



## **6th Cycle Housing Element – A living Document. April 8, 2024**

The City of Carmel-by-the-Sea proudly stands behind its Sixth Housing Element submission as a viable plan, full of promising and innovative programs that will help our village solve pressing housing problems. Like any plan, there are areas that can be revisited over time when new opportunities present themselves, or certain housing sites perform differently than expected. For example, new opportunities to have more of the affordable units distributed throughout our village could reduce the need for larger affordable housing projects concentrated on our lots at Sunset Center and Vista Lobos.

Fortunately, Housing Elements are “living documents”, with regulatory procedures that provide an opportunity to propose modifications to the State if new opportunities arise over the eight-year cycle. Some of these potential new opportunities that the City is committed to tracking over the coming years include:

JADU/ADUs. The popularity of Junior and Accessory Dwelling Units has exceeded expectations in the Village. Since June, 2023, about 22 ADUs & JADUs were permitted, which already count toward our total 349 unit requirement (231 of which MUST be an ‘affordable’ unit). This is important because 90% of ADU’s count towards the affordable housing categories, the most difficult requirements to fulfill. The City will closely monitor the development of JADU/ADUs relative to the forecasted number in the Housing Element.

Hotels. Program 1.3.D. incentivizes downtown hoteliers to build new units, while converting older units to housing for employees which would count towards the required ‘affordable’ units. The current Sixth Housing Element forecasts only 31 new housing units from this program citywide. Like the ADU program, the City will closely monitor production of these units to see if they exceed expectations.

Other Downtown Businesses. Currently, our Housing Element forecasts no affordable (deed restricted) units being created through the conversion of space on the 2<sup>nd</sup> story of commercial buildings downtown. However, the Housing Element does include incentives that are meant to entice this sort of development. The City is hopeful that downtown building owners will take advantage of these incentives in the first few years of the program, which would help disperse more affordable units throughout the Village. As with the other opportunities, the City will closely monitor production of these units to see if they exceed expectations.

Religious Institutions. Development of housing on church sites had been streamlined by the State through Assembly Bills AB 1851 and AB 2244. Our Housing Element forecasts the creation of nine (9) affordable units on part of one downtown church site which has previously expressed interest. No other church sites are specifically listed in the current Housing Element. However, Program 3.2.B does commit the City to an expanded annual outreach to churches in the City to try and facilitate the creation of more affordable housing on these religious institution sites. The City will closely monitor production of these units to see if they exceed expectations.

Water supply affects the entire Housing Element plan. The 349 units required to be planned for in Carmel by the Sea cannot be built without water, which is currently unavailable. Should water become available, however, our Housing Element gives the village a useful tool. By the end of 2026 (or earlier, if some or all water were to appear), Program 1.2.A. requires Council to design a method to prioritize water allocation, with affordable units coming first.

The City is committed to the successful implementation of our certified Housing Element. This includes dispersing affordable homes throughout our village as much as possible, rather than concentrating on a small number of sites. To this end, the production of affordable units through the opportunities discussed above, and any others that arise, will be monitored, and regularly report to City Council.

**This informational resource was created through a collaboration between the City Council Housing Ad Hoc Committee, Members of the Public, and City Staff. The City’s Housing Ad Hoc Committee has reviewed and approved this document.**