



CITY OF CARMEL-BY-THE-SEA

Update on Housing Element Public Review Draft



City Council Meeting
Tuesday, July 11, 2023
City Hall, 4:30pm



Tonight's Presentation

1. Overview / Background
2. Project timeline going forward
3. Responses to common concerns expressed
4. Policy direction on certain topics

**Housing
Opportunities
Made
Easier** 



Overview/Background

The Housing Element is a chapter of the General Plan mandated by the State to be updated every 8 years.

The City is tasked with identifying policies, programs, and actions to incentivize the development of housing.

Every community in CA contributes to the statewide housing need. Carmel's share is 349 new housing units.

The City is not constructing housing; the City is preparing a PLAN and setting POLICY to facilitate private development.



<https://homecarmelbythesea.com/>

Just joining us? Presentations from five (5) previous community meetings are available [online!](#)

The screenshot shows the website header with the logo and navigation links: Home, Housing Element Updates, Learn More, Participate, and a search bar. The 'Participate' link is highlighted with a red circle, and a dropdown menu is visible with the following items: Public Meetings & Workshops (circled in red), Property Owner Interest Form, Community Ideas Board, and Site Mapping Tool.

Housing Opportunities Made Easier (H.O.M.E.)

Welcome to H.O.M.E. Carmel-by-the-Sea, the City's online community forum to engage in the 2023-2031 6th Cycle Housing Element Update. The housing element update presents the community with an opportunity to help shape the future of Carmel-by-the-Sea.

This website will be regularly updated to keep you informed on the 6th Cycle Housing Element Update planning process. You may expect information including public meetings, community engagement events, surveys, and find key documents posted here. Please register to participate or subscribe to stay informed and receive the latest information on the update process.

The City of Carmel-by-the-Sea is required to plan for 349 new housing units between 2023-2031. Please take the time to better understand the challenges we face as a City and lend your thoughts and voices to help find the best solutions.



State > Regional > Local Housing Needs



STATE: 2.5 million units



AMBAG: 33,274 units



CARMEL: 349 units





Project Timeline: Public Review Draft

- **6/5/23:** Draft 2023-2031 Housing Element released.
- **7/6/23:** 30-day public review period closed.
- **7/11/23:** Progress update for City Council; policy direction requested.
- **8/1/23:** Revised draft to be reviewed by the City Council prior to submission to HCD. Every public comment will be logged with a response and included as an appendix.

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Project Timeline: HCD Review Draft

- **August 2023:**
Submit Draft Housing Element to HCD
- **August-October 2023:**
90-day HCD review period; City begins CEQA review
- **November 2023:**
City responds to HCD comments and resubmits revised draft
- **December 2023:**
AMBAG deadline for certification by HCD.
120-day grace period for jurisdictions that do not meet the deadline but are working on revisions
- **Winter 2024:**
Receive substantial compliance letter from HCD, City Council adoption of Housing Element, HCD certification
- **2023-2031:**
Implementation and annual progress reporting to HCD



Common Concern: Do we have to?

Response: YES.

The governor has declared a state-wide housing crisis. The Housing Element is a **policy document** that addresses housing needs by,

- a) Facilitating the creation of more housing units of various types and sizes,
- b) Identifying and removing constraints to housing development, and
- c) Creating incentives to encourage housing production.

Learn more online: <https://homecarmelbythesea.com/what-if-we-don-t>



Common Concern: Builder's Remedy

Response: Builder's Remedy is a loophole in State law that allows developers to circumvent the local Planning process and obtain by-right approval of housing projects in a community where the Housing Element is out of compliance with State law.

Carmel's current 5th cycle housing element is in compliance.

The deadline to obtain certification of the 6th cycle housing element is December. The State provides a 120 day grace period with no penalties to achieve certification.

However, during this time, we are at risk. The best way to protect ourselves is through the adoption of **objective design standards** that uphold our design traditions without requiring a formal design review process for housing projects.

More on this later...



Common Concern: We have no water.

Response: True, we remain under the State imposed **cease-and-desist order** and do not have enough water resources to serve 349 new housing units.

However, it's important to have a housing plan in place so that when additional water resources become available, we are able to support new housing.

The 2023-2031 Housing Element is a policy document that spans the next 8 years. If no additional water resources become available during the planning period, this will be reported to HCD.



Common Concern: Carmel is built out.

Response: Not true.

While very few truly vacant properties remain in Carmel, there *are* opportunities to add new housing units through second-story additions, conversion of vacant office space, and redevelopment of underutilized sites.

Under the current General Plan and zoning there is additional housing capacity.



Common Concern: Multi-Family Housing

Response: A multi-family dwelling is defined as 2 or more dwellings each with its own facilities for living, sleeping, cooking, and eating. It includes condominiums, townhouses, and apartments. A mixed-use building could also include multi-family housing.

15% of Carmel's housing stock is multi-family housing (Source: DOF 1/1/2023).

Examples include...



Common Concern: Multi-Family Housing

5 units total
2 condominiums
3 apartments



NE Mission and 4th



Common Concern: Multi-Family Housing



11 condominiums



SE Mission and 4th / SW Junipero and 4th



Common Concern: Multi-Family Housing



Mission 3 SE of 4th



Common Concern: Multi-Family Housing

This is what affordable housing looks like in Carmel:



Haseltine Court, SE Lincoln & 5th



Trevett Court, Dolores 4 NW of 5th



Common Concern: Multi-Family Housing

This is what affordable housing looks like in Carmel:



NE Mission and 4th



Norton Court, NW Dolores and 5th



Common Concern: New ADUs are not rentals

Response: The City **does not** have the authority to require that ADUs be rented.

It's worth noting that Carmel has a long history of establishing ADUs that begins before 1929. Property owners have the flexibility to use an ADU for aging family members, students, on-site health care providers, and other small household types. They can be occupied at no cost, at reduced cost, or at market rate.

The benefit of ADUs are that they add complete, independent living units to the housing stock. They provide a housing opportunity today and well into the future.

ADUs count towards our RHNA goals and help the City retain its character without resorting to more drastic zoning changes or building height increases.



Common Concern: Downtown Character

Response: The Draft Housing Element encourages second-floor additions to one-story buildings downtown within current height limits.

It's worth noting that 3-story buildings are part of Carmel's past and contribute to the aesthetic that is cherished today.

Examples include...



Common Concern: Downtown Character





Common Concern: Downtown Character

However, increasing the existing **height limits** in the downtown area, is **not** part of the current housing plan.

Second-floor additions create housing opportunities while maintaining Carmel's character.

They can also improve the aesthetics of the commercial district by shielding rooftop equipment and blank walls.

For example...



Common Concern: Downtown Character



Carmel Realty Office, NEC Dolores & 8th Avenue





Common Concern: Downtown Character



Dolores between 5th & 6th Avenues



Common Concern: Downtown Character



Dolores & 6th Avenue





Common Concern: Downtown Character



Doud Arcade, San Carlos between Ocean & 7th Avenue





Common Concern: Downtown Character

Response: Buildings that are on the historic inventory or have historic resource potential are more challenging to develop with housing because you must also consider preserving and protecting the historic character of the building.

However....



Common Concern: Downtown Character

Historic Percy Parkes Building
3 apartments approved



Dolores between Ocean and 7th Avenue



Policy Questions for the Council

Staff is reviewing and preparing written responses to **all** public comments.

Responses will be provided at the 8/1/2023 City Council meeting.

Tonight, staff is seeking policy direction on a few key issues.

Common Concerns:

- Do we have to?
- Builders Remedy
- We have no water.
- Carmel is built out.
- Multifamily housing.
- New ADUs are not rentals.
- Downtown character.



Policy Questions for the Council

1. Transfer of Development Rights for Hotels/Motels?
2. Objective design standards?
3. Vacancy Tax?
4. Third story vs. third floor mezzanines?
5. SB10 sites?
6. Pre-approved ADU plans?
7. Sites with parking lots?

Other comments from the Council?

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Policy Question #1: Hotel/Motel Conversion

Question: Should we amend Program 1.3.B: R-1 Motel (Conversion) Development Transfer Rights to include existing hotels/motels not just in the R-1 but **in every zoning district**? Please note that the term “motel” is in reference to any transient lodging: hotel, motel, inn, b&b, etc.

Recommendation: Modify Program 1.3.B to reflect its application to all hotels/motels in all districts.



Policy Question #2: Objective Design Standards

Question: Should we keep Program 1.4.B: Objective Design Standards to **develop objective design standards** for affordable multi-family housing projects? If not, should we remove one or more sites carried over from the 5th Housing Element cycle?

Recommendation: Keep Program 1.4.B and develop objective design standards for projects with at least 20% affordable multi-family housing.

Staff also recommends that 5th cycle sites in the **Downtown Conservation District** be removed from the site's inventory. More on this later...

*Wells Fargo Bank, Cafe Carmel, NWC Monte Verde & 7th (office building), Court of the Fountains



Policy Question #2: Objective Design Standards

Objective Design Standards = Yes/No Checklist (specific, shall/must)
(*San Francisco, Santa Cruz, Sacramento, Santa Barbara, and dozens more*)

Subjective Design Standards = Exercise of discretion (vague, should/may)

Objective:

Metal roofs are prohibited except within the High Fire Hazard Severity Zone.

Subjective:

Metal roofs *may* be appropriate on *some* architectural styles depending on neighborhood *context*.



Policy Question #2: Objective Design Standards

Figure 19: Material Application





Policy Question #2: Objective Design Standards

Carmel's current Design Guidelines (being updated) are a mix of objective & subjective standards, and require discretionary review (by the Director or the Planning Commission).

The existing guidelines (as amended) would continue to apply to all development projects that aren't eligible for by-right approvals.

Cities can have BOTH objective standards and subjective guidelines for different types of projects.



Policy Question #3: Vacancy Tax

Question: Should we keep a **vacancy tax** on the list of potential options in Program 2.1.D: Establish Affordable Housing Trust Fund?

Recommendation: **Remove** vacancy tax from Program 2.1.D as a potential funding source for an Affordable Housing Trust Fund.

This does not preclude the City Council from considering it over the next 8 years.



Policy Question #4: Building Height

Question: Should Program 3.1.A: Mixed Use Affordable Housing be modified to remove consideration of a **third story** when devoted to affordable housing?

*This program is a carry-over from the 5th cycle.

Recommendation: **Modify** Program 3.1.A: Mixed Use Affordable Housing to allow for a **third-floor (not a story) mezzanine** within the current height limits to encourage the development of affordable housing.



Policy Question #5: Re-Zoning & SB 10

Question: Should we consider using **Senate Bill (SB) 10** for the Regional Housing Needs Allocation (RHNA) sites zoned R-1, or should we remove them from the site's inventory?

SB 10 allows up to 10 housing units on an R-1 parcel without having to change the zoning. Projects are also exempt from environmental review.

Recommendation: **Remove** the **Pine Inn Parking Lot** and **Carmel Presbyterian Church** from the site's inventory. If the City Council prefers not to use SB10 on the remaining three sites*, staff recommends they be removed and replaced with alternative sites.

*American Legion, Red Cross, and First Church of Christ Scientist



Policy Question #6: Pre-approved ADU plans

Question: Should we modify Program 1.3.C: Accessory Dwelling Units to **remove** the creation of standardized, pre-approved Accessory Dwelling Unit plans?

Recommendation: Retain Program 1.3.C to **explore the creation** of standardized, pre-approved Accessory Dwelling Unit plans.



Policy Question #7: Parking Lots

Question: Should we **keep** properties that contain parking lots on the site's inventory, or should we remove them?

Recommendation: **Retain** sites with parking lots on the site's inventory on the condition that existing parking spaces are incorporated into the design of any future housing project.



Policy Question #7: Parking Lots

THIS?



OR THIS?





Policy Question #7: Parking Lots

THIS?



OR THIS?





Policy Question #7: Parking Lots

THIS?



OR THIS?





Sites Inventory Revisions

- 5th cycle sites being reused are subject to a “by-right” approval
- Projects must have 20% of the housing units deed restricted affordable
- Discretionary review is not allowed but objective design standards can be applied
- 21+ sites are proposed to be carried over from the 5th cycle
- Adopting objective design standards is recommended
- The Council may direct staff to remove one or more of the 5th cycle sites

Note: The following 5th cycle sites in the Downtown Conservation District are recommended for removal:

1. Wells Fargo Bank
2. Cafe Carmel
3. NWC Monte Verde & 7th (office building)
4. Court of the Fountains



Housing Ad Hoc Committee



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<https://homecarmelbythesea.com/>

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

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Stay Involved!

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



THE END

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