NONE
None
none
NONE
None
None of the above
None. Carmel is NOT affordable for everyone. No one would want to help me if I wanted to live in the first arrondissement in Paris!
None. “Affordable housing” is a result of market demand.
Not for the City to get involved in.
Nothing.
Provide a gig economy type resource such as Airbnb or Neighborhood Storage to allow owners to rent out rooms
Rental agencies
Simplify the building code. Reduce the planning commission to 3,
There is smooch open ground within 1/2 hour of Carmel why would anyone in their right mind try to jam affordable housing in a community as small and as expensive as Carmel?
Unknown

Question 14: “If you own property, would you consider redeveloping your property to include new housing? Examples include building an ADU/JADU, converting commercial office space to an apartment, or constructing a second-floor addition with apartments.”

Note: There is no corresponding figure for this question.

No
yes I would consider
No
More space
no
I would, if I had more space.
No
No
No way
No. don't be ridiculous
No
No
NOT
Our lot is too small and we're already right on top of our neighbors
No
ADU
No
I am not interested at this time to increase the density of my property
No
I would consider an ADU. CTBS is not an apartment community.
no
Absolutely not.
Not possible. No.
N/A, but no
No
The lots are too small
I would consider adding a second floor condo unit but not an apartment.
No
no
Yah, would like to build condominium to retain pride of ownership in community
No
No. My house is already two stories. A third story would destroy the character of the neighborhood. I value the forest-like nature of the neighborhood and am not willing to remove the trees on the property to make space for an ADU.
no
No

No
No
No
No, all the options above make a community a less desirable place to live.
No because the state is on the path to more rent control. How would I recoup my costs unless I sell.
No
n/a
Yes, converting second floor office space to apartments.
No
Yes
No
yes
No - My house location relative to the lot and steep hillside won't support an ADU. Otherwise I would explore this.
Yes an ADU.
No
No. I have to pay more property taxes than I do now
no
NO
Yes
Not enough space
No...see above
No.
N/A see above
I cannot afford to "redevelop" my 4,000 sf residential lot.
if properly stimulated financially
We live in a modest 100 year old house. Altering it would be a travesty
No
no
Yes, if lot would permit addition
Absolutely NOT!!
We already have a second story. I suspect many homeowners have similar situations. You might do better filling vacant commercial properties as there are quite a few.
only a JDU is possible...but not of interest.
No, don't have the space or floorplan for an addition.
I believe that SFD zoning laws should be respected and followed; so I would not consider an ADU. ADU's as now allowed increase the density of our village without any other requirements to offset the impact: no parking, setbacks, no requirement to even rent at below market rate. Nothing gained and much loss to the community.
Heritage oak in the way.
No.

NA
Yes, all of the above
No
Only with some protection to me as an owner as mentioned above.
No
No
No
I could not afford to build anything. Fixed income senior
No
I would consider it, but we cannot afford to do this.
No
No, my property is too small.
Too small
No
Build ADUs not encourage STRs
no (see above)
Not a property owner
Yes
Yes
I already have a legal subordinate unit.
No, see above
No
No. Already 2 story.
Since I live in a quiet neighborhood, I believe the best option for us is to build an ADU/JADU. The city should evaluate the house size to lot size ratio. With that houses can go to a second level without restrictions.
NA
yes
All of the above.
Yes - I am currently considering this.
N/A
Not at this time.
Yes
Yes.
N/A
No.
No
No, it's a single family home that I plan to live in.
Not sure. It's a complex question.
na

Yes, but the city makes the permitting very difficult and the county does not have the water.
Yes
No
No

Question 13: “If you own property, what would it take for you to consider adding a housing unit(s) on your property, such as an accessory dwelling unit?” *Note: There is no corresponding figure for this question.*

Extra housing on a 4000 sqft lot? No thanks
ability to pay for development and increased property taxes. ADUs appear the most realistic way approach to meet our 349 housing unit goals.
I wouldn't
More space
My property is historic.
More land, more financial resources. All other existing elements are acceptable.
Untenable request due to lot limitations
There isn't space on my property to add an ADU
Wouldn't happen
I would move out of the city if affordable housing continues to be forced on Carmel, and if it indeed comes to fruition
Guidelines to keep the charm and permit process loosened.
Never
I would NOT consider adding a unit to house somebody else
We have a tiny lot and there is no room
We are content with our property just the way it is
Highly cooperative City regulations and water
No
It should be my choice and not mandated by the State
I would not build an ADU on a 40x100 lot. My poor neighbors!
Nothing
If CTBS changed the access to water and limits on lot coverage, many owners would build ADU's because they would like to have more space available. I would build an ADU and put a relative in it.
There isn't enough room and there isn't enough water
Absolutely not. The city won't even let me build a car port let alone another dwelling!
We do not have room so we could not consider it.
N/A, but if I owned, I would build an ADU for my aging parents
I wouldn't consider it.
More land
Less restrictions on adding units and off street parking.

No
I live on a 4000 sqft lot - cant imagine having additional people on the lot.
Upzoning to allow for condominiums
Nothing would convince me
Waive lot coverage limits to permit ADUs on small lots
My lot is fully built out. I would have to remove trees in order to add an ADU.
no
Not enough space to build an ADU
No room to do so. Nothing could convince me to build a unit
I would only consider housing unit for family members
How would we possibly fit an extra unit on our small lot and where is the water going to come from?????
Nothing would ever entice me to add an ADU to my Pebble Beach property.
Lower the cost of fees, lot coverage, water demand and red tape
No
own property in another county but purchase in Carmel not affordable
n/a
Waive or lower permit fees and improve the building permit process so it is quicker.
Not relevant
Change in Building Codes
Tax break
Not much as have considered.
The position of my house on the lot and the steepness of my backyard won't support an ADU
Currently have an ADU. Have rented it in the past.
I would not consider adding housing to my property. Parking is an issue as is noise and congestion.
a larger lot!
In 4,000 sq. ft and a 1600 sq. ft. hour, where would I put it and would the city allow my extra water rights?
more space
Would never do this the lots are already tiny and this would look horrible it would also eliminate trees which is no good
Significant tax credits
Not enough space
No room for an additional unit.
streamlined, affordable, planning and design services
No incentive would encourage me to add housing to my property.
there is not enough space on our property to add an ADU
I would be happy to convert my 250 sf garage to an ADU. It's on the lot line so the city will have to give on that, and it's my only off-street parking, so the city will have to give on that as well. Also, I'd need more water credits.

financial stimuli
Not possible. Lot already too small
Lot us too small
Nothing
nothing
Planning Commission objections to design elements they do not like. lower permit fees
Already have an ADU on the property.
I am not at all interested.
My house already occupies most of the lot.
No - There is no viable space on our corner lot
Don't have the space for separate structure but might consider roommate if had the space
A much bigger parcel of land so that the ADU structure did not impact my privacy or that of my neighbors. It would have to be in compliance with existing SFD zoning. It would have to have room for off street parking and room to create a lovely landscaped setting for the occupant.
Water available and space to put one. Tree in the way now.
My lot is too small to add an ADU
NA
Eliminate fees, fast track permitting, have the City maintain a renter registry so that recreation rentals are prohibited.
No space for anything
Make the permitting process easier. Fine citizens who weaponize archaic zoning laws for NIMBYism. Make being a NIMBY uncool.
Some way to positively prevent irresponsible people renting it. CA rental laws are so biased against the property owners it's nearly impossible to evict deadbeats or creeps.
Parking plan
Water allocation and change of building codes
N/A live outside of CBTS, but still in surrounding area.
Market rent
I don't have room on my lot to add a unit
Not possible on our small lot
I would need financial assistance to do that.
Increase the size of the lot. Already built out to allowable size on lot.
Decreased red tape and incentives.
I wouldn't do it. Too small.
Nothing
Reducing the county fees for permits and facilitate the programs to encourage ADUs. Essentially incentivize efforts to do ADUs.
would depend on what kitchen facilities would qualify (we have a guest house but no room for another structure)
Not a property owner
Financial assistance to build an ADU

Permit streamlining and financial assistance
I already have a legal subordinate unit. I may want to convert it to an ADU.
I wouldn't because I would have to build such a unit from scratch and the return of investment probably would be low, and the reduction in privacy and yard space.
Functional need arising internally
We would have to be allowed to cut down a large, healthy tree.
For the city to allow me to have different set backs, expedite approval process, maybe provide incentives for quick/economical building, and for the county to increase my water credits. I will be delighted to build an ADU in my property. Additionally, the city may consider making the size on the house bigger than the current 40% of the lot size. An option will be to expand to 50 or 60% of the lot.
Adding a kitchen to existing guest house (need water credits)
NA
I own property in another county, but funding would be the primary requirement.
Reduced/eliminated planning and building fees. Real property tax assessment deferral.
More clarity on rules.
N/A
Have not considered it..mmm
Help with water restrictions, subsidy, low interest loan, clear regulations, reasonable standards and explanations for license and permits and building codes and inspection
Low interest loan and property tax reduction incentive.
N/A
We would have no interest in doing this. Our home is already on a typical small lot. We have little to no backyard. There would be no parking for a tenant/tenants.
We have a gust house already
There is no room for that on my property.
Zoning changes, property tax breaks, neutral to positive cash flow model.
na
Easier building laws and permit allocations.
Limitations on allowed max size of ADU

Question 15: “What effect would providing more housing units in Carmel-by-the-Sea have on local businesses?” See corresponding **Figure 11**.

“Affordable Housing” would not affect the businesses, because if people need help with housing costs, they cannot afford to support the local business. These people who need financial help with housing will probably add burden to public services such as police, schools, fire, paramedics, and infrastructure such as water and electrical.
Adverse affect since Carmel businesses wants to attract affluent visitors not workers in their own stores/restaurants
Affordable housing would not improve local business revenue
Anything that hurts the livability here will hurt the businesses.
Carmel shops and restaurants are too expensive if on a low income

Crowds, parking, traffic, crime, pollution—air and noise
Depends on the disposable income of the new residents.
Depends on the type of shops .. overall could be more customers if service business and affordable goods
Destroy the look and feel of Carmel by the Sea.
Even more congestion , traffic, lack of parking. Remember- let's not kill our Golden Goose.
Fewer customers. It's already hard to get to places due to lack of parking. Hills make it hard to walk with seniors and disabled and losing more spots to younger people would discriminate against aged and disabled
I am not sure, but can offer some thoughts. Residents in affordable housing will likely not be frequenting the tourist venues: the proliferating wine tasting rooms, high end clothing shops, art galleries, restaurants, etc. They will likely need different options that are not available in town. So either these are added (which means even more commercial activity paying low wages), or more people will be travelling to shop/eat out, etc in the surrounding areas. This implies that there are either even more cars on the roads or that mass transit will need to be enhanced so people can travel beyond town. Ideally, the local businesses would feel responsibility for making affordable housing available to the lower wage workers they hire, wherever possible. The idea that hotels would provide living quarters is a good one. Thought should also be put into reducing the number of business licenses in Careml by the Sea. As businesses move or close, these spaces could be made into housing. More service businesses simply means more lower paid workers who are unable to afford housing.
If below market, it would assist with employee housing and retention.
increase in available workforce
Increased diversity; less traffic
It depends if the businesses provide some reasonably priced options
It will be a traffic/parking nightmare. You can't add 300+ Apartments and assume all those people are going to take the bus? The city spent more time actually keeping the city clean (and not rely on Carmel Cares) I think more people would frequent downtown CBTS.
It will compound the parking issues. PACT as now proposed: no time limit on parking and residents park free.
It would bring in more traffic and make the parking situation worse. This would drive away the tourists who are willing and able to spend money in the shops and restaurants here.
It would make parking even worse than it already is.
It would probably change the character of the town to some degree
Less parking for visitors. Congestion
less tourists, less income
Like a lot of locals, other than Safeway, they wouldn't shop at local business
Locals do not shop downtown, well except for the cheese shop.
Loss of parking spaces
loss of prestige and distinction -Carmel would no long be a worldwide magnet once the character and charm is destroyed by over development
Low income people will not shop in Carmel
maybe new residents but could they afford the shops and restaurant prices in Carmel?

More clients
More congestion and less parking
More crowded, less appealing to shop
More customers, as long as the units are for permanent renters and not visitors.
More employees/employers and City employees living in Carmel will increase demand for services of local businesses. It will also allow city employees to engage with the community and be part of local activities at their backyards.
More housing likely means more illegal short term rentals and vacation rentals - so I suppose business would go up.
More potential employees.
More traffic and no place to park!
More traffic. Less parking.
More workers that could live near their work.
Most would become vacation units of some kind.
Of course more people theoretically would help local business I doubt that the high end stores will see any increase from the new medium and low income residences. I doubt that many of the high end shops in town will see any increase in business from the new medium and low income
Offer housing opportunities of housing for people that also work in Carmel!
Only more customers, if the new residents could afford to shop locally.
Overcrowding and more traffic.
Overcrowding of parking spaces for shoppers.
Parking would be important. More housing comes with more cars.
Simply more congestion
They would probably recognize a need to carry more generally affordable options for lower-paid residents
This will cause a detrimental impact on the desirability just look at San Francisco fewer customers
Traffic congestion. If this town was 100% occupied our neighborhoods and roads could not manage the modern day traffic with most owning 2-3 cars.
Ugly buildings. No parking. Loss of charm of Carmel
Very little as parking is already a problem.

Question 16: “How does, or how would, living in Carmel-by-the-Sea benefit you? (Quality of life question)” *Note: There is no corresponding figure for this question.*

How does, or how would, living in Carmel-by-the-Sea benefit you? (Quality of life question)
Financially and also scholastically.
Pretty incredible year round weather and ease of access to shops / services / restaurants. Less traffic congestion would be a plus
394 units in this small area is ridiculous as the traffic and infrastructure not to mention water supply can't handle it
Fresh air.
The physical benefits of walking the scenic pathway ir ti tien to town, scenic vistas, the architecture and trees are what we like best. We hope we can continue to live here. The expense is a huge sacrifice.
It's a peaceful oasis from the busyness of our “regular” lives threatened by poorly designed and ridiculous government policies. The state owns most of the land in the state. They can and should be building affordable housing in less populous, not necessarily remote, locations of our state
Peace and quiet provided that the city doesn't get more crowded.
Like the small scale community and peacefulness
N/A
Sense of community, cultural and out door events
Living in Carmel is a positive experience for the soul, whether to live or visit. Most people are fantastic. Nature, fresh air, and fairy tale esthetics are refreshing and inspiring. This is not a thriving metropolis by design and I appreciate that. There are different times for different places.
We live here and, once again, appreciate the small, unostentatious homes on small lots embedded in natural surroundings. Nature supersedes housing in Carmel. We appreciate our neighbors. We appreciate living on a street that does not have a lot of traffic, although this has increased. We appreciate being able to hike from our home in most directions and experience beauty.
Access to nature. Walkable town.
Carmel is my haven
Incredible schools, safe, beautiful place to raise my family
What a beautiful place to live. I benefit by being so close to nature, knowing that there is a good school district. Glad I live near cities with more ex and social diversity and would like to see more here in Carmel.
We walk ‘into town’ everyday to support the local coffee shops and eat at least once a month at one of the restaurants. We rarely drive i to town unless we have an oversized package at the PO. I can tell you having lived here 25+ years we have watched it ‘slide’ like much of the rest of CA which was/is not only preventable, but sad.
Does not apply since I already live in Carmel-by-the-Sea. I am concerned that there is no work in Carmel requirement for those potential occupants of the new housing. Aren't we trying to eliminate the commute and the environmental impact of such traffic?
I already live in Carmel-by-the-Sea and love it. If we add 349 units of affordable housing, there will be more traffic and overcrowding, which will diminish my property value. Please

reject the state's misguided demands. Instead of wasting tax dollars to come up with a plan, we should be fighting the state with a lawsuit.
It's a great little community with a very low crime rate.
We have worked hard to be able to afford to live in this gem of a place. It is perfect the way it is. Affordable housing outside our tiny city would be my preference.
Beach walks and biking encourages my soul. Love the quiet. Value the Safety.
greatly
Our current quality of life is excellent.
I live in Carmel because I can handle the weather, walking to town, close by groceries and medical facilities. I am old and cannot take care of too much anymore. I would hate to see town broken up by little ADU buildings where there used to be a pretty little flower gardens. This town is already crowded. Whoever decided to break up town into 4000 square feet lots was not thinking.
Charming atmosphere... Beautiful views
In an earlier question, you asked what is attractive about living in Carmel - beauty of the landscape, the architecture and the urban forest - destroy that and you've destroyed Carmel
Safe, clean, cool weather, golf, mountains, beach
love being able to walk most everywhere I go and not step over homeless on the sidewalks and have to deal with bay area type traffic
It's a peaceful city with a lot to do
We already live in Carmel-by-the-Sea and enjoy a nice quality of life just the way it is.
It is a tranquil, unique place to spend time. Cramming more housing into limited space will make it less appealing.
Living in downtown Carmel allows me to be a pedestrian, which increases my personal traffic through town. I am more likely to buy something when it catches my eye in the window. Also, walking like a pedestrian decreases my carbon foot print.
I already live here! Our quality of life is good -- walk daily, enjoy restaurants and events, and have developed a very nice community of friends. We like to live here and plan to do so for many years to come. We would have loved to keep the parklets at all the restaurants since that made the city more friendly, encouraged walkability, and community. It gave the city a sense of vibrancy, excitement and camaraderie.
Already do - it is wonderful.
This has been my home for 23 years. I don't want to have to leave.
I enjoy and treasure every moment of living in Carmel. Adding more housing is going to increase traffic, parking problems and congestion which are BIG negatives to the current quality of life here in Carmel. I suggest that a survey with the target audience be done to see who would be interested in living these proposed changes and could they even afford those!
It's a safe place.
There is abundant opportunity to enjoy the beach and MTNP.

Walkable life and friendly people with nice weather.
It is a beautiful town the way it is. Don't over develop it. If you cant afford to live in CBTS then you can always visit it. I am 100% against the changes proposed!
Walk to work, walk to eat, walk to beach! It's obvious a quality of life issue.
Social activities, restaurants, clean air, beautiful nature, lovely architecture, walkable community, less stress.
It would be more crowded.
Reduce my quality. If moving into town from Carmel Woods with larger lots, ocean and forest views, space between houses, wildlife and a large garden and small house, I would feel cramped. When I grew up in Carmel, our house was small, but there were undeveloped lots between houses, so we had places to play and our neighbors weren't right next to us.
I live here now.
Dog friendly
Being close to Carmel Foundation for services allowing us to walk most places, & to shop, bank, eat out, go to the Sunset Center, the theatre etc.
The addition of so many units will be detrimental to the desirability of Carmel.....
I live here full time-adding additional housing is only going to decrease my quality of life as this village is not made for big city congestion.
Encouragement to walk to the beach and into town
Simple answer; I can live anywhere in the world I want to live and I choose Carmel for a myriad of reasons of which affordable housing is certainly not one!
Carmel-by-the-Sea is special and it shouldn't be forced to provide affordable housing, it's a short commute to nearby towns that are more equipped to add housing.
Small town feel/friendliness; less worry about crime, drugs, vagrancy; strong pride in cleanliness, safety, livability of community; wonderful shops and eateries.
I would not live in a City that cratered to ridiculous demands from State government. If 349 units even begin to be sandwiched in Carmel- I move
CTBS is a very special place and it is no business of the government to change our community in any way. Our community is our decision, not up to the "State". We are not yet a communist county.
I like small town living.
If Carmel-by-the-Sea is required to build all these affordable units, the residential density will lower the quality of life and make it a much less desirable city for residents and tourists.
Safety
I like be able to walk everywhere, limited amount of noise pollution, access to events at the Sunset Center - and parking there for patrons.
Wonderful retreat. I appreciate the need to make it affordable for people who work there but do not ruin the charm of Carmel. Can these units be outside of the golden rectangle and be by the crossroads or somewhere else where there is space
Negative.
Sense of community.
It is relatively peaceful, but every holiday and weekend and special event bring hundreds or thousands of visitors. We don't need to Manhattanize Carmel
Great place to retire.

Because every restaurant and business is within walking distance, we are active and healthy. Walking around also results in more friends and that makes a better community.
Love it! Need more more condominiums
Presently living in Carmel offers a unique experience with a peaceful, healthy way of life.
I would be able to live closer to work and in the CUSD school district for my kids
No commuting so more time spent with family.
More active neighborhoods. It would likely result in more traffic, noise and possibly a slight uptick in crime. However, the town has lost ~20% of it's full time population in the 20+ years I've lived here. It can grow by 1000 residents without much pain.
Great weather, small community, friendly residents.
I love the small town feel, clean air, and quiet.
I live in Carmel now
I lke living here.
The same as now, as many homes empty.
I live here and value every aspect of it's beauty, people, nature, charm etc.
Actively involved community
Enjoy hiking in the community and visiting the beach.
Excellent walking and running without having to drive. Quiet forested neighborhoods. Good stuff.
Best Quality of Life experience, lived here 70 years.
High quality of retired lifestyle
I love living here...the beauty of the beach and forest is incredible, and I love the small-town feel of the village and the fact that I can walk everywhere.
Lifestyle
I love easy access to forest, beach, Sunset Center, downtown
Small town life, running into people I know, clean air, pretty surroundings, peace and quiet, community engagement activities.
Low stress environment, nature, low crime
Active lifestyle, great school district, amenities, etc.
Diversity of every kind is good for everyone
I live here full time. I love the quiet atmosphere outside of the downtown district and the charming homes.
I love the way Carmel by the Sea integrates city living with the natural environment.
Living in Carmel by the Sea is a wonderful experience. I chose to live here so i can walk the streets and get to know my neighbors. I wish there were more apartments in the village center and less parking lots. I would recommend having tourist parking at cross roads and provide free electric shuttles to Ocean Avenue and the beaches to cut down on single car traffic.
It would be able to walk or bike to work. I would also be an integral part of the community I serve.
I love living in Carmel. I am incredibly blessed to have a home here and there are wonderful benefits. Strong community connections, peaceful and tranquil lifestyle, safety and security, opportunities for leadership, close to downtown where I can walk, and much more. Great presentation, great work and thank you!

I live and work in Carmel-by-the-Sea, so I rarely drive my car during the week. I feel safe where I live; it is a quiet street. I have access to multiple great restaurants and other small businesses, and I can walk to the beach. My family and friends can stay with me when they come to visit, and we can all enjoy the City together.
Would enjoy greater diversity
Great school district for my kids, the beauty and charm of the area makes me happy
Proximity to outdoor activities.
for affordable housing it would allow a senior artist like myself to create art here and sell it in the shops instead of having to live outside of town.
Living in Carmel would reduce my daily commute time by three hours
Living in Carmel immerses me in natural beauty and allows me to walk rather than take my car for many errands and services. I wish we had a few more of these services in the village these days.
Daily walks to beach, fresh air, minimal traffic; do not see any congestion.
Access to natural resources is incredible.
closer proximity to ocean/beach
Dream location.
peaceful, clean, healthy living, quiet during the non-touristy times of the year.
Peaceful. Friendly. Beautiful.
We have built our lives here, and are deeply involved in the community.
Quality of life
I would live where I work and drive less or not need to drive at all
Shorter commute, and being part of the community I work in.
Easy lifestyle
Allowing my family to be fully emersed with the community that they go to school in and work in. Currently having to commute from another city to be able to attend work and school doesn't allow for a well-rounded lifestyle. Providing housing in Carmel for the people who teach and support Carmel students/children, should be a big factor in this decision.
I grew up here, but without changes to the local real estate market I cannot foresee ever owning a home here. Being able to support my aging parents in the area and maintain my ties to the community mean a great deal to me.
would love to be closer to my job at Library and walk everywhere.
I lose two hours a day of my life to drive here, from Salinas, which is also barely affordable
Closer to work
The daily way of life here has been greatly improved for me and my dogs. The ability to walk every where, rarely drive, and have a more active life while feeling safe is a dream.
Would be closer to work.
I would be closer to work and the Carmel community.
Living close to beautiful natural resources of ocean and forest- soul-sustaining. Opportunities for outdoor exercise.
Breathable air
More engagement with the community that sustains my employment, extremely high standard of living.

Surrounded by my current age group and scenic beauty; Monterey Salinas Transit Bus #5 to my place of employment in Carmel by the Sea.
We could absorb these additional homes with no change of quality of life.
Quality would deteriorate if you cram extra housing into our limited space
People are happy here. Happiness is good!
Clean air, low crime
FEWER PEOPLE ARE BETTER FOR THE ENVIRONMENT
Small town
It's safe
I like it as it is. If you start stuffing hundreds of extra units into this town I might actually sell and leave.
We love it here and want to preserve it in its current state before it gets over built
Bonding with community and nature
Great Quiet lifestyle
Quiet Lifestyle
I love living in a safe and small village that is easy to walk where ever I want to go. I rarely need to use my car here. Carmel is quiet and has a high quality of life, unlike Texas where I moved here from almost twenty years ago. I am very much against state control and unfunded mandates. Local control is where we need to concentrate our efforts. There is plenty of land a short drive from Carmel by-the-Sea that can easily accommodate the houses the state is mandating. I do not think it is fair that those who bought houses here under certain conditions such as view shed or single family ownership should have to now live where they would not have bought had they known of the development required by the state.
beautiful surroundings
I live here - not looking forward to have this housing mandate from the state impacting our quality of life
It's a nice, sleepy little town and I like the weather. I don't patronize many local businesses because I don't buy the sorts of things they sell. I do patronize some local restaurants, but my go-to places for dining out are mostly in PG and Monterey as they are more reasonably priced. It's hard to compete with all the tourists who have deep pockets.
Can walk most places
I've traveled the world and can live anywhere. I choose here for its unique culture, weather and natural beauty. I would welcome more residents to share it with.
Fulfills a decades long dream to have a home in one of our favorite places
Peace and quiet, proximity to beauty of the area
Access to CUSD, access to more open/transparent government, access to outdoor opportunities.
I enjoy the beautiful environment and community engagement.
Enjoy current QoL in Carmel
Vastly improved over city living. Very happy to be here full time. Do not lose the charm that is Carmel.
No change to current benefits.
Too expensive for what you get

Carmel is safe and close to my work.
Safety and being in a small community.
CBTS is a small and safe community with lots of culture and entertainment options.
Lower commute times, using less gas, less crime.
Tranquil, beautiful setting, safety and quiet
The feel of being safe. And being able to walk everywhere
Peace of mind from safety
Clean air, can walk to the beach and to town. Local events and outings. Carmelites care about each other. Feel safe, not as safe as before.