



CITY OF CARMEL-BY-THE-SEA

6th Cycle Draft Housing Element 2023-2031 Update



City Council Special Meeting of the Ad Hoc Housing Committee
Monday, November 13, 2023
City Hall 4:00pm



Agenda

1. Introductions by Housing Ad Hoc Committee
2. Timeline review
3. Mid-review revisions
4. HCD comment letter
 - a. Housing types
 - b. Housing sites
 - c. Potential barriers
5. New state housing legislation
6. Next steps
7. Community Feedback



Timeline

October 2022: Housing Ad Hoc Committee appointed

November 2022: Community meeting #1

February 2023: ECONorthwest report and Community meeting #2

April 2023: Community meeting #3

May 2023: Community meeting #4

June 2023: Community Meeting #5 public review draft

July 2023: City Council meeting, policy direction

August 2023: City Council meeting, HCD submission on 8/3/2023

September-October 2023: Mid-review collaboration with HCD

November 2023: 90-day review letter received from HCD 11/1/2023



Mid-Review Revisions

The following programs were added during the mid-review revisions to comply with State law.

New Program Additions by Staff (Housing Types):

- 1.1.D: Religious Institution Affiliated Housing Development
- 3.3.C: Unlicensed Residential Care Facilities
- 3.3.D: Single Room Occupancy Units



Mid-Review Revision: Housing Types

New Program 1.1.D: Religious Institution Affiliated Housing Development (AB 2244, 2022)

Definition: Housing that is on religious institution property and is eligible for a State density bonus, meaning it has elements of affordability.

Objective: To facilitate affordable multifamily housing development in all parts of the city by allowing religious institution-affiliated housing by-right as an accessory use to religious facilities.

- Encourage the use of religious facility sites for housing
- Parking does not have to be replaced
- Housing must include some affordable units
- Must be allowed “by-right” (no Conditional Use Permit)



Mid-Review Revision: Housing Types

New Program 3.3.C: Unlicensed Residential Care Facilities

Definition: A group home that provides some supportive services for their residents but not services that require licenses under state law.

Objective: To facilitate unlicensed residential care facilities (group homes) serving 7 or more persons in all zones where similar residential uses are allowed.

- Provide supportive environments for a variety of households
- Not required to be licensed by the State of CA
- Regulated locally as a residential use
- City can require a Conditional Use Permit

Example: Recovery Residence or Sober Living Home



Mid-Review Revision: Housing Types

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

Definition: Typically an affordable housing unit between 200 to 350 square feet occupied by a single individual, within a larger multi-unit complex. The unit need not, but may, contain food preparation or sanitary facilities, or both.

Objective: To facilitate the creation of single-room occupancy units.

- Provide a variety of housing types.
- Allow in all zones where residential is allowed.
- Regulated as a residential use.



Mid-Review Revisions

Reader's Guide (dated October 17, 2023) provides a summary of the mid-review revisions.

A redline/track changes version has been posted on our **website**:
<https://ci.carmel.ca.us/post/long-range-planning-initiatives>, Housing Element Update, HCD 90-day Review Letter, received 11/1/2023

Dedicated Housing Element Update **website**:
<https://homecarmelbythesea.com/>



HCD Review Letter: Summary

Housing Types

Provide a regulatory framework that encourages a **variety of housing types** to meet the needs of all income levels and special needs groups including seniors, farmworkers, large households, persons with disabilities, including developmental disabilities, and persons experiencing homelessness.

Housing Sites

Provide a regulatory framework that facilitates the **construction of new housing units** over the next 8 years.

Potential Barriers

Removing potential barriers to the development of housing.



Housing Types

Proposed Program: Emergency Shelters (AB 2339, 2022)

Objective: Provide housing opportunities for the unsheltered.

Additional Analysis:

- Expand the definition of emergency shelters to include interim interventions, such as navigation centers, bridge housing, and respite or recuperative care
- Amend the zoning code to allow emergency shelters by-right in zoning districts where residential uses are allowed
- Sites identified for emergency shelters must be located near amenities and services that serve people experiencing homelessness



Housing Types

Proposed Program: Agricultural Employee Housing (Employee Housing Act)

Objective: Provide housing opportunities for farmworkers.

Additional Analysis:

- Amend the zoning code to expressly permit employee housing of 6 or fewer employees regulated as a single-family use
- Employee housing of up to 12 units or 36 beds regulated in the same manner as agricultural uses (N/A)



Housing Types

Proposed Program: Permanent Supportive Housing (Gov. Code Sec. 65651)

Definition: Housing linked with on-site or off-site services for low-income persons with one or more disabilities. Services assist residents in improving their health status, retaining the housing, and maximizing their ability to live and, where possible, work in the community. There is no limit on the length of stay.

Objective: Provide housing opportunities with support services for special needs groups.

Additional Analysis:

- Amend the zoning code to allow permanent supportive housing by-right in multi-family and mixed use zoning districts



Housing Sites

City-Owned Sites: Sunset Center North and South, Vista Lobos

Objective: Development of affordable housing.

Additional Analysis:

- Evaluate the status of each of the sites
- Identify the necessary steps to entitle and issue building permits
- Identify any potential barriers to development of these sites
- Evaluate how existing parking needs will be met
- Provide a schedule of actions, including alternative actions
 - Timing for outreach with developers
 - Issuing Requests for Proposals
 - Development of incentives
 - Assistance with funding
 - Entitlement process
 - Issuance of building permits



Housing Sites

Hospitality Employee Housing

Additional Analysis:

- Discuss the potential for hotel participation in the program
- Describe recent development trends
- Discuss local interest in the program
- Include a program to evaluate the effectiveness of Hospitality Employee Housing
- Develop alternative actions if progress is not being made



Housing Sites

Hotel Transfer of Development Rights

Additional Analysis:

- Discuss the potential for hotel participation in the program
- Describe recent development trends
- Discuss local interest in the program
- Include a program to evaluate the effectiveness of Hotel Transfer of Development Rights
- Develop alternative actions if progress is not being made



Housing Sites

All Potential Housing Sites

Additional Analysis:

- Identify potential site constraints that could preclude development:
 - Shape
 - Access
 - Contamination
 - Relocation (of existing uses)
 - Title conditions
 - Historic preservation
 - Easements



Housing Sites

	Total	Very Low	Low	Moderate	Above Moderate
RHNA	349	113	74	44	118
Proposed	405 (+56)	113	84 (+10)	52 (+8)	156 (+38)
City-owned Sites	135	63	43	29	0
Other Sites	166	22	17	0	127
ADUs	40	12	12	12	4
Hospitality Housing	31	8	12	11	0
TDRs	33	8	0	0	25

28 sites, 10.23 acres



Potential Barrier

Licensed Residential Care Facilities

Definition: A group home, licensed and regulated by the State of CA, providing 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. Group homes of 6 or fewer residents are permitted by-right and treated as a single-family use. Group homes of 7 or more residents are conditionally permitted.

Additional Analysis:

- Analyze the conditional use permit findings for approval as a constraint on facilities of seven or more people



Potential Barrier

Program 3.2.A: Reasonable Accommodation Procedures

City Council Policy 11-01 (2011)

Definition: Provide individuals with disabilities reasonable accommodation in rules, policies, practices, and procedures to ensure equal access to housing and facilitate the development of housing for individuals with disabilities pursuant to the Federal Fair Housing Amendments Act of 1988, the California Fair Employment and Housing Act, and California Senate Bill (SB) 520.

Additional Analysis:

- Remove subjectivity from the review and approval process
- Analyze the process to appeal the approval or denial of a reasonable accommodation



Potential Barrier

Design Study/Review Findings for Approval

CMC Section 17.58.060

Additional Analysis:

- Analyze the findings for approval as a constraint on the development of housing

Note: With the adoption of Objective Design and Development Standards (ODDS) for affordable housing projects, the findings for approval will be revised.



Potential Barrier



Story Pole Policy

City Council Policy 2017-XX (2017)

Objective: To require the installation of story-poles and netting for Design Study/Review applications in order to assist decision makers and the public in evaluating the height, location and extent of proposed development for consistency with local regulations and ordinances.

Additional Analysis:

- Analyze the city's story pole policy as a constraint to the development of housing.



Potential Barrier

Permit Fees

City Council Resolution 2023-XXX, Master Fee Schedule

Additional Analysis:

- Analyze the city's permit fees for multi-family housing as a constraint on housing supply and affordability.
- Include a Program to reduce permit fees for multi-family housing.



Infrastructure Constraints

Additional Analysis:

- Demonstrate sufficient total dry utility capacity (gas and electric)
- Provide discrete timelines for implementation of Program 1.2.A Water Distribution Prioritization for Affordable Housing



New Housing Law: SB 423

- Applies to cities and counties that fail to meet their RHNA requirements or fail to obtain **HCD certification** of their housing element
- Expands the streamlined ministerial approval process for multi-family housing to include certain parcels within the **coastal zone**
- **Cannot** be located in certain fire risk zones, floodplains, or protected habitat
- **Cannot** demolish existing rental units
- Developer must submit a **notice of intent** to submit an application before applying



New Housing Law: SB 423

- Zoning must allow for **multi-family** housing
- Project must **deed restrict** 10% of the rental units for very low-income households for 55 years
- Must comply with **objective design and development standards** (as determined by the Planning Director)
- Must engage in **tribal consultation**
- Planning Commission or Design Review Board oversight **strictly limited to design review** (final approval by staff)
- Must pay **prevailing wage** on projects of more than 10 units
- Extends the sunset date of Senate Bill (SB) 35 by **10 years** (from 2026 to 2036)



Timeline

November 2023: Continue collaboration with HCD, revise draft Housing Element

December 2023: Return to Council with proposed revisions Housing Element

- December 15th deadline for certification by HCD
- 120-day grace period for jurisdictions working on revisions

April 15, 2024 (no later than): Receive substantial compliance letter from HCD, City Council adoption of Housing Element, HCD certification

2024-2031: Implementation and annual progress reporting to HCD



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Visit our project website at:
<https://homecarmelbythesea.com/>



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