

Housing Element Update 2023-2031

Public Review Draft Summary / Reader's Guide

June 9, 2023

The City is progressing with its 2023-2031 Housing Element update project, with a public review draft released on June 5, 2023. Below you will find key project dates and a high-level overview of the 5 chapters plus appendices A-F that comprise the 2023-2031 Draft Housing Element.

Key Project Dates (updated)

June 5th:	Public Review Draft published on H.O.M.E. website ("Housing Opportunities Made Easier")
June 6th:	Draft release advertised via City's Constant Contact Listserv and on the City website homepage
June 15th:	Joint City Council/Planning Commission Workshop (Sunset Center, Carpenter Hall @ 5:30 pm and via Zoom) to discuss the Public Review Draft
July 6th:	Public comment period closes
July 11th:	City Council meeting to review public comments
Aug 1st:	City Council meeting to review revised draft Housing Element (NEW)
Aug 2nd:	Submit draft Housing Element to the State Department of Housing and Community Development (HCD) for a 90-day review period (updated)
Oct 31st:	Receive comments from HCD (updated)

Overview of Draft 2023-2031 Housing Element (6th cycle)

Chapter 1 - Introduction (15 pages)

- **5th Cycle: 18 above moderate** (market-rate) housing units were constructed during the eight-year 2015-2023 5th cycle Regional Housing Needs Allocation (RHNA), which equals **58%** of the 5th cycle RHNA goal of **31 units**.
- **6th Cycle:** The 6th cycle RHNA goal is **349 units** constructed over the eight-year period from July 2023 to June 2031.

Chapter 2 - Goals, Policies, and Programs (25 pages)

- State law requires that each program have a "**quantified objective**." This is a goal for the City to work towards and a metric to report annually to HCD on progress.
- At this time, there are no penalties for not reaching the objective. Programs that are unsuccessful in reaching the objective will be re-evaluated in the 7th cycle.
- Each program description is followed by a note specifying if the program is new or carried over from the 5th cycle.
- Some of the proposed programs would require a **Zoning Code Amendment** if adopted. The proposed amendments are summarized below.
 - Revise existing parking standards for new housing units;
 - Establish a 33 dwelling unit per acre (du/ac) minimum density for new housing projects (Note: This results in 3 units on a 4,000-square-foot lot);
 - Adopt a housing overlay zoning district with objective design and development standards for qualifying projects;

- Adopt an Accessory Dwelling Unit (ADU) ordinance (in progress);
- Incentivize onsite hotel employee housing;
- Establish design and development standards for the A-2 zoning district (Sunset Center) for senior housing, which is already a permitted use;
- Allow manufactured homes in the R-1 district (required per State law);
- Eliminate the Use Permit requirement for multi-family development;
- Increase the floor area bonus from 15% to 25% for projects that include affordable housing; and
- Allow a low-barrier navigation center (required per state law).
- Establish an Affordable Housing Trust Fund (funding and use to be determined by City Council): goal to **raise \$1 million in 8 years**

Chapter 3 - Housing Needs and Constraints (20 pages)

- Summary of Carmel-by-the-Sea demographic data (population, employment, housing, etc.); note that Pacific Grove and Del Rey Oaks were used as a comparison to Carmel.
- Overview of governmental constraints affecting housing production. For details, see Appendix B.

Chapter 4 - Sites Inventory (6 pages)

- High-level Sites Inventory summary. For details, see Appendix C.

Chapter 5 - Energy and Resource Conservation (9 pages)

- Incorporates information from the City's Climate Action & Adaptation Plans.
- PG&E Programs and Incentives for energy efficiency.
- MPWMD rebates for water conservation.
- Federal and State financial assistance programs.

Appendix A - Housing Needs and Fair Housing Report (89 pages)

- Introduction with an explanation of "Affirmatively Furthering Fair Housing" or "AFFH" requirements per Gov. Code, § 8899.50, subd. (a)(1).
- Population, employment, and household characteristics.
- Disproportionate housing needs.
- Special needs groups.
- Access to opportunity.
- Housing stock characteristics.
- Fair housing enforcement and outreach capacity.
- Fair housing recommendations.

Appendix B - Housing Constraints (47 pages)

- Overview of Governmental and Non-Governmental constraints to housing development, including but not limited to:
 - Lengthy design review process;
 - Fees are financially prohibitive to lower-income households;
 - Two-story building height limit;

- Use Permit requirements for new residential projects;
- Subjective design standards which create uncertainty for developers;
- Protection of historic resources;
- Coastal Zone regulations;
- Outdated Accessory Dwelling Unit (ADU) ordinance;
- Lack of development standards in the A-2 district (Sunset Center); and
- Lack of water due to State Water Resources Control Board Order 95-10 and the 2008 Cease-and-Desist Order.

Appendix C - Vacant and Available Sites (38 pages)

- 35 identified sites that could accommodate 283 housing units.
 - Sites zoned R-1 that would require a rezone if retained in the sites inventory list:
 - Pine Inn parking lot (6 units)
 - First Church of Christ (9 units)
 - Red Cross (6 units)
 - American Legion (5 units)
 - Carmel Presbyterian (36 units)
 - Options for rezoning could include A-2 (senior housing) or R-4 (multi-family).
 - An alternative to rezoning (open for discussion): eliminate one or more of these sites and replace them with other properties that do not require rezoning.
- 46 units attributed to potential onsite hotel employee housing units
- 72 units attributed to potential accessory dwelling units
- Grand Total: 401 units (52 surplus units over our 349 RHNA goal = 15% buffer) *Note: A buffer is necessary due to the likelihood HCD will reject some of our proposed sites.*

Appendix D - Review of Previous Housing Element (9 pages)

- Effectiveness of 5th cycle (2015-2023) Housing Element; progress in implementation; and appropriateness of Goals, Objectives, and Policies.

Appendix E - List of Contacted Organizations (11 pages)

- Summary of outreach efforts to date.

Appendix F - ECONorthwest Feasibility Study (37 pages)

- Feasibility Study prepared by consultant ECONorthwest and received by the City Council on February 7, 2023.