CITY OF CARMEL-BY-THE-SEA
PLANNING COMMISSION

Erin Allen, Robert Delves, Stefan Karapetkov, Michael LePage, Stephanie Locke

All meetings are held in the City Council Chambers
East Side of Monte Verde Street
Between Ocean and 7th Avenues

SPECIAL MEETING
Monday, April 8, 2024

MEETING 4:00 PM

THIS MEETING WILL BE HELD VIA TELECONFERENCE AND IN PERSON AT CITY HALL. The public is welcome to attend the meeting in person or remotely via Zoom; however, the meeting will proceed as normal even if there are technical difficulties accessing Zoom. The City will do its best to resolve any technical issues as quickly as possible.

To attend in person, visit the City Council Chambers at City Hall located on Monte Verde Street between Ocean and Seventh Avenues. To view or listen to the meeting remotely, you may access the YouTube Live Stream at: https://www.youtube.com/@CityofCarmelbytheSea/streams, or use the link below to view or listen to the meeting via Zoom teleconference:

https://ci-carmel-ca-us.zoom.us/j/84625070614?pwd=iE83eeHfGn7DJEXtBiCozj0AM_7HEg.KbitG378L1uaGyAq. To attend Zoom webinar via telephone, dial +1 253-215-8782. Webinar ID: 846 2507 0614. Passcode: 408269.

HOW TO OFFER PUBLIC COMMENT: Public comments may be given in person at the meeting, or using the Zoom teleconference module, provided that there is access to Zoom during the meeting. Zoom comments will be taken after the in-person comments. The public can also email comments to mwaffle@ci.carmel.ca.us. Comments must be received at least 2 hours before the meeting in order to be provided to the legislative body. Comments received after that time and up to the beginning of the meeting will be made part of the record.

CALL TO ORDER AND ROLL CALL

PUBLIC APPEARANCES - Under the Brown Act, public comments for matters on the agenda must relate to that agenda item, and public comments for matters not on the agenda must relate to the subject matter jurisdiction of this legislative body. Hateful, violent, and threatening speech is impermissible public comment, as it disrupts the conduct of the public meeting. This is a warning that if a member of the public attending this meeting remotely violates the Brown Act by failing to comply with these

requirements of the Brown Act meeting, that speaker will then be muted.

Members of the public are entitled to speak on matters of municipal concern not on the agenda during Public Appearances. Each person's comments shall be limited to 3 minutes, or as otherwise established by the Chair. Matters not appearing on the agenda will not receive action at this meeting and may be referred to staff. Persons are not required to provide their names, and it is helpful for speakers to state their names so they may be identified in the minutes of the meeting.

PUBLIC HEARINGS

1. **6th Cycle 2023-2031 Housing Element Adoption**
   Consideration of Resolution 2024-024 recommending the City Council adopt a Mitigated Negative Declaration and associated Mitigation Monitoring and Reporting Program for the 2023-2031 Housing Element of the General Plan.

   Consideration of Resolution 2024-025 recommending the City Council approve a General Plan Amendment repealing the 2015-2023 Housing Element and adopting the 2023-2031 Housing Element of the General Plan in compliance with State housing element law.

FUTURE AGENDA ITEMS

2. Next Regular Meeting: April 10, 2024

ADJOURNMENT

CORRESPONDENCE

3. PUBLIC CORRESPONDENCE: Public Hearings and/or other items appearing on the Agenda
4. PUBLIC CORRESPONDENCE: Additional items not associated with Public Hearings and/or other items appearing on the Agenda

This agenda was posted at City Hall, Monte Verde Street between Ocean Avenue and 7th Avenue, Harrison Memorial Library, located on the NE corner of Ocean Avenue and Lincoln Street, the Carmel-by-the-Sea Post Office, 5th Avenue between Dolores Street and San Carlos Street, and the City's webpage http://www.ci.carmel.ca.us in accordance with applicable legal requirements.

SUPPLEMENTAL MATERIAL RECEIVED AFTER THE POSTING OF THE AGENDA

Any supplemental writings or documents distributed to a majority of the Planning Commission regarding any item on this agenda, received after the posting of the agenda will be available at City Hall located on Monte Verde Street between Ocean and Seventh Avenues during regular business hours.

SPECIAL NOTICES TO PUBLIC

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at 831-620-2000 at least 48 hours prior to the meeting to ensure that reasonable arrangements can be made to provide accessibility to the meeting (28CFR 35.102-35.104 ADA Title II).

CITY OF CARMEL-BY-THE-SEA
PLANNING COMMISSION
Staff Report

April 8, 2024
PUBLIC HEARINGS

TO:	Chair LePage and Planning Commissioners
SUBMITTED BY:	Marnie R. Waffle, AICP, Principal Planner
APPROVED BY:	Brandon Swanson, Assistant City Administrator and Acting Director of Community Planning and Building
SUBJECT:	**6th Cycle 2023-2031 Housing Element Adoption** Consideration of Resolution 2024-024 recommending the City Council adopt a Mitigated Negative Declaration and associated Mitigation Monitoring and Reporting Program for the 2023-2031 Housing Element of the General Plan. Consideration of Resolution 2024-025 recommending the City Council approve a General Plan Amendment repealing the 2015-2023 Housing Element and adopting the 2023-2031 Housing Element of the General Plan in compliance with State housing element law.

Application: **APN:**
Block: **Lot:**
Location:
Applicant: **Property Owner:**

Executive Summary:

The City has prepared a draft update to the Housing Element of the General Plan to affirmatively further fair housing and accommodate the 349-unit Regional Housing Needs Allocation (RHNA) for the 2023-2031 Housing Element cycle. The content of the draft 2023-2031 Housing Element is structured for consistency with the requirements set forth in state law. In addition to responding to requirements of state law, the Housing Element also demonstrates the City's strategy for meeting the City's locally determined housing needs and that these needs are addressed through policies and programs outlined within the Housing Element. Public review and input have been a critical component of this 6th Cycle Housing Element Update.

This staff report provides a summary of the Housing Element requirements, an overview of the status of the City's draft Housing Element, and the findings provided to the City by HCD on the first 90-day review and subsequent 60-day review of the draft. The City has responded to HCD's comments and received a Findings Letter of Substantial Compliance on April 5, 2024, that the draft Housing Element substantially complies with Article 10.6.

Recommendation:

Adopt a Resolution (Attachment 1) recommending the City Council adopt a Mitigated Negative Declaration and associated Mitigation Monitoring and Reporting Program for the 2023-2031 Housing Element of the General Plan.

Adopt a Resolution (Attachment 2) recommending the City Council approve a General Plan Amendment repealing the 2015-2023 Housing Element and adopting the 2023-2031 Housing Element of the General Plan in compliance with State housing element law.

Background and Project Description:

Background

CA Government Code Title 7, Division 1, Chapter 3, Article 10.6 [65580 – 65589.11] regulates the use and requirements of housing elements in California. The state law requires jurisdictions to update their General Plan Housing Element every eight years. State law further requires the current update for jurisdictions in the Association of Monterey Bay Area Governments (AMBAG) region to comply by December 15, 2023. A 120-day grace period follows and ends on April 15, 2024.

The City's 2023-2031 Draft Housing Element was prepared with the benefit of input from the community and discussion at numerous public meetings held by the City Council, the Planning Commission, and the Housing Ad Hoc Committee. Guidance was also provided by HCD throughout the process.

On August 3, 2023, January 24, 2024, and April 4, 2024, the City submitted drafts of the updated Housing Element to HCD for review. The City received HCD's 90-day findings letter on November 1, 2023, and HCD's 60-day findings letter on March 20, 2024. Based on discussions with HCD, staff revised the draft Housing Element to include additional information and analysis. Prior to each resubmittal to HCD the draft Housing Element was posted for public review and comment. All public comments were considered during preparation of the subsequent draft. On April 5, 2024, the City received a Findings Letter of Substantial Compliance from HCD.

The following section summarizes the required components of Housing Element Updates per State law, new requirements since the 5th Cycle Housing Element Update (2015-2023), and penalties for non-compliance with Housing Element laws. The section also includes a summary of public meetings related to the 6th Cycle Housing Element Update prior to today's meeting.

Required Components of a Housing Element

Pursuant to Government Code Section 65583, local governments are required to include the items below as components within their Housing Elements and subsequent updates thereto. Newly required components introduced as part of the 6th Cycle are noted below and discussed in further detail within the "New Requirements for the 6th Cycle Housing Element Update" Section below.

1. Housing Needs Assessment. Examine demographic, employment, and housing trends and conditions and identify the community's existing and projected housing needs, with attention paid to special housing needs (e.g., large families, persons with disabilities). This section includes a community's Regional Housing Needs Allocation (RHNA) as determined by the community's regional planning body in partnership with HCD.

2. Evaluation of Past Performance. Review the prior Housing Element to measure progress in implementing policies and programs.

3. Housing Sites Inventory. Identify locations of available sites for housing development or redevelopment to demonstrate there is enough land zoned for housing to meet future needs at all income levels. New component of state law: The standards for designating adequate sites were substantially changed from the sixth cycle, particularly for non-vacant sites.

4. Community Engagement. Implement a robust community engagement program that includes reaching out to individuals and families at all economic levels of the community plus historically underrepresented groups.

5. Constraints Analysis. Analyze and recommend remedies for existing and potential governmental and nongovernmental barriers to housing development.

6. Policies and Programs. Establish policies and programs to be carried out during the 2023-2031 planning period to fulfill the identified housing needs.

7. AFFH. New component of state law: Analyze and address significant disparities in housing needs and access to opportunity by proposing housing goals, objectives, and policies that aid in 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.

New Requirements for the 6th Cycle Housing Element Update
Pursuant to recent State legislation, the following items are now required as part of the Housing Element Update process:

Affirmatively Furthering Fair Housing (AFFH). Assembly Bill 686 (AB 686), passed in 2018, created new requirements for jurisdictions to affirmatively further fair housing. According to AB 686, affirmatively furthering fair housing means to take “meaningful actions, in addition to combating discrimination, which overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics” and is Federally mandated by the 1968 Fair Housing Act. The four main goals are to:

- Address significant disparities in housing needs and in access to opportunity, an
- Replace segregated living patterns with truly integrated and balanced living patterns, and
- Transform racially and ethnically concentrated areas of poverty into areas of opportunity, and
- Foster and maintain compliance with civil rights and fair housing laws.

Public Comment on Draft Revisions. Assembly Bill 215 (AB 215, 2021) requires local governments to make the first draft revision of their housing element update available for public comment for at least 30 days. Further, if any comments are received, a local government must take at least ten additional business days to consider and incorporate public comments into the draft revision before submitting to HCD. HCD must review the draft and report its written findings to the planning agency within 90 days of receiving the first draft submittal for each housing element revision or within 60 days of its receipt for a subsequent draft amendment or adoption.

Penalties for Non-Compliance
In the 6th Cycle, jurisdictions face a number of new consequences for not having a certified Housing Element. Under legislation enacted in recent years, if a jurisdiction does not comply with State housing law, HCD may refer the jurisdiction to the Attorney General. Significant fines may be imposed if a jurisdiction does not comply with a court order within one year. A court finding a Housing Element inadequate may limit local land use decision-making authority until the jurisdiction brings its Housing Element into compliance, or local governments may lose the right to deny certain projects, including those submitted under the "Builder's Remedy."

Conversely, an HCD-certified housing element makes jurisdictions eligible for, or with higher priority for, numerous sources of funding, such as Local Housing Allocations, Affordable Housing and Sustainable Communities Grants, SB 1 Planning Grants, CalHOME Program Grants, Infill Infrastructure Grants, Pro-Housing Design funding, Local Housing Trust Funds and Regional Transportation Funds (such as MTC's OneBayArea Grants).

Related Elements

- Safety Element. Jurisdictions must review and update their Safety Element to meet certain requirements concurrently with the Housing Element update. The Safety Element must be reviewed and updated to address wildfire, seismic, geologic and flood risks. Climate adaptation and resiliency strategies are also considered.

- SB 1035 and SB 379. Require all jurisdictions to address climate change adaptation and resilience in their general plan safety element. SB 379 is triggered by the next update of a jurisdiction's local hazard mitigation plan (updated every five years) or before 1/1/2022, whichever is first. SB 1035 built off SB 379, requiring the safety element be updated every eight years upon the next housing element update.

- SB 1241. Applies to communities with very high fire hazard severity or unincorporated communities in state responsibility areas. Communities subject to SB 1241 need to ensure consistency between the housing and safety elements to address fire risk. AB 2911 strengthened the local very high fire hazard severity zone designation.

- AB 2140. Authorizes local governments to adopt the LHMP with the general plan safety element. Integration by reference or annexation is encouraged through a post-disaster financial incentive to cover local shares of the 25 percent non-federal portion of grant-funded post-disaster projects when approved by the legislature.

The update to the City's Safety Element is underway.

Summary of Prior Meetings and Study Sessions
Since November 2022, the City has conducted a comprehensive community engagement and outreach strategy as required by the Government Code to inform the 6th Cycle Housing Element Update Process. This strategy has included a series of community meetings and public study sessions with the Housing Ad Hoc Committee, Planning Commission, and City Council. These meetings and study sessions are summarized in Section 1.6 of the final draft Housing Element. Feedback received throughout the ongoing community engagement and outreach process has assisted staff and the consulting team in preparing the draft Housing Element Update and related items.

Staff Analysis:

Housing Element Requirements

The following section summarizes the contents of the City's Housing Element Update for the 2023-2031 Planning Period.

Housing Needs Assessment

As part of the Housing Element Update process the City is required to analyze the existing and projected housing needs of the City, including its fair share of RHNA requirements. The City's analysis of housing needs is required to include an assessment of detailed demographic data, including population, age, size, and ethnicity; household characteristics; overpayment trends; housing stock conditions; units in need of replacement or rehabilitation; and needs of special needs populations including the elderly, persons with disabilities, unhoused persons, extremely low-income households, and farmworkers. The 6th Cycle Housing Element Update outlines the following housing needs of the City.

Regional Housing Needs Allocation (RHNA)

In August 2021, the California Department of Housing and Community Development (HCD) issued a Regional Housing Need Determination to the AMBAG region for the 6th Cycle planning period of June 30, 2023 to December 15, 2031 and determined that the region must zone to accommodate a minimum of 33,274 housing units during this period.

California housing law (Government Code § 65580 et seq.) requires AMBAG, acting in the capacity of Council of Governments (COG), to develop a Regional Housing Needs Allocation (RHNA) Plan to allocate existing and projected housing needs to local jurisdictions within Monterey and Santa Cruz Counties. Based on the final RHNA Plan, each city and county must update its housing element to demonstrate how the jurisdiction will meet the expected growth in housing needs over this period of time. On October 12, 2022, the AMBAG Board of Directors adopted the Final 2023-2031 6th Cycle RHNA Plan.

AMBAG's Plan distributes the RHNA across the regions counties and cities based on demographic, and population data received from the California Department of Finance (DOF). Local jurisdictions must then utilize their ascribed RHNA to update the housing elements of their general plans for the 6th Cycle planning period, inclusive of identifying eligible land resources to accommodate this RHNA. The City of Carmel-by-the-Sea's RHNA is 349 units.

RHNA requirements are organized into four affordability categories, established according to the Area Median Income (AMI) of a geography. These categories include very low-income residential units, which are affordable to households earning less than 50% of AMI; low-income residential units, which are affordable to households earning between 50% and 80% of AMI; moderate income residential units, which are affordable to households earning between 80% and 120%; and above moderate-income residential units which are affordable to households earning upwards of 120% of AMI. The City's RHNA breakdown is as follows:

113 very-low income units,
74 low-income units,
44 moderate-income units, and
118 above moderate-income units.

RHNA Buffer

New "no net loss" provisions of Government Code Section 65863 require the City to ensure an adequate supply of land resources to be made available for housing development throughout the 2023-2031 planning

period. This means if housing sites identified within the City's 6th Cycle housing element update are developed with non-residential uses, lower residential densities, or residential uses at affordability levels higher than anticipated by the Housing Element, the City's Housing Element could be determined to be out of compliance. Accordingly, the City's RHNA requirement is further buffered with 61 units or 17% to ensure compliance with "no net loss" provisions.

Constraints Analysis

In addition to analyzing the existing and projected housing needs of the City, the Housing Element Update must also identify and analyze potential and actual governmental and nongovernmental constraints to the maintenance, improvement, or development of housing for all income in the community, regardless of protected class. A summary of constraints to the development and improvement of housing in the City can be found in Appendix B of the Housing Element.

Housing Resources & Sites Inventory

As part of the 6th Cycle housing element update, the City is also required to identify resources available to the City for the preservation, rehabilitation, and production of housing throughout the community. This includes programmatic and financial resources, such as those offered locally or through State or Federal partners. These resources also include land resources within the City that were identified as eligible for accommodation of the City's RHNA Requirements. Pursuant to Government Code Section 65583.2(a) the following land resources are eligible for accommodation of the City RHNA: vacant sites zoned for residential use; or vacant sites zoned for nonresidential use that allow residential development; or residentially zoned sites that are capable of being developed at a higher density; or sites zoned for nonresidential use that can be redeveloped for residential use, and for which the Housing Element includes a program to rezone the site. The City's Housing Sites Inventory is summarized in Appendix C of the Housing Element.

Policies and Programs

The Housing Element Update includes a set of goals, policies, and implementing programs intended to promote the preservation, rehabilitation, and production of housing throughout the City. Goals are long-range, broad, and comprehensive targets that describe the future outcomes the City desires. A policy is a specific instructional guideline that seeks to promote goals. Together, goals and policies are implemented through a series of programs that identify specific, quantifiable actions the City will undertake during the 6th Cycle planning period. A summary of Draft Goals, Policies, and Programs can be found in Chapter 2 of the Housing Element.

AFFH

Assembly Bill 686 (AB 686), passed in 2018, created new requirements for jurisdictions to affirmatively further fair housing as part of the Housing Element Update process. These requirements found in Government Code Section 8899.50 are intended to address racial inequalities seen today throughout the region which developed through historical policies and practices enacted at federal, state, regional and local levels and across the public and private sectors. Though many of these explicit forms of historical discrimination have been outlawed, the results of these systems have left a lasting imprint on both the region and the City. Racially explicit practices (e.g., racial covenants) that excluded persons of color from predominately white neighborhoods have been replaced with race-neutral land use policies that continue to exclude these same groups. Furthermore, rapidly increasing housing costs have deepened racial and economic disparity and segregation, displacing many low-income individuals and people of color to the peripheries of the region or out of the region altogether.

Accordingly, the City must incorporate fair housing considerations into its 6th Cycle Housing Element Update to increase housing opportunities in high-resource neighborhoods and bring additional resources to traditionally under-resourced neighborhoods. A summary of the required AFFH component can be found in

section 1.4 of the Housing Element.

Targeted Community Outreach
The City must demonstrate "meaningful, frequent, and ongoing community participation, consultation, and coordination" as part of the 6th Cycle Housing Element Update process. This is intended to ensure that input has been received from groups historically and presently most impacted by fair housing issues and that local knowledge is incorporated into Housing Elements. A summary of the City's targeted community outreach efforts can be found in section 1.6 of the Housing Element. Additional information can be found in Appendices E and H.

Assessment of Fair Housing
The City must also describe and analyze the unique housing circumstances of the City. This analysis is referred to as an Assessment of Fair Housing (AFH) and analyzes circumstances within the City pertaining to Fair Housing issues including:

Fair Housing Outreach Capacity and Enforcement
The City's AFH includes information regarding the City's Fair Housing Outreach Capacity and Enforcement methods which can be found in Appendix A of the Housing Element.

Segregation and Integration Patterns
The City's AFH also analyzes segregation and integration patterns within the jurisdiction as well as regionally. Segregation and integration patterns are analyzed by evaluating the concentration (or lack thereof) of protected groups within the community, relative to their distribution across a larger geography.

Disparities In Access to Opportunity
The City's AFH also evaluates disparities in access to opportunity within the City, which are areas within the City that have substantial differences in access to education, transportation, economic and environmental outcomes than other areas as identified by the California Tax Credit Allocation Committee (TCAC).

Disproportionate Housing Needs (For Low-Income Households and Protected Classes)
The City's AFH also evaluates disproportionate housing needs among low-income households and protected classes within the City. Disproportionate housing needs are evident when members of a protected group disproportionately experience a housing need compared to other groups or the total population. Disproportionate housing needs typically refer to the risk of displacement, overcrowding, or cost-burden, among others.

Sites Inventory
State Law requires the City to evaluate whether Housing Sites identified as suitable for accommodation of the City's RHNA requirements are identified relative to the full scope of the assessment of fair housing (e.g., segregation and integration, racially and ethnically concentrated areas of poverty and affluence, access to opportunity, etc.). A summary of how Housing Sites were identified consistent with AFFH can be found in section 1.4 of the Housing Element.

Goals, Policies, and Actions
Chapter 2 of the Housing Element contains policies and programs responsive to State Law that demonstrate the City's commitment to affirmatively further fair housing as part of the Housing Element Update process.

Evaluation of Past Progress
Pursuant to State Law, the implementation status of Goals, Policies, and Programs from the City's 5th Cycle Housing Element Update has been included in Appendix D of the Housing Element.

Community Engagement
Consistent with State Law, the City has conducted ongoing community outreach efforts throughout the 6th Cycle Housing Element Update process. These efforts, inclusive of the Housing Ad Hoc Committee, Planning Commission, and City Council meetings held prior to today, are summarized within section 1.6 of the Housing Element.

Review Process
Below is a summary of the formal review process. Numerous informal rounds of review with HCD also occurred.

- On August 3, 2023, the City submitted the draft Housing Element to HCD for a mandatory 90-day review.
- On November 1, 2023, the City received HCD's findings regarding the Element's compliance with state law included as Attachment 3.
- On January 24, 2024, the City submitted a revised draft Housing Element to HCD for a mandatory 60-day review, along with a response to HCD's 90-day Finding Letter included as Attachment 4.
- On March 20, 2024, the City received HCD's findings regarding the Element's compliance with state law included as Attachment 5.
- On April 4, 2024, the City submitted a final draft Housing Element to HCD, included as Attachment 1 Exhibit A, and a response to HCD's findings, included as Attachment 6.
- On April 5, the City received a Findings Letter of Substantial Compliance, included as Attachment 7.

Other Project Components:

Environmental Review
The City has prepared the necessary environmental review, consistent with CEQA, for the Draft 2023–2031 Housing Element Update. The City Council will be considering the adoption of an Initial Study/Mitigated Negative Declaration and associated Mitigation Monitoring and Reporting Program, consistent with CEQA, for the Draft 2023–2031 Housing Element Update.

Attachment 1 - Resolution adopting the Mitigated Negative Declaration and associated Mitigation Monitoring and Reporting Program
Attachment 1 Exhibit A - Initial Study/Mitigated Negative Declaration
Attachment 1 Exhibit B - Mitigation Monitoring and Reporting Program
Attachment 1 Exhibit C - Response to Comments
Attachment 2 - Resolution adopting the 2023-2031 Housing Element
Attachment 2 Exhibit A - 2023-2031 Housing Element
Attachment 3 - HCD 90-day Finding Letter, dated November 1, 2023
Attachment 4 - Response to HCD Findings Letter of November 1, 2023
Attachment 5 - HCD 60-day Finding Letter, dated March 20, 2024
Attachment 6 - Response to HCD Findings Letter of March 20,2024
Attachment 7 - HCD Finding Letter of Substantial Compliance, dated April 5, 2024

CITY OF CARMEL-BY-THE-SEA
PLANNING COMMISSION

PLANNING COMMISSION RESOLUTION NO. 2024-024-PC

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF CARMEL-BY-THE-SEA RECOMMENDING THE CITY COUNCIL ADOPT A MITIGATED NEGATIVE DECLARATION AND ASSOCIATED MITIGATION MONITORING AND REPORTING PROGRAM FOR THE 2023-2031 HOUSING ELEMENT UPDATE

WHEREAS, State Housing Element Law (Government Code Sections 65580 et seq.) requires that the Carmel-by-the-Sea City Council adopt a Housing Element for the eight-year period 2023-2031 to accommodate the City of Carmel-by-the-Sea regional housing need allocation (RHNA) of 349 housing units, comprised of 113 very-low income units, 74 low-income units, 44 moderate-income units, and 118 above moderate-income units; and

WHEREAS, to comply with State Housing Element Law, the City of Carmel-by-the-Sea has prepared the 2023-2031 Housing Element in compliance with State Housing Element Law and has identified sites that can accommodate housing units meeting the City's RHNA; and

WHEREAS, as provided in Government Code Section 65350 et. seq., adoption of the Housing Element constitutes a General Plan Amendment; and

WHEREAS, the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., "CEQA"), together with State Guidelines (14 California Code Regulations §§ 15000, et seq., the "CEQA Guidelines") and City Environmental Regulations (CMC 17.60) require that certain projects be reviewed for environmental impacts and that environmental documents be prepared; and

WHEREAS, the City completed an Initial Study and prepared a draft Mitigated Negative Declaration, which was circulated for public review from February 23, 2024, to March 25, 2024, using both the State clearinghouse and the regional clearinghouse for distribution; and

WHEREAS, two public comments were received from responsible agencies and responded to; and

WHEREAS, on March 29, 2024, a notice of the public hearing scheduled for April 8, 2024, was published in the Carmel Pine Cone in compliance with State law (California Government Code 65091) indicating the date and time of the public hearing; and

WHEREAS, on or before April 5, 2024, the meeting agenda was posted in three locations in compliance with State law indicating the date and time of the public hearing; and

WHEREAS, on April 8, 2024, the Planning Commission held a duly noticed public hearing to receive public testimony regarding the 6th cycle 2023-2031 Housing Element update and Initial Study/Mitigation Negative Declaration, including the associated Mitigation Monitoring and Reporting Program, including, without limitation, the information provided to the Planning Commission by City staff and through public testimony; and

WHEREAS, this Resolution and its findings are made based upon the evidence presented to the Commission at the hearing, including, without limitation, the staff report and attachments submitted by the Community Planning and Building Department; and

WHEREAS, the Planning Commission did hear and consider all said reports, attachments, recommendations, and testimony herein above set forth and used their independent judgment to evaluate the project; and

WHEREAS, the facts set forth in the recitals are true and correct and are incorporated herein by reference.

NOW, THEREFORE, BE IT RESOLVED that the Planning Commission of the City of Carmel-by-the-Sea does hereby recommend City Council adoption of the Mitigated Negative Declaration and associated Mitigation Monitoring and Reporting Program for the 2023-2031 Housing Element update.

PASSED, APPROVED, AND ADOPTED BY THE PLANNING COMMISSION OF THE CITY OF CARMEL-BY-THE-SEA this 8th day of April 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

_____
Michael LePage
Chair

ATTEST:

_____
Leah Young
Planning Commission Secretary

Attachment 2

Mitigated Negative Declaration

City of Carmel-by-the-Sea 6th Cycle Housing Element Update (2023-2031) and Safety Element Update

February 20, 2024

Prepared by

EMC Planning Group

City of Carmel-by-the-Sea

COMMUNITY PLANNING AND BUILDING DEPARTMENT

POST OFFICE DRAWER CC
CARMEL-BY-THE-SEA, CA 93921
(831) 620-2010 OFFICE

NOTICE OF INTENT TO ADOPT A MITIGATED NEGATIVE DECLARATION

In compliance with the California Environmental Quality Act (CEQA), City of Carmel-by-the-Sea has undertaken environmental review for the proposed 6th Cycle Housing Element Update (2023-2031) and Safety Element Update, and intends to adopt a Mitigated Negative Declaration. The City of Carmel-by-the-Sea invites all interested persons and agencies to comment on the proposed 6th Cycle Housing Element Update (2023-2031) and Safety Element Update.

Lead Agency:	City of Carmel-by-the-Sea
Project Location:	Carmel-by-the-Sea
Project Description:	The project includes the update to the City's 6th Cycle Housing Element Update (2023-2031) Housing and Community Development (HCD) Revised Draft (dated January 24, 2024) ("Housing Element Update") and the update to the City's Safety Element. The adoption of these two elements would be an amendment to the City's General Plan/Coastal Land Use Program (General Plan). It is not expected that the updates to the City's Safety Element result in any physical changes. The Housing Element Update includes 410 housing units, which is approximately 17 percent more than the RHNA of 349 units. The City does not anticipate that future housing projects proposed on sites with existing commercial/office uses would also result in expanded building square footage for such uses. Consequently, no increase in existing commercial/office building square footage would occur with implementation of the Housing Element Update.
Public Review Period:	Begins– February 23, 2024 Ends – March 25, 2024
Proposed Mitigated Negative Declaration is Available for Public Review at these Locations:	City of Carmel-by-the-Sea website: https://ci.carmel.ca.us/post/current-planning-applications (Environmental Notices tab) City of Carmel-by-the-Sea Housing Element Update website: https://homecarmelbythesea.com/ Hard copies will be available at the City of Carmel-by-the-Sea City Hall
Address Where Written Comments May be Sent:	City Hall PO Box CC Carmel-by-the-Sea, CA 93921 Marnie Waffle, AICP, Principal Planner mwaffle@ci.carmel.ca.us
Public Hearing:	Date: April 2, 2024 Time: 4:30 pm Location: City Hall and via Zoom

MITIGATED NEGATIVE DECLARATION

CITY OF CARMEL-BY-THE-SEA 6TH CYCLE HOUSING ELEMENT UPDATE (2023-2031) AND SAFETY ELEMENT UPDATE

PREPARED FOR

City of Carmel-by-the-Sea

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February 20, 2024

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City of Carmel-by-the-Sea

COMMUNITY PLANNING AND BUILDING DEPARTMENT
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CARMEL-BY-THE-SEA, CA 93921
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MITIGATED NEGATIVE DECLARATION

In Compliance with the California Environmental Quality Act (CEQA)

Project Name	City of Carmel-by-the-Sea 6th Cycle Housing Element Update (2023-2031) and Safety Element Update
Lead Agency	City of Carmel-by-the-Sea
Project Proponent	City of Carmel-by-the-Sea
Project Location	Various locations throughout Carmel-by-the-Sea
Project Description	The project includes the update to the City's *6th Cycle Housing Element Update (2023-2031) Housing and Community Development (HCD) Revised Draft* (dated January 24, 2024) ("Housing Element Update") and the update to the City's Safety Element. The adoption of these two elements would be an amendment to the City's *General Plan/Coastal Land Use Program* (General Plan). It is not expected that the updates to the City's Safety Element result in any physical changes. The Housing Element Update includes 410 housing units, which is approximately 17 percent more than the RHNA of 349 units. The City does not anticipate that future housing projects proposed on sites with existing commercial/office uses would also result in expanded building square footage for such uses. Consequently, no increase in existing commercial/office building square footage would occur with implementation of the Housing Element Update.
Public Review Period	Begins – February 23, 2024 Ends – March 25, 2024
Written Comments To	City of Carmel-by-the-Sea, City Hall P.O. Box CC Carmel-by-the-Sea, CA 93921
Proposed Findings	The City of Carmel-by-the-Sea is the custodian of the documents and other material that constitute the record of proceedings upon which this decision is based.

The initial study indicates that the proposed project has the potential to result in significant adverse environmental impacts. However, the mitigation measures identified in the initial study would reduce the impacts to a less than significant level. There is no substantial evidence, in light of the whole record before the lead agency, City of Carmel-by-the-Sea, that the project, with mitigation measures incorporated, may have a significant effect on the environment. See the following project-specific mitigation measures:

Mitigation Measures

Air Quality

AQ-1 The developer shall prepare a Construction Management Plan for review and approval by the Community Development Director or his designate. The Construction Management Plan shall include the following measures to reduce TAC emissions during construction at individual project sites:

a. Heavy-duty diesel vehicles will have 2010 or newer model year engines, in compliance with the California Air Resources Board's Truck and Bus Regulation;

b. Idling of construction equipment and heavy-duty diesel trucks will be avoided where feasible, and if idling is necessary, it will not exceed three minutes;

c. All construction equipment will be maintained and properly tuned in accordance with manufacturer's specifications and will be checked by a certified visible emissions evaluator; and

d. All non-road diesel construction equipment will, at a minimum, meet Tier 3 emission standards listed in the Code of Federal Regulations Title 40, Part 89, Subpart B, §89.112. Further, where feasible, construction equipment will use alternative fuels such as compressed natural gas, propane, electricity or biodiesel.

Biological Resources

BIO-1 Worker Environmental Awareness Training. Prior to approval of a grading permit at a housing site, a qualified biologist shall conduct a training session for all construction personnel. At a minimum, the training shall include a description of special-status species potentially occurring in the housing site vicinity, including, but not limited to, monarch butterfly, obscure bumble bee, and western bumble bee. Their habitats, general measures that are being implemented to conserve species as they relate to the housing site, and the boundaries within which construction activities will occur will be explained. Informational handouts with photographs clearly illustrating the species' appearances

shall be used in the training session. All new construction personnel shall undergo this mandatory environmental awareness training. Documentation of completion of this training shall be submitted to the City of Carmel-by-the-Sea Community Planning and Building Department prior to the start of ground disturbing activities.

BIO-2 Monarch Butterfly Survey and Avoidance. Prior to initiation of ground disturbance, a late fall/early winter monarch butterfly survey of trees on the housing site shall be conducted by a qualified biologist. Results of the survey shall be submitted to the City of Carmel-by-the-Sea Community Planning and Building Department upon completion. If the results of the survey do not identify any potential overwintering monarch butterflies on-site, not further mitigation is required. If overwintering monarchs are determined to use the site, the applicant shall avoid removal of trees used for overwintering by monarchs to the greatest extent feasible. If trees cannot be avoided, tree removal shall occur outside of the overwintering period (November through February) or until a qualified biologist has determined that overwintering monarchs are no longer using the site. Documentation of tree avoidance or absence of monarchs shall be submitted to the City of Carmel-by-the-Sea Community Planning and Building Department prior to tree removal.

BIO-3 Bumble Bee Survey and Avoidance. Prior to ground disturbance, a qualified biologist will conduct a pre-construction survey of small mammal burrows and thatched/bunch grasses for western bumble bee activity during the optimal flight period (April 1 – July 31). If the survey results are negative (i.e., no bumble bee activity observed), a letter report confirming absence will be prepared and submitted to the City of Carmel-by-the-Sea Community Planning and Building Department and no further mitigation is required.

If bumble bee nests are detected and the area can be avoided, a qualified biologist shall supervise the installation of protective fencing/flagging a minimum of 50 feet around the nest area prior to construction. The fencing/flagging will be checked at least once per week until construction is complete to ensure that the protective fencing/flagging remains intact. The qualified biologist can conduct the weekly checks or train a biological monitor selected from the construction crew by the construction contractor (typically the project foreman) to check the fencing/flagging and provide weekly updates. Documentation of the fencing/flagging installation shall be provided to the City of Carmel-by-the-Sea Community Planning and Building Department prior to the start of ground disturbance activities. Documentation of the weekly checks and timely maintenance (if needed) shall be provided to the City of Carmel-by-the-Sea Community Planning and Building Department quarterly during construction.

If bumble bee nests are detected and the area cannot be avoided, the qualified biologist shall coordinate with the California Department of Fish and Wildlife to determine the appropriate method of relocation or eviction of the nests.

After it has been confirmed that the habitat area is no longer occupied, a letter report will be prepared by the qualified biologist and submitted to the City of Carmel-by-the-Sea Community Planning and Building Department.

BIO-4 Approximately 14 days prior to tree removal or construction activities, a qualified biologist shall conduct a habitat assessment for bats and potential roosting sites in trees to be removed in trees within 50 feet of the construction easement. These surveys shall include a visual inspection of potential roosting features (bats need not be present) and a search for presence of guano within the housing site, construction access routes, and 50 feet around these areas. Cavities, crevices, exfoliating bark, and bark fissures that could provide suitable potential nest or roost habitat for bats shall be surveyed. Assumptions can be made on what species is present due to observed visual characteristics along with habitat use, or the bats can be identified to the species level with the use of a bat echolocation detector such as an "Anabat" unit. Potential roosting features found during the survey shall be flagged or marked.

If no roosting sites or bats are found, a letter report confirming absence shall be prepared and submitted to the Carmel-by-the-Sea Community Planning and Building Department and no further mitigation is required. If bats or roosting sites are found, bats shall not be disturbed without specific notice to and consultation with the California Department of Fish and Wildlife.

If bats are found roosting outside of the nursery season (May 1 through October 1), the California Department of Fish and Wildlife shall be consulted prior to any eviction or other action. If avoidance or postponement is not feasible, a Bat Eviction Plan will be submitted to the California Department of Fish and Wildlife for written approval prior to project implementation. A request to evict bats from a roost includes details for excluding bats from the roost site and monitoring to ensure that all bats have exited the roost prior to the start of activity and are unable to re-enter the roost until activity is completed. Any bat eviction shall be timed to avoid lactation and young-rearing. If bats are found roosting during the nursery season, they shall be monitored to determine if the roost site is a maternal roost. This could occur by either visual inspection of the roost bat pups, if possible, or by monitoring the roost after the adults leave for the night to listen for bat pups. Because bat pups cannot leave the roost until they are mature enough, eviction of a maternal roost cannot occur during the nursery season. Therefore, if a maternal roost is present, a 50-foot buffer zone (or different size if determined in consultation with the California Department of Fish and Wildlife) shall be established around the roosting site within which no construction activities including tree removal or structure disturbance shall occur until after the nursery season. Once the absence of roosting bats has been confirmed, a letter report will be prepared and submitted to the City of Carmel-by-the-Sea Community Planning and Building Department.

BIO-5 To avoid impacts to nesting birds during the nesting season (February 1 through September 15), construction activities within or adjacent to any housing site that includes any vegetation removal or ground disturbance (such as grading or trenching) shall be conducted between September 16 and January 31, which is outside of the bird nesting season. If construction activities must commence during the bird nesting season, then a qualified biologist shall conduct a pre-construction survey for nesting birds to ensure that no nests would be disturbed during construction.

a. Two surveys for active nests of birds shall occur within 7 days prior to start of construction, with the second survey conducted within 48 hours prior to start of construction. Appropriate minimum survey radius surrounding the work area is typically 250 feet for passerines, 500 feet for smaller raptors, and 1,000 feet for larger raptors. Surveys shall be conducted at the appropriate times of day to observe nesting activities. Individual project developers shall submit evidence of completion of the pre-construction surveys to the City of Carmel-by-the-Sea Community Planning and Building Department prior to initiation of ground disturbing activities.

b. If the qualified biologist documents active nests within individual housing site boundaries, an appropriate buffer between each nest and active construction shall be established. The buffer shall be clearly marked and maintained until the young have fledged and are foraging independently. Prior to construction, the qualified biologist shall conduct baseline monitoring of each nest to characterize "normal" bird behavior and establish a buffer distance, which allows the birds to exhibit normal behavior. The qualified biologist shall monitor the nesting birds daily during construction activities and increase the buffer if birds show signs of unusual or distressed behavior (e.g., defensive flights and vocalizations, standing up from a brooding position, and/or flying away from the nest). If buffer establishment is not possible, the qualified biologist shall have the authority to cease all construction work in the area until the young have fledged and the nest is no longer active. This measure shall be implemented by the individual project developers prior to initiation of ground disturbing activities. Once the absence of nesting birds has been confirmed, a letter report will be prepared and submitted to the City of Carmel-by-the-Sea Community Planning and Building Department prior to disturbance of the nest area.

Geology and Soils

GEO-1 The following language shall be included on all grading permits: "If paleontological resources are discovered during demolition and earthmoving activities, work shall stop within 100 feet of the find until a qualified paleontologist can assess if the find is unique and, if necessary, develop appropriate treatment measures in consultation with the City's Community Planning and Building Department."

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INITIAL STUDY

CITY OF CARMEL-BY-THE-SEA 6TH CYCLE HOUSING ELEMENT UPDATE (2023-2031) AND SAFETY ELEMENT UPDATE

PREPARED FOR

City of Carmel-by-the-Sea

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February 20, 2024

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A. BACKGROUND

Project Title	City of Carmel-by-the-Sea 6th Cycle Housing Element Update (2023-2031) and Safety Element Update
Lead Agency Contact Person and Phone Number	Marnie R. Waffle, AICP, Principal Planner 831-620-2057
Date Prepared	February 20, 2024
Study Prepared by	EMC Planning Group Inc. 601 Abrego Street Monterey, CA 93940
Project Location	City of Carmel-by-the-Sea
Project Sponsor Name and Address	City of Carmel-by-the-Sea City Hall, PO Box CC Carmel-by-the-Sea, 93921
General Plan Designation	Various
Zoning	Various

Setting

The City of Carmel-by-the-Sea is located in Monterey County on the south side of the Monterey Bay. It is approximately one square mile in size and is almost entirely built out. Carmel-by-the-Sea is surrounded by the community of Pebble Beach and cities of Pacific Grove, Monterey, Sand City, and Seaside to the north, unincorporated Monterey County, State Route 1 and Jacks Peak to the east, the Pacific Ocean to the west, and unincorporated Monterey County, Point Lobos State Natural Reserve, and Big Sur to the south. Carmel-by-the-Sea's topography ranges from sea level at the Pacific Ocean to approximately 500 feet above sea level at the city limits west of State Route 1. Key access points to Carmel-by-the-Sea include Ocean Avenue, Carpenter Street, Rio Road and the Pebble Beach Gate. State Route 1, located east of and outside of the Carmel-by-the-Sea city limits, provides the primary access to each of these key access points except for the Pebble Beach Gate. State Route 1 is the main roadway linking Carmel-by-the-Sea to Santa Cruz and the northern Monterey Bay region, as well as to Big Sur and south Monterey County.

Figure 1, Location Map, presents the relationship between the City of Carmel-by-the-Sea and nearby cities and unincorporated Monterey County, as well as the state highway system.

Background

Housing Element Update

The City of Carmel-by-the-Sea (City) has prepared a draft 6th Cycle Housing Element that covers the planning period 2023 through 2031 consistent with the requirements under California state law. Updating the Housing Element requires that the City identify adequate housing sites to accommodate the Regional Housing Needs Allocation (RHNA) assigned to the City by the California Department of Housing and Development (HCD) and the Association of Monterey Bay Area Governments (AMBAG). The RHNA identified for the City's 6th Cycle Housing Element is 349 units, and is presented in Table 1 below.

Table 1 Regional Housing Needs Allocation

Income Group	Percentage of Area Median Income (AMI)	Share
Extremely Low Income[1]	<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
NOTE: Extremely low-income RHNA is found as a subset within the very low-income category for all other tables in this document.

The City's *6th Cycle Housing Element Update (2023-2031) Housing and Community Development (HCD) Revised Draft* (dated January 24, 2024) can be found in Appendix A.

Safety Element Update

The City is in the process of preparing an update to its *City of Carmel-by-the-Sea General Plan/Coastal Land Use Plan - Environmental Safety Element* (hereafter referred to as the City's "Safety Element"). Since the latest Safety Element update in 2009, several pieces of legislature have been passed. Therefore, the Safety Element update includes, but is not limited to:

- Updates to the Geology and Seismic Hazards and Evacuation Routes;
- Updates to mapping and figures;
- Updates to State Fire and Building Code language;
- Updates to fire severity zone maps reflecting the California Department of Forestry and Fire maps; and
- Updates to reflect any applicable federal, state, or local laws relating to hazardous materials since 2009.

Details about the updates required for the Safety Element can be found in the memorandum dated August 25, 2023 found in Appendix B.

Description of Project

The project includes the update to the City's *6th Cycle Housing Element Update (2023-2031) Housing and Community Development (HCD) Revised Draft* (dated January 24, 2024) ("Housing Element Update") and the update to the City's Safety Element (together, the "proposed project"). The proposed project requires these updates in order to comply with the state's housing goals set forth in the Government Code as well as updated legislature associated with safety hazards. The adoption of these two element updates would be an amendment to the City's *General Plan/Coastal Land Use Program* (General Plan).

It is not expected that the updates to the City's Safety Element would result in any physical changes. Therefore, this initial study will focus primarily on the physical changes of the Housing Element Update and include analysis of the Safety Element update as appropriate.

The Housing Element Update includes 410 housing units, which is approximately 17 percent more than the RHNA of 349 units. Table C-3 within Appendix C of the Housing Element Update provides details and capacity estimates for each of the parcels that comprise the City's housing sites inventory. Figure 2, Housing Sites Inventory Locations, shows an overview of the proposed sites inventory map. Using 1.79 persons per household, development of these housing units would result in a population increase of approximately 734 people (California Department of Finance 2023). The Housing Element Update includes goals, policies, and programs to support public and/or private development of 410 housing units.

The City does not anticipate that future housing projects proposed on sites with existing commercial/office uses would also result in expanded building square footage for such uses. Consequently, no increase in existing commercial/office building square footage is expected to occur with implementation of the Housing Element Update.

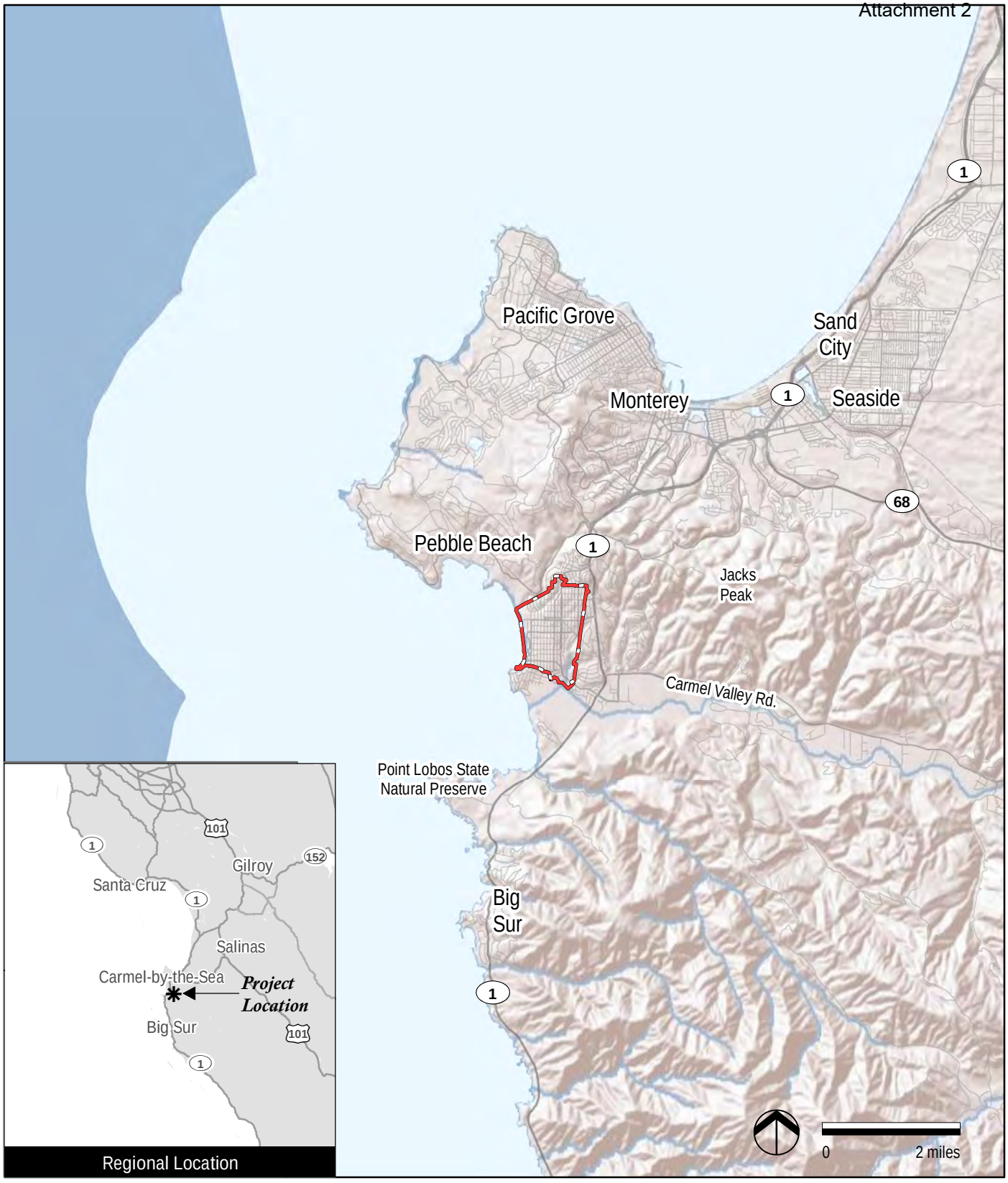
Other Public Agencies Whose Approval May Be Required

- California Department of Fish and Wildlife

Have California Native American tribes traditionally and culturally affiliated with the project area requested consultation pursuant to Public Resources Code section 21080.3.1? If so, is there a plan for consultation that includes, for example, the determination of significance of impacts to tribal cultural resources, procedures regarding confidentiality, etc.?

The City sent letters to Native American tribes traditionally and culturally affiliated with the City of Carmel-by-the-Sea on March 9, 2023 asking if any request AB 52 or SB 18 consultation. The City received one response from the Esselen Tribe of Monterey County on March 12, 2023 requesting consultation and the City has met with the tribal leader in person and been in communication via email with other leaders of the Tribe. The City has continued their efforts to consult and meet with the Tribe since late May 2023, with no response back from the Tribe as of February 15, 2024 (Marnie Waffle, email message, February 15, 2024).

Note: Conducting consultation early in the CEQA process allows tribal governments, lead agencies, and project proponents to discuss the level of environmental review, identify and address potential adverse impacts to tribal cultural resources, and reduce the potential for delay and conflict in the environmental review process. (See Public Resources Code section 21080.3.2.) Information may also be available from the California Native American Heritage Commission's Sacred Lands File per Public Resources Code section 5097.96 and the California Historical Resources Information System administered by the California Office of Historic Preservation. Please also note that Public Resources Code section 21082.3(c) contains provisions specific to confidentiality.



Source: ESRI 2023

Figure 1

Location Map

City of Carmel-by-the-Sea 6th Cycle Housing Element Update (2023-2031) and Safety Element Update Initial Study

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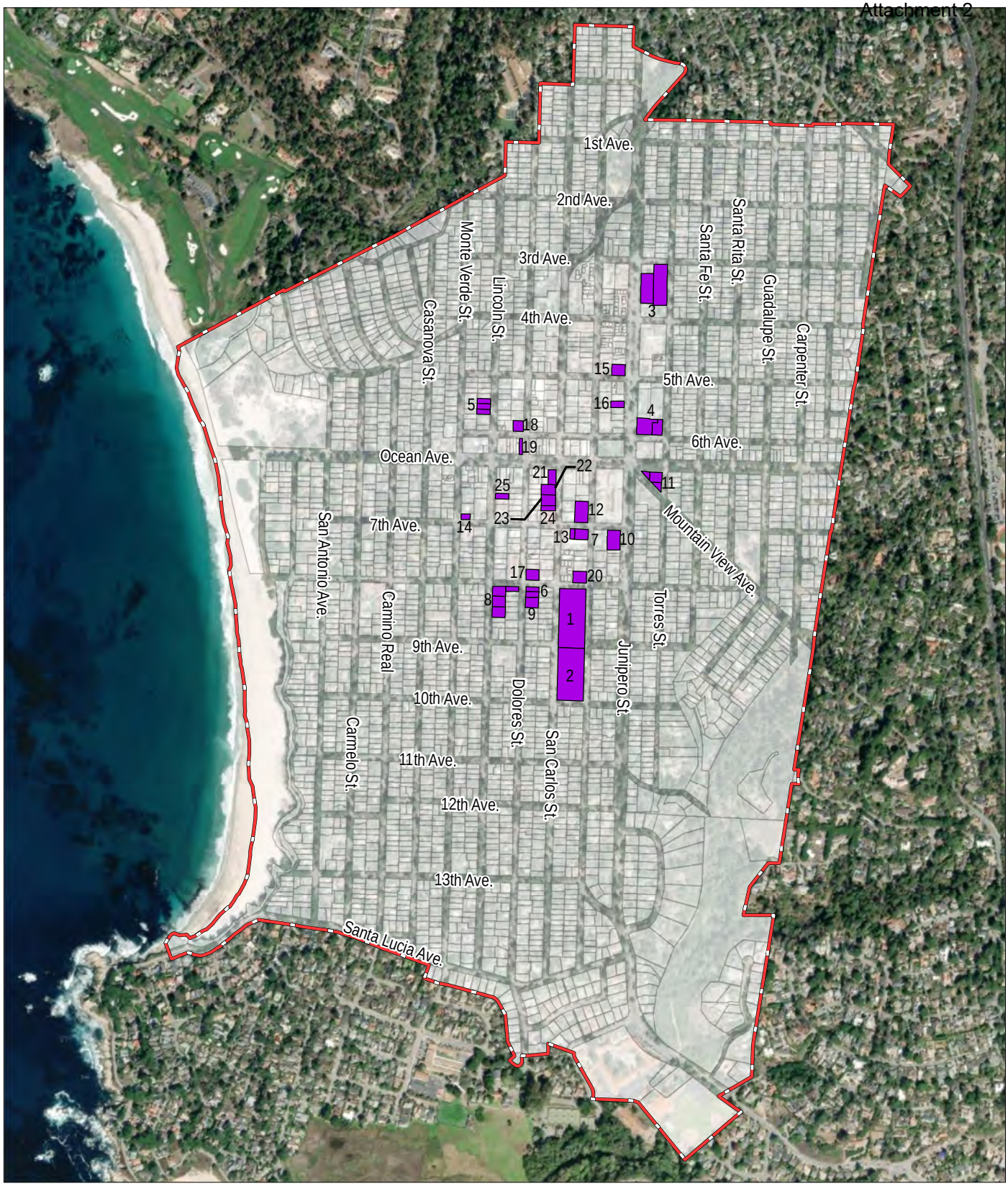

Source: Monterey County GIS 2023, Google Earth 2023

Figure 2

Housing Sites Inventory Locations

City of Carmel-by-the-Sea 6th Cycle Housing Element Update (2023-2031) and Safety Element Update Initial Study

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B. Environmental Factors Potentially Affected

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" as indicated by the checklist on the following pages.

☐ Aesthetics	☐ Greenhouse Gas Emissions	☐ Public Services
☐ Agriculture and Forestry Resources	☐ Hazards & Hazardous Materials	☐ Recreation
☐ Air Quality	☐ Hydrology/Water Quality	☐ Transportation
☐ Biological Resources	☐ Land Use/Planning	☐ Tribal Cultural Resources
☐ Cultural Resources	☐ Mineral Resources	☐ Utilities/Service Systems
☐ Energy	☐ Noise	☐ Wildfire
☐ Geology/Soils	☐ Population/Housing	☐ Mandatory Findings of Significance

C. DETERMINATION

On the basis of this initial evaluation:

☐ I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.

☒ I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.

☐ I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.

☐ I find that the proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect (1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and (2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.

☐ I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (1) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (2) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

Marnie Waffle, AICP, Principal Planner _____ Date

D. Evaluation of Environmental Impacts

Notes

1. All answers take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.
2. Once it has been determined that a particular physical impact may occur, then the checklist answers indicate whether the impact is potentially significant, less than significant with mitigation, or less than significant. "Potentially Significant Impact" is appropriate if there is substantial evidence that an effect may be significant. If there are one or more "Potentially Significant Impact" entries when the determination is made, an EIR is required.
3. "Negative Declaration: Less-Than-Significant Impact with Mitigation Measures Incorporated" applies where the incorporation of mitigation measures has reduced an effect from "Potentially Significant Impact" to a "Less-Than-Significant Impact." The lead agency must describe the mitigation measures and briefly explain how they reduce the effect to a less-than-significant level (mitigation measures from section XVII, "Earlier Analyses," may be cross-referenced).
4. Earlier analyses are used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration. [Section 15063(c)(3)(D)] In this case, a brief discussion would identify the following:
    a. "Earlier Analysis Used" identifies and states where such document is available for review.
    b. "Impact Adequately Addressed" identifies which effects from the checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and states whether such effects were addressed by mitigation measures based on the earlier analysis.
    c. "Mitigation Measures"—For effects that are "Less-Than-Significant Impact with Mitigation Measures Incorporated," mitigation measures are described which were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the project.
5. Checklist references to information sources for potential impacts (e.g., general plans, zoning ordinances, etc.) are incorporated. Each reference to a previously prepared or outside document, where appropriate, includes a reference to the page or pages where the statement is substantiated.
6. "Supporting Information Sources"—A source list is attached, and other sources used or individuals contacted are cited in the discussion.
7. The explanation of each issue identifies:
    a. The significance criteria or threshold, if any, used to evaluate each question; and
    b. The mitigation measure identified, if any to reduce the impact to less than significant.

1. AESTHETICS

Except as provided in Public Resources Code Section 21099 (Modernization of Transportation Analysis for Transit-Oriented Infill Projects), would the project:

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Have a substantial adverse effect on a scenic vista?	☐	☐	☒	☐
b.	Substantially damage scenic resources, including but not limited to trees, rock outcroppings, and historic buildings within a state scenic highway?	☐	☐	☐	☒
c.	In non-urbanized areas, substantially degrade the existing visual character or quality of public views of the site and its surroundings? (Public views are those that are experienced from publicly accessible vantage points.) If the project is in an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality?	☐	☐	☐	☒
d.	Create a new source of substantial light or glare, which would adversely affect day or nighttime views in the area?	☐	☐	☒	☐

Comments:

a. The City's General Plan does not specifically identify a scenic vista; however, Carmel-by-the-Sea is known for its renowned scenic environment consisting of the coastline and the central ride of wooded hills. The preservation of these two features is imperative if the scenic character of the Peninsula is to be maintained (City of Carmel-by-the-Sea 2003, p. I-12).

This analysis focuses on the redevelopment of properties with new housing of greater scale and increased height that could result in potentially adverse effects on views of the ocean and wooded hillsides of Carmel-by-the-Sea. The proposed housing sites are primarily located within the developed, commercial areas of Carmel-by-the-Sea, a minimum of 1,800 feet from the ocean. Refer to Figure 2. Therefore, development of residential uses in these areas would not result in an adverse impact to the coastline.

The housing sites are scattered throughout Carmel-by-the-Sea encompassing areas zoned Single-family Residential (R-1), Multi-family Residential (R-4), Central Commercial (CC), Service Commercial (SC), and Residential and Limited Commercial (RC). City Municipal Code Section 17.14.150 states that the main building and roof form for all structures within the CC and SC districts shall be limited to a maximum of 30 feet whereas the main building and roof form for all structures within the RC and R-4 districts shall be limited to a maximum of 26 feet. Table 17.10-C of the City Municipal Code requires a 24-foot height standard for structures within the R-1 district.

Section 17.10.010.D of the City Municipal Code requires that residential buildings shall not present excess visual mass or bulk to public view or to adjoining properties. Designing buildings so that floor levels and plate heights are close to grade help reduce mass and bulk and the use of natural materials, such as wood or stone, and the creative use of landscaping can also help avoid excess mass. Section 17.10.010.E requires that buildings relate to a human scale in their forms, elements, and in the detailing of doors, windows, roofs, and walkways.

The proposed project does not include specific development; therefore, future individual development will be required to comply with the abovementioned City Municipal Code sections associated with scale and height to ensure that the proposed structures do not have a substantial adverse effect on views of the wooded hillsides of Carmel-by-the-Sea.

b. According to the California Department of Transportation's California State Scenic Highway System Map, the portion of State Route 1 east of the city limits, is officially designated as a state scenic highway (California Department of Transportation 2023).

The City's General Plan does not specifically identify any scenic resources. However, Carmel-by-the-Sea is known for its abundance of trees, which are scattered throughout the city, as well as along the western border of State Route 1. According to Monterey County's Carmel Area Land Use Plan, the existing forested corridor along Highway 1 shall be maintained as a scenic resource and natural screen for existing and new development (Monterey County 1983, p. 27). Further, views of the ocean and beach bluffs can be considered scenic resources of the City.

Development of the housing sites identified within the Housing Element Update are not located within State Route 1 and would not be visible to travelers on State Route 1, as the nearest housing site is located approximately 1,400 feet from the highway, and the area between the highway and the nearest housing site is developed with houses and significant tree cover. Development of the housing sites would not damage scenic resources, including but not limited to trees, rock outcroppings, and historic buildings within a state scenic highway.

c. All of the housing sites are located within the Carmel-by-the-Sea city limits and, therefore, are located within a developed area. Implementation of the Housing Element Update would include the reuse of existing development lands and infill development on vacant parcels to meet the housing needs of the growing community. New development associated with the housing sites would not substantially degrade the visual character or quality of the City by complying with existing design guidelines. The housing sites are located in both residential and commercial zoning districts within the city. Therefore, the design guidelines outlined in the Residential Design Guidelines and the Downtown Design Guidelines would apply.

The housing sites would also be required to comply with applicable General Plan policies such as Land Use Policy P1-27, which requires that development (commercial or residential) does not diminish the village character by excessively blocking important

public or private views and disturbing natural topography, mature trees, or native growth; Land Use Policy P1-37, which requires design review for new homes and second story additions in the residential district, for exterior remodeling that significantly affects the character or appearance of structures, and sites in the R-1 Zoning District; and Land Use Policy P1-39, which requires that site improvements be compatible with, and sensitive to, the natural features and built environment of the site and of the surrounding area.

Consistency of new development with the City's design and development standards and General Plan policies would be ensured by the City as part of the development review process for individual projects proposed on the housing sites. Therefore, the project would have no impact from conflict with applicable zoning and other regulations governing scenic quality.

d. Most of the housing sites developed with uses include lighting of one or more types and intensities (e.g., building lighting, landscape lighting, safety lighting, pathway and parking lot lighting, etc.). New development at the housing sites would include lighting of similar types and intensities, and must conform to the City's Residential Design Guidelines and the Downtown Design Guidelines associated with light and glare.

As part of the City's development review process, each new development at the housing sites would be required to provide lighting plans. As part of that process, the City would review the plans to ensure that lighting is designed to be properly shielded, does not cause significant illumination of off-site properties, and is no more intense than needed for the specific lighting application.

Because new development would occur on some sites that are already developed with uses that include lighting, lighting for new development would be similar in character as that on existing developed sites. Residential development on vacant sites would be compatible to existing, adjacent residential development and would comply with the regulations associated with lighting in the City's Residential Design Guidelines.

Compliance with the City's Residential and Downtown Design Guidelines and development review process, in addition to the below standard condition of approval, would ensure that development of the housing sites would not create a significant level of new light or glare, which would adversely affect day or nighttime views in the area.

Standard Condition of Approval

The following Carmel-by-the-Sea standard conditions of approval would apply to projects that implement the Housing Element Update.

11. Prior to the issuance of a building permit, the Applicant shall include in the construction drawings the manufacturer's specifications, including illumination information, for all exterior light fixtures. All fixtures shall be shielded and down-facing.

Exterior wall-mounted lighting shall be limited to 25 watts or less (incandescent equivalent or 375 lumens) per fixture and shall be installed no higher than 10 feet above the ground or walking surface.

Landscape lighting shall not exceed 18 inches above the ground nor more than 15 watts (incandescent equivalent or 225 lumens) per fixture and shall be spaced no closer than 10 feet apart. Landscape lighting shall not be used as accent lighting, nor shall it be used to illuminate trees, walls, or fences. The purpose of landscape lighting is to safely illuminate walkways and entrances to the subject property and outdoor living spaces.

2. AGRICULTURE AND FOREST RESOURCES

In determining whether impacts on agricultural resources are significant environmental effects and in assessing impacts on agriculture and farmland, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Department of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state's inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment project; and forest carbon measurement methodology provided in Forest Protocols adopted by the California Air Resources Board. Would the project:

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to nonagricultural use?	☐	☐	☐	☒
b.	Conflict with existing zoning for agricultural use, or a Williamson Act contract?	☐	☐	☐	☒
c.	Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))?	☐	☐	☐	☒
d.	Result in the loss of forest land or conversion of forest land to non-forest use?	☐	☐	☐	☒
e.	Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland to nonagricultural use or conversion of forest land to non-forest use?	☐	☐	☐	☒

Comments:

a. There are no agricultural lands within the city limits of Carmel-by-the-Sea (City of Carmel-by-the-Sea 2009, Open Space and Conservation Element – p. 7-24). Therefore, development on any of the housing sites on the inventory list would not convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland) to nonagricultural use.

b. There are no agricultural lands within the city limits of Carmel-by-the-Sea (City of Carmel-by-the-Sea 2009, Open Space and Conservation Element – p. 7-24). Therefore, development on any of the housing sites on the inventory list would not conflict with existing zoning for agricultural use, or a Williamson Act contract.

c. There are no forest lands within the City of Carmel-by-the-Sea as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g). Therefore, development on any of the housing sites on the inventory list would not conflict with existing zoning, or cause rezoning of, forest land, timberland, or timberland zoned Timberland Production.

d. There are no forest lands within the City of Carmel-by-the-Sea; therefore, development on any of the housing sites on the inventory list would not result in the loss of forest land or conversion of forest land to non-forest use.

e. There are no agricultural lands within the city limits of Carmel-by-the-Sea (City of Carmel-by-the-Sea 2009, Open Space and Conservation Element – p. 7-24) and there are no forest lands within the City. Therefore, development on any of the housing sites on the inventory list would not involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland to nonagricultural use or conversion of forest land to non-forest use.

3. AIR QUALITY

Where available, the significance criteria established by the applicable air quality management district or air pollution control district may be relied upon to make the following determinations. Would the project:

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Conflict with or obstruct implementation of the applicable air quality plan?	☐	☐	☒	☐
b.	Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is nonattainment under an applicable federal or state ambient air quality standard?	☐	☐	☒	☐
c.	Expose sensitive receptors to substantial pollutant concentrations?	☐	☒	☐	☐
d.	Result in other emissions, such as those leading to odors adversely affecting a substantial number of people?	☐	☐	☐	☒

The City of Carmel-by-the-Sea is located in the North Central Coast Air Basin, which is under the jurisdiction of the Monterey Bay Air Resources District ("air district"), formerly known as the Monterey Bay Unified Air Pollution Control District. The air district has regulatory authority over stationary sources of air emissions, monitoring air quality within the air basin, providing guidelines for analysis of air quality impacts pursuant to CEQA, and preparing an air quality management plan to maintain or improve air quality in the air basin. The air district has developed thresholds of significance for criteria air pollutants. These are contained in the *CEQA Air Quality Guidelines* ("CEQA Guidelines") (Monterey Bay Unified Air Pollution Control District 2008). The *2012-2015 Air Quality Management Plan* (air quality plan) was adopted by the air district in March 2017. This remains the currently adopted plan. The discussion in this section is based primarily on the air district's CEQA guidelines and the air quality plan, as well as the results of emissions modeling using the California Emission Estimation Model (CalEEMod) version 2022.1.

The "unmitigated" emissions scenario provides estimates of the criteria air pollutant emissions that would be generated during construction and operation of new housing development that would occur with implementing the Housing Element Update. The CalEEMod results in Appendix C are also used to inform the energy and greenhouse gas (GHG) analyses discussed in Section 6.0, Energy, and Section 8.0, Greenhouse Gas Emissions, of this report. Data inputs to the model take into account the type and density of proposed residential uses utilizing CalEEMod default land uses number of housing units accommodated by the Housing Element Update) as presented in Table 2, Project Characteristics.

Table 2 Project Characteristics

Project Component	Land Use Subtype[1,2]	Proposed[3]
Residential Units	Apartments Mid Rise	410

SOURCE: CalEEMod version 2022.1, *Housing and Community Development (HCD) Initial Draft 6th Cycle Housing Element Update (2023-2031) City of Carmel-by-the-Sea*, August 1, 2023.

NOTES:

1. CalEEMod default land use subtype. Descriptions of the model default land use categories and subtypes are found in the User's Guide for CalEEMod Version 2022.1 available online at: https://caleemod.com/documents/user-guide/01_User%20Guide.pdf.
2. Apartment Mid Rise CalEEMod Land use subtype default housing density is up to 38 dwelling units per acre as identified in Table 2, Default Housing Density, found in the User's Guide for CalEEMod Version 2022.1.
3. Residential housing unit capacity identified in Table C-3, Housing Sites Inventory, of Appendix C, Housing Sites Inventory Analysis, from the *Housing and Community Development (HCD) Initial Draft 6th Cycle Housing Element Update (2023-2031) City of Carmel-by-the-Sea*, at an applied density of 20-33 dwelling units per acre.

Other data inputs to CalEEMod are based on the following primary assumptions:

- Construction start date will be January 2024;
- Operational emissions are estimated for the year of 2031;
- New residential development on existing developed sites will not result in a loss of existing residential or non-residential uses on such sites;
- Residential development density will range between 20-33 dwelling units per acre;
- All construction related worker, vendor, and hauling travel will take place on paved roads; and
- Daily vehicle trip rates are consistent with Multifamily Housing (Mid-Rise) as described in Table 1, Trip Generation Evaluation, of the *Carmel Housing Element Update VMT Analysis* (Hexagon Transportation Consultants, Inc. 2023).

Comments:

a. An air quality plan consistency determination is a process by which the Lead Agency demonstrates that the population associated with new proposed housing is accommodated by the Association of Monterey Bay Area Governments ("AMBAG") regional growth forecasts as reflected in the air quality plan. Projects related directly to population growth generate population-related emissions (e.g., motor vehicles, residential heating, and cooling emissions). Population-related emissions have been estimated in the air quality plan; population-related projects that are consistent with these forecasts are consistent with the plan. The air district uses consistency with the air quality plan to determine a project's cumulative impact on regional air quality under CEQA. The air district has established a consistency determination procedure tied to population growth – a project that does not result in an increase in population beyond that projected by AMBAG is considered not to conflict with the air quality management plan.

The residential sites identified for the proposed project would be developed at densities ranging between 20-44 dwelling units per acre. The proposed project would accommodate 410 residential units at a persons per household rate of approximately 1.79, for an estimated population increase of 734 people (refer also to the discussion in Section 14.0, Population and Housing). The most recent growth projections for the City of Carmel-by-the-Sea are in the 2022 Regional Growth Forecast, Attachment 2: Final Draft 2022 Subregional Growth Forecast AMBAG Region and Jurisdictions (AMBAG 2022). The forecast shows a 2020 population of 3,949, a projected 2025 population of 3,946, and a 2030 projected population of 3,954 for the city. The population increase of 734 would exceed the population projections upon which the air quality management emissions forecasts are based. Despite this conflict with the air quality plan, the proposed project would not result in significant impacts to air quality, as further detailed in "b" through "d" below. Therefore, the conflict would not result in a significant air quality impact.

b. The six most common and widespread air pollutants of concern, or "criteria pollutants," are ground-level ozone, nitrogen dioxide, particulate matter, carbon monoxide, sulfur dioxide, and lead. In addition, reactive organic gases, also referred to as volatile organic gases (VOC), are a key contributor to the criteria air pollutants because they react with other substances to form ground-level ozone. Health effects of from prolonged exposures to criteria air pollutants include asthma, bronchitis, chest pain, coughing, and heart diseases.

The air district has primary responsibility for assuring that national and state ambient air quality standards are attained and maintained in the air basin. The air district is responsible for monitoring air quality in the air basin, which is designated under state criteria as a nonattainment area for ozone and suspended particulate matter (PM_{10}). Under federal criteria, the air basin is at attainment (8-hour standard) for ozone and particulates.

State standards are promulgated by the California Air Resources Board as mandated by the California Clean Air Act. The air district has developed criteria pollutant emissions thresholds, which are used to determine whether or not a proposed project would violate an air quality standard or contribute to an existing violation during operations and/or construction. The thresholds are noted in the following discussions of operational and construction air quality effects.

Operational Emissions

The proposed project would result in new sources of operational mobile and area source emissions. Emissions modeling undertaken to quantify cumulative criteria air pollutant emissions from operating 410 residential units shows that operational criteria air pollutant emissions would not exceed air district thresholds as shown in Table 3, Unmitigated Operational Criteria Air Pollutant Emissions. Detailed emissions modeling results are presented in Appendix C.

Table 3 Unmitigated Operational Criteria Air Pollutant Emissions

Emissions	Volatile Organic Compounds (VOC)[1,2]	Nitrogen Oxides (NO_x)[1,2]	Suspended Particulate Matter (PM_{10})[1,2]	Carbon Monoxide (CO)[1,2]
Air District Thresholds	137	137	82	550
Project Emissions	14	6	7	32
Exceeds Thresholds?	NO	NO	NO	NO

SOURCE: EMC Planning Group 2023
NOTES: The modeling was conducted using 400 residential units. Because the project emissions are significantly below the thresholds, modeling was not updated with the increase in 10 units.
1. Results may vary due to rounding.
2. Expressed in pounds per day.

Air district CEQA Guidelines Table 5-4 show representative project types and sizes at which air district thresholds could be exceeded. Screening thresholds for residential developments, such as low-rise apartments (1,080 dwelling units) and condominium/townhouse projects (1,195 dwelling units) suggest, as confirmed by the modeling results presented above, that cumulative operational air emissions impacts from 410 new residential units constructed at similar densities would not exceed the thresholds. The proposed project would not result in significant impacts to localized air quality and the project contribution to regional air quality impacts would be less-than-significant.

Construction Emissions

Emissions from construction activities represent temporary impacts that are typically short in duration, depending on the size, phasing, and type of project. Air quality impacts can, nevertheless, be acute during construction periods, resulting in significant localized impacts to air quality. Table 5-1, Thresholds of Significance Construction Impacts, of the air district CEQA guidelines summarizes the threshold of significance for construction activities. Construction emissions have the potential to significantly impact local air quality, or pose localized health risks. Localized health risks are discussed under item "c" of this section. Construction emissions include fugitive dust emissions generated during grading.

The air district CEQA guidelines report that construction projects using typical construction equipment such as dump trucks, scrappers, bulldozers, compactors and front-end loaders that temporarily emit ozone precursors such as VOCs or oxides of nitrogen (NOx), are accommodated in the emission inventories of State- and federally-required air plans and would not have a significant impact on the attainment and maintenance of ozone thresholds. Air district CEQA Guidelines Table 5-2, Construction Activity with Potentially Significant Impacts, identifies the level of construction activity that could result in significant temporary fugitive dust (PM_{10}) impacts if not mitigated. Grading and excavation activities that disturb more than 2.2 acres per day and construction activities with minimal earthmoving that disturb more than 8.1 acres per day are assumed to be above the 82 pounds of PM_{10} threshold of significance.

The housing sites inventory included as Table C-3 within Appendix C of the Housing Element Update provides details and development capacity estimates for each of the sites that comprise the City's proposed housing sites inventory. The largest of the sites is approximately 1.84 acres. Consequently, grading and/or excavation activities on any one site would not have potential to generate construction emissions that exceed air district thresholds. Associated construction air quality impacts would be less than significant.

c. The proposed project has the potential to exposure sensitive receptors to localized health risks associated with toxic air contaminant (TAC) emissions from construction equipment exhaust emitted at individual housing site locations. TACs are pollutants that may be expected to result in an increase in mortality, serious illness, or may pose a present or potential hazard to human health at elevated concentrations and durations of exposure. Health effects include cancer, birth defects, neurological damage, damage to the body's natural defense system, and diseases that lead to death. TACs are found in ambient air, especially in urban areas, and are caused by industry, agriculture, fuels combustion, and commercial operations (e.g., dry cleaners). Diesel exhaust is the predominant TAC in urban air and is estimated to represent about two-thirds of the cancer risk from TACs. Diesel particulate matter (DPM) is the primary TAC of concern within diesel exhaust. The primary community risk impact issues associated with construction exhaust emissions are cancer risk (DPM exposures) and exposure to $PM_{2.5}$.

According to the air district's CEQA guidelines, a sensitive receptor is generally defined as a location where there is reasonable expectation that human populations, especially children, seniors, and sick persons, could be continuously exposed to TACs. Typical sensitive receptors include residences, hospitals, and schools.

Operations of residential uses are not generally sources of TACs that would increase health risks. However, construction activities at each housing site could generate temporary and limited localized TAC emissions from diesel construction equipment. The air district recommends using best management practices during construction to reduce related diesel emissions. Additionally, emissions from diesel engines used in construction are subject to control under regulations adopted by both the California Air Resources Board and U.S. EPA. U.S. EPA promulgated new emission standards for off-road engines in 1998, with the California Air Resources Board adopting parallel standards in 2000. In 2004, Tier 4 emission standards were adopted and were phased in for new engines between 2011 and 2014. In 2007 CARB adopted an off-road equipment regulation to accelerate reductions of NOx and diesel PM from existing off-road engines. Beginning in 2012 and through 2023, the off-road regulation requires operators of older equipment to either install abatement devices, upgrade to Tier 3 and eventually Tier 4 engines, or to retire older equipment.

Implementation of the following mitigation measure would ensure that the health risks from potential exposures to construction TAC emissions would be less than significant by requiring that best management practices be implemented to reduce emissions and to ensure compliance with diesel engine regulations designed to reduce diesel emissions.

Mitigation Measure

AQ-1 The developer shall prepare a Construction Management Plan for review and approval by the Community Development Director or his designate. The Construction Management Plan shall include the following measures to reduce TAC emissions during construction at individual project sites:

a. Heavy-duty diesel vehicles will have 2010 or newer model year engines, in compliance with the California Air Resources Board's Truck and Bus Regulation;

b. Idling of construction equipment and heavy-duty diesel trucks will be avoided where feasible, and if idling is necessary, it will not exceed three minutes;

c. All construction equipment will be maintained and properly tuned in accordance with manufacturer's specifications and will be checked by a certified visible emissions evaluator; and

d. All non-road diesel construction equipment will, at a minimum, meet Tier 3 emission standards listed in the Code of Federal Regulations Title 40, Part 89, Subpart B, §89.112. Further, where feasible, construction equipment will use alternative fuels such as compressed natural gas, propane, electricity or biodiesel.

d. The most common sources of odors identified in complaints received by local air districts are sewage treatment plants, landfills, recycling facilities, waste transfer stations, petroleum refineries, biomass operations, autobody shops, coating operations, fiberglass manufacturing, foundries, rendering plants, and livestock operations. The proposed project would not produce these types or other significant objectionable odors that would adversely affect a substantial number of people (Monterey Bay Unified Air Pollution Control District Air Quality Guidelines, page 3-5). Therefore, there would be no impacts associated with odor.

4. BIOLOGICAL RESOURCES

Would the project:

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, regulations, or by the California Department of Fish and Wildlife or US Fish and Wildlife Service?	☐	☒	☐	☐
b.	Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or US Fish and Wildlife Service?	☐	☐	☐	☒
c.	Have a substantial adverse effect on state or federally protected wetlands (including, but not limited to, marsh, vernal pool, coastal, etc.), through direct removal, filing, hydrological interruption, or other means?	☐	☐	☐	☒
d.	Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	☐	☐	☐	☒
e.	Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	☐	☐	☒	☐
f.	Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	☐	☐	☐	☒

Comments:

This section evaluates the potential effects of the Housing Element Update on the biological resources present in the vicinity of the housing site locations. The Housing Element Update identifies all potential housing sites on vacant and developed lots within the city limits, away from wetlands, waterways, and open space. The Housing Element Update focuses on infill development and redevelopment in the already fully developed City of Carmel-by-the-Sea. This evaluation utilizes the federal, state, and regional/local regulatory framework pertaining to biological resources and anticipates impacts to biological resources as a result of the development

of the housing sites. This evaluation is a high-level analysis for the proposed Housing Element Update; specific, subsequent projects and their effects on biological resources are not fully known at this time. Accordingly, this analysis uses a high-level approach to evaluating potential impacts to sensitive biological resources that may result from implementation of the proposed project, corresponding with the conceptual level of project information available.

EMC Planning Group assessed the housing site locations shown on Figure 2, Housing Sites Inventory Locations, and reviewed biological resource database accounts, aerial photographs, technical background information, and policies applicable to projects located in Carmel-by-the-Sea. This included searching the U.S. Fish and Wildlife Service (USFWS) *Endangered Species Database* (USFWS 2023a), California Department of Fish and Wildlife (CDFW) *California Natural Diversity Database* ("CNDDB", CDFW 2023a, CDFW 2023b), and California Native Plant Society (CNPS) *Inventory of Rare and Endangered Plants* (CNPS 2023) to identify special-status plants, wildlife, and habitats known to occur in the vicinity of the housing sites. A review of the U.S. Fish and Wildlife Service's National Wetlands Inventory (NWI) database was also conducted to identify jurisdictional aquatic features (wetlands, drainages, and/or riparian areas) on or adjacent to the housing sites (USFWS 2023b).

Environmental Setting. Areas surrounding the City of Carmel-by-the-Sea possess diverse natural resources that include coastal scrub and dunes along Carmel Beach, Monterey pine forest and arroyo willow riparian forest within Mission Trail Nature Preserve, and arroyo willow riparian forest along the Carmel River. A small stream in the northern portion of Carmel-by-the-Sea flows down Pescadero Canyon to the Pacific Ocean. Another small stream flows through Mission Trail Park before reaching the Carmel River. Carmel-by-the-Sea has nine formally designated park, open space, and recreational areas. Carmel-by-the-Sea is also within the coastal zone, the legislatively-defined area regulated under the Coastal Act, including both land and water areas along the length of the California coastline. All of the housing sites are therefore located within the coastal zone.

Environmentally Sensitive Habitat Areas (ESHAs) regulated by the Coastal Act located within Carmel-by-the-Sea include:

- The dune scrub of Carmel Beach, with a known occurrence of Tidestrom's lupine (*Lupinus tidestromii*), a state- and federally-listed endangered species, and northern legless lizard (*Anniella pulchra*), a state species of special concern;
- The Monterey pine forest and arroyo willow riparian forest in Mission Trail Nature Preserve, with known occurrences of special-status plant and wildlife species including Hickman's onion (*Allium hickmanii*) and Monterey dusky-footed woodrat (*Neotoma fuscipes luciana*); and
- The wildlife corridor, Monterey pine, arroyo willow riparian forest, and wet meadow habitat of Pescadero Canyon.

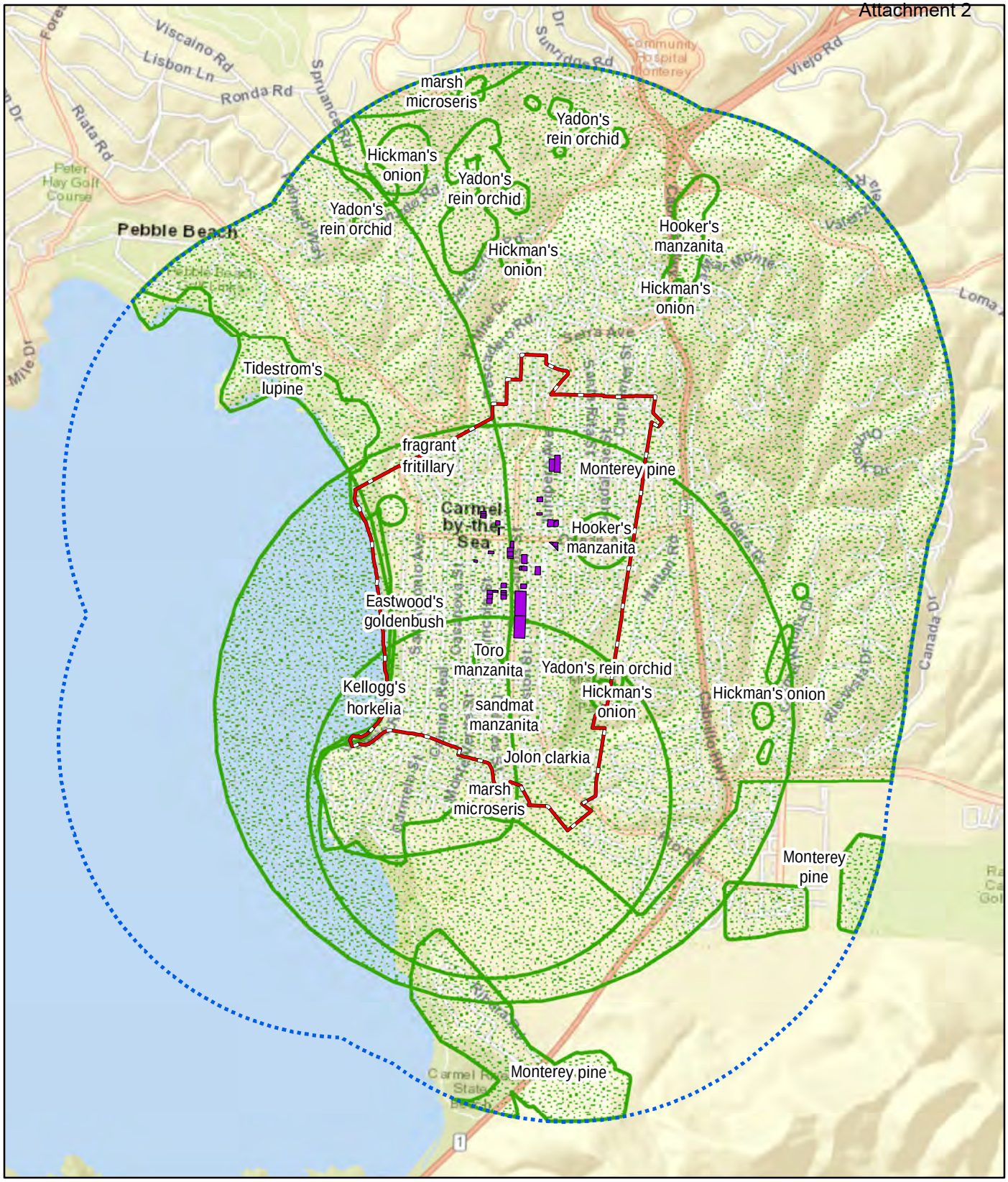
Plant and Wildlife Habitat. The City of Carmel-by-the-Sea is committed to conserving the biodiversity of all its native species. City plant and wildlife habitats within Carmel-by-the-Sea are diverse and include parks, vacant lots, streams, gardens, yards, and an abundance of deciduous and coniferous trees. City landscapes are inherently characterized by extreme habitat fragmentation. Habitat patches in the city core are isolated from each other by a matrix of built

environment making dispersal difficult, at least for poorly dispersing wildlife. Potential habitat on or adjacent to housing sites include gardens with a diverse variety of shrubs and trees. Vacant lots have disturbed, weedy vegetation. Carmel-by-the-Sea also has numerous street trees with Monterey pine (*Pinus radiata*), Monterey cypress (*Hesperocyparis macrocarpa*), and coast live oak (*Quercus agrifolia*) being the most common species. City-adapted wildlife found throughout Carmel-by-the-Sea include the California mule (blacktail) deer (*Odocoileus hemionus californicus*), coyote (*Canis latrans*), raccoon (*Procyon lotor*), Virginia opossum (*Didelphis virginiana*), striped skunk (*Mephitis mephitis*), and western gray squirrel (*Sciurus griseus*). Common bird species in Carmel-by-the-Sea include the western gull (*Larus occidentalis*), acorn woodpecker (*Melanerpes formicivorus*), chestnut-backed chickadee (*Poecile rufescens*), California scrub-jay (*Aphelocoma californica*), California towhee (*Melozone crissalis*), dark-eyed junco (*Junco hyemalis*), Anna's hummingbird (*Calypte anna*), and raptors, such a red-shouldered hawk (*Buteo lineatus*) and red-tailed hawk (*Buteo jamaicensis*).

a. **Special-Status Species**. Special-status species are those listed as Endangered, Threatened, or Rare, or as candidates for listing by the U.S. Fish and Wildlife Service and/or California Department of Fish and Wildlife; as Species of Special Concern or Fully Protected species by the California Department of Fish and Wildlife; or as Rare Plant Rank 1B or 2B species by California Native Plant Society. Appendix D, Special-Status Species in the Vicinity of the Housing Sites, presents tables with database search results, and lists special-status species documented within the vicinity of the housing sites, their listing status and suitable habitat description, and their potential to occur on the housing sites. Figure 3, Special-Status Plant Species with Potential to Occur in the Vicinity of a Housing Site, and Figure 4, Special-Status Wildlife Species with Potential to Occur in the Vicinity of a Housing Site, present maps of California Natural Diversity Database results.

   The housing sites provide limited habitat for the special-status species reported on the California Natural Diversity Database as known to occur in or near the City of Carmel-by-the-Sea. Areas that would provide more substantial habitat for special-status species are primarily located along the western coastal edge of the city and within the open spaces on the city's southeastern boundary. Development facilitated by the Housing Element Update could impact individual trees and pockets of vegetation in the developed areas of the city. These trees and isolated pockets could provide habitat for nesting birds, roosting bats, monarch butterfly (*Danaus plexippus*), obscure bumble bee (*Bombus caliginosus*), and western bumble bee (*Bombus occidentalis*), the disturbance or potential loss of which would be considered a significant, adverse impact. Additional analysis of special-status species in the vicinity of the housing sites is included here.

Special-Status Plant Species. Fifty-one (51) special-status plant species that occur in the vicinity of the housing sites were assessed for their potential to occur and all species are considered unlikely to occur (Appendix D). No suitable habitat for special-status plant species recorded as occurring in the vicinity is expected at any of the housing sites. The special-status plant species in the vicinity are not adapted to disturbed or developed sites. Therefore, the proposed project would have no impact on special-status plant species.



Source: ESRI 2023, CNDDB 2023

0 2,500 feet

1 Mile Buffer
City Limits
Housing Sites Inventory Parcels
Special Status Plants

Figure 3

Special-Status Plant Species with Potential to Occur in the Vicinity of a Housing Site

City of Carmel-by-the-Sea 6th Cycle Housing Element Update (2023-2031) and Safety Element Update Initial Study

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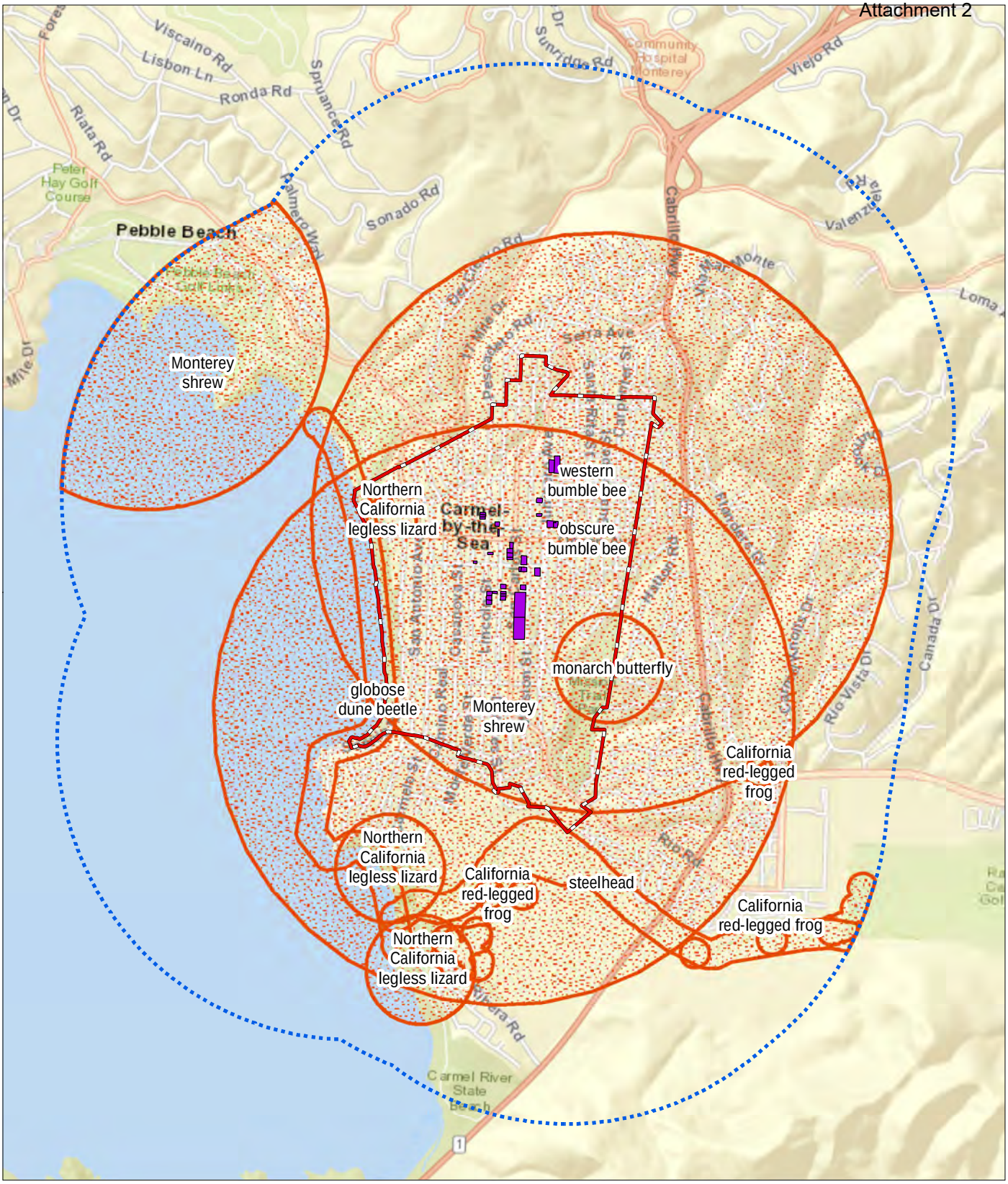

Source: ESRI 2023, CNDDB 2023

0 2,500 feet

1 Mile Buffer
City Limits
Housing Sites Inventory Parcels
Special Status Wildlife

Figure 4

Special-Status Wildlife Species with Potential to Occur in the Vicinity of a Housing Site

City of Carmel-by-the-Sea 6th Cycle Housing Element Update (2023-2031) and Safety Element Update Initial Study

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Special-Status Wildlife Species. Thirty-one (31) special-status wildlife species that occur in the vicinity of the housing sites were assessed for their potential to occur on the housing sites and three species were determined to have the potential to occur: monarch butterfly, obscure bumble bee, and western bumble bee, as well as special-status bats, and nesting birds and raptors (Appendix D).

Monarch Butterfly. The Monarch butterfly is not officially listed under the California Endangered Species Act or the federal Endangered Species Act or considered a California Department of Fish and Wildlife Species of Special Concern; however, on December 15, 2020, the U.S. Fish and Wildlife Service announced that listing the monarch as endangered or threatened under the Endangered Species Act is warranted, but precluded by higher priority listing actions. The monarch is now considered a candidate for listing under the Endangered Species Act and will be reviewed by U.S. Fish and Wildlife Service annually until a listing decision is made. The California Department of Fish and Wildlife monitors overwintering colonies of this species because monarch populations in California have severely declined since the 1980s (Jepsen et al. 2017). The cause of this decline is thought to be loss of milkweed (*Asclepias* spp.) and nectar plants; loss and degradation of overwintering groves; and other stressors like disease, insecticides, and impacts of climate change (Jepsen et al. 2017). The monarch overwintering season is typically October to March.

Monarchs do not favor eucalyptus trees; however, most of the overwintering locations in California are within eucalyptus groves simply because of their abundance in coastal areas in the state (Jepsen et al. 2017). Within the vicinity of the housing sites, native trees that could be used by overwintering monarchs include eucalyptus, coast live oak, and coniferous forest (Jepsen et al. 2017). Eucalyptus and other coniferous trees may potentially be removed as a result of development housing sites. Removal or disturbance of monarch overwintering habitat is considered a significant impact. Implementation of Mitigation Measures BIO-1 and BIO-2, below, would reduce potential, significant impacts to monarch butterfly to less than significant.

Mitigation Measures

BIO-1 Worker Environmental Awareness Training. Prior to approval of a grading and/or building permit at a housing site, a qualified biologist shall conduct a training session for all construction personnel. At a minimum, the training shall include a description of special-status species potentially occurring in the housing site vicinity, including, but not limited to, monarch butterfly, obscure bumble bee, and western bumble bee. Their habitats, general measures that are being implemented to conserve species as they relate to the housing site, and the boundaries within which construction activities will occur will be explained. Informational handouts with photographs clearly illustrating the species' appearances shall be used in the training session. All new construction personnel shall undergo this mandatory environmental awareness training. Documentation of completion of this training shall be submitted to the City of Carmel-by-the-Sea Community Planning and Building Department prior to the start of ground disturbing activities.

BIO-2 Monarch Butterfly Survey and Avoidance. During the late fall/early winter prior to initiation of ground disturbance, a winter monarch butterfly survey of trees on the housing site shall be conducted by a qualified biologist. Results of the survey shall be submitted to the City of Carmel-by-the-Sea Community Planning and Building Department upon completion. If the results of the survey do not identify any potential overwintering monarch butterflies on-site, no further mitigation is required. If overwintering monarchs are determined to use the site, the applicant shall avoid removal of trees used for overwintering by monarchs to the greatest extent feasible. If trees cannot be avoided, tree removal shall occur outside of the overwintering period (November through February) or until a qualified biologist has determined that overwintering monarchs are no longer using the site. Documentation of tree avoidance or absence of monarchs shall be submitted to the City of Carmel-by-the-Sea Community Planning and Building Department prior to tree removal.

Obscure Bumble Bee. In 2019, the obscure bumble bee was identified as a candidate species for endangered species listing under California Endangered Species Act (California Fish and Game Commission 2019). Although not yet formally listed, species identified as "candidate" require consideration during CEQA analyses. This species occurs along the Pacific Coast, from southern California to southern British Columbia, with scattered records from the east side of California's Central Valley. The Obscure bumble bee inhabits open grassy coastal prairies and Coast Range meadows. Nesting occurs underground as well as above ground in abandoned bird nests. Males patrol circuits in search of mates. Obscure bumble bees require species that bloom and provide adequate nectar and pollen throughout the colony's flight period from as early as February to late November.

Western Bumble Bee. In 2019, the western bumble bee was identified as a candidate species for an endangered species listing under California Endangered Species Act (California Fish and Game Commission 2019). Although not yet formally listed, species identified as "candidate" require consideration during CEQA analyses. Although formerly common throughout much of its range, populations from central California to southern British Columbia and west of the Sierra-Cascade Ranges have declined sharply since the late 1990s. Western bumble bees primarily nest in underground cavities such as abandoned burrows or other animal nests on open west-southwest slopes. General habitat requirements include meadows and grasslands with flowering plants, and they may be found in some natural areas within developed environments. Western bumble bees require species that bloom and provide adequate nectar and pollen throughout the colony's flight period from as early as February to late November.

If the western bumble bee or obscure bumble bee is present on or adjacent to a housing site, construction activities could result in the loss or disturbance of the individual animals. This would be a significant adverse environmental impact. Implementation of Mitigation Measure BIO-1 presented above, which requires a training session on special-

status species potentially present on the construction site for all personnel and Mitigation Measure BIO-3 would reduce this potential, significant impact to a less-than-significant level.

Mitigation Measure

BIO-3 Bumble Bee Survey and Avoidance. During the optimal flight period for the obscure bumble bee and western bumble bee (April 1 – July 31) and prior to ground disturbance a qualified biologist shall conduct a pre-construction survey of small mammal burrows and thatched/bunch grasses for bumble bee nesting activity. If the survey results are negative (i.e., no bumble bee nesting activity observed), a letter report confirming absence will be prepared and submitted to the City of Carmel-by-the-Sea Community Planning and Building Department and no further mitigation is required.

If bumble bee nests are detected and the area can be avoided, a qualified biologist shall supervise the installation of protective fencing/flagging a minimum of 50 feet around the nest area prior to construction. The fencing/flagging will be checked at least once per week until construction is complete to ensure that the protective fencing/flagging remains intact. The qualified biologist can conduct the weekly checks or train a biological monitor selected from the construction crew by the construction contractor (typically the project foreman) to check the fencing/flagging and provide weekly updates. Documentation of the fencing/flagging installation shall be provided to the City of Carmel-by-the-Sea Community Planning and Building Department prior to the start of ground disturbance activities. Documentation of the weekly checks and timely maintenance (if needed) shall be provided to the City of Carmel-by-the-Sea Community Planning and Building Department quarterly during construction.

If bumble bee nests are detected and the area cannot be avoided, the qualified biologist shall coordinate with the California Department of Fish and Wildlife to determine the appropriate method of relocation or eviction of the nests.

After it has been confirmed that the habitat area is no longer occupied, a letter report will be prepared by the qualified biologist and submitted to the City of Carmel-by-the-Sea Community Planning and Building Department.

Bats. Trees and/or buildings or structures on or adjacent to a housing site could provide roosting habitat for bats state-listed as species of special concern, including pallid bat (*Antrozous pallidus*) and Townsend's big-eared bat (*Corynorhinus townsendii*). Pallid bat prefers roosting in open, dry habitats with rocky areas. Townsend's big-eared bat prefers roosting and nesting found in caves, tunnels, mines, and buildings. The distribution of bat species in the Carmel area is relatively unknown, however these species have been identified as occurring within ten miles of the housing sites (CNDDB 2023). Tree removal and construction activities at a housing site could result in the disturbance of roost and natal sites occupied by special-status bats on or adjacent to the housing site, if

present. Implementation of Mitigation Measures BIO-1 presented earlier, which requires a training session on special-status species potentially present on the construction site for all personnel and Mitigation Measure BIO-4 would reduce this potential, significant impact to special-status bats to a less-than-significant level.

Mitigation Measure

BIO-4 Approximately 14 days prior to tree removal or construction activities, a qualified biologist shall conduct a habitat assessment for bats and potential roosting sites in trees to be removed in trees within 50 feet of the construction easement. These surveys shall include a visual inspection of potential roosting features (bats need not be present) and a search for presence of guano within the housing site, construction access routes, and 50 feet around these areas. Cavities, crevices, exfoliating bark, and bark fissures that could provide suitable potential nest or roost habitat for bats shall be surveyed. Assumptions can be made on what species is present due to observed visual characteristics along with habitat use, or the bats can be identified to the species level with the use of a bat echolocation detector such as an "Anabat" unit. Potential roosting features found during the survey shall be flagged or marked.

If no roosting sites or bats are found, a letter report confirming absence shall be prepared and submitted to the Carmel-by-the-Sea Community Planning and Building Department and no further mitigation is required. If bats or roosting sites are found, bats shall not be disturbed without specific notice to and consultation with the California Department of Fish and Wildlife.

If bats are found roosting outside of the nursery season (May 1 through October 1), the California Department of Fish and Wildlife shall be consulted prior to any eviction or other action. If avoidance or postponement is not feasible, a Bat Eviction Plan will be submitted to the California Department of Fish and Wildlife for written approval prior to project implementation. A request to evict bats from a roost includes details for excluding bats from the roost site and monitoring to ensure that all bats have exited the roost prior to the start of activity and are unable to re-enter the roost until activity is completed. Any bat eviction shall be timed to avoid lactation and young-rearing. If bats are found roosting during the nursery season, they shall be monitored to determine if the roost site is a maternal roost. This could occur by either visual inspection of the roost bat pups, if possible, or by monitoring the roost after the adults leave for the night to listen for bat pups. Because bat pups cannot leave the roost until they are mature enough, eviction of a maternal roost cannot occur during the nursery season. Therefore, if a maternal roost is present, a 50-foot buffer zone (or different size if determined in consultation with the California Department of Fish and Wildlife) shall be established around the roosting site within which no construction activities including tree removal or structure disturbance shall occur until after the nursery season. Once the

absence of roosting bats has been confirmed, a letter report will be prepared and submitted to the City of Carmel-by-the-Sea Community Planning and Building Department.

Nesting Birds and Raptors. Various bird species may nest on or adjacent to the housing sites, including on buildings, on open ground, or in any type of vegetation. If nesting birds protected by state and federal regulations are present during soil-disturbing or construction activities, including vegetation removal and site preparation on housing sites, an individual project may directly result in loss of active nests, or indirectly result in nest abandonment and thereby cause loss of fertile eggs or nestlings. These impacts to nesting birds are considered significant adverse environmental impacts. Mitigation Measure BIO-1 presented earlier, which requires a training session on special-status species potentially present on the construction site for all personnel and Mitigation Measure BIO-5 would reduce this potential, significant impact to nesting birds and raptors to a less-than-significant level.

Mitigation Measure

BIO-5 To avoid impacts to nesting birds during the nesting season (February 1 through September 15), construction activities within or adjacent to any housing site that includes any vegetation removal or ground disturbance (such as grading or trenching) shall be conducted between September 16 and January 31, which is outside of the bird nesting season. If construction activities must commence during the bird nesting season, then a qualified biologist shall conduct a pre-construction survey for nesting birds to ensure that no nests would be disturbed during construction.

a. Two surveys for active nests of birds shall occur within 7 days prior to start of construction, with the second survey conducted within 48 hours prior to start of construction. Appropriate minimum survey radius surrounding the work area is typically 250 feet for passerines, 500 feet for smaller raptors, and 1,000 feet for larger raptors. Surveys shall be conducted at the appropriate times of day to observe nesting activities. Individual project developers shall submit evidence of completion of the pre-construction surveys to the City of Carmel-by-the-Sea Community Planning and Building Department prior to initiation of ground disturbing activities.

b. If the qualified biologist documents active nests within individual housing site boundaries, an appropriate buffer between each nest and active construction shall be established. The buffer shall be clearly marked and maintained until the young have fledged and are foraging independently. Prior to construction, the qualified biologist shall conduct baseline monitoring of each nest to characterize "normal" bird behavior and establish a buffer distance, which allows the birds to exhibit normal behavior. The qualified biologist shall monitor the nesting birds daily during construction activities and increase the buffer if birds show signs of

unusual or distressed behavior (e.g., defensive flights and vocalizations, standing up from a brooding position, and/or flying away from the nest). If buffer establishment is not possible, the qualified biologist shall have the authority to cease all construction work in the area until the young have fledged and the nest is no longer active. This measure shall be implemented by the individual project developers prior to initiation of ground disturbing activities. Once the absence of nesting birds has been confirmed, a letter report will be prepared and submitted to the City of Carmel-by-the-Sea Community Planning and Building Department prior to disturbance of the nest area.

b. **Riparian Habitat or Sensitive Natural Communities.** No riparian habitat or sensitive natural communities were identified on or adjacent to the housing sites (USFWS 2023b). Therefore, the proposed project would not have a substantial adverse effect on any riparian habitat or other sensitive natural community. Figure 5, National Wetlands Inventory Map, shows riparian habitat within the City of Carmel-by-the-Sea.

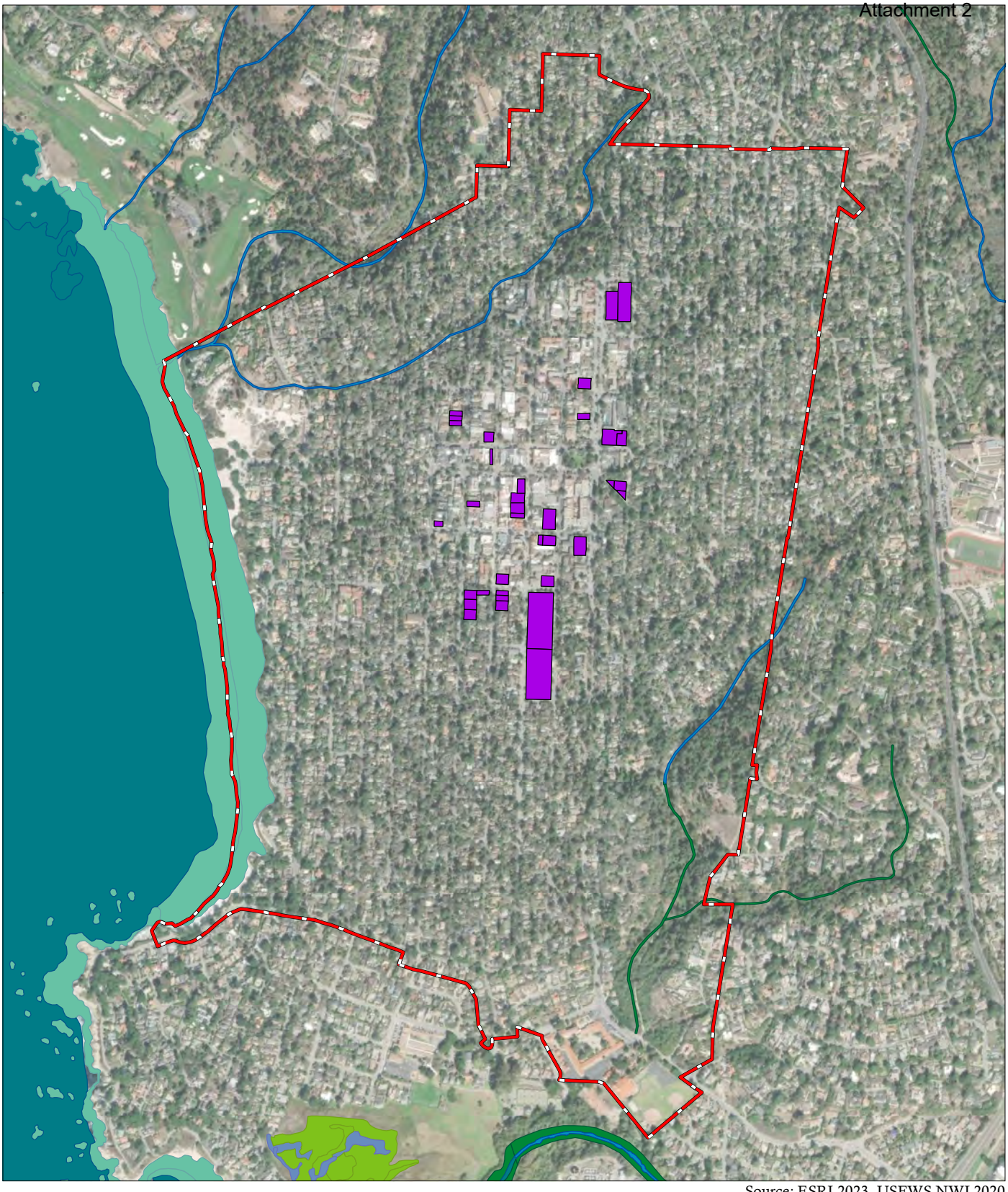
c. **State or Federally Protected Wetlands** A review of the National Wetlands Inventory (NWI) online database was conducted to identify potential jurisdictional wetland features on or adjacent to the housing sites (USFWS 2023b). No state or federally protected wetlands were identified on or adjacent to the housing sites. Therefore, the proposed project would not have a substantial adverse effect on state or federally protected wetlands. Figure 5, National Wetlands Inventory Map, shows wetlands and waterways within and adjacent to the City of Carmel-by-the-Sea.

d. **Wildlife Movement.** No essential habitat connectivity areas or wildlife corridors were identified on or adjacent to the proposed housing sites. Therefore, development of the housing sites would not interfere with wildlife movement (CDFW 2023d).

e. **Local Biological Resource Policies/Ordinances**.

City's General Plan: The City's General Plan is a comprehensive statement of the planning goals and policies for the Carmel-by-the-Sea. The City's General Plan has been combined with its Local Coastal Land Use Plan to ensure coordination of these two policy documents. The Coastal Land Use Plan sets forth goals, objectives, and policies that govern the use of land and water in Carmel-by-the-Sea consistent with the California Coastal Act of 1976.

The Open Space and Conservation Element of the General Plan includes comprehensive goals, objectives, and policies for the long-term management and conservation of open-space land and natural resources.



Source: ESRI 2023, USFWS NWI 2020

0 1,100 feet

City Limits
Housing Sites Inventory Parcels
Estuarine and Marine Deepwater
Estuarine and Marine Wetland
Freshwater Emergent Wetland
Freshwater Forested/Shrub Wetland
Freshwater Pond
Riverine

Figure 5

National Wetlands Inventory Map

City of Carmel-by-the-Sea 6th Cycle Housing Element Update (2023-2031) and Safety Element Update Initial Study

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The Coastal Resource Management Element of the General Plan includes comprehensive goals, objectives, and policies for the protection of the City's coastal environmental resources including the character of its forest, beach and bluffs, water quality and Environmentally Sensitive Habitat Areas (ESHAs).

City of Carmel-by-the-Sea Municipal Code - Trees: Chapter 17.48, Trees and Shrubs, of the City's Municipal Code contains ordinances that apply to trees within the city limits. Where tree removal is approved at the request of a property owner, another tree should be planted in a suitable location.

Tree Removal and Pruning Permits are required for:

- Pruning of live limbs over 4 inches in diameter
- Removal of oak, pine, cypress and redwood trees over 6 inches in diameter measured at 4.5 feet above ground level (diameter at breast height – DBH), including dead trees
- Removal of other tree species (not oak, pine, cypress or redwood) over 10 inches DBH, including dead trees
- Removal of trees over 2 inches DBH on vacant lots and properties with an active building permit

Per Chapter 17.48 of the Municipal Code, the applicant will be required to obtain a Tree Removal or Pruning Permit to remove or prune protected trees and replace those trees in accordance with their value. Tree permit applications are obtained from the Community Planning and Building Department.

Best management practices for tree care and the protection of wildlife can be found in *Tree Care for Wildlife Best Management Practices* (Bassett et al. 2021).

No development is proposed at this time and no trees are currently proposed for removal. Future development of a proposed housing site may result in tree removal or impacts to trees adjacent to a construction area. Therefore, implementation of the following standard conditions of approval will be required by each individual, future development proposed:

Standard Condition of Approval

26. Throughout construction, the Applicant shall protect all trees identified for preservation by methods approved by the City Forester. Trees on or adjacent to the site shall only be removed upon the approval of the City Forester or Forest and Beach Commission.

27. Requirements for tree preservation shall adhere to the following tree protection measures on the construction site.

    - Prior to grading, excavation, or construction, the developer shall clearly tag or mark all trees to be preserved.
    - Excavation within 6 feet of a tree trunk is not permitted.

- No attachments or wires of any kind, other than those of a protective nature, shall be attached to any tree.
- Per Municipal Code Chapter 17.48.110, no material may be stored within the dripline of a protected tree, including the drip lines of trees on neighboring parcels.
- Tree Protection Zone. The Tree Protection Zone shall be equal to dripline or 18 inches radially from the tree for every one inch of trunk diameter at 4.5 feet above the soil line, whichever is greater. A minimum of 4-foot-high transparent fencing is required unless otherwise approved by the City Forester. Tree protection shall not be resized, modified, removed, or altered in any manner without written approval. The fencing must be maintained upright and taught for the duration of the project. No more than 4 inches of wood mulch shall be installed within the Tree Protection Zone. When the Tree Protection Zone is at or within the drip line, no less than 6 inches of wood mulch shall be installed 18 inches radially from the tree for every one inch of trunk diameter at 4.5 feet above the soil line outside of the fencing.
- Structural Root Zone. The Structural Root Zone shall be 6 feet from the trunk or 6 inches radially from the tree for every one inch of trunk diameter at 4.5' above the soil line, whichever is greater. Any excavation or changes to the grade shall be approved by the City Forester prior to work. Excavation within the Structural Root Zone shall be performed with a pneumatic excavator, hydro-vac at low pressure, or another method that does not sever roots.
- If roots greater than 2 inches in diameter or larger are encountered within the approved Structural Root Zone, the City Forester shall be contacted for approval to make any root cuts or alterations to structures to prevent roots from being damaged.
- If roots larger than 2 inches in diameter are cut without prior City Forester approval or any significant tree is endangered as a result of construction activity, the building permit will be suspended, and all work stopped until an investigation by the City Forester has been completed, and mitigation measures have been put in place.

28. All foundations within 15 feet of significant trees shall be excavated by hand. If any tree roots larger than two inches (2") are encountered during construction, the City Forester shall be contacted before cutting the roots. The City Forester may require the roots to be bridged or may authorize the roots to be cut. If roots larger than two inches (2") in diameter are cut without prior City Forester approval or any significant tree is endangered as a result of construction activity, the building permit will be suspended and all work stopped until an investigation by the City Forester has been completed. Six inches (6") of mulch shall be evenly spread across the inside the dripline of all trees prior to the issuance of a building permit.

f. **Conservation Plans**. There are no critical habitat boundaries, habitat conservation plans, natural community conservation plans, or other approved local, regional, or state habitat conservation plans applicable to the proposed housing site locations and no conflict with any conservation plan is anticipated (USFWS 2023c).

5. CULTURAL RESOURCES

Would the project:

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Cause a substantial adverse change in the significance of a historical resource pursuant to section 15064.5?	☐	☐	☒	☐
b.	Cause a substantial adverse change in the significance of an archaeological resource pursuant to section 15064.5?	☐	☐	☒	☐
c.	Disturb any human remains, including those interred outside of dedicated cemeteries?	☐	☐	☒	☐

Comments:

a. Five of the housing sites are located on the *Carmel Inventory of Historic Resources Database* (City of Carmel-by-the-Sea 2023); Sites #1, 2, 9, part of 11 (only APN 010-085-004), and 19). Additionally, Site #10 could be considered a candidate for inclusion as a historic property according to conversations with City staff (City of Carmel-by-the-Sea 2023).

Historic resources are an important element of Carmel-by-the-Sea's community character. Therefore, historic preservation efforts are integrated within the City's permit processes such as design review and land use development approvals. Additionally, the City implements conservation of its character through its Design Guidelines for the residential district, the commercial district, and for the public rights-of-way.

Development on historic sites identified on the *Carmel Inventory of Historic Resources Database* are subject to additional review from a city-retained historical consultant and review by the Historic Resources Board prior to consideration by the Planning Commission. Therefore, future applicants proposing development at Housing Sites #9, 11, 19, and potentially 10, would require additional review at the application submittal stage of the permit process. These future applicants would be required to incorporate any changes to the development required by City staff during the permit process to ensure impacts associated with historic resources are not significant. If the City determines that the proposed development would result in a significant and adverse impact to a historic resource, an environmental impact report would be required, and the City could not use this initial study for the project.

b. Archaeological resources from both the prehistoric period and the early historic period can be found in Carmel (Land Use and Community Character Element, p. 1-25). General areas of archaeological significance are shown in Figure 1.4 of the General Plan Land Use and Community Character Element. Housing Site #10 falls within this general area of archaeological significance.

Compliance with the following City standard condition of approval would ensure that development of the housing sites (in particular, Housing Site #10) would result in less than significant impacts on archaeological resources.

Standard Conditions of Approval

19. Prior to the issuance of a building permit, the Applicant shall submit an archaeological reconnaissance report prepared by a qualified archaeologist or another person(s) meeting the standards of the State Office of Historic Preservation. The Applicant shall adhere to any recommendations set forth in the archaeological report. All new construction involving excavation shall immediately cease if materials of archaeological significance are discovered on the site and shall not be permitted to recommence until a mitigation and monitoring plan is approved by the Planning Commission.

20. Throughout construction, all activities involving excavation shall immediately cease if cultural resources are discovered on the site, and the Applicant shall notify the Community Planning & Building Department within 24 hours. Work shall not be permitted to recommence until such resources are properly evaluated for significance by a qualified archaeologist. If the resources are determined to be significant, prior to the resumption of work, a mitigation and monitoring plan shall be prepared by a qualified archaeologist and reviewed and approved by the Community Planning and Building Director. In addition, if human remains are unearthed during the excavation, no further disturbance shall occur until the County Coroner has made the necessary findings regarding origin and distribution pursuant to California Public Resources Code (PRC) Section 5097.98.

c. The proposed project does not involve specific development and there is no known evidence of human remains within the various housing sites. However, there remains the possibility that ground disturbing activities associated with the proposed project could damage or destroy previously undiscovered Native American human remains. Disturbance of Native American human remains would be a significant impact. The standard conditions of approval identified in checklist question "b," above, would reduce this potential impact to a less-than-significant level.

6. ENERGY

Would the project:

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Result in a potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources, during project construction or operation?	☐	☐	☒	☐
b.	Conflict with or obstruct a state or local plan for renewable energy or energy efficiency?	☐	☐	☐	☒

Comments:

a. Energy impacts are assessed based on the proposed project energy demand profile, its relationship to the state's energy efficiency regulations, and the City's land use planning regulations, as summarized below.

Regulatory Requirements

A multitude of state regulations and legislative acts are aimed at improving vehicle fuel efficiency, energy efficiency, and enhancing energy conservation. For example, the Pavley I standards focus on transportation fuel efficiency. The gradual increased use of electric cars powered with cleaner electricity will reduce consumption of fossil fuel. Vehicle miles traveled are expected to decline with the continuing implementation of Senate Bill 743, resulting in less vehicle travel and less fuel consumption. In the renewable energy use sector, representative legislation for the use of renewable energy includes, but is not limited to, Senate Bill 350 and Executive Order B-16-12. In the building energy use sector, representative legislation and standards for reducing natural gas and electricity consumption include, but are not limited to Assembly Bill 2021, the Green Building Standards Code (CALGreen), and the California Building Standards Code.

The California Energy Code (California Code of Regulations, Title 24, Part 6), which is incorporated into the California Building Standards Code, was first established in 1978 in response to a legislative mandate to reduce California's energy consumption. The California Energy Code is updated every three years by the California Energy Commission as the Building Energy Efficiency Standards to allow consideration and possible incorporation of new energy efficiency technologies and construction methods. The energy code is specifically designed to reduce wasteful and unnecessary energy consumption in newly constructed and existing buildings, including residential buildings. For residential uses of the type proposed, the standards require a suite of building energy efficiency requirements, combined with on-site renewable energy production, that ensure such uses have net zero electricity energy demand.

CALGreen, which requires all new buildings in the state to be more energy efficient and environmentally responsible, was most recently updated in July 2022. Its comprehensive regulations are intended to achieve major reductions in interior and exterior building energy consumption.

A project could be considered to result in significant environmental effects due to wasteful, inefficient, or unnecessary consumption of energy if its energy demand is extraordinary relative to common land use types, its gross energy demand is excessive relative to total demand in Monterey County, and/or it fails to comply with energy efficiency/conservation regulations that are within the applicant's control. The new housing accommodated by the Housing Element Update is a common land use type for which energy demand is not considered wasteful or unnecessary, particularly under conditions where the critical statewide housing crisis is prompting dramatic action to increase local housing production.

Projected Energy Use

Project energy demand would not be excessive relative to total demand in the county summarized below.

Electricity. According to the California Energy Commission Energy Consumption Data Management System, in 2020, total electricity consumption in Monterey County was 2,434,272,857 kilowatt-hours (kWh). Section 5.11, Operational Energy Consumption, in the CalEEMod results included in Appendix C, show that the anticipated electricity demand for development pursuant to the Housing Element Update would be 1,187,158 kWh per year, or 0.05 percent of the countywide electrical demand in the absence of state regulations designed to reduce energy demand. Electricity demand would be reduced to zero with required conformance to regulatory requirements included in the California Energy Code, Building Energy Efficiency Standards, as summarized above. The 2022 standards require that low-rise residential development has net zero electricity demand. This is achieved through a combination of incorporating energy efficiency, energy reduction features, and renewable energy features.

Natural Gas. According to the California Energy Commission Energy Consumption Data Management System, in 2020, total natural gas consumption in Monterey County was 110,009,822 therms. Section 5.2, Energy by Land Use – Natural Gas, in the project CalEEMod results included in Appendix C shows that projected natural gas demand from projects implementing the Housing Element Update would be about 10,002,514 kBTU (British Thermal Units) per year or approximately 100,002 therms per year. This is less than one-tenth of one percent of countywide demand in 2020.

Transportation Fuel. The VMT analysis in Section 17.0, Transportation, concludes that the proposed project would have a less-than-significant VMT impact. This owes primarily to the fact that affordable housing projects are deemed to reduce the distances that residents need to travel to access employment opportunities. Affordable housing projects implemented under the Housing Element Update are expected to reduce automobile use and associated fuel usage relative to market rate housing. Additionally, based on the number of new dwelling units projected for any individual housing site, no individual

planned moderate- and/or above-moderate-income level housing projects would generate more than 110 vehicle trips per day, a traffic volume at or below which VMT impacts are considered less than significant. Since the VMT impacts would be less than significant, project transportation fuel demand would be reduced relative to projects with a significant VMT impact and the associated demand would not be wasteful or unnecessary. Further, all proposed housing would be constructed on infill sites. From a land use perspective, infill development generally results in lower VMT and lower transportation fuel demand than does development on sites at the periphery of an urban area.

Developers of future individual housing projects would be required to comply with state regulatory requirements for reducing building energy demand found in Title 24 of the current California Building Code, and with CALGreen requirements as described above. The proposed project would consume energy, but it would not be inefficient, wasteful, or unnecessary. Therefore, the impact would be less than significant.

b. There are no regulations at the local level that would mandate that the proposed project must include on-site renewable energy sources. The California Building Standards Code would require the proposed project to be built to the Building Energy Efficiency Standards in effect at the time the building permit is issued. By incorporating energy efficiency and renewable energy measures per the Building Energy Efficiency Standards and complying with CALGreen standards, as would be enforced through the City's building permit process, the project would comply with existing state and local energy standards and would not conflict with or obstruct a state or local plan for energy efficiency.

7. GEOLOGY AND SOILS

Would the project:

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving:				
	(1) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42?	☐	☐	☐	☒
	(2) Strong seismic ground shaking?	☐	☐	☒	☐
	(3) Seismic-related ground failure, including liquefaction?	☐	☐	☐	☒
	(4) Landslides?	☐	☐	☐	☒
b.	Result in substantial soil erosion or the loss of topsoil?	☐	☐	☒	☐
c.	Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction, or collapse?	☐	☐	☐	☒
d.	Be located on expansive soil, creating substantial direct or indirect risks to life or property?	☐	☐	☐	☒
e.	Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?	☐	☐	☐	☒
f.	Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	☐	☒	☐	☐

Comments:

a. **Earthquake**. There are no Alquist-Priolo earthquake faults near to the City of Carmel-by-the-Sea (City of Carmel-by-the-Sea 2009, Figure 8.1); the nearest is the San Andreas Fault located more than 30 miles northeast of the City (California Department of Conservation 2023). Therefore, development of the proposed housing sites would not

directly or indirectly cause substantial adverse effects, including the risk of loss, injury, or death involving the rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map.

Seismic Ground Shaking. According to the City's General Plan Figure 8.1, there are two fault lines at the northeast corner and southwest corner of, and outside of, the City of Carmel-by-the-Sea city limits (Hatton Canyon and Cypress Point, respectively). Only Cypress is active or potentially active (City of Carmel-by-the-Sea 2009, Figure 8.1). Therefore, seismic ground shaking is possible within the City should an earthquake occur on the Cypress Point Fault.

Future development will be required to conform to the uniform development regulations in the California Building Code that address seismic hazards, which has been adopted by the City of Carmel-by-the-Sea (City Municipal Code Chapter 15.08), to reduce geologic hazard risk potential in new development. Additionally, General Plan Environmental Safety Element Policy P8-24 requires adequate geotechnical investigations to be undertaken to provide necessary information and mitigation for any development locating substantial structures in areas subject to seismic hazards, ground failure, erosion, or landsliding. Therefore, future development of the housing sites will be required to prepare adequate geotechnical investigations for the review and approval of the City Community Planning and Building Department, and comply with the recommendations presented within the report. Compliance with the City's Municipal Code Chapter 15.08, preparation of the geotechnical investigations and compliance with the recommendations found in the report all would ensure less than significant impacts associated with development and seismic ground shaking.

Liquefaction. The City of Carmel-by-the-Sea is within a low liquefaction hazard zone with some areas of high liquefaction around the edges of the city limits (Monterey County 2023a). All of the housing site locations are within a low liquefaction hazard zone. Therefore, development of the housing sites would comply with the City's General Plan Environmental Safety Element Policy P8-25, which requires that the placement of critical facilities and high occupancy structures (e.g., multi-family residential, hotels, etc.) avoid areas subject to ground failure during an earthquake. Implementation of the proposed project is not likely to result in direct or indirect substantial adverse effects, including the risk of loss, injury, or death involving seismic-related ground failure, including liquefaction.

Landslide. Most of the City of Carmel-by-the-Sea is within a low landslide hazard zone, with some moderate landslide hazard zones to the southeast and northeast edges of the city limits (Monterey County 2023a). All of the housing site locations are within the low landslide hazard zone. The proposed project involves the development of new and redevelopment of existing structures for housing. Therefore, development of the housing sites is not likely to result in direct or indirect substantial adverse effects, including the risk of loss, injury, or death involving seismic-related ground failure, including landslide.

b. The majority of the City of Carmel-by-the-Sea is within a moderate erosion hazard zone with some areas around the edges of the city limits within high erosion hazard zones (Monterey County 2023a). All of the housing sites are located within a moderate erosion hazard zone.

City General Plan Environmental Safety Element Policy P8-24 requires adequate geotechnical investigations to be undertaken to provide necessary information and mitigation for any development locating substantial structures in areas subject to seismic hazards, ground failure, erosion, or landsliding.

In addition to compliance with General Plan Policy P8-24, future development for each housing site will be required to implement the following standard condition of approval to reduce the potential for erosion or siltation impacts.

Standard Condition of Approval

32. Prior to issuance of a building permit, the Applicant shall submit for review and approval by the Community Planning & Building and Public Works Departments an erosion and sediment control plan that includes locations and installation details for erosion and sediment control BMPs, material staging areas, and stabilized access.

Preparation of a geotechnical investigation pursuant to General Plan Policy P8-24 and compliance with the above standard condition of approval would ensure that the project result in less than significant erosion impacts.

c. Based on the information available, it does not appear that the housing sites are located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction, or collapse. However, should the geotechnical investigations required pursuant to General Plan Policy P8-24 (identified in checklist questions "a" and "b") present information to the contrary, future development at the housing sites would be required to comply with the recommendations identified in the geotechnical investigations report.

d. The two main soil types at the housing site locations are Oceano loamy sand, 2 to 15 percent slopes, and Elkhorn fine sandy loam, 9 to 15 percent slopes. Neither of these two soil types have expansion properties (Monterey County 1978). Therefore, the housing sites are not located on expansive soil and implementation of the project would not create a substantial or indirect risks to life or property.

e. Each of the housing sites proposed for development connect into the City's existing sanitary sewer system. Development at each housing site would continue to connect into the City's sewer system and, therefore, would not use septic tanks or alternative wastewater disposal systems.

f. There are no known paleontological resources within the City of Carmel-by-the-Sea; the nearest known resource is located in the Point Lobos State Reserve approximately two miles south of the city limits (Monterey County 2023b).

However, it is possible that paleontological resources could be accidentally discovered during construction activities associated with development of the housing sites. Directly or indirectly destroying a unique paleontological site is considered a significant, adverse environmental impact. Implementation of the following mitigation measure would ensure this potential impact would be less than significant.

Mitigation Measure

GEO-1 The following language shall be included on all grading permits: "If paleontological resources are discovered during demolition and earthmoving activities, work shall stop within 100 feet of the find until a qualified paleontologist can assess if the find is unique and, if necessary, develop appropriate treatment measures in consultation with the City's Community Planning and Building Department."

8. GREENHOUSE GAS EMISSIONS

Would the project:

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	☐	☐	☒	☐
b.	Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?	☐	☐	☐	☒

Comments:

a. The city adopted a Climate Action Plan (CAP) in July of 2022. It contains the requisite elements of a plan for reducing GHG emissions as outlined in CEQA Guidelines section 15183.5, including strategies to reduce GHG emissions from new and existing development as needed to meet the GHG reduction targets identified in the CAP for 2030 and 2045. The CAP assesses projected cumulative GHG impacts of activities within the City with GHG reduction measures identified to reduce cumulative impacts to the 2030 and 2045 target levels. The city has since been implementing the CAP as a means of reducing both community and municipal GHG emissions sources.

The emissions projections and reduction measures in the CAP did not, and could not have foreseen the new cumulative growth proposed in the current Housing Element Update or its associated GHG emissions. Stated in the alternative, the proposed project is not consistent with the cumulative growth assumptions in the CAP. As a result, analysis of the proposed project GHG impact, an impact which is inherently cumulative in nature, cannot be streamlined using the CAP as outlined in CEQA Guidelines section 15183.5. GHG impacts are; therefore, assessed using a qualitative approach supported by quantified GHG modeling results as described below.

Analysis Methodology

The significance of GHG emissions from the proposed project is being evaluated based on a methodology which examines mobile source emissions separately from the balance of GHG emissions sources. This methodology looks first at mobile source emissions in the context of vehicle miles travelled (VMT) generated by the project and a quantified threshold of significance for this emissions source as recommended by the California Office of Planning and Research. GHG emissions from other project sources (e.g., electricity, area sources, water, wastewater) are quantified and qualitatively compared to values derived by modifying past quantified thresholds of significance from two adjacent air districts.

This "bifurcated" analysis approach is supported by several published sources. These include: 1) California Office of Planning and Research's *Discussion Draft CEQA and Climate Change Advisory* (December 2018), which discusses CEQA streamlining for GHG impacts by examining VMT effects (mobile source emissions) separately from energy and natural gas sources; 2) California Office of Planning and Research's *Technical Advisory on Evaluating Transportation Impacts in CEQA* (December 2018), which provides guidance on evaluating VMT impacts that affect the state's ability to meet it long-term climate goals; and 3) Association of Environmental Professionals' *Final Whitepaper - Beyond 2020 and Newhall: A Field Guide to New CEQA Greenhouse Gas Thresholds and Climate Action Plan Targets for California* (October 2016), which identifies two hybrid analysis concepts using Senate Bill 375 and Senate Bill 743 that each evaluate transportation (mobile source) GHG emissions separately from non-mobile sources.

Senate Bill 375 was enacted in 2008. Its overall purpose is to reduce GHGs from passenger vehicles by setting regional emissions targets with which local communities can align their land use and transportation policies to help achieve. Senate Bill 743, enacted in 2013, is designed to help achieve state climate policy and sustainability goals. It eliminates traffic delay as an environmental impact under CEQA and instead, requires an assessment of VMT as a basis to encourage development that reduces VMT and associated mobile source GHG emissions.

VMT and Mobile Source GHG Emissions. VMT impacts of the project are discussed in Section 17.0, Transportation. The *VMT Analysis for the Carmel-by-the-Sea Housing Element Update* (Hexagon Transportation Consultants 2023), more fully described in that section, concludes that the VMT impact of implementing individual future housing projects per the Housing Element Update would be less than significant. This conclusion is based on guidance provided by the California Office of Planning and Research for implementing California Senate Bill 743. Refer to Section 17.0 for more information. Given that the project VMT impact is less than significant, the mobile source GHG emissions the project would generate can also be assumed to have a less-than-significant impact.

Non-Mobile Source GHG Emissions. Non-mobile source GHG emissions from construction and operation of the housing units accommodated by the Housing Element Update were estimated using CalEEMod. The detailed CalEEMod modeling results are included as Appendix C.

Construction activity would generate approximately 862.96 metric tons of carbon dioxide equivalent (MT CO_2e) per year. To account for the contribution of construction emissions to the project non-mobile source annual emissions profile, construction emissions are amortized over an assumed 30-year operational timeframe; amortized annual emissions equal 28.8 MT CO_2e per year.

Project operations would generate GHG emissions from energy use (electricity), natural gas use (area source), waste generation, and water use. Projected unmitigated emissions from these sources, as well as amortized construction emissions are summarized in Table 4, Non-Mobile Unmitigated Operational GHG Emissions. Refer to Section 2.5, Operations Emissions by Sector, Unmitigated, of the CalEEMod results included in Appendix C for reference to these emissions volumes.

Table 4 Non-Mobile Unmitigated Operational GHG Emissions

Emissions Sources	GHG Emissions (MT CO_2e)
Area	6.91
Energy	643.13
Water	23.28
Waste	92.34
Refrigerants	0.46
Amortized Construction	28.80
Total	794.92

SOURCE: EMC Planning Group 2023

Lacking the option to utilize the City's CAP to streamline the GHG impact analysis, thresholds of significance from local/regional air districts are referenced here. As previously noted, the air district has not developed GHG thresholds of significance for land use projects. In the absence of this direction, thresholds of significance that were developed by two adjacent air districts – the Bay Area Air Quality Management District (BAAQMD) and the San Luis Obispo Air Pollution Control District (SLOAPCD), are referenced for qualitatively assessing the relative magnitude of non-mobile source emissions from the proposed project.

BAAQMD provided guidance and quantified thresholds of significance for assessing GHG impacts in its *2017 California Environmental Quality Act Air Quality Guidelines*, and as part of that guidance, derived a bright line threshold of 1,100 MT CO_2e/year. Projects that generate a greater volume of GHG emissions per year would be considered to have a significant impact. SLOAPCD did the same in its 2012 CEQA Air Quality Handbook, and derived a bright line threshold of 1,150 MT CO_2e/year. The substantial evidence used by each agency to develop their respective thresholds is included their CEQA guidance documentation. The bright line thresholds were developed to guide new development within each district with the goal of meeting the state's Assembly Bill 32 statewide GHG emissions reduction target of 20 percent below 1990 levels by 2020.

With the subsequent passage of Senate Bill 32 in 2016, the state set a deeper GHG reduction target of 40 percent below 1990 levels by 2030. Consequently, the bright line thresholds identified above are not valid after 2020. Reducing these bright line thresholds by an additional 20 percent, to 880 MT CO_2e/year and 920 MT CO_2e/year, respectively, would approximate bright line values of 40 percent below 1990 levels to meet the state 2030 emissions reduction target. Neither agency has adopted these scaled down values as thresholds of significance, nor has the air district or City adopted either value as such. Rather, as noted above, these values are being used to qualitatively assess the relative magnitude of non-mobile source emissions from the proposed project. The non-mobile source project emissions volume of 794.92 MT CO_2e/year is below both values, which indicates that non-mobile source project emissions should not be considered to have a significant impact.

Given that neither the mobile source GHG emissions or the non-mobile source GHG emissions from the project would be significant, the project would have a less-than-significant impact from generation of GHG emissions.

b. As described in item "a" above, neither the city nor air district have adopted plans for reducing GHG emissions that can be used to streamline the analysis of Housing Element Update project GHG impacts. Consequently, the significance of mobile source GHG impacts is evaluated in the context of state legislation embodied in SB 743, and the non-mobile source GHGs are evaluated in the context of scaled quantified thresholds of significance that had been adopted by adjacent air districts as part of their respective plans for reducing GHG emissions. Because the project impacts are less than significant, the project would have no impact from conflict with VMT regulations designed to reduce mobile source GHG emissions or with the referenced GHG emissions reduction plans.

9. HAZARDS AND HAZARDOUS MATERIALS

Would the project:

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	☐	☐	☐	☒
b.	Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	☐	☐	☒	☐
c.	Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	☐	☐	☐	☒
d.	Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code section 65962.5 and, as a result, create a significant hazard to the public or the environment?	☐	☐	☐	☒
e.	For a project located within an airport land-use plan or, where such a plan has not been adopted, within two miles of a public airport or a public-use airport, result in a safety hazard or excessive noise for people residing or working in the project area?	☐	☐	☐	☒
f.	Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	☐	☐	☐	☒
g.	Expose people or structures, either directly or indirectly, to a significant risk of loss, injury or death involving wildland fires?	☐	☐	☐	☒

Comments:

a. Residential development does not commonly involve the use of acutely hazardous materials of the types that could pose a threat to public health and safety. Similarly, replacement commercial development that could occur on a number of the housing sites is not commonly a source of substantial hazardous materials risk. Therefore, the proposed project would not create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials.

b. Demolition of existing structure can be expected on some of the housing sites. It is possible that existing structures may contain hazardous substances such as asbestos and/or lead materials.

Regulation of hazardous materials and hazardous wastes occurs at the federal, state, and local levels of government. On the federal level, many hazardous materials-related regulations are promulgated by the Environmental Protection Agency. On the state level, the California Environmental Protection Agency, Department of Toxic Substances Control, and Regional Water Quality Control Board (RWQCB) are responsible for overseeing many remediation and monitoring activities performed for sites in California with hazardous materials. Carmel-by-the-Sea is located within the jurisdiction of the Central Coast RWQCB. Regulations pertaining to work place standards and for transportation of hazardous materials are enforced by the State of California Division of Occupational Safety and Health (City of Carmel-by-the-Sea 2009, Environmental Safety Element – p. 8-23). Additionally, the California Department of Industrial Relations Subchapter 4, Construction Safety Orders - Article 4 discusses the requirements for construction sites and construction workers dealing with demolishing buildings that may contain asbestos or lead-based paint.

Compliance with these uniformly applied requirements would be required by the City as part of the development review and building permit processes for individual projects on the housing sites for which demolition activities would occur. Additionally, the following standard condition of approval would be required to reduce impacts involving the potential release of hazardous materials into the environment to a less-than-significant level.

Standard Condition of Approval

18. Prior to the issuance of a demolition permit, the Applicant shall submit a hazardous materials waste survey to the Building Division in conformance with the Monterey Bay Unified Air Pollution Control District.

c. Implementation of the proposed project would not result in the development of uses that could emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste. Additionally, the following four schools are nearest to the City of Carmel-by-the-Sea: Carmel High School, Carmel Middle School, Carmel River Elementary School, and Stevenson School. None of these schools are located within one-quarter mile from the housing sites (Google Earth 2023). Therefore, the proposed project would not emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school.

d. The following lists were reviewed:

- Hazardous Materials Waste and Substances Sites from the Department of Toxic Substances Control EnviroStor Database (Department of Toxic Substances Control 2023);

- Leaking Underground Storage Tank Sites from the State Water Board's GeoTracker Database (State Water Resources Board 2023);
- Solid Waste Disposal Sites Identified by Water Board with Waste Constituents Above Hazardous Waste Levels Outside the Waste Management Unit (California Environmental Protection Agency 2023a);
- "Active" Cease and Desist Order and Cleanup and Abatement Orders from Water Board (California Environmental Protection Agency 2023b); and
- List of hazardous waste facilities subject to corrective action pursuant to Section 25187.5 of the Health and Safety Code, identified by the Department of Toxic Substances Control (California Environmental Protection Agency 2023c).

The project site is not located on any of these lists. The housing site located at the northwest corner of Dolores and Ocean Avenues is located adjacent to, but outside of, a completed and closed case of a leaking underground storage tank (State Water Resources Board 2023).

Therefore, the proposed project is not located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code section 65962.5 and, as a result, would not create a significant hazard to the public or the environment.

e. The City of Carmel-by-the-Sea is located approximately 3.5 miles southwest of the nearest airport, the Monterey Regional Airport. Therefore, none of the housing sites are located within an airport land-use plan or within two miles of a public airport or a public-use airport. Implementation of the proposed project would not result in a safety hazard or excessive noise for people residing or working in the project area.

f. The housing sites are generally located throughout central Carmel-by-the-Sea on vacant or underutilized parcels. Development or redevelopment of these parcels is not expected to result in changes to the street system. The nearest emergency evacuation route from the housing sites is the primary route located on Carpenter Street, four blocks east from housing site #3 (City of Carmel-by-the-Sea 2015). Therefore, development of the housing sites would not impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan.

g. According to the California Department of Forestry and Fire Protection's FHSZ Viewer, none of the housing sites are located within a very high fire hazard severity zone (CalFire 2023). Therefore, development of the housing sites identified within the Housing Element Update would not expose people or structures to a risk of loss, injury or death involving wildland fires.

10. HYDROLOGY AND WATER QUALITY

Would the project:

	Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a. Violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or ground water quality?	☐	☐	☐	☒
b. Substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin?	☐	☐	☒	☐
c. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would:				
(1) Result in substantial erosion or siltation on- or off-site;	☐	☐	☒	☐
(2) Substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site;	☐	☐	☒	☐
(3) Create or contribute runoff water that would exceed the capacity of existing or planned storm water drainage systems or provide substantial additional sources of polluted runoff; or	☐	☐	☒	☐
(4) Impede or redirect flood flows?	☐	☐	☐	☒
d. In flood hazard, tsunami, or seiche zones, risk release of pollutants due to project inundation?	☐	☐	☐	☒
e. Conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan?	☐	☐	☐	☒

Comments:

a. **Construction Water Quality Impacts**. The development and redevelopment of the proposed housing sites would involve soil disturbance associated with site preparation, grading, and in some cases potentially excavation activities. Delivery, handling and storage of construction materials and wastes; equipment refueling; and construction equipment use and maintenance could result in spills of oil, grease, or related pollutants. These activities have potential to cause water quality degradation if eroded soil or other pollutants are carried by storm water into storm water drainage systems and ultimately into downstream water bodies.

City Municipal Code Chapter 17.43, Water Quality Protection Ordinance, intends to protect and enhance the coastal waters in accordance with policies in the City's Local Coastal Plan, the California Coastal Act, and the City's National Pollutant Discharge Elimination System (NPDES) Phase II Permit requirements. Section 17.43.030 requires that during the construction phase of a development project, an erosion and drainage control plan shall be prepared and submitted. The plan shall include a site-specific erosion control plan that includes controls on grading, best management practice for staging, storage, and disposal of construction materials, design specification of sedimentation basins and landscaping/revegetation of graded or disturbed areas. All new development and redevelopment within the City shall comply with the requirements in Chapter 17.43.

Although no development is proposed at this time, required compliance of future development with the NPDES water quality standards identified in the City's Municipal Code and the City's standard conditions of approval would ensure that applicable water quality standards are met. Therefore, construction activities associated with developing the housing sites would not violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or ground water quality.

Standard Conditions of Approval

29. Prior to the issuance of a building permit, the Applicant shall submit for review and approval by the Community Planning & Building and Public Works Departments a drainage plan that meets the requirements of the City's drainage guidance, SOG [Standard Operating Guidance] 17-07. At a minimum, new and replaced impervious area drainage must be dispersed around the site rather than focused on one corner of the property; infiltration features must be sized appropriately and located at least 6 feet from neighboring properties. The drainage plan shall include information on drainage from new impervious areas and semi-pervious areas;

32. Prior to issuance of a building permit, the Applicant shall submit for review and approval by the Community Planning & Building and Public Works Departments an erosion and sediment control plan that includes locations and installation details for erosion and sediment control BMPs, material staging areas, and stabilized access; and

37. Prior to the issuance of a building permit, the Applicant shall submit a Construction Management Plan for review and approval by the Community Planning & Building Director.

Post-Construction Water Quality Impacts.

Development is widely regarded as a leading cause of surface water pollution resulting from altering watershed hydrology and introducing urban pollutants. The proposed project could result in the change in surface conditions at one or more of the individual housing site locations from pervious to impervious features. This type of change in surface conditions could increase storm water runoff during project operations relative to existing conditions where a portion of storm water currently percolates through exposed

soil back to groundwater. Increases in the rate or volume of storm water delivered into receiving waters can cause erosion of downstream drainage courses, termed "hydromodification," which generates additional sediment that further degrades water quality.

Chapter 17.43 of the City Municipal Code requires that all projects be designed to control post-development peak runoff rates and average volumes to maintain or reduce pre-development downstream erosion rates. Section 17.43.030.A.2, Application Submittal Requirements, requires that the post-construction plans detailing how stormwater and polluted runoff will be managed or mitigated should be included in the design of all projects that require an erosion and drainage control plan. Project submittals shall include details regarding how the project will use appropriate site design and source control best management practices to minimize adverse effects of the project on water quality. Section 17.43.030.D requires that all projects that require an erosion and drainage control plan provide plans detailing how the project will use appropriate site design and source control best management practices to minimize adverse effects of the project on water quality.

The proposed project does not include any specific development at this time; therefore, future, individual projects will be required to comply with the post-construction-related regulations identified in City Municipal Code Chapter 17.43 to ensure that applicable water quality standards are met. Therefore, post-construction activities associated with developing the housing sites would not violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or ground water quality.

b. **Groundwater Supplies.** According to the Groundwater Basin Boundary Assessment Tool by the Department of Water Resources, the City of Carmel-by-the-Sea is located adjacent to, but outside of, the Carmel Valley Groundwater Basin (Department of Water Resources 2023). Carmel-by-the Sea receives its water from the California-American Water Company (Cal-Am) Central Division who pumps its water from several local water sources: groundwater from the Carmel River Aquifer, Seaside Groundwater Basin, Aquifer Storage and Recovery, indirect portable reuse from Pure Water Monterey, and desalinated water from Sand City. The majority of water received in the City is from the Carmel River and the Seaside Groundwater Basin (City of Carmel-by-the-Sea 2023b).

According to the Monterey Peninsula Water Management District's Technical Memorandum dated June 1, 2023, the City requires at least 46 acre-feet of water to meet the needs of the City's RHNA plus the 17 percent buffer included in the Housing Element Update and evaluated in this initial study (i.e., total of 410 housing units). The memorandum is included as Appendix E.

Future development of the housing sites will be required to comply with Chapter 15.28, Water Conservation, of the City's Municipal Code, whose intent is to control unnecessary consumption of the available water supplies on the Monterey Peninsula by requiring the use of water-saving devices in the construction of improvements. Compliance with Section 17.50.020, Water Conservation, is also required for future development as it

establishes uniform standards for water conservation (by way of pumping fixtures and landscape standards) and provides guidance on the manner in which conserved water is to be used within the City's total water management program.

Many of the housing sites are developed with existing businesses or residences that currently use water. It would be speculative at this time to document the existing water use at each site and whether future redevelopment of those sites would result in the need for more or less water supply, as there are currently no development plans to evaluate. Therefore, as development applications are received on the housing sites, City staff will evaluate the application to determine if additional water supply is required, and if it is available to the project.

Implementation of the following standard condition of approval would be required by future applicants requesting to develop the housing sites to ensure that the proposed project would not decrease groundwater supplies such that the project would impede sustainable groundwater management of the basin. Refer to Section 19.0, Utilities and Service Systems, checklist question "b" for a more detailed discussion on water supplies.

Standard Condition of Approval

4. Approval of this application does not permit an increase in water use on the project site without adequate supply. Should the Monterey Peninsula Water Management District determine that adequate water is unavailable for this site, this permit will be scheduled for reconsideration, and appropriate findings will be prepared for review and adoption by the Planning Commission

Groundwater Recharge. Development at the housing sites could result in changes to surface conditions reducing the amount of pervious area and thereby interfering with groundwater recharge. However, as discussed in checklist question "a" above, project submittals are required to include details regarding how the project will use appropriate site design and source control best management practices to minimize adverse effects of the project on water quality. There are several types of treatment control best management practices that encourage groundwater recharge for new development such as infiltration basins and trenches, bioretention cells, landscape, etc. Implementation of such practices would reduce the project's potential impacts on interfering with groundwater recharge to a less-than-significant level.

c. **Erosion**. Refer to Section 7.0, Geology and Soils, checklist question "b."

Flooding and Runoff. As previously discussed in checklist question "a" above, the proposed project could result in the change in surface conditions at one or more of the individual housing site locations from pervious to impervious features. This type of change in surface conditions could increase storm water runoff relative to existing conditions where a portion of storm water currently percolates through exposed soil back to groundwater. Increases in the rate or volume of storm water runoff could contribute to localized flooding if stormwater infrastructure is not designed or sized to accommodate the increased flows. Section 17.43.030.B of the City Municipal Code requires that all

development that requires an erosion and drainage control plan (such as the future development proposals for the housing sites) shall implement appropriate site design and source control best management practices to minimize post-construction polluted runoff. Additionally, Section 17.43.080 of the City's Municipal Code states that in order to mitigate the increased runoff rates from single-family residences due to new impervious surfaces, new and remodel projects which need an erosion and drainage control plan (such as the future development proposals for the housing sites) shall include design elements which accommodate on-site percolation, retention or collection of stormwater runoff such that the peak runoff rate after development either meets the 85th percentile storm event criterion or does not exceed predevelopment runoff levels to the maximum extent practicable. Runoff that will come from the project site must meet the applicable requirements contained in the City's Low Impact Design Guidelines Manual.

Compliance with the regulations provided in the City's Municipal Code and implementation of the below standard condition of approval would ensure that flooding and runoff impacts that could occur from future development altering existing drainage patterns of the site or area would be less than significant.

Standard Condition of Approval

29. Prior to the issuance of a building permit, the Applicant shall submit for review and approval by the Community Planning & Building and Public Works Departments a drainage plan that meets the requirements of the City's drainage guidance, SOG 17-07. At a minimum, new and replaced impervious area drainage must be dispersed around the site rather than focused on one corner of the property; infiltration features must be sized appropriately and located at least 6 feet from neighboring properties. The drainage plan shall include information on drainage from new impervious areas and semi-pervious areas.

Flood Flows. None of the housing sites are located within a flood hazard zone (FEMA 2023); therefore, the impediment or redirecting of flood flows would not be of concern in relation to development of the housing sites.

d. None of the housing sites are located within a flood hazard zone (FEMA 2023), within a tsunami hazard area (California Department of Conservation 2023), nor a seiche zone. Therefore, development of the housing sites would not risk release of pollutants due to project inundation.

e. The City of Carmel-by-the-Sea is not located within a groundwater basin (Department of Water Resources 2023) and receives the majority of its water from the Carmel River and the Seaside Groundwater Basin (City of Carmel-by-the-Sea 2023b), neither of which has a groundwater sustainability plan. Therefore, development of the housing sites would not conflict with or obstruct implementation of a sustainable groundwater management plan.

The *Water Quality Control Plan for the Central Coastal Basin* June 2019 Edition (Basin Plan) is the Central Coast Regional Water Quality Control Board's master water quality control planning document. The Basin Plan describes how the quality of surface water and

groundwater in the Central Coast Region should be managed to provide the highest water quality reasonably possible. The Central Coast Regional Water Quality Control Board implements the Basin Plan by issuing and enforcing waste discharge requirements to individuals, communities, or businesses whose waste discharges can affect water quality. These requirements can be either State Waste Discharge Requirements for discharges to land, or federally delegated NPDES permits for discharges to surface water.

City Municipal Code Chapter 17.42, Stormwater Quality and Utility, requires that new development and redevelopment projects comply with the City's low impact development requirements, which is in conformance with the NPDES Phase II permit, to control the volume, rate, and potential pollutant load of stormwater runoff to minimize generation, transport, and discharge of pollutants. Therefore, future development associated with the proposed project must be designed consistent with regulations promulgated by the Central Coast Regional Water Quality Control Board to protect water quality consistent with the goals of the Basin Plan. Therefore, the proposed project would not conflict with or obstruct implementation of the water quality control plan.

11. LAND USE AND PLANNING

Would the project:

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Physically divide an established community?	☐	☐	☐	☒
b.	Cause any significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect?	☐	☐	☒	☐

Comments:

a. The proposed project plan for development of future residential units throughout the City of Carmel-by-the-Sea and updates to the City's Safety Element based on various legislative updates associated with safety hazards. As discussed in the project description, updates to the Safety Element are not expected to involve any physical changes. Therefore, neither of these two components of the project would result in physically dividing an established community.

b. Section 3.0, Air Quality, states that the project's population increase would exceed the population projections upon which the air quality management emissions forecasts are based. However, despite this conflict with the air quality plan, the project would not result in significant impacts to air quality and, therefore, would not result in a significant air quality impact.

As discussed in Section 4.0, Biological Resources, there are no critical habitat boundaries, habitat conservation plans, natural community conservation plans, or other approved local, regional, or state habitat conservation plans applicable to the proposed project site. The project, as mitigated, would reduce the potential adverse impact on the Monarch butterfly, Obscure and Western bumble bees, bats, nesting birds and raptors during construction of the proposed project.

Section 8.0, Greenhouse Gas Emissions, concludes that the project would have no impact from conflict with VMT regulations designed to reduce mobile source GHG emissions or with the referenced GHG emissions reduction plans.

As concluded in Section 10.0, Hydrology and Water Quality, the proposed project would not conflict with an adopted groundwater sustainability plan or groundwater basin plan.

As discussed in Section 13.0, Noise, compliance with the applicable General Plan policies and County Code requirements would ensure less than significant impacts associated with reducing exposures to unacceptable noise due to project construction.

Section 17.0, Transportation, concludes that compliance with the applicable General Plan policies related to the City's circulation system and the future applicant's payment of the regional traffic impact fee would offset any potential impacts the project could have to the circulation system and, therefore, would not conflict with a program, plan, ordinance, or policy addressing the circulation system.

12. MINERAL RESOURCES

Would the project:

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Result in loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	☐	☐	☐	☒
b.	Result in the loss of availability of a locally important mineral resource recovery site delineated in a local general plan, specific plan, or other land-use plan?	☐	☐	☐	☒

Comments:

a, b. According to the U.S. Geological Survey's Mineral Resources Online Spatial Data, there are no mineral resources within the City of Carmel-by-the-Sea (U.S. Geological Survey 2023). Therefore, implementation of the proposed project would not result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state nor would it result in the loss of availability of locally important mineral resource recovery site delineated in a local general plan, specific plan, or other land-use plan.

13. NOISE

Would the project result in:

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or in applicable standards of other agencies?	☐	☐	☒	☐
b.	Generation of excessive ground-borne vibration or ground borne noise levels?	☐	☐	☒	☐
c.	For a project located within the vicinity of a private airstrip or an airport land-use plan or, where such a plan has not been adopted, within two miles of a public airport or public-use airport, expose people residing or working in the project area to excessive noise levels?	☐	☐	☐	☒

Comments:

a. **Temporary – Construction Noise**. Future development at each of the housing sites would result in a temporary increase in ambient noise levels in the vicinity of the project. However, because there are no specific development plans included as part of the project, it would be speculative to predict noise levels, locations, or time periods for construction of such projects, or construction noise at adjacent properties. Nonetheless, at the time future development is proposed at any of the housing sites, the regulations identified within Chapter 8.56, Noise Regulation, of the City Municipal Code shall be followed. According to Chapter 8.56, Noise Regulation, of the City Municipal Code, construction noises (also known as Class B Noise) are not allowed between the hours of 6:30pm and 8am.

Future development will also be required to comply with General Plan Noise Element Policies P9-4 ensuring that construction activities are managed to minimize overall noise impacts on surrounding land uses and Policy P9-17, which states the enforcement of state laws regarding un-muffled or improperly muffled motor vehicles.

Compliance with the City's Municipal Code and General Plan policies would ensure that development at the housing sites would result in less than significant temporary noise increases.

Permanent – Operational Noise. Exiting sensitive noise receptors could be affected by buildout of operational noise occurring onsite at properties developed or redeveloped under the proposed project. Noise generated by onsite activities for the new residential

development would be subject to the City's noise regulations contained in Chapter 8.56 of the Municipal Code. Additionally, future development at the housing sites would be required to comply with General Plan Noise Element Policy P9-8, which requires that all new residential, commercial, and mixed-use proposals, including condominium conversions, apply the noise and land use compatibility standards shown in Table 9.2 of the Noise Element. Compliance with these regulations would reduce potential onsite noise impacts to a less-than-significant level.

Development facilitated by the proposed project would also result in increased offsite operational noise levels such as the potential for additional vehicle trips on roadways within the City. However, future development at the housing sites would each be required to comply with the City's General Plan Noise Element Policy P9-9, which requires acoustical reports and evaluation of noise mitigation measures for projects that would substantially increase noise.

Compliance with the above-mentioned regulations and policies, as well as implementation of the noise mitigation in the acoustical report, would ensure that development at the housing sites would result in less than significant permanent noise increases.

b. The dominant sources of man-made vibration are sonic booms, blasting, pile driving, pavement breaking, demolition, diesel locomotives, and rail-car coupling. None of these activities are anticipated to occur with construction or operation of the proposed Housing Element Update, with the exception of pavement breaking and demolition of on-site structures, as well as possible pile driving. Vibration from construction activities could be detected at the closest sensitive land uses, some of which are located adjacent to housing site locations, especially during movements by heavy equipment or loaded trucks and during some paving activities.

As discussed in checklist question "a" above, construction noises (which includes vibration-related activities) are not allowed between the hours of 6:30pm and 8am pursuant to Chapter 8.56, Noise Regulation, of the City Municipal Code. Vibration-related activities associated with development of the proposed project would be required to remain within the abovementioned time period. In addition, future development at the housing sites would each be required to comply with the City's General Plan Noise Element Policy P9-9, which requires acoustical reports and evaluation of noise mitigation measures for projects that would substantially increase noise. Acoustical reports typically evaluate vibration impacts for proposed projects and, therefore, would provide mitigation measures to reduce significant impacts associated with potential vibration activities.

Compliance with the City's Municipal Code Chapter 8.56 and General Plan Policy P9-9, as well as implementation of the vibration mitigation impacts in the acoustical report, would ensure that the impacts associated with the generation of excessive ground-borne vibration or ground borne noise levels during implementation of the project would be less than significant.

c. The nearest airport to the proposed housing sites is the Monterey Regional Airport, which is located approximately 3.5 miles northeast. Therefore, the project is not located within the vicinity of a private airstrip, an airport land-use plan, or within two miles of a public airport or public-use airport and would not expose people residing or working in the project area to excessive noise levels.

14. POPULATION AND HOUSING

Would the project:

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Induce substantial unplanned population growth in an area, either directly (e.g., by proposing new homes and businesses) or indirectly (e.g., through extension of roads or other infrastructure)?	☐	☐	☐	☒
b.	Displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere?	☐	☐	☐	☒

Comments:

a. The proposed project would result in new residential development and an increase in population in Carmel-by-the-Sea; the project anticipates an increase in approximately 734 residents. This growth is being planned for as part of this environmental analysis. Therefore, the environmental impacts associated with this growth is evaluated throughout this initial study.

b. Only one of the housing site locations currently includes residential uses (Site #18) and the proposed project plans for 410 new housing units. Therefore, implementation of the Housing Element Update would not displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere.

15. PUBLIC SERVICES

Would the project result in substantial adverse physical impacts associated with the provision of or need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for any of the following public services:

	Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a. Fire protection?	☐	☐	☐	☒
b. Police protection?	☐	☐	☒	☐
c. Schools?	☐	☐	☒	☐
d. Parks?	☐	☐	☒	☐
e. Other public facilities?	☐	☐	☒	☐

Comments:

a. The Monterey Fire Department staffs the Carmel Fire Department to protect the lives and property of residents, businesses, and visitors for the City of Carmel-by-the-Sea (City of Carmel-by-the-Sea 2023) through a contractual agreement to provide mutual and automatic aid to each other on an as-needed basis (City of Carmel-by-the-Sea 2009). The Carmel Fire Department (Station #15) is located on 6th Avenue between Mission Street and San Carlos Street.

The proposed project would result in the increase in population, which would increase the demand on fire services and could result in the need for new or physically altered facilities, the construction of which could cause significant environmental impacts. However, the Monterey Fire Chief indicates that based on the current capacity of the crew stationed in Carmel-by-the-Sea, there will not be a need to increase staffing or add to the facilities to handle this increase in population (Gaudenz Panholzer, email message, August 4, 2023).

b. The City Police Department is responsible for law enforcement and crime prevention within the City of Carmel-by-the-Sea. The City Police Department is located on southeast corner of Junipero Street and 4th Avenue.

The proposed project would result in the increase in population, which would increase the demand on police protection services and could result in the need for new or physically altered facilities, the construction of which could cause significant environmental impacts. However, according to the Police Chief, the City Police

Department is currently exploring a building renovation to meet these exact needs and allow the City Police Department to meet future standards (Jeff Watkins, email message, July 31, 2023).

Building renovations and small building expansions are generally exempt from CEQA due to their minimal environmental impacts. Therefore, the environmental effects from physical impacts to the City Police Department facilities resulting from the proposed project would be less than significant.

c. The students generated by the proposed project would be served by the schools within the Carmel Unified School District. This increase in students would increase the demand on the Carmel Unified School District and could result in the need for new or physically altered facilities, the construction of which could cause significant environmental impacts.

Discussions with the Carmel Unified School District staff members indicated that they don't have a recent student generation rate that can be used to estimate the number of students that could be generated by the proposed project. Children living in Carmel-by-the-Sea would attend Carmel River Elementary School, Carmel Middle School, and Carmel High School.

Buildout of the Housing Element Update is anticipated within eight years. Therefore, it is conservatively assumed that implementation of the proposed project would result in the need for new or physically altered facilities, the construction of which could cause significant environmental impacts (Sharon Ofek, zoom meeting, August 8, 2023).

In accordance with Senate Bill 50, the project developers for the housing sites would be required to pay development impact fees to the school district at the time of the building permit issuance for each individual housing site. The school district would use collected funds towards new facilities to offset any impacts associated with new development. Pursuant to California Government Code Section 65996, payment of these fees is deemed to fully mitigate cumulative CEQA impacts of new development on school facilities. Therefore, payment of state-mandated impact fees would reduce potential impacts on school facilities to a less-than-significant level.

d, e. Due to the proposed project's increase in population, an increase in the use of nearby parks and other facilities may occur. The General Plan does not include a policy requiring a minimum amount of park acreage per resident. Other cities have an adopted standard of providing 3-5 acres of neighborhood and community parks for every 1,000 residents. By this standard, Carmel-by-the-Sea exceeds the acreage for meeting the parkland needs of its residents due to its approximately 138 acres of parks and open space. Additionally, as stated within the General Plan Public Facilities and Services Element, public recreational facilities include the beach (City of Carmel-by-the-Sea 2009). Therefore, the proposed project would not result in significant impacts associated with requiring physical changes to existing, or requiring new, parkland areas.

16. RECREATION

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	☐	☐	☒	☐
b.	Does the project include recreational facilities or require the construction or expansion of recreational facilities, which might have an adverse physical effect on the environment?	☐	☐	☒	☐

Comments:

a, b. The proposed project is the implementation of the City's 6th Cycle 2023-2031 Housing Element, which would result in an increase in population and could also result in the increased use of existing parks or other recreational facilities within the City of Carmel-by-the-Sea.

A variety of different parklands and recreational facilities are provided by the City of Carmel-by-the-Sea to serve the needs of the community. Parks include community parks, beach parks, and small mini-parks. Refer back to Section 15.0, Public Services, checklist question "d, e" for more information on potential impacts the proposed project could have on the City's parks and recreational facilities.

17. TRANSPORTATION

Would the project:

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Conflict with a program, plan, ordinance, or policy addressing the circulation system, including transit, roadway, bicycle and pedestrian facilities?	☐	☐	☐	☒
b.	Conflict or be inconsistent with CEQA guidelines section 15064.3, subdivision (b)?	☐	☐	☒	☐
c.	Substantially increase hazards due to a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	☐	☐	☐	☒
d.	Result in inadequate emergency access?	☐	☐	☐	☒

Comments:

a. Some of the housing sites are located within the Single-Family (R-1) Zoning District and the General Plan Circulation Element Policy P2-3 prohibits the construction of formal sidewalks and concrete curbs in the R-1 district. Therefore, these housing sites do not have pedestrian facilities present. According to Figure 2-2 of the General Plan Circulation Element and the location of the housing sites, bike routes are only located on the streets fronting some of the sites (e.g., bike routes are present on San Carlos Avenue and 8th Avenue but not in other locations where housing sites are located). Bus routes are located throughout the City and are within walking distance to all housing sites proposed.

According to the General Plan Circulation Element, many of the downtown streets and intersections in the commercial district carry traffic volumes that exceed their design capacity as a result of externally-generated traffic associated with visitors and tourists. For this reason, and for the growing population of the City, General Plan Circulation Element Policy P2-16 requires the limitation of distribution, character and intensity of land uses that generate increased levels of traffic beyond the capacity of the existing street system. The City also established a regional development impact fee for the purpose of paying for regional transportation improvement projects needed to meet increased demand created by traffic resulting from new development. This payment is required by the applicant prior to issuance of a building permit.

Implementation of the proposed project would be subject to and implement General Plan policies applicable to transit, bicycle, and pedestrian facilities. Additionally, future development projects under the proposed project would be subject to all applicable City guidelines, standards, and specifications related to transit, bicycle, or pedestrian facilities.

Any modifications or new transit, bicycle, and pedestrian facilities would be subject to and designed in accordance with all applicable General Plan policies. In particular, Circulation Element Policies P2-3 and P2-16 identified previously as well as Policy P2-14, which states to design and construct, where appropriate, roadway improvements which eliminate adverse impacts of high volume through traffic, and Objective O2-5, which requires that all new developments provide sufficient off-street parking facilities.

Because implementation of the proposed project would be subject to all applicable City guidelines, standards, and specifications, as well as pay the regional impact fee, the proposed project would not conflict with adopted policies, plans, or programs for transit, bicycle, or pedestrian facilities.

b. Hexagon Transportation Consultants prepared a memorandum (*VMT Analysis for the Carmel-by-the-Sea Housing Element Update* ("VMT analysis"), dated August 28, 2023 for the proposed project to determine whether the project would result in a significant vehicle miles traveled (VMT) impact.

The City of Carmel-by-the-Sea has not adopted a VMT policy and, therefore, the general practice is to follow the Governor's Office of Planning and Research (OPR)'s *Technical Advisory on Evaluating Transportation Impacts in CEQA*. Per these guidelines, there are several categories of projects that could be presumed to have a less than significant VMT impact, or be screened out of a VMT analysis.

Screening Threshold for Small Projects (projects that generate or attract fewer than 110 trips per day generally may be assumed to cause a less than significant transportation impact) - The VMT analysis states that the housing sites proposed included moderate- or above moderate-income levels that would generally have residential capacities that are below 12 units per site. Hexagon Transportation Consultants tested the daily project trip generation for various potentially applicable land use categories and determined that each individual housing site with moderate- and above moderate-income level housing would not generate more than 110 trips per day. Therefore, all of these housing sites are presumed to generate a less than significant VMT impact.

Presumption of Less Than Significant Impact for Affordable Residential Development (100 percent affordable residential development in infill locations may be presumed to cause a less-than-significant transportation impact) - As stated in the VMT analysis, most of the remaining housing sites include exclusively affordable housing residential capacity. The residential capacity for hospitality employee housing would also be categorized as very low- and low-income level housing. Per OPR guidelines, all of these sites would thus be presumed to cause a less than significant transportation impact.

Map-Based Screening for Residential Projects (residential projects that are located in areas with low VMT, and that incorporate similar features (i.e., density, mix of uses, transit accessibility), will tend to exhibit similar low VMT, and may be screened out of needing to prepare a detailed VMT analysis) - The VMT analysis concludes that because all areas of the City are located in low VMT areas, per the OPR guidelines, all housing sites can be presumed to generate less than significant VMT.

The VMT analysis states that while all housing sites can be presumed to have a less than significant VMT impact, a quantitative VMT analysis is also required to determine the VMT effects of the proposed project as a whole, assuming buildout of all housing sites. Based on the quantitative analysis prepared, the VMT analysis concluded that the VMT threshold for the proposed residential developments would be 9.6 daily miles traveled, which is less than the County average daily residential VMT per capita of 11.3. Therefore, the proposed project at a plan level would generate a less than significant VMT impact.

c. Subsequent projects under the proposed project, including any new roadway, bicycle, or pedestrian infrastructure improvements would be subject to, and designed in accordance with, City standards and specifications that address potential design hazards including sight distance, driveway placement, and signage. Additionally, any new transportation facilities, or improvements to such facilities associated with subsequent projects, would be constructed based on industry design standards and best practices consistent with the City's zoning code, building design, and inspection requirements. Therefore, the proposed project would not result in a design feature that would increase hazards.

d. There are no development projects proposed at this time; therefore, specific housing sites developed under the proposed project cannot be analyzed for adequacy of emergency access. However, the City maintains the roadway network that provides access to new development sites in accordance with industry design standards, which ensures that the physical network would be free of obstructions to emergency responders. Emergency access to new development sites proposed under the project would be subject to review by the City and responsible emergency service agencies, thus ensuring the projects would be designed to meet all emergency access and design standards. General Plan Circulation Element Policy P2-1, in part, requires that changes to street configurations do not conflict with emergency vehicle access requirements and/or the requirements of the Emergency Operations Plan (most current version adopted in 2021).

Based on the above considerations, adequate emergency access would be provided to the housing sites.

18. TRIBAL CULTURAL RESOURCES

Would the project:

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code section 21074 as either a site, feature, place, or cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is:				
(1)	Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources code section 5020.1(k), or	☐	☐	☐	☒
(2)	A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1. In applying the criteria set forth in subdivision (c) of Public Resource Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe.	☐	☐	☐	☒

Comments:

a. The City sent out letters to Native American tribes traditionally and culturally affiliated with the City of Carmel-by-the-Sea on March 9, 2023 asking if any request AB 52 consultation. The City received one response from the Esselen Tribe of Monterey County on March 12, 2023 requesting consultation and the City has met with the tribal leader in person and been in communication via email with other leaders of the Tribe. The City has continued their efforts to consult and meet with the Tribe since late May 2023, with no response back from the Tribe as of October 2, 2023 (Marnie Waffle, email message, October 2, 2023).

19. UTILITIES AND SERVICE SYSTEMS

Would the project:

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Require or result in the relocation or construction of new or expanded water, wastewater treatment, storm water drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects?	☐	☐	☒	☐
b.	Have sufficient water supplies available to serve the project and reasonably foreseeable future development during normal, single-dry and multiple-dry years?	☐	☐	☒	☐
c.	Result in a determination by the wastewater treatment provider, which serves or may serve the project that it has inadequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	☐	☐	☐	☒
d.	Generate solid waste in excess of State or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals?	☐	☐	☐	☒
e.	Comply with federal, state, and local management and reduction statutes and regulations related to solid waste?	☐	☐	☐	☒

Comments:

a. Carmel-by-the-Sea is served by existing water, wastewater, storm water drainage, electric power, natural gas, and telecommunications facilities. Reasonably foreseeable development resulting from implementation of the proposed project would increase demand and may require new or expanded facilities.

It would be speculative at this time to determine the impacts related to the construction of new, or expansion of existing, such facilities. Impacts from any infrastructure improvements required by new development associated with the project would be further analyzed under separate CEQA review when determinations are made on the type, scope, and location of the infrastructure improvements. If required, utilities would be installed during each individual project construction and would not result in significant environmental effects beyond those identified throughout this initial study.

Therefore, the proposed project would not require or result in the relocation or construction of new or expanded water facilities, the construction or relocation of which could cause significant environmental effects beyond those already identified throughout this EIR.

b. Carmel-by-the Sea receives its water from the California-American Water Company (Cal-Am) Central Division who pumps its water from several local water sources: groundwater from the Carmel River Aquifer, Seaside Groundwater Basin, Aquifer Storage and Recovery, indirect portable reuse from Pure Water Monterey, and desalinated water from Sand City. The majority of water received in the City is from the Carmel River and the Seaside Groundwater Basin (City of Carmel-by-the-Sea 2023b).

Cal-Am's *Final Urban Water Management Plan* (UWMP) (June 2021) provides several tables illustrating normal, single- and five consecutive-dry year water supply and demands to determine the total available supply. The supply from the Carmel River Aquifer, Seaside Groundwater Basin, Sand City Desalination Plant, and Monterey Peninsula Water Supply Project (MPWSP) Desalination Plant (anticipated to be operational by 2030) are all anticipated to be reliable and provide their contractual or design supply in all year types. Until the MPWSP Desalination Plant is online, it is expected that demands will need to be constrained through the enaction of the Water Shortage Contingency Plan (California-American Water Company 2021, p. E-4). As described in the UWMP, the Water Shortage Contingency Plan is used to provide guidance to the Monterey County District's governing body, staff, and the public by identifying response actions to allow for efficient management of any water shortage with predictability and accountability. It provides the tools to maintain reliable supplies and reduce the impacts of supply interruptions due to extended drought or catastrophic supply interruptions.

The water demand for the UWMP was calculated based on regional population growth projections available prior to the release of AMBAG's current RHNA. The RHNA would result in more residential units within Cal-Am's service area than what was considered in the UWMP. According to the Monterey Peninsula Water Management District's Technical Memorandum dated June 1, 2023, the City requires at least 46 acre-feet of water to meet the needs of the City's RHNA plus the 17 percent buffer included in the Housing Element Update and evaluated in this initial study (i.e., total of 410 housing units).

Many of the housing sites are developed with existing businesses or residences that currently use water. It would be speculative at this time to document the existing water use at each site and whether future redevelopment of those sites would result in the need for more or less water supply, as there are currently no development plans to evaluate. Therefore, as development applications are received on the housing sites, City staff will evaluate the application to determine if additional water supply is required, and if it is available to the project.

The Housing Element Update indicates that almost half of the housing anticipated would be moderate, low-, or very low-income housing. Section 17.50.040.A of the City

Municipal Code states that projects involving no net increase in water use or that will create new housing affordable to moderate, low-or very low-income households may be accepted and processed without regard to water allocations.

Implementation of the following standard condition of approval would be required by future applicants requesting to develop the housing sites to ensure that there would be sufficient water supplies available to serve each individual project and reasonably foreseeable future development during normal, single-, and multiple-dry years.

Standard Condition of Approval

4. Approval of this application does not permit an increase in water use on the project site without adequate supply. Should the Monterey Peninsula Water Management District determine that adequate water is unavailable for this site, this permit will be scheduled for reconsideration, and appropriate findings will be prepared for review and adoption by the Planning Commission

c. The Carmel Area Wastewater District serves the wastewater treatment needs for Carmel-by-the-Sea. The Carmel Area Wastewater District recently completed a rehabilitation project at the wastewater treatment plant to renew existing infrastructure that was originally installed in the 1970s and 1980s. The wastewater treatment plant has a permitted capacity of 3.0 million gallons per day (MGD).

The Carmel Area Wastewater District uses a wastewater generation rate of 100 gallons per day (GPD) per residential unit. Therefore, the Housing Element Update is projected to generate 40,000 GPD of wastewater. The wastewater treatment plant currently has the capacity and ability to take on the project's generation of wastewater (Barbara Buikema, email message, September 13, 2023). Therefore, the proposed project would not result in a determination by the wastewater treatment provider that it has inadequate capacity to serve the project's projected demand in addition to the provider's existing commitments.

d, e. The solid waste needs of the City of Carmel-by-the-Sea are served by ReGen Monterey, formerly the Monterey Regional Waste Management District, located at 14201 Del Monte Boulevard in Marina. The ReGen Monterey property includes the Monterey Peninsula Landfill, which collects the solid waste (ReGen Monterey 2023). The Monterey Peninsula Landfill has a maximum permitted capacity of 49.7 million cubic yards (CalRecycle 2023a).

The proposed project would generate approximately 11,670 pounds of solid waste per day (734 residents x 15.9 pounds of solid waste per person per day) (CalRecycle 2023b), or approximately 6.9 cubic yards of solid waste per day. Many of the housing sites are proposed on currently developed properties, whose solid waste needs are already served by the landfill. The housing sites proposed on vacant properties would be new solid waste being served by the landfill. Nonetheless, the Monterey Peninsula Landfill has sufficient capacity to serve the solid waste needs of the proposed project and would comply with federal, state, and local management and reduction statutes and regulations related to solid waste.

20. WILDFIRE

If located in or near state responsibility areas or lands classified as very high fire hazard severity zones, would the project:

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Substantially impair an adopted emergency response plan or emergency evacuation plan?	☐	☐	☐	☒
b.	Due to slope, prevailing winds, and other factors, exacerbate wildfire risks, and thereby expose project occupants to pollutant concentrations from a wildfire or the uncontrolled spread of wildfire?	☐	☐	☐	☒
c.	Require the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment?	☐	☐	☐	☒
d.	Expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes?	☐	☐	☐	☒

Comments:

According to the California Department of Forestry and Fire Protection's FHSZ Viewer, none of the housing sites are located within a state responsibility area or within a very high fire hazard severity zone (CalFire 2023); however, the sites are located near state responsibility areas, which border the city. Housing sites #3, #4, and #11 are located nearest to the city border, and therefore are located nearest to the state responsibility area.

a. The proposed project involves the development of housing sites generally throughout central Carmel-by-the-Sea on vacant or underutilized parcels. The nearest emergency evacuation route from the housing sites is the primary route located on Carpenter Street, four blocks east from housing site #3 (City of Carmel-by-the-Sea 2015). Therefore, the City's emergency evacuation routes would not be impaired by implementation of the proposed project.

b. Housing sites #3, #4, and #11 each slope southwest towards the ocean. These slopes could increase the speed and intensity of wildfires exacerbating wildfire risks. However, development of housing sites #3, #4, #11, or any of the housing sites identified in the Housing Element Update, would not exacerbate wildfire risks and thereby expose people to pollutant concentrations from a wildfire or the uncontrolled spread of wildfires.

c. The Housing Element Update involves the development of housing on vacant and underutilized parcels within the developed City of Carmel-by-the-Sea. Each of the housing sites have the ability to connect into the City's existing water and wastewater lines and have access to existing overhead electricity power lines. Therefore, implementation of the Housing Element Update would not require the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment.

d. The City's Environmental Safety Element Figure 8.2, Areas Prone to Landslide, illustrates the locations within Carmel-by-the-Sea that are susceptible to landslide hazards. None of the housing sites are located within the areas identified on Figure 8.2. Development of the housing sites identified in the Housing Element Update would not expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes.

21. MANDATORY FINDINGS OF SIGNIFICANCE

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Does the project have the potential to substantially degrade the quality of the environment; substantially reduce the habitat of a fish or wildlife species; cause a fish or wildlife population to drop below self-sustaining levels; threaten to eliminate a plant or animal community; substantially reduce the number or restrict the range of an endangered, rare, or threatened species; or eliminate important examples of the major periods of California history or prehistory?	☐	☒	☐	☐
b.	Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)	☐	☐	☒	☐
c.	Does the project have environmental effects, which will cause substantial adverse effects on human beings, either directly or indirectly?	☐	☐	☒	☐

Comments:

a. As discussed in Section 4.0, Biological Resources, Mitigation Measures BIO-1 through BIO-5 would reduce the potential adverse impact on the Monarch Butterfly, Obscure and Western Bumble Bees, bats, and nesting birds and raptors during construction of the proposed project to a less-than-significant level.

As described in Section 5.0, Cultural Resources, some of the housing sites are listed on the *Carmel Inventory of Historic Resources Database*. Future applications for development on these sites would require additional review at the application submittal stage of the permit process and the applicants would be required to incorporate any changes to the development required by City staff to ensure impacts associated with historic resources are not significant. Additionally, archaeological resources from both the prehistoric period and the early historic period can be found in Carmel-by-the-Sea; therefore, implementation of the standard conditions of approval identified in Section 5.0, Cultural Resources, checklist question "b" would ensure that the potential impacts to these resources would not be significant.

b. Proposed project impacts that contribute to cumulative project impacts are required to be lessened per the mitigation measures presented in this initial study. With implementation

of the mitigation measures, standard conditions of approval, and policies identified herein, the project's contribution to cumulative project impacts would not be considerable.

c. Based on the analysis provided in this initial study, the proposed project could indirectly cause substantial adverse effects to human beings through soil erosion and seismic ground-shaking. However, as discussed throughout this initial study, the impacts would not be significant. Therefore, the proposed project would not result in significant environmental effects that would cause substantial adverse effects on human beings, either directly or indirectly.

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6th Cycle Housing Element Update (2023-2031) Housing and Community Development Revised Draft (January 24, 2024)

A

APPENDIX

Attachment 2

Housing and Community Development (HCD) Revised Draft

6th Cycle Housing Element Update (2023-2031)

City of Carmel-by-the-Sea

January 24, 2024

Prepared by

EMC Planning Group

HOUSING AND COMMUNITY DEVELOPMENT (HCD) REVISED DRAFT

6TH CYCLE HOUSING ELEMENT UPDATE (2023-2031)

CITY OF CARMEL-BY-THE-SEA

PREPARED FOR

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January 24, 2024

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1.0 Introduction

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 pending[2]), 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 methodology[5], 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.

[7]For 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 categories[8]. 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, HOMECarmel 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.

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

- **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.

- **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.

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.

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% 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.

"... 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 Committee Community Meeting Attendee

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)

Program 1.1.B: City-Owned Sites - AFFH

The City will maintain compliance with the Surplus Land Act throughout the 2023-2031 Housing Element period. 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 plans to make three (3) sites (#1, #2, and #3 in the Sites Inventory) available through the Surplus Land Act process over the next five years for the potential development of 122 units (105 affordable to lower-income households and 17 for moderate-income households). These sites are planned to remain in City ownership and are anticipated to be made available for development through long-term leases. These sites will be made available for affordable housing consistent with the requirements of the Surplus Land Act. Please note there are no State-owned or Federally-owned sites within Carmel-by-the-Sea.

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 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.

Specific actions the City is committed to:

- Maintain compliance with the Surplus Land Act throughout the 2023-2031 Housing Element period;
- Establish and implement development standards for Sunset Center (Sites #1 and #2);
- Make properties available through the Surplus Land Act process;
- Develop project description and establish an RFP process and solicit developers by Fall 2024;
- Target Exclusive Negotiating Agreement by Fall 2025; and
- Target land use entitlements issuance by Winter 2026.

Quantified Objective: **39 Extremely Low, 39 Very Low, 46 Low, 25 Moderate Income units**
Timeframe: **Complete investigations and potential partnerships by December 2026**
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 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.

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.**
Responsible Party: **Community Planning & Building Department Funding**
Funding Source: **General Fund**
(NEW)

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.

  - **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.

If at mid-cycle, the incentive program has not received interest, the City will consider alternative incentives and meet with property owners to discern a path toward maximizing use of the property to enable affordable housing.

Quantified Objective: **33 units converted from overnight visitor accommodation rooms to housing units**
Timeframe: **Program reviewed by 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 Accessory Dwelling Units (ADUs) and Junior ADUs (JADUs) ordinance is currently being updated to reflect state law. 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 as follows:

- 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 program does not receive interest, the City will require upon receiving building permits, that a single on-site affordable employee housing unit be developed in conjunction with one new overnight visitor accommodation room.

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 and re-evaluate program by December 2028**
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 2024**
Responsible Party: **Community Planning and Building Department**
Funding Source: **General Fund**
(NEW)

Program 1.3.F: Employee Housing – Farmworker Housing – AFFH

In compliance with State requirements and the Employee Housing Act, 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 within the R-1 zoning district.

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: **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: Prepare Checklist and Procedures for SB35

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. SB 35 does not apply within the Coastal Zone. Carmel-by-the-Sea is entirely within the Coastal Zone. If SB-35 becomes applicable to Coastal Zone areas, the City will create a SB35 checklist and written procedures for processing SB35 applications to ensure efficient and complete application processing.

Quantified Objective: **N/A**
Timeframe: **Within 6 months of any change to the law that would impact the City**
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)

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 community care facilities of seven or more persons.

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 and Housing Rehabilitation programs and alternative ways of financing home repairs.

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.

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 feedback
- Revise approval processes if constraints are identified during feedback gathering
- Host outreach and FAQ forums for developers and community members (Annually)

Quantified Objective: **N/A**
Timeframe: **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

"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

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.

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 will further review and revise applicable density bonus and bonus density ordinances to clarify the regulations and increase certainty of applicability.

Quantified Objective: **15 Low-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% for affordable housing units in commercial areas.

Quantified Objective: **Reduced City fees by 25% 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. The City will 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% for developments with affordable units**
Timeframe: **Adoption of Municipal Code amendments by December 2024**
Responsible Party: **Community Planning and Building Department, in coordination with the Planning Commission and City Council**
Funding Source: **General Fund**
(Formerly Program 3-5.5.c: Expedited Processing Procedures)

Program 3.1.G: Establish Minimum Densities - 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 multi-family residential (R-4) district to establish a minimum density of 33 du/ac, as part of the base zoning.

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.

Additionally, 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."

Quantified Objective: **8 applications**
Timeframe: **Adoption of revised policy by June 2031**
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 Funding 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)

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)

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Housing Needs & Fair Housing Report

A

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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 data[1] 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 obligation[3]. 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.

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[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.

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.

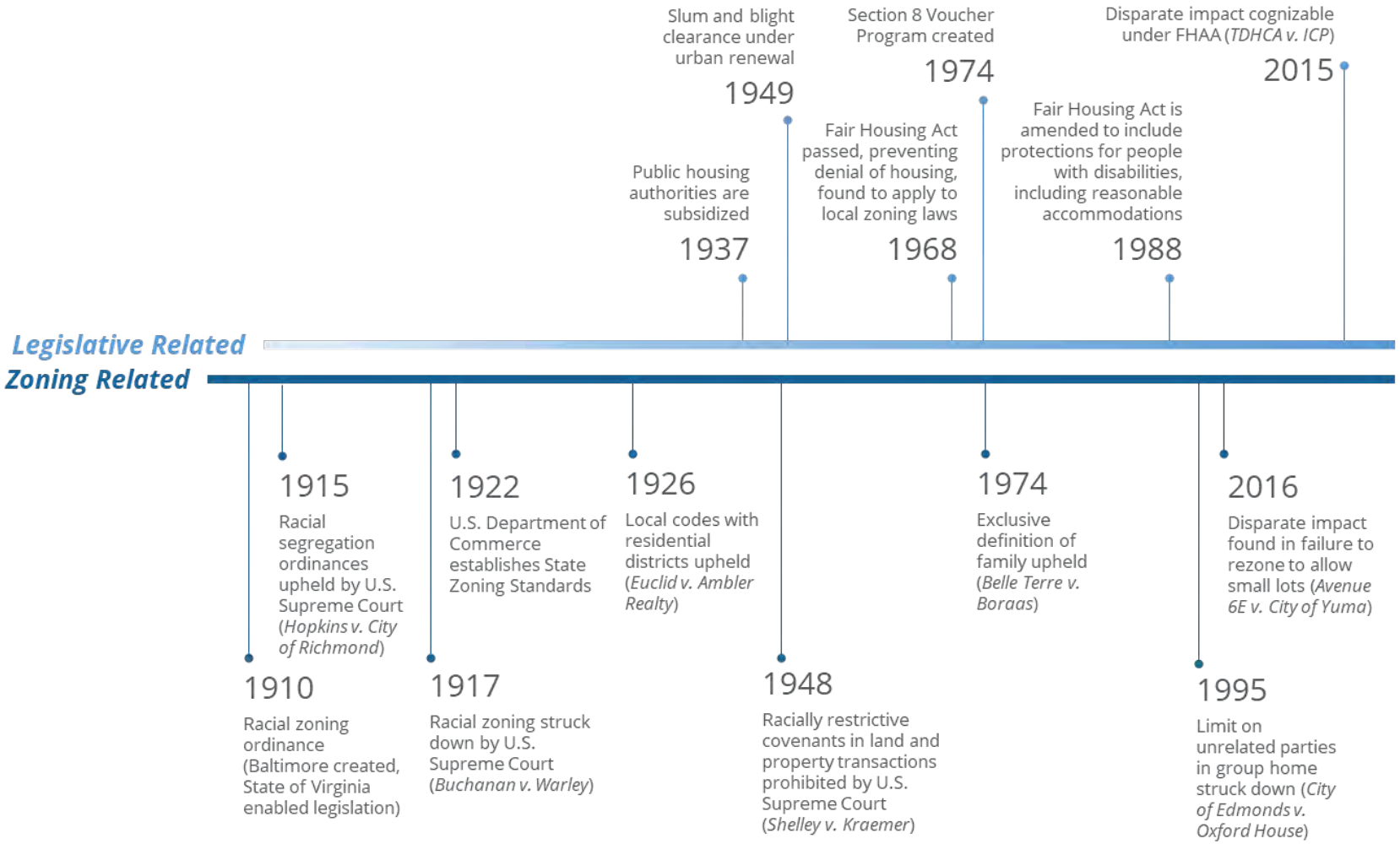
In sum, not all residents had equal ability to build housing wealth.

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

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.

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 covenants[4], redlining[5], 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 jobs[10], 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.

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

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.

[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 Oaks[14]. 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.

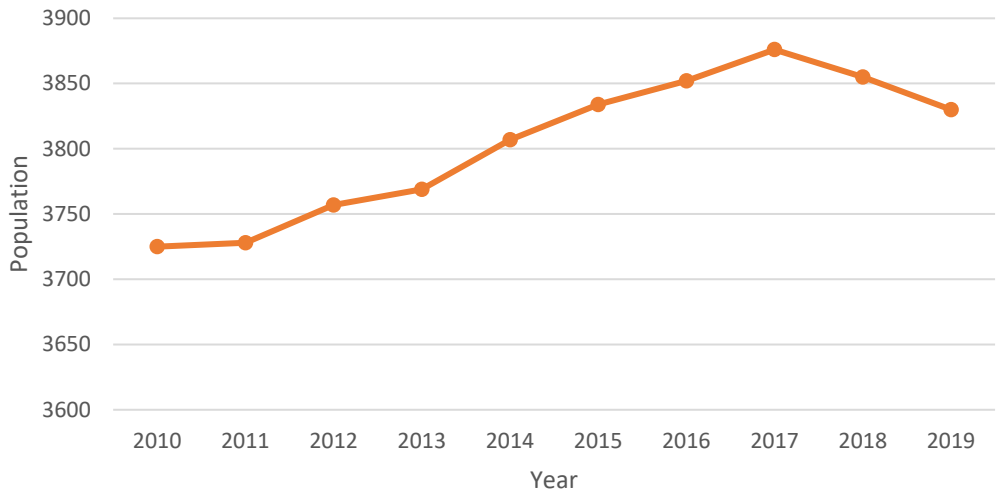
Table A-1 Population Growth Forecast by Jurisdiction, 2015-2045

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

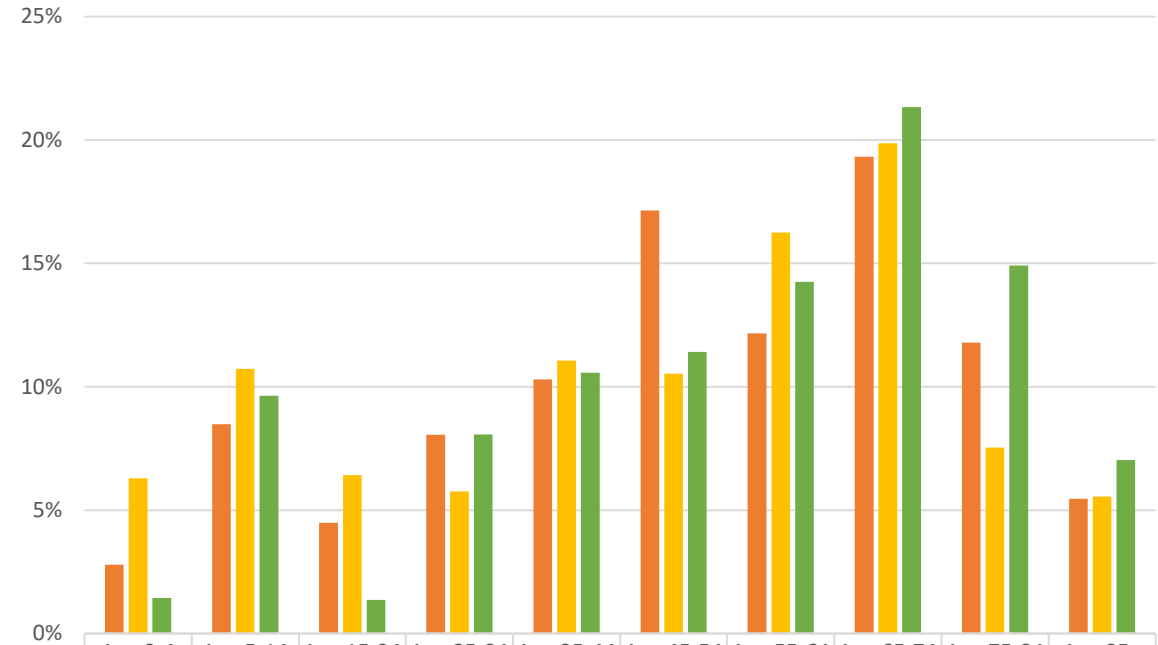
design or visitability features. Overall, the life stages of a population determine the housing stock that is needed in a community.

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



	Age 0-4	Age 5-14	Age 15-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65-74	Age 75-84	Age 85+
2010	3%	8%	4%	8%	10%	17%	12%	19%	12%	5%
2015	6%	11%	6%	6%	11%	11%	16%	20%	8%	6%
2019	1%	10%	1%	8%	11%	11%	14%	21%	15%	7%

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%

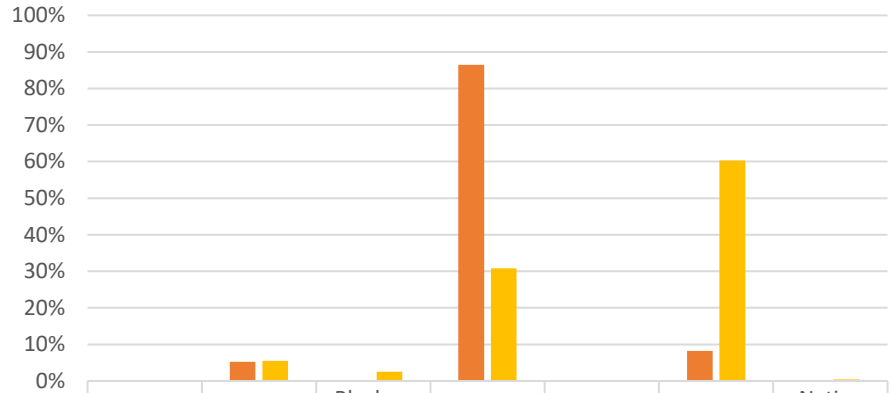
SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2019

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



	American Indian or Alaska Native	Asian	Black or African American, Non-Hispanic	White, Non-Hispanic	Some other race	Hispanic or Latino	Native Hawaiian and Other Pacific Islander
Carmel-by-the-Sea	0.0%	5.2%	0.1%	86.5%	0.0%	8.2%	0.0%
Monterey County	0.2%	5.5%	2.5%	30.8%	0.1%	60.3%	0.5%

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.

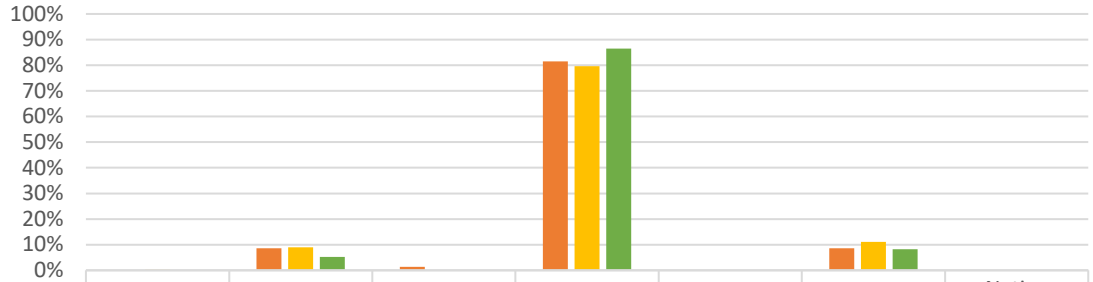
Table A-3 Population by Race by Jurisdiction, 2019

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



	American Indian or Alaska Native	Asian	Black or African American, Non-Hispanic	White, Non-Hispanic	Some other race	Hispanic or Latino	Native Hawaiian and Other Pacific Islander
2010	0.0%	8.6%	1.4%	81.5%	0.0%	8.5%	0.0%
2015	0.3%	9.0%	0.0%	79.6%	0.0%	11.1%	0.0%
2019	0.0%	5.2%	0.1%	86.5%	0.0%	8.2%	0.0%

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.

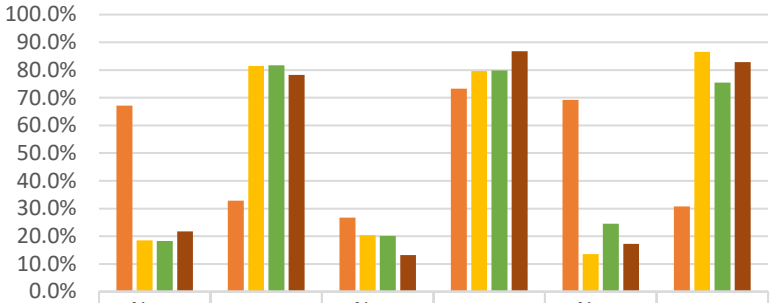
Residential segregation and exclusion, whether by race, ethnicity, disability, or income, is a result of numerous housing policies, practices, and procedures—both public and private—that have had enduring and pervasive negative impacts. Overt and covert housing discrimination through land use policy,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

[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

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



	2010		2015		2019	
	Non-White	White	Non-White	White	Non-White	White
Monterey County	67.1%	32.9%	26.7%	73.3%	69.2%	30.8%
Carmel-by-the-Sea	18.5%	81.5%	20.4%	79.6%	13.5%	86.5%
Del Rey Oaks	18.3%	81.7%	20.1%	79.9%	24.5%	75.5%
Pacific Grove	21.8%	78.2%	13.2%	86.8%	17.2%	82.8%

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

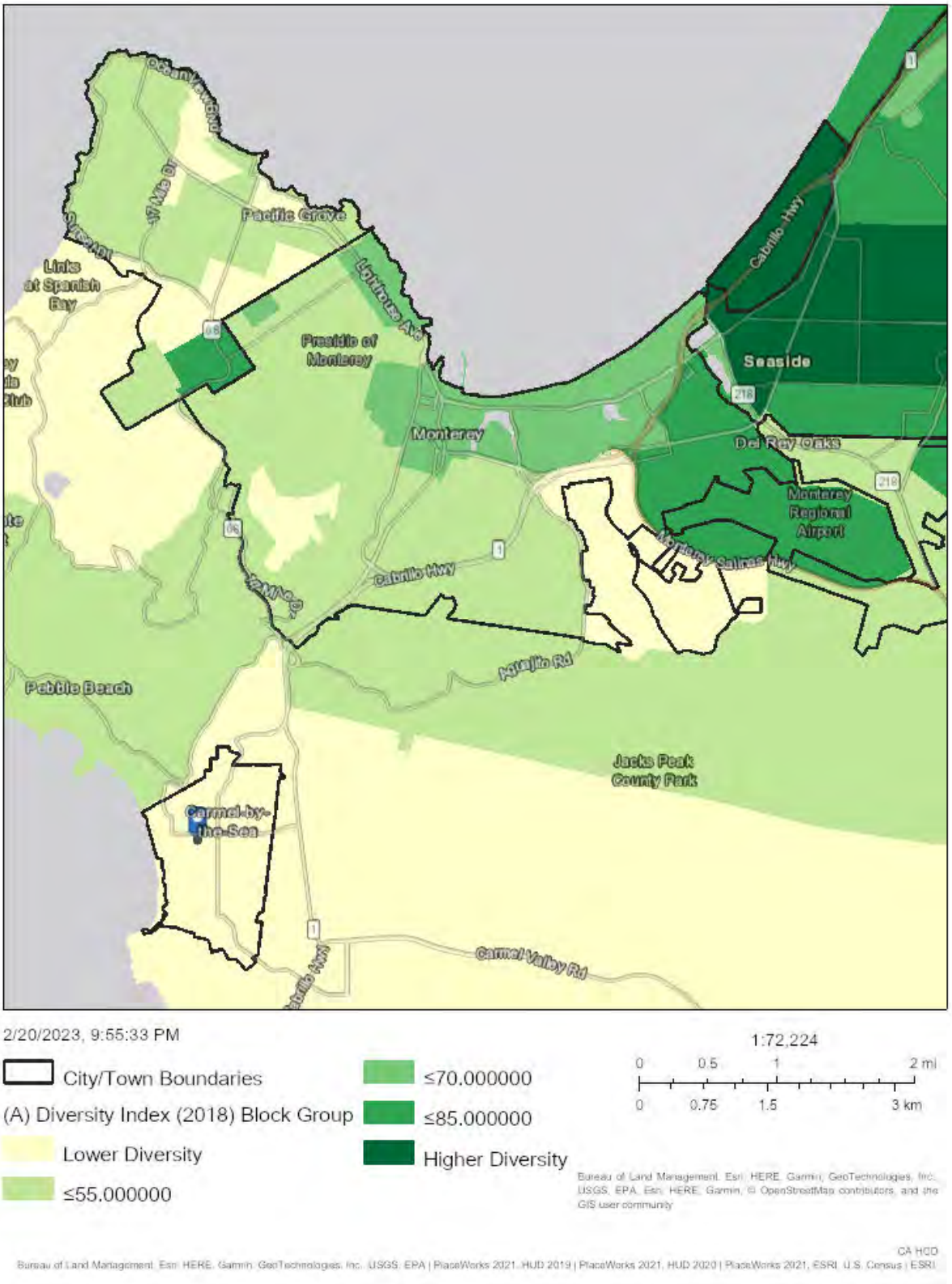
As of 2019, the City of Carmel-by-the-Sea has the highest percentage (86.5 percent) of White residents and the lowest percentage of Non-White residents (13.5 percent) when compared to the County, and the cities of Del Rey Oaks and Pacific Grove. Given the City's status as being a "Highest Resource" city (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



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. Cityscape: A Journal of Policy Development and Research, 21(1), 99–124

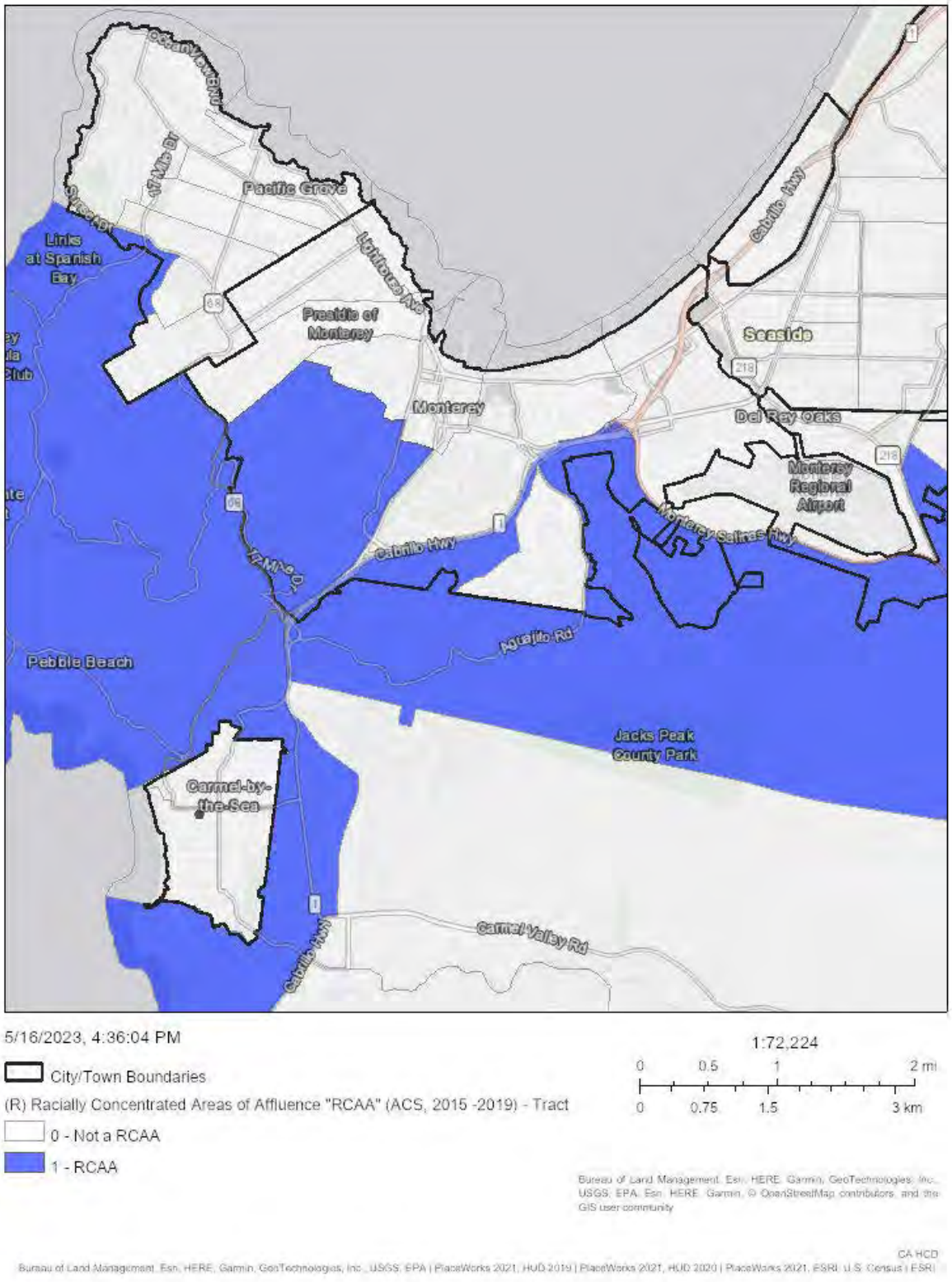
shows that less than or equal to 20 percent of the City's population is non-White. Though Carmel-by-the-Sea's percentage of exclusively White population and AMI are higher than the County-wide average, the median income in the City is not high enough for the jurisdiction to be considered an RCAA[17].

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

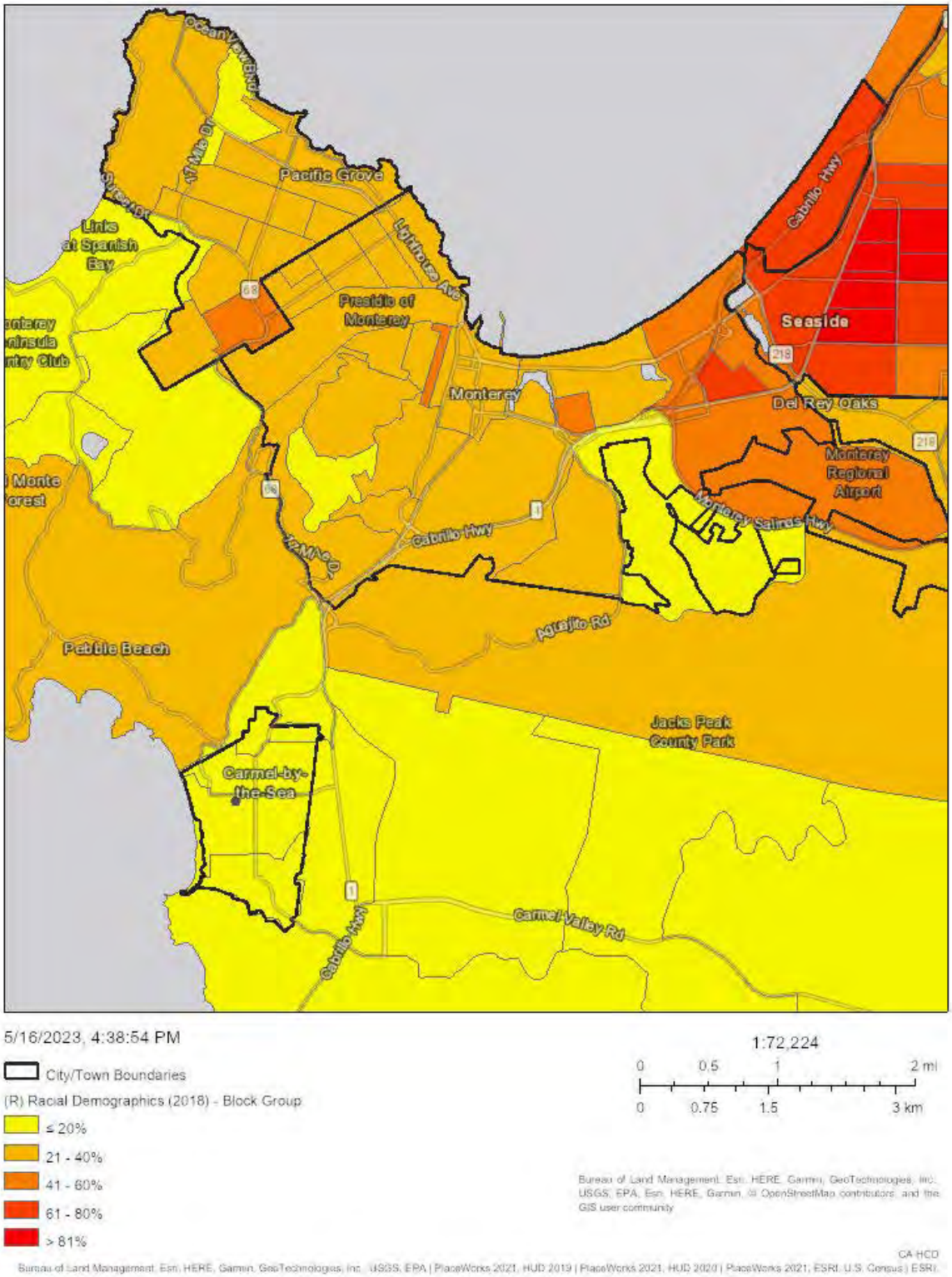
[17] To be considered an RCAA, census tracts must have a Location Quotient (LQ) of more than 1.25 and a median income 1.5 times higher than the COG AMI or 1.5 times higher than the State AMI, whichever is lower. In this case, Carmel's median income would need to be 1.5 times greater than the State AMI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

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



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



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 rates[21] 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.
[23]From 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

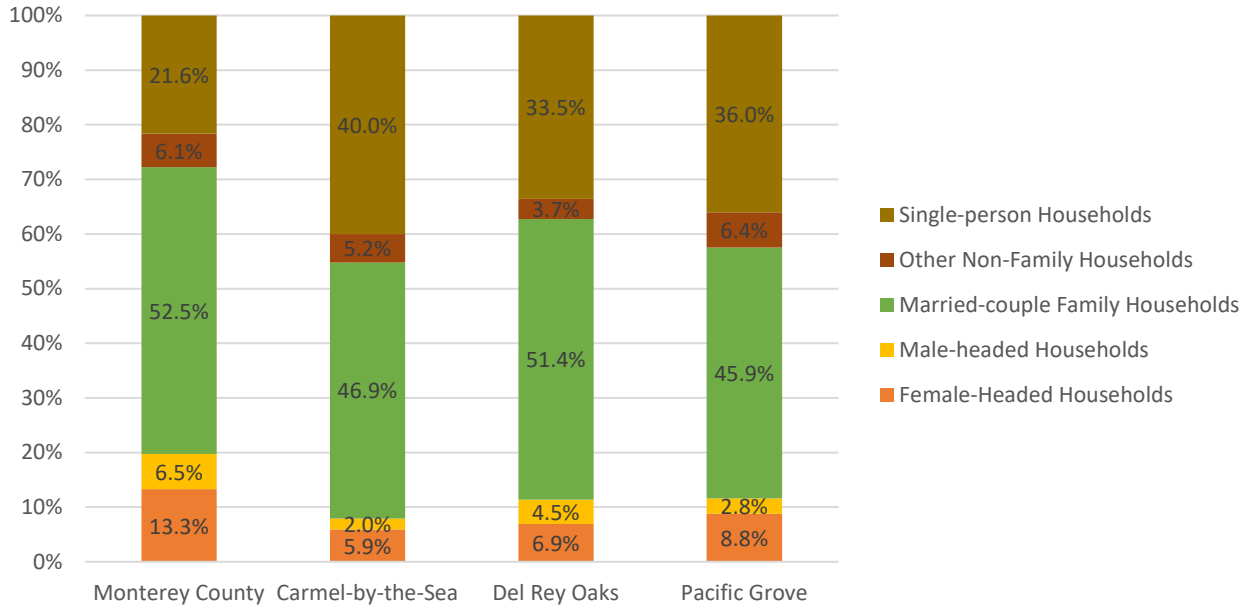
Jurisdictions	Population							Change 2015 - 2045	
	2015	2020	2025*	2030*	2035*	2040*	2045*	Numeric	Percent
Monterey County	139,177	141,764	146,716	153,852	159,100	162,612	165,328	26,151	19%
Carmel-by-the-Sea	3,417	3,437	3,437	3,442	3,450	3,453	3,459	42	1%
Del Rey Oaks	741	741	762	809	848	1,052	1,195	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).

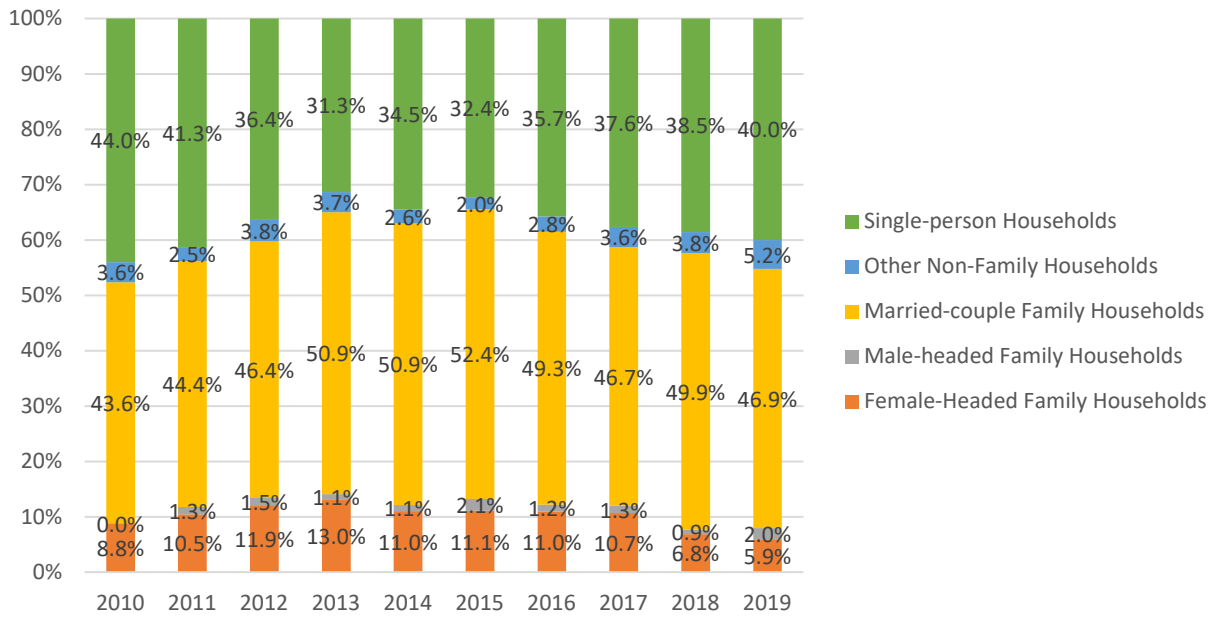
Figure A-12 Household by Type by Jurisdiction, 2019



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).

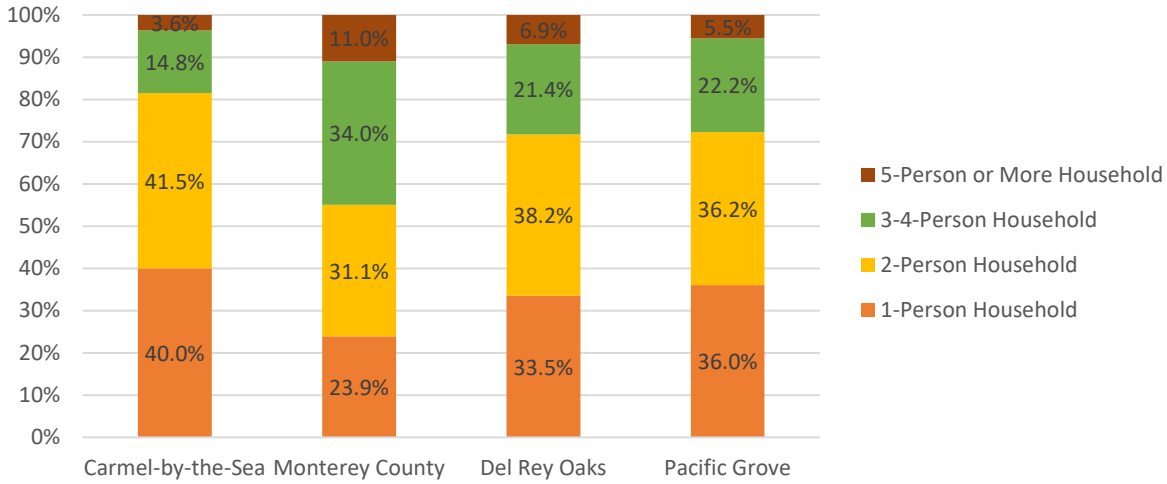
Figure A-13 Changes in Household Type, Carmel-by-the-Sea, 2010-2019



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.

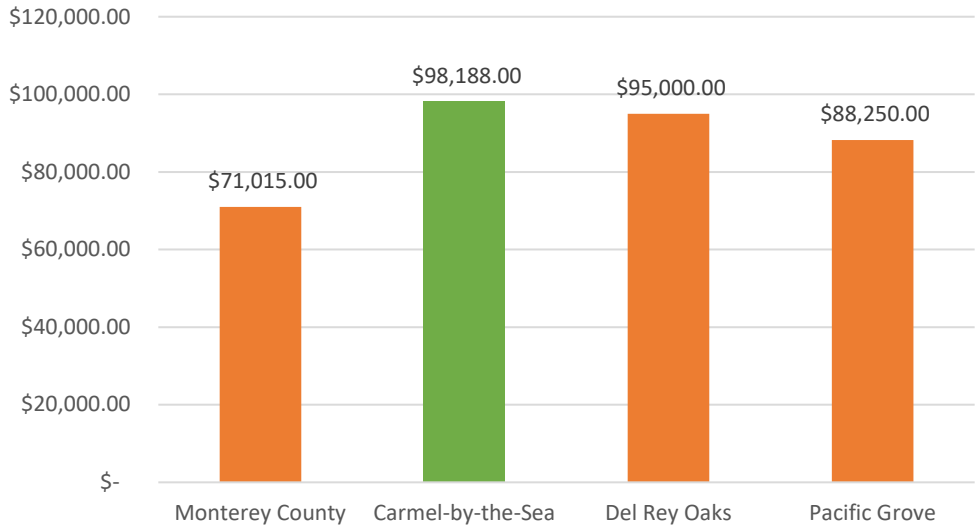
Table A-10 Households by Income Category, Carmel-by-the-Sea, 2019

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.

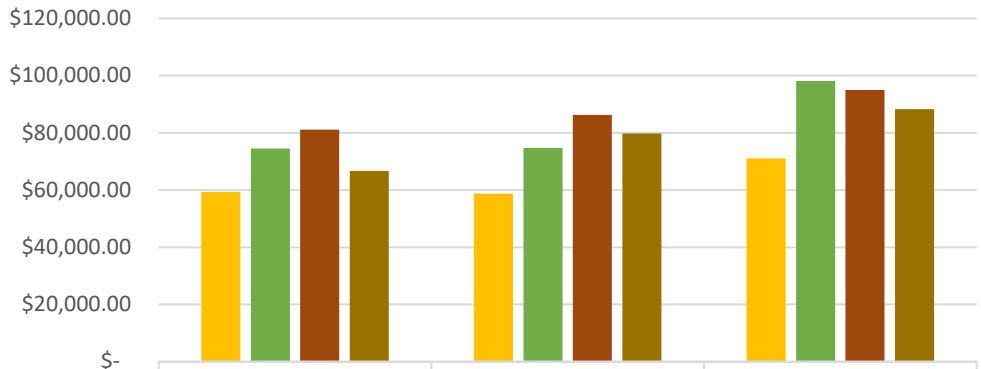
Figure A-15 Median Household Income by Jurisdiction, 2019



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-16 Regional Median Household Income, 2010-2019

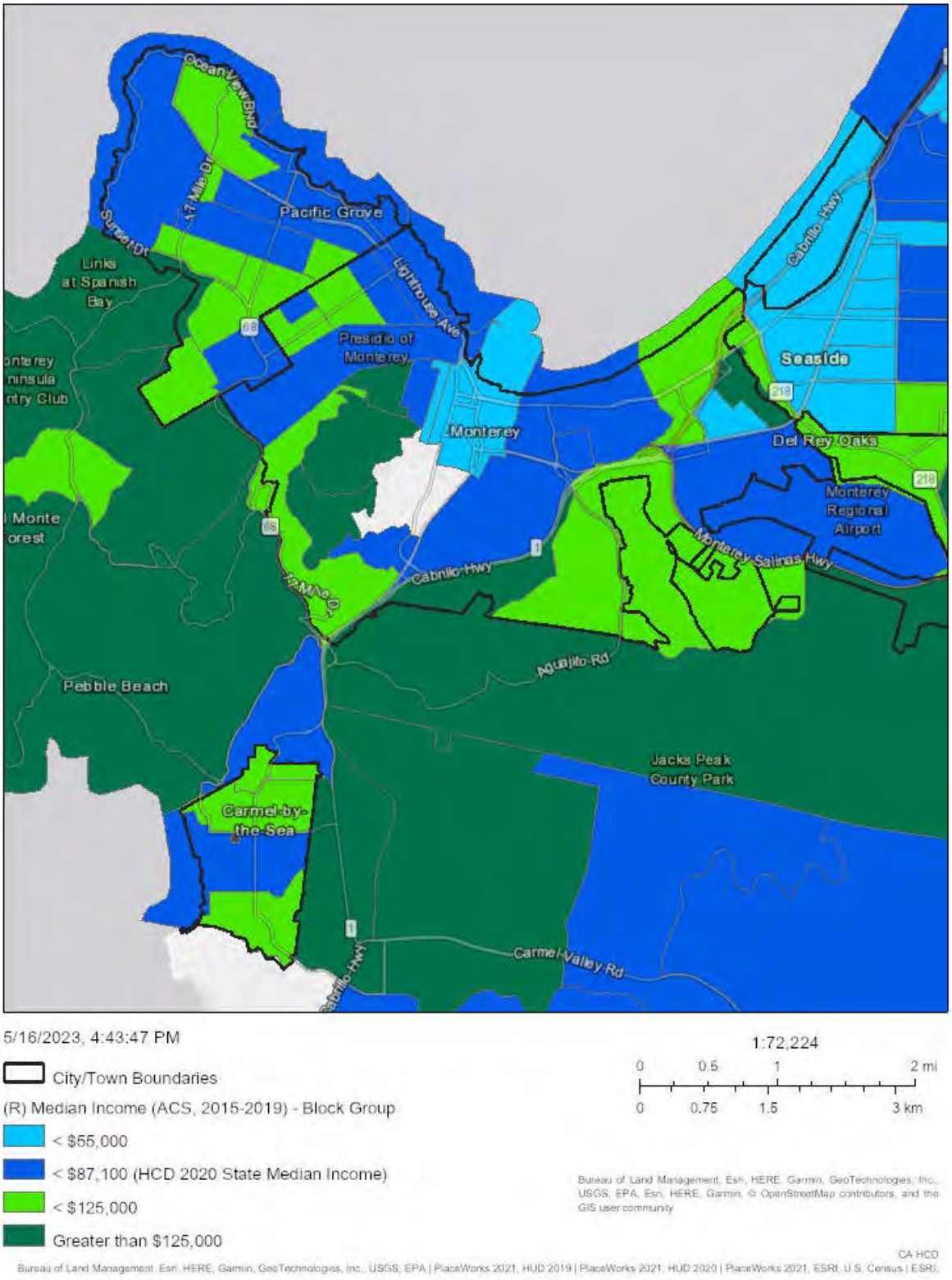


	2010	2015	2019
Monterey County	$59,271.00	$58,783.00	$71,015.00
Carmel-by-the-Sea	$74,489.00	$74,758.00	$98,188.00
Del Rey Oaks	$81,154.00	$86,250.00	$95,000.00
Pacific Grove	$66,730.00	$79,740.00	$88,250.00

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

Figure A-17 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).

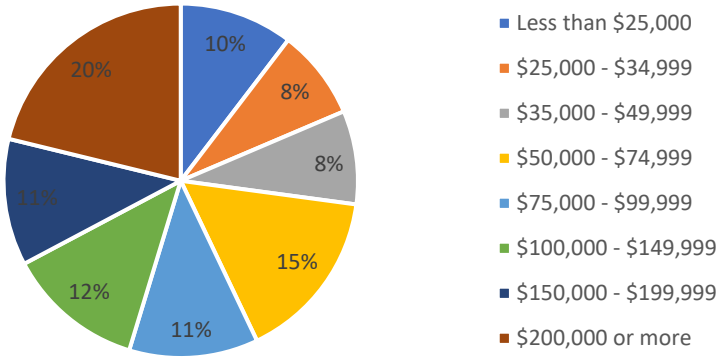
Figure A-17 Median Income by Block Group, Carmel-by-the-Sea, 2015-2019



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

Figure A-18 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-18 Income by Category, Carmel-by-the-Sea, 2019

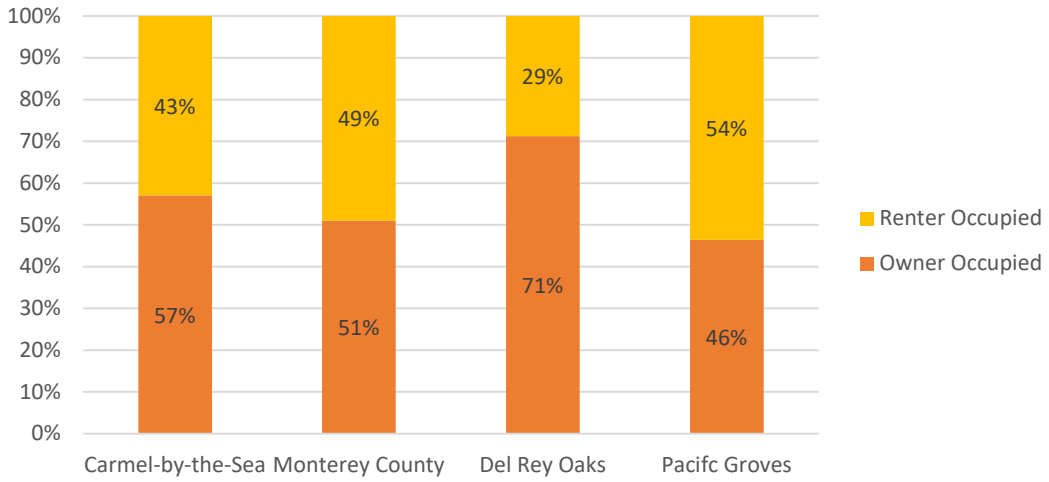


SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2019

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 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:

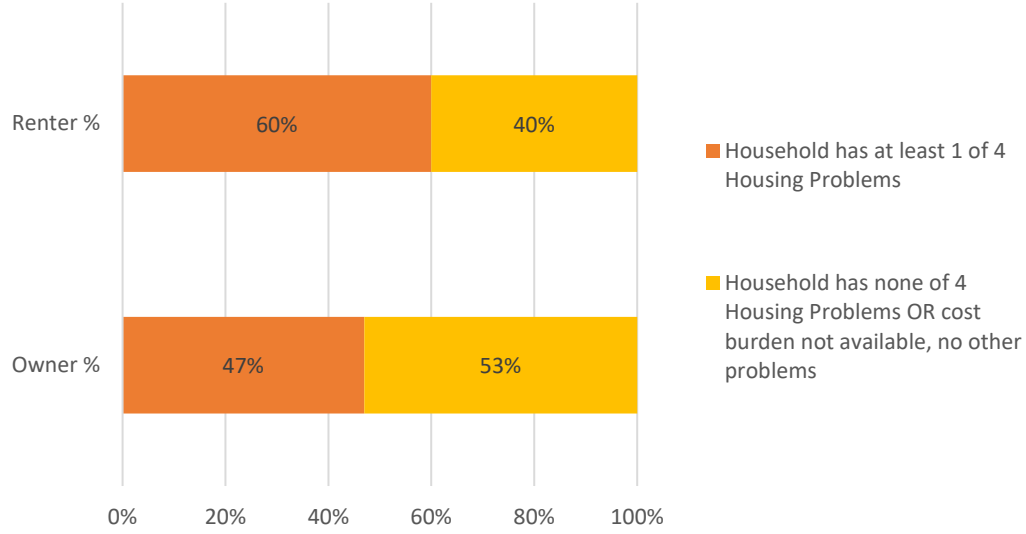
- Incomplete kitchen facilities;
- Incomplete plumbing facilities;
- More than 1.5 persons per room; and
- Cost burden greater than 50 percent.

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.

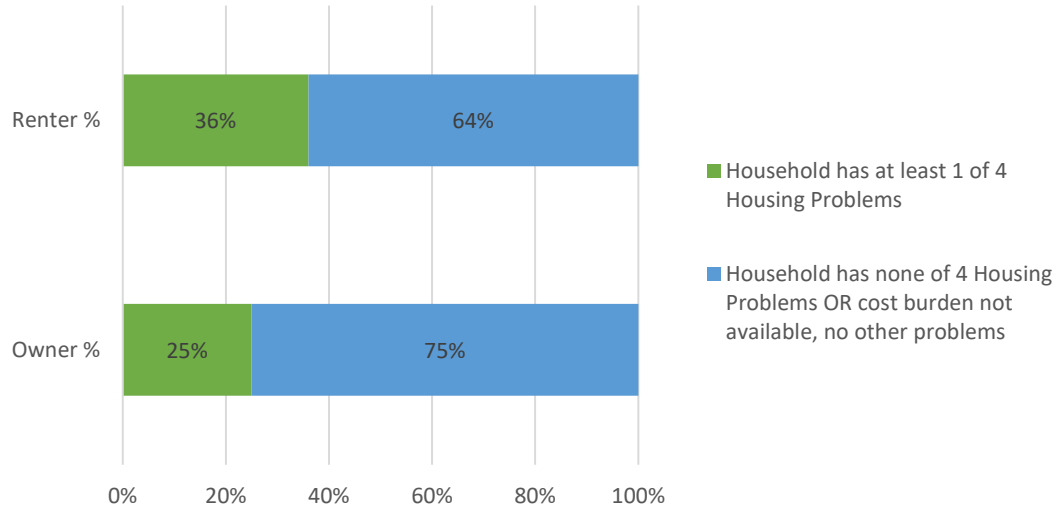
Figure A-20 and Figure A-21 illustrate housing problems by tenure and severe housing problems by tenure in Carmel-by-the-Sea during 2019. Approximately 60 percent of renter households have at least one of four housing problems and 36 percent have at least one of four severe housing problems. In contrast,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



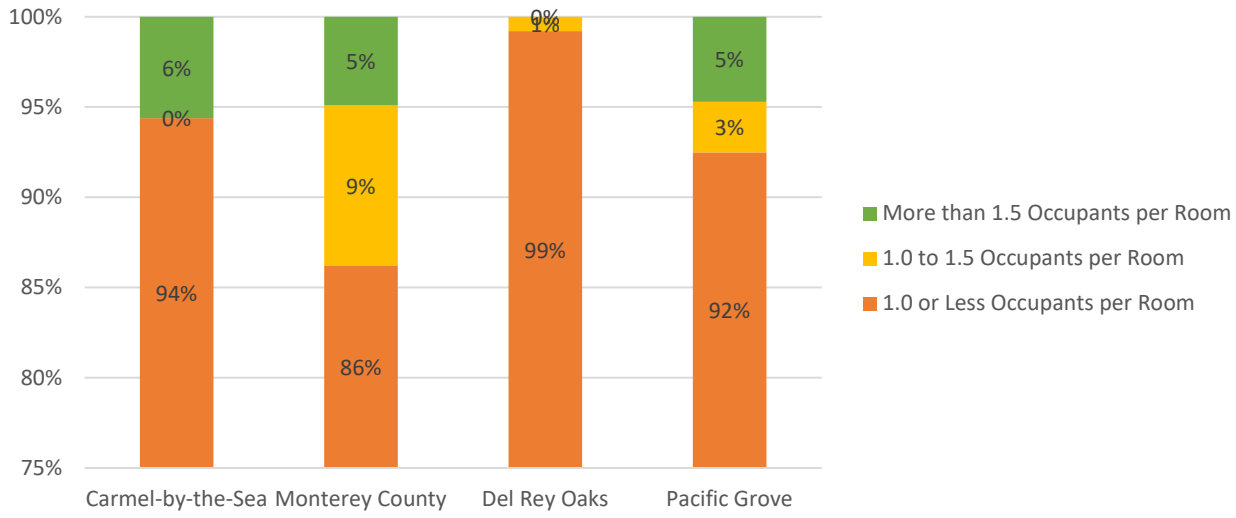
SOURCE: U.S. Census Bureau, CHAS Data, 2015-2019
NOTE: The four housing problems are: incomplete kitchen facilities, incomplete plumbing facilities, more than 1.5 person per room, and cost burden greater than 50%.

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.

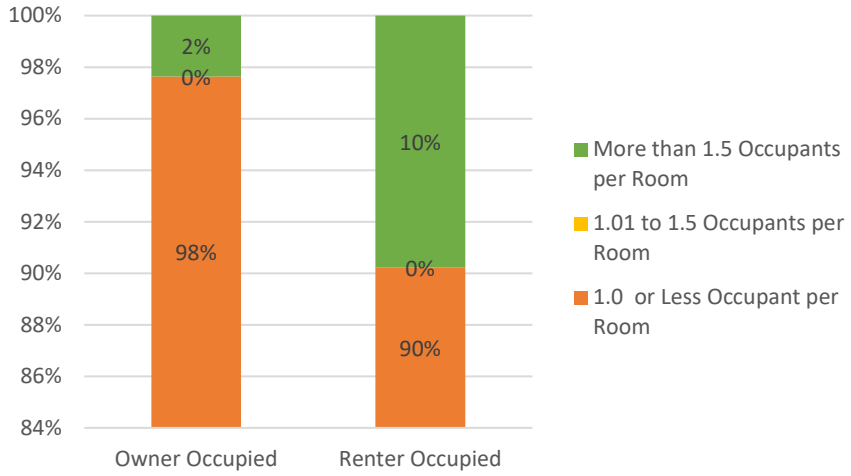
Figure A-22 Overcrowding by Severity by Jurisdiction, 2019



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.

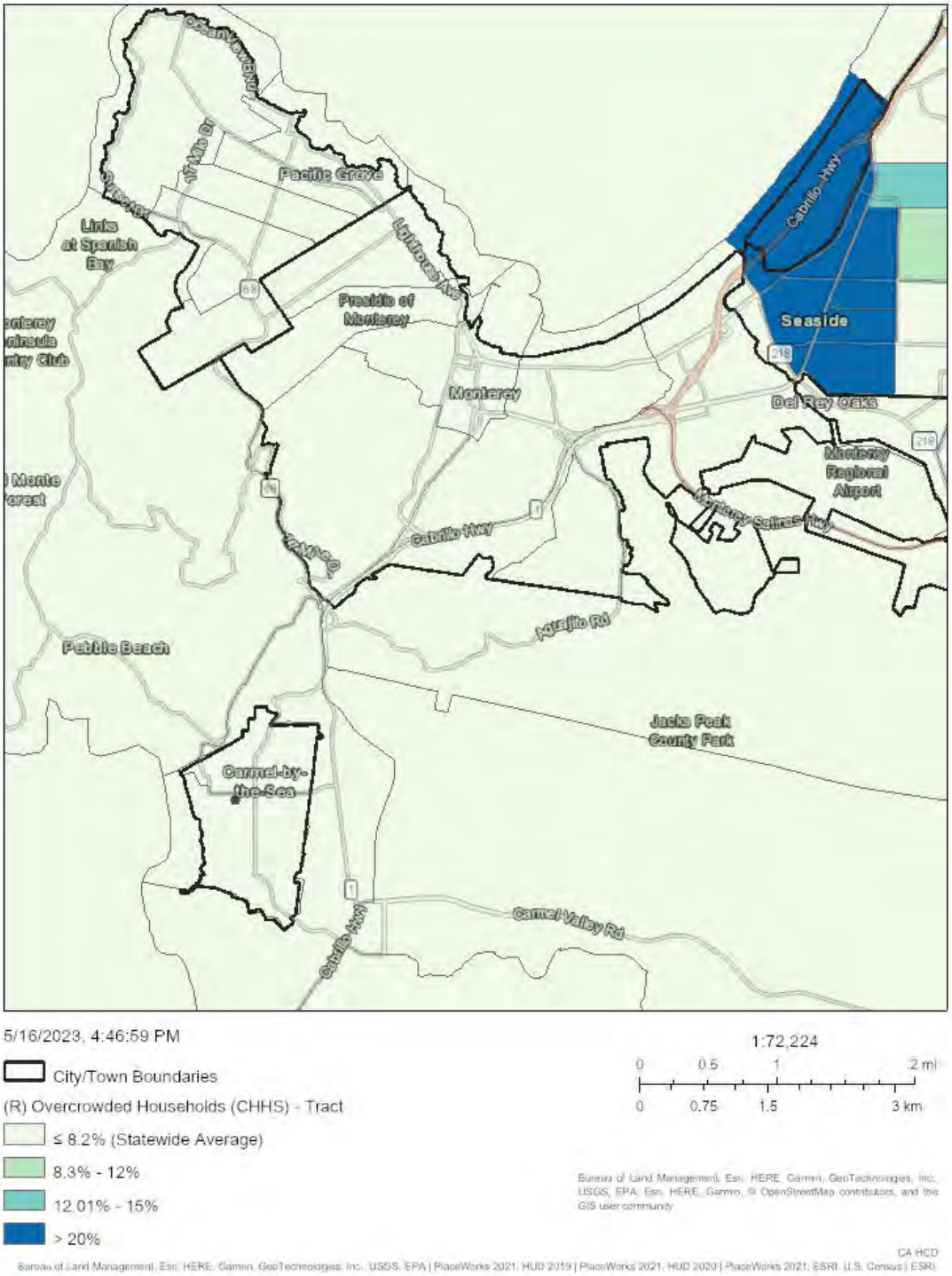
Figure A-23 Overcrowding by Tenure and Severity, Carmel-by-the-Sea, 2019



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



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

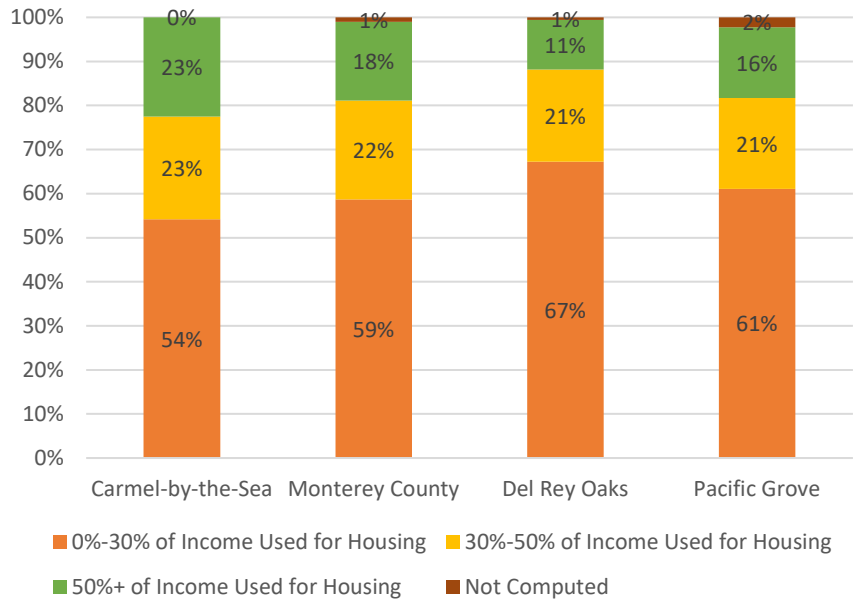
Cost Burden

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.

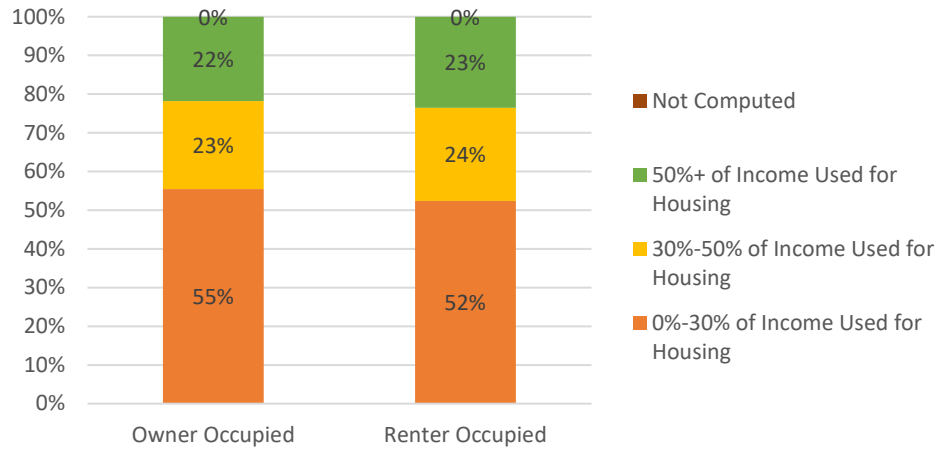
Figure A-25 Cost Burden Severity by Jurisdiction, 2015-2019



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

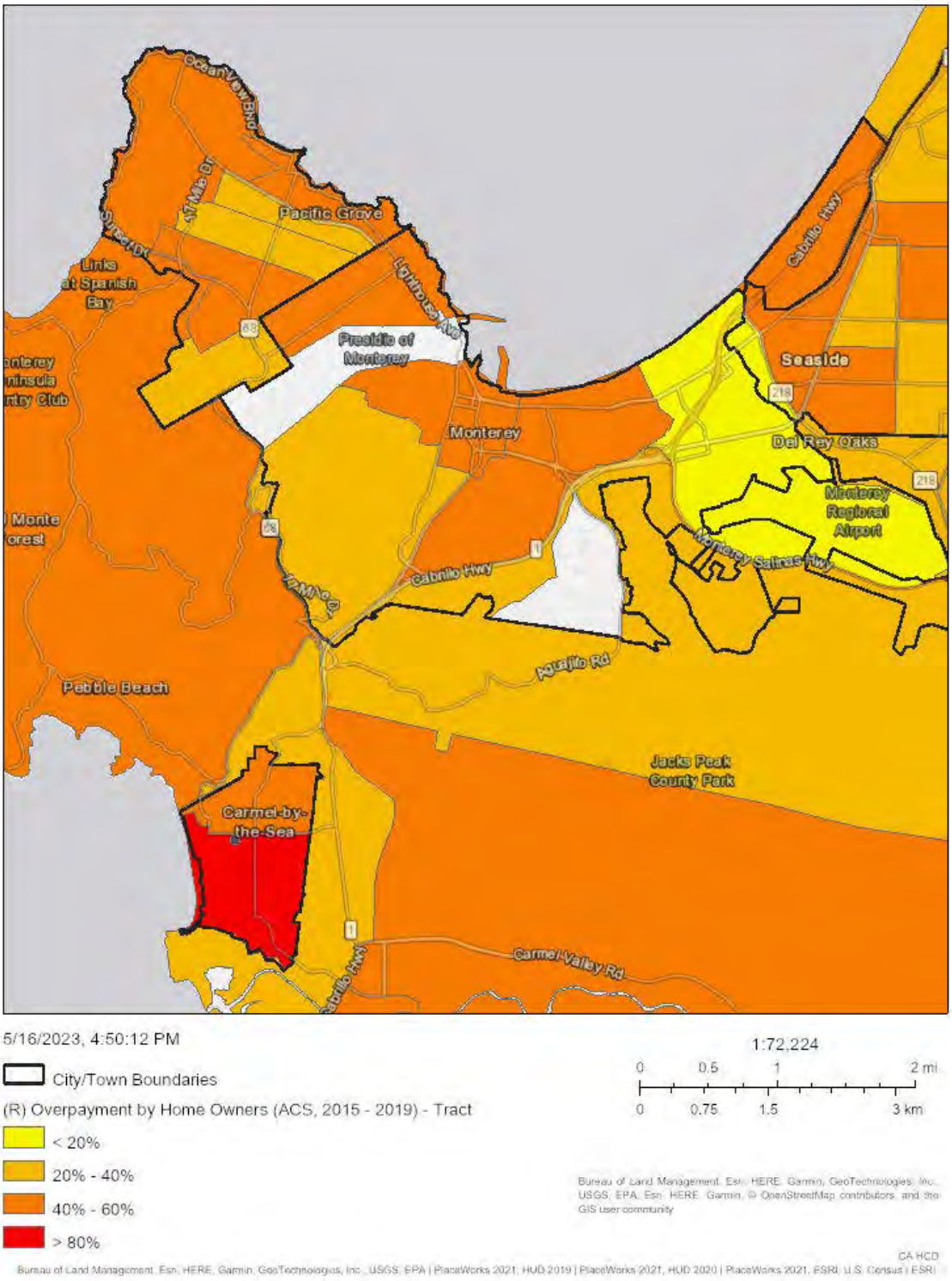


SOURCE: U.S. Census Bureau, CHAS Data, 2015-2019

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.

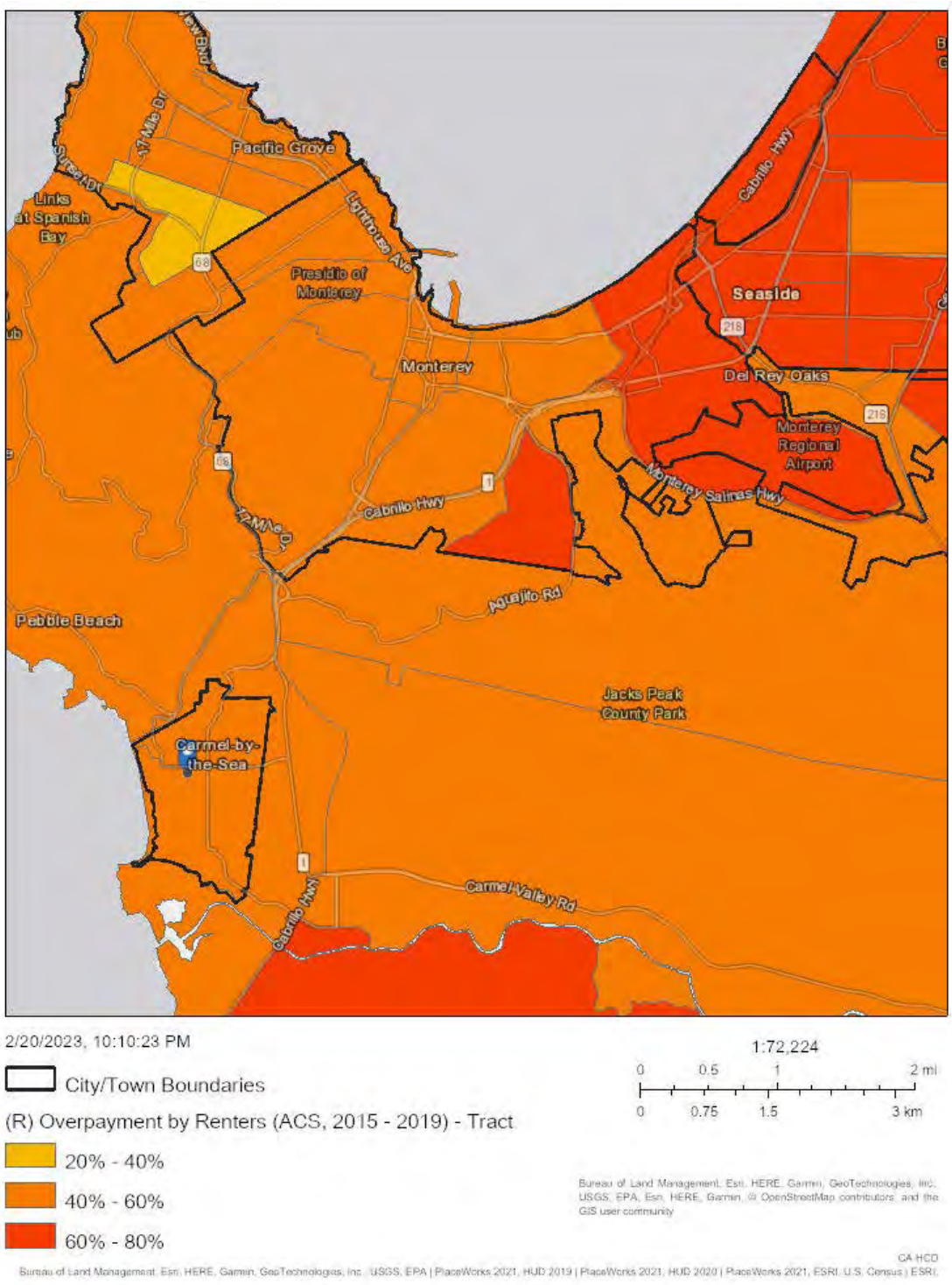
Figure A-28 illustrates cost burden of renters in Carmel-by-the-Sea. When analyzing concentrations of cost burden among renter-occupied households in Carmel-by-the-Sea, there is no variation based on location. Between 40-60 percent of renter-households experience cost burden across the City.

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



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



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%
Senior Owner-Households	763 households	40%	--
Senior Renter-Households	283 households	15%	--
Persons with Disabilities[24]	406 persons	--	12%
Persons with Developmental Disabilities[1]	<70 persons	--	--
Large Households	70 households	4%	--
Single-Parent Households	153 households	8%	--
Single-Parent, Female Headed Households with Children (under 18) below poverty line	0 households	--	--
People Living in Poverty	111 persons	--	3%
Farmworkers[2]	26,929 persons	--	--
Migrant Farmworkers	4,972 persons	--	--
Seasonal Farmworkers	12,123 persons	--	--
Permanent Farmworkers	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 of 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.

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 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.

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

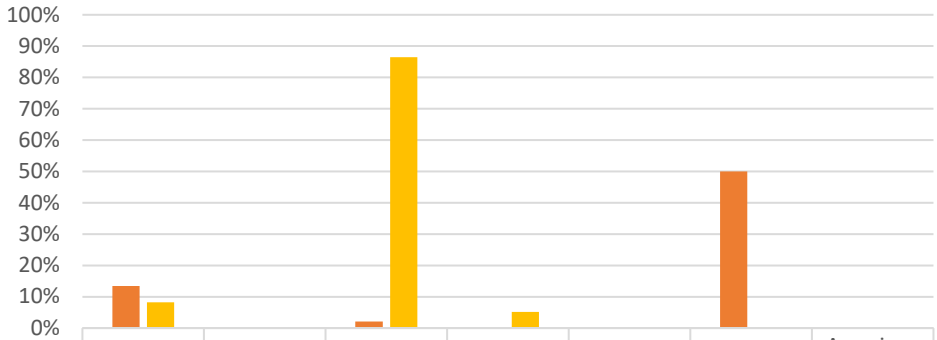
Households	Number	Percentage of Total Households
Total occupied units (households)	1,925	100%
Total Lower-income (0-80% of HAMFI) households	545	28%
Extremely Low-income (0-30% of HAMFI) households	140	7%
Extremely Low-income renters	40	2%
Extremely Low-income owners	100	5%
Lower-income households paying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



	Hispanic or Latinx	Other Race or Multiple Races (Hispanic and Non-Hispanic)	White, Non-Hispanic	Asian alone	Native Hawaiian and Other Pacific Islander	Black or African American (Hispanic and Non-Hispanic)	American Indian or Alaska Native (Hispanic and Non-Hispanic)
Below Poverty Line	13.4%	0.0%	2.1%	0.0%	0.0%	50.0%	0.0%
Race/Ethnicity*	8.2%	0.0%	86.5%	5.2%	0.0%	0.1%	0.0%

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

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.

All housing policies and programs can be found in full detail in Chapter 2 of the Housing Element.

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 normally experience limited accessibility to suitable transportation services to commute from home to work.

In recognition of this issue, the City has identified the following service providers and programs to assist residents that are from an Extremely Low-Income household:

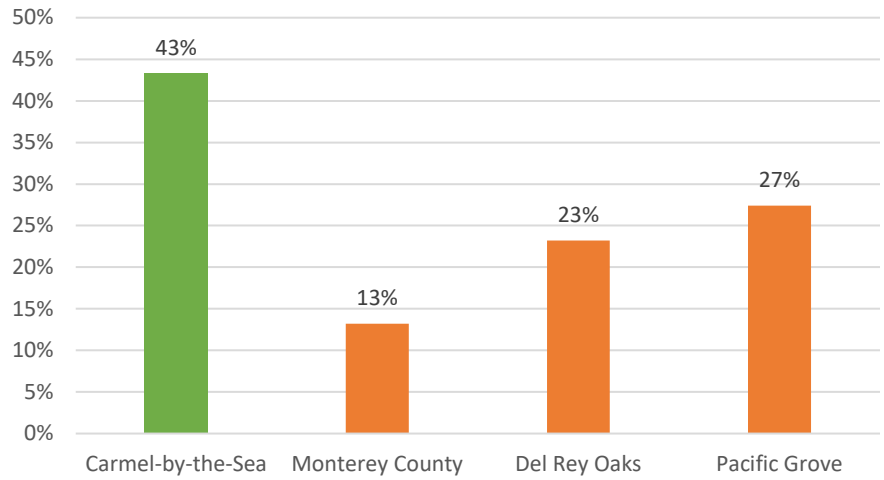
- Fair Housing Education
- Housing Choice Voucher Program
- 211 Monterey/United Way
- CHISPA Housing
- Monterey-Salinas Transit
- Independent Transportation Network of Monterey (ITN Monterey)
- MST Rides ADA Paratransit Agency

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.

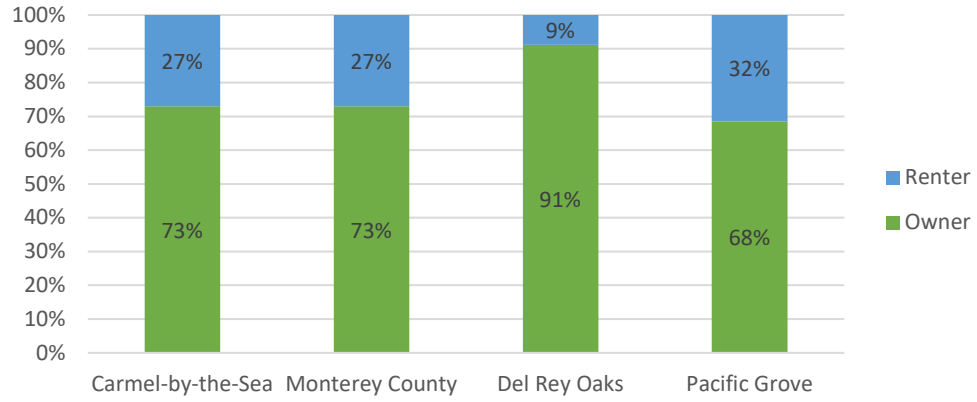
Figure A-30 Senior Population by Jurisdiction, 2019



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.

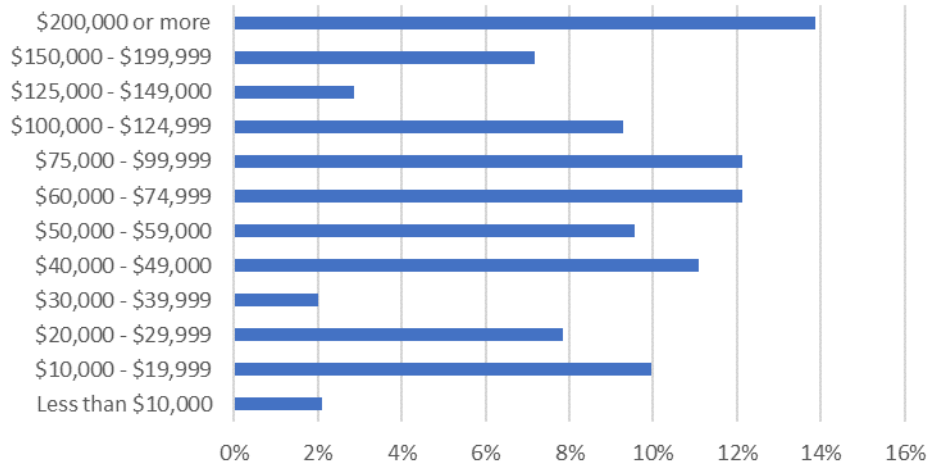
Figure A-31 Senior Housing by Tenure, Carmel-by-the-Sea, 2019



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 elderly residents, as over 70 percent of the City's Senior population owns a home (see Figure A-30). However, elderly residents may be more likely experience limited accessibility to suitable transportation services, and limited mobility.

As such, the City has identified the following service providers and programs to assist Seniors:

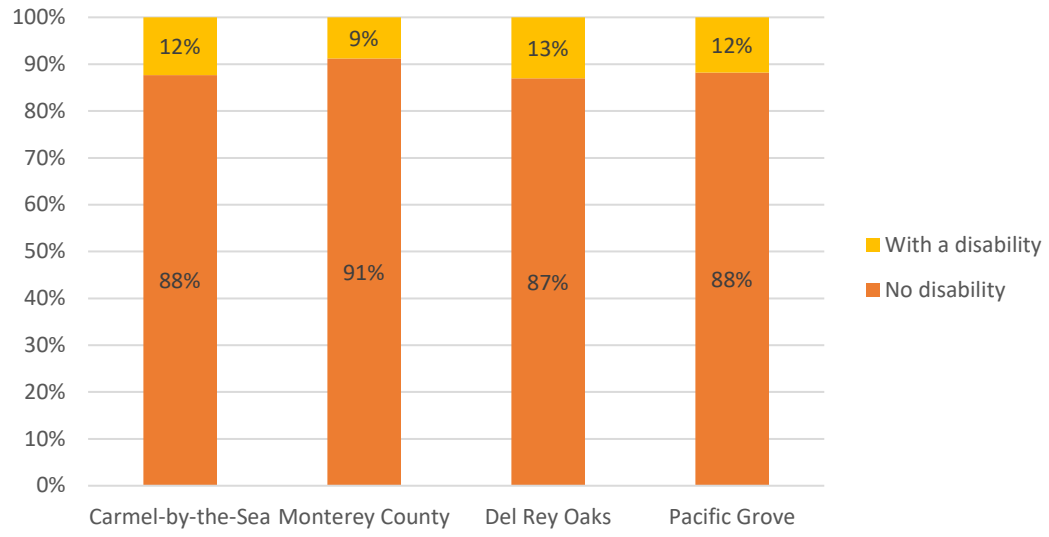
- The Salvation Army Good Samaritan Center
- Meals on Wheels of the Monterey Peninsula
- Seniors Helping Seniors
- Seaside Recreation Services – Senior Center Programs
- Habitat for Humanity Monterey
- Monterey-Salinas Transit
- Independent Transportation Network of Monterey (ITN Monterey)
- MST Rides ADA Paratransit Agency

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.

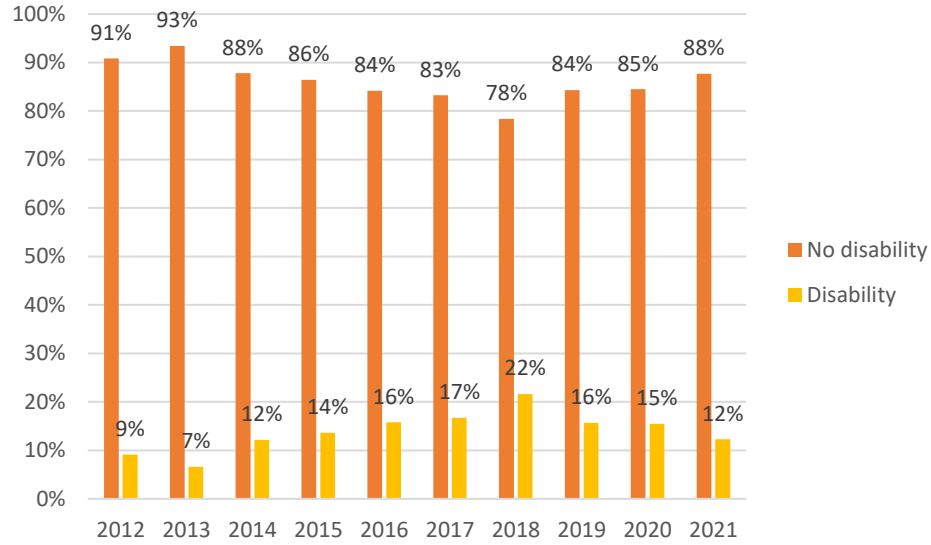
Figure A-33 Population by Disability Status by Jurisdiction, 2021



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. Housing and transportation costs may pose a challenge to residents with disabilities. As such, the City has identified the following service providers and programs to assist residents that are living with disabilities:

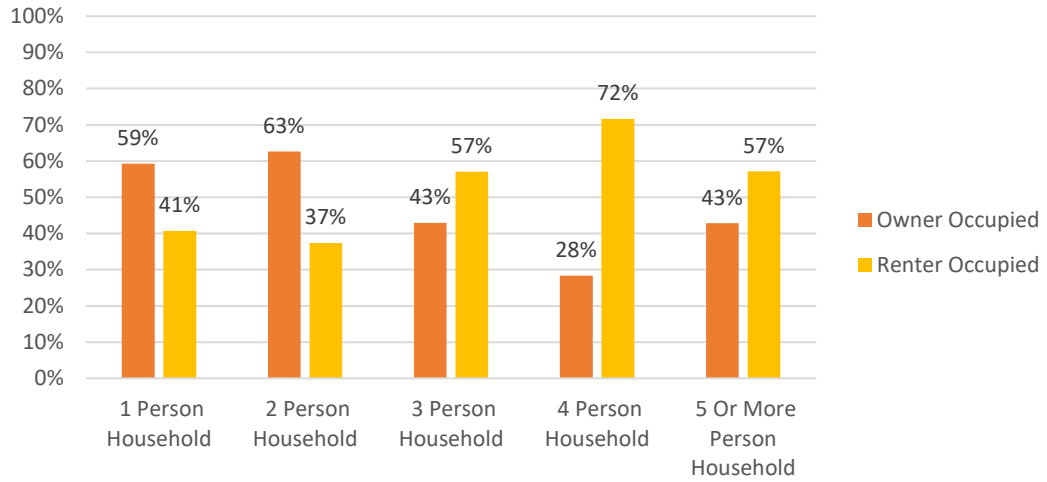
- Monterey County Aging and Adult Services
- Paradigm Adult Services
- Special Kids Connect
- Monterey-Salinas Transit
- Independent Transportation Network of Monterey (ITN Monterey)
- MST Rides ADA Paratransit Agency

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.

The City has identified the following service providers and programs to assist large households:

- Housing Choice Voucher Program
- Fair Housing Education
- Monterey County Down-payment Assistance Program

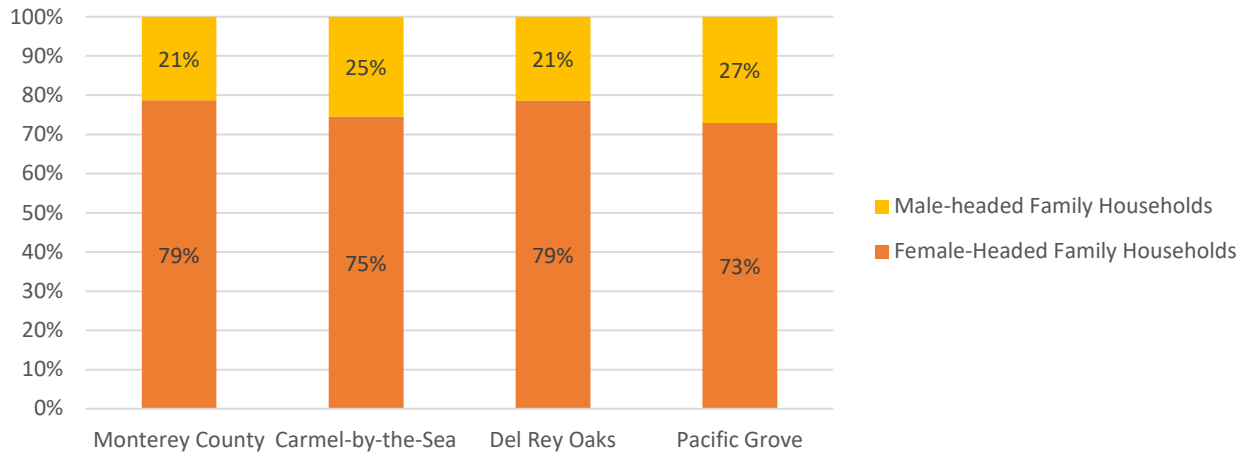
- Monterey-Salinas Transit
- Independent Transportation Network of Monterey (ITN Monterey)
- Monterey Dial-A-Ride Program
- Ridesharing services

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

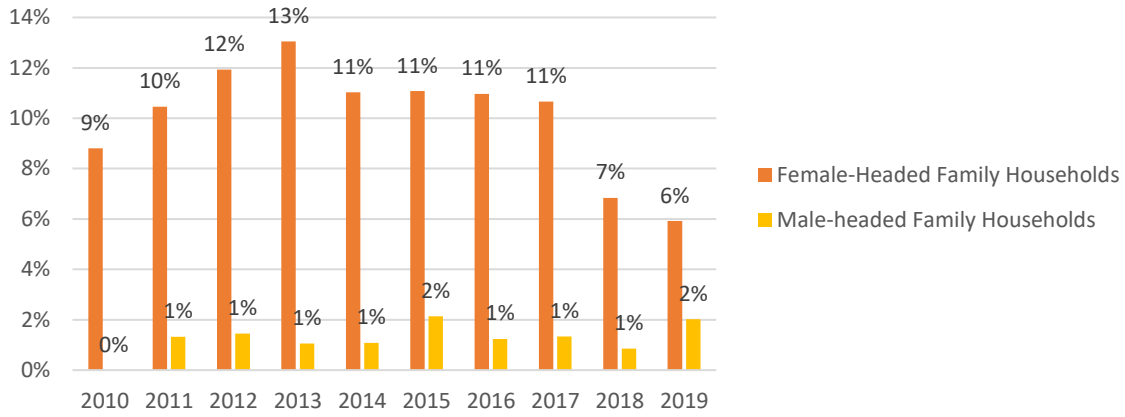


SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019

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.

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:

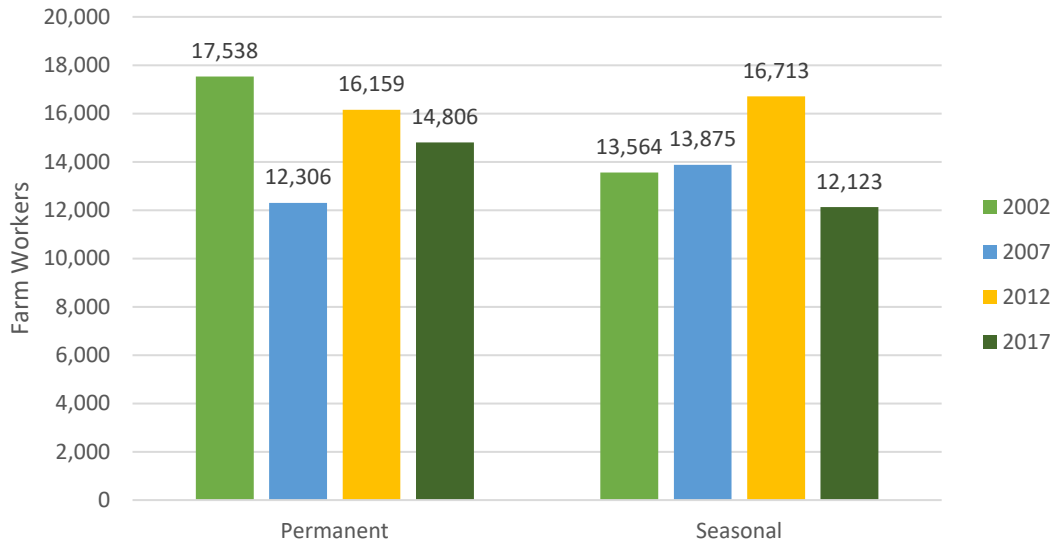
- Housing Choice Voucher Program
- Fair Housing Education
- Monterey County Down-payment Assistance Program
- Monterey-Salinas Transit
- Independent Transportation Network of Monterey (ITN Monterey)
- Ridesharing services

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.

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.

There are no agriculture uses within the City of Carmel-by-the-Sea. However, Carmel-by-the-Sea 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.

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%) 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.

The County, in compliance with State legislation and the Employee Housing Act, acknowledges the division of available farmland for the creation of farmworker or employee/family housing[27]. In compliance with State requirements, the City of Carmel-by-the-Sea has included a new program to amend the Municipal Code's to include a definition for employee housing, and the zone in which employee housing would be allowed (Program 1.3.F, see Chapter 2).

Although the City of Carmel-by-the-Sea does not have any agricultural employees and is therefore unable to determine housing and transportation costs for agricultural employees in Carmel-by-the-Sea, the City has identified the following regional service providers and programs to assist farm-worker households with the greater Monterey County region:

- Spanish Farmworkers Resource Line;
- The Center for Community Advocacy;
- Farm and Food Worker Relief Program;
- Monterey-Salinas Transit;
- Independent Transportation Network of Monterey (ITN Monterey);
- MST Rides ADA Paratransit Agency; and
- Rideshare services.

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.

[27] https://www.co.monterey.ca.us/home/showpublisheddocument/45812/636389938528430000

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 HOMELS-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 thar 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. In an effort to break these barriers, the City has identified the following service providers and programs to assist residents experiencing homelessness:

- Community Human Services;
- Habitat for Humanity Monterey;
- Peacock Acres;
- Interfaith Outreach of Monterey;
- Monterey-Salinas Transit;
- Independent Transportation Network of Monterey (ITN Monterey);
- MST Rides ADA Paratransit Agency; and
- Rideshare Services.

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.

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 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.

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.

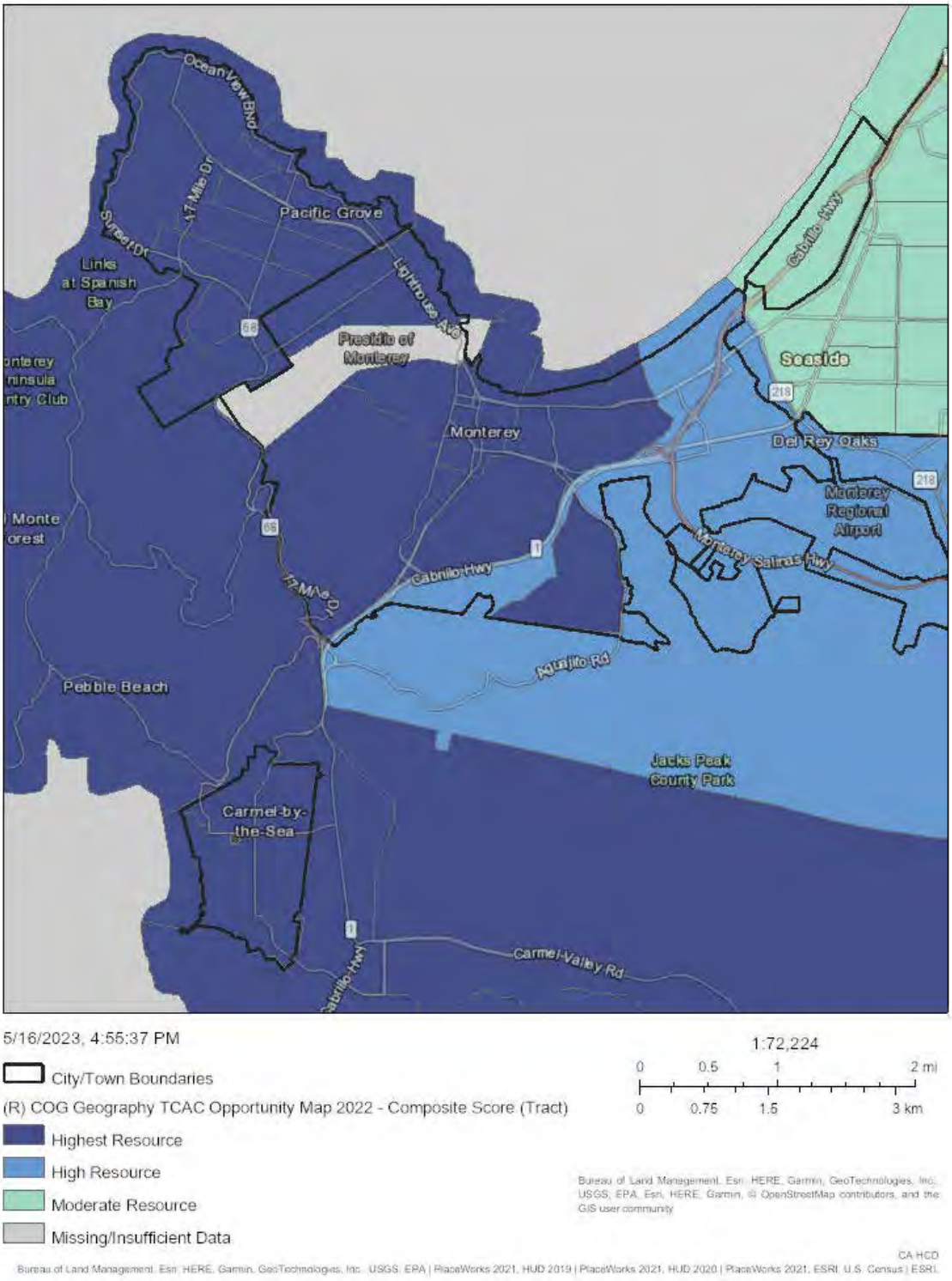
Figure A-41 shows the level of TCAC educational opportunity across Carmel-by-the-Sea. According to TCAC's Educational Opportunity Map, Carmel-by-the-Sea scores between 0.75-1.0 indicating a high level of positive educational outcomes for residents in Carmel-by-the-Sea.

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.

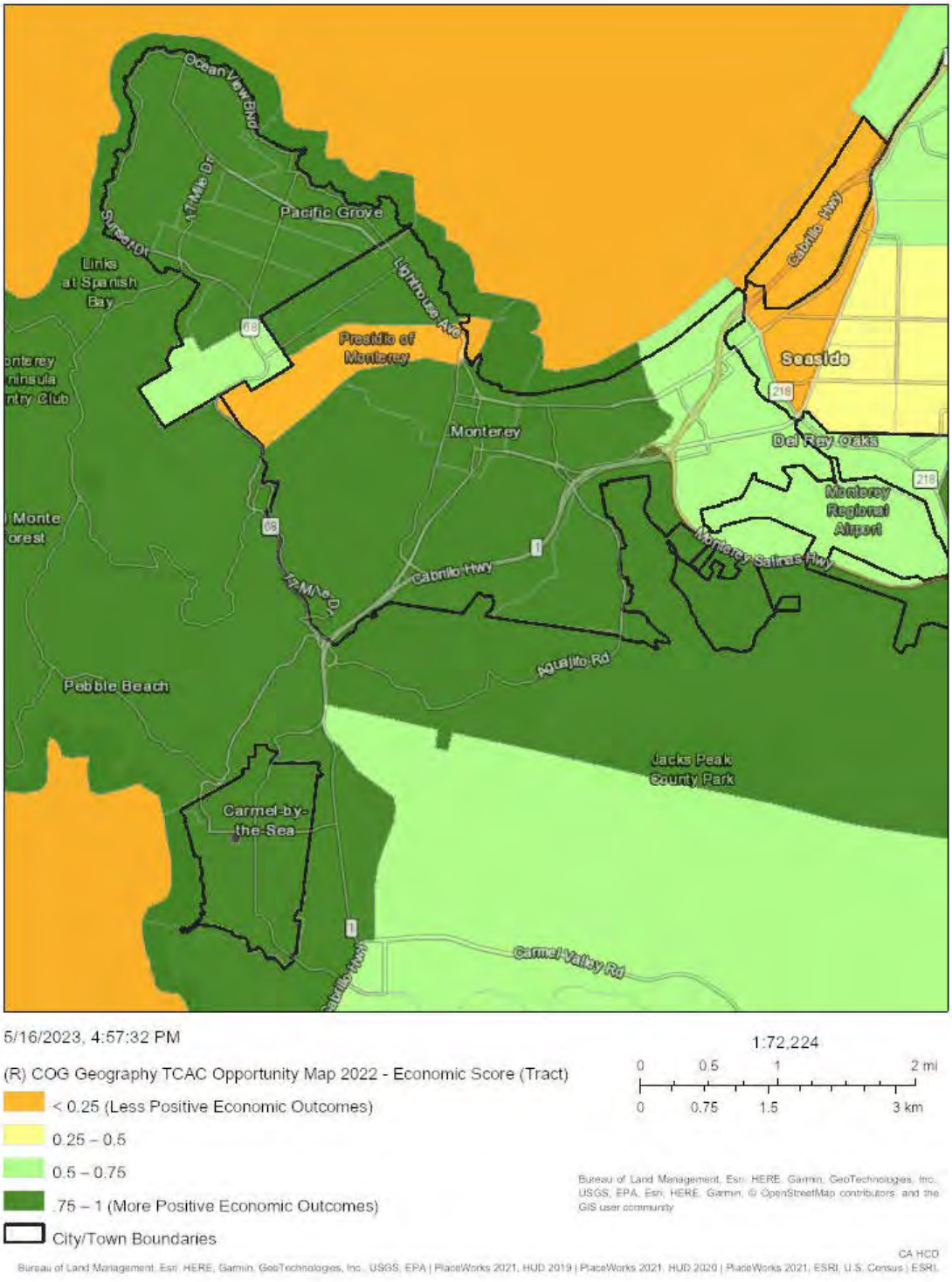
Additionally, there is no performance data available for the graduation rates of students with a disability within Carmel High.

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



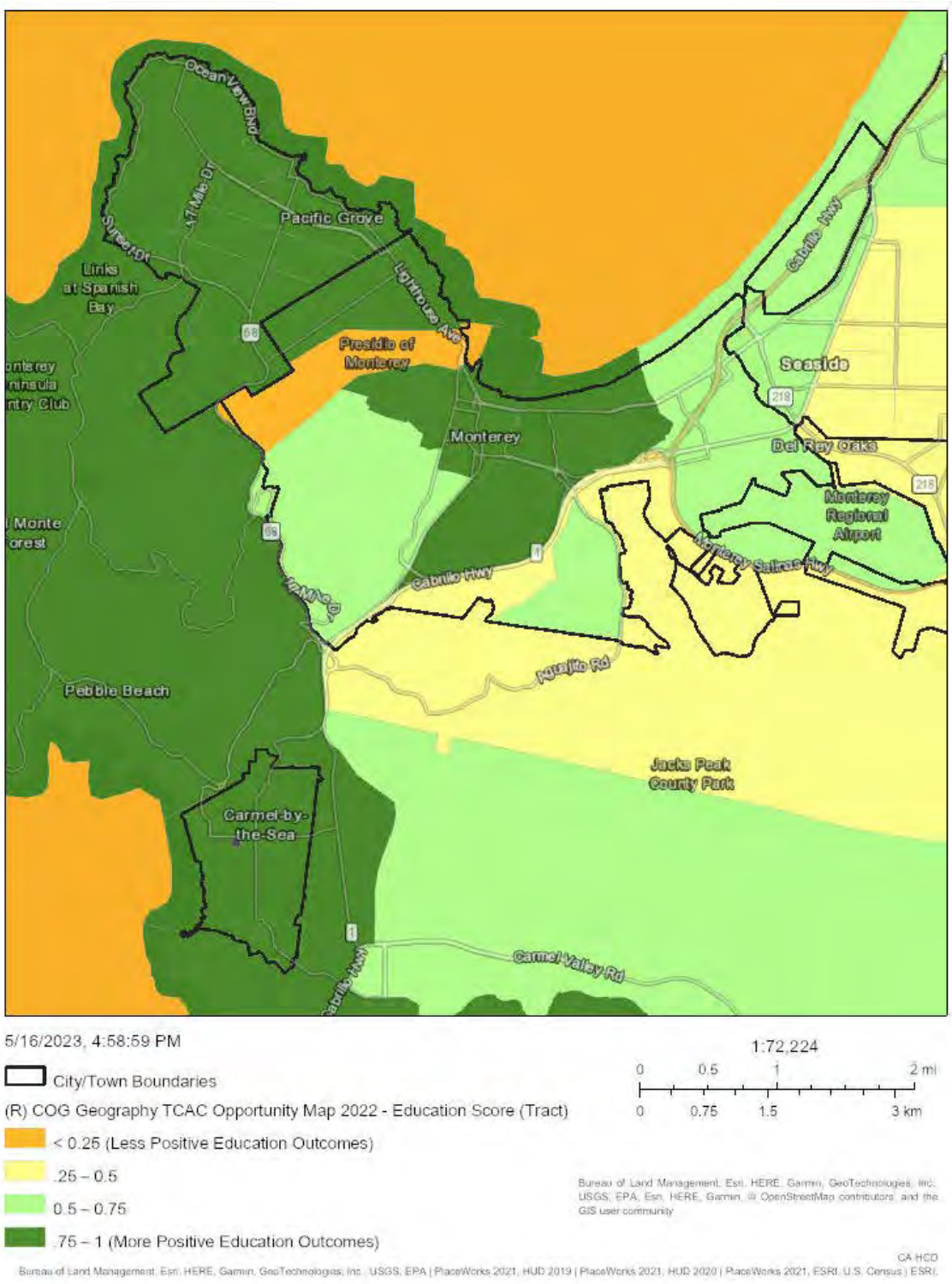
SOURCE: California Department of Housing and Community Development AFFH Data Viewer

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



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

Figure A-41 TCAC Opportunity Education Score, Carmel-by-the-Sea, 2022



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

Environment

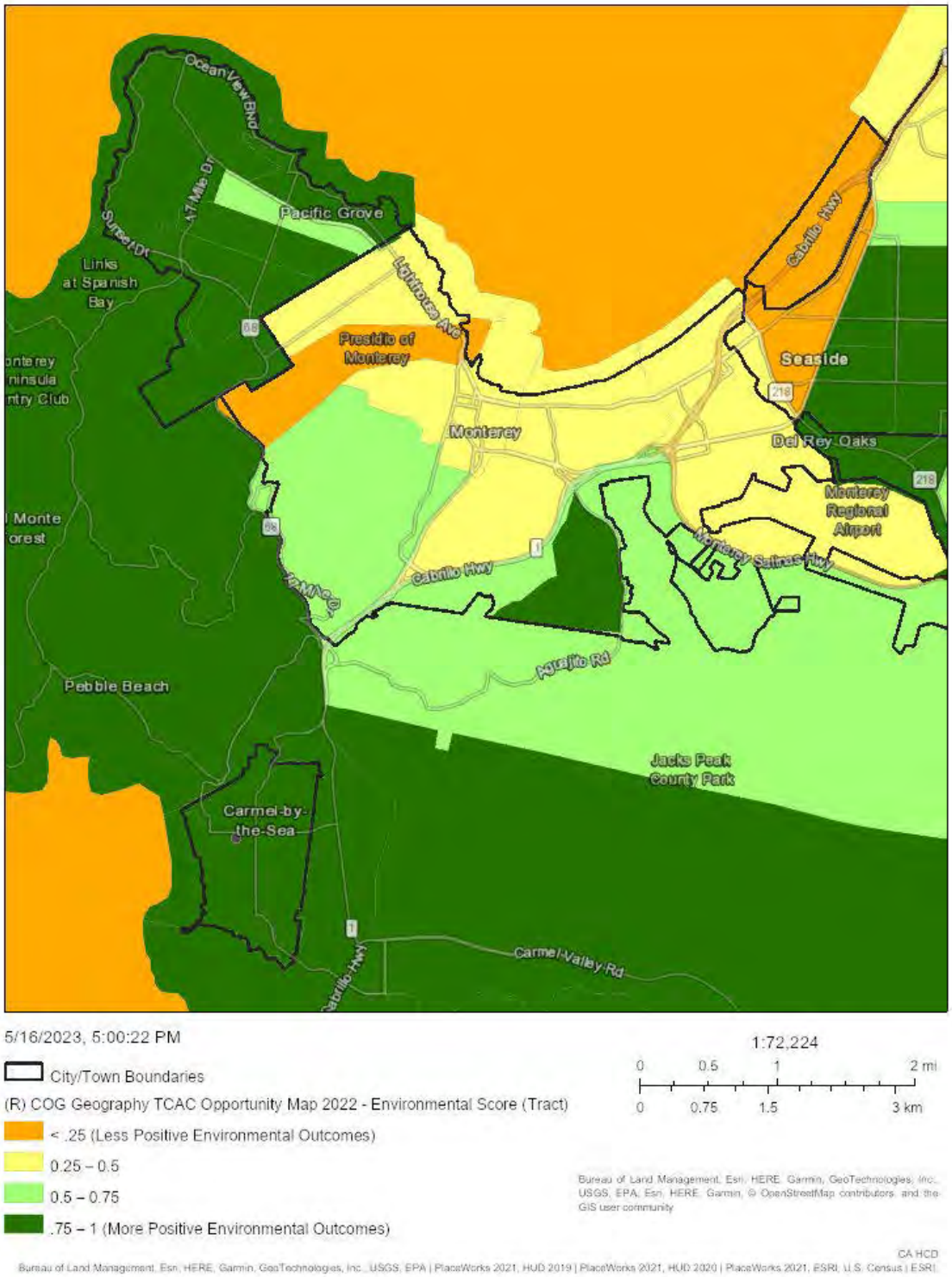
TCAC's opportunity areas environmental scores are based on the CalEnviroScreen 4.0 indicators, which identify areas disproportionately vulnerable to pollution sources such as ozone, PM2.5, diesel PM, pesticides, toxic release, traffic, cleanup sites, groundwater threats, hazardous waste, impaired water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

Figure A-42 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.

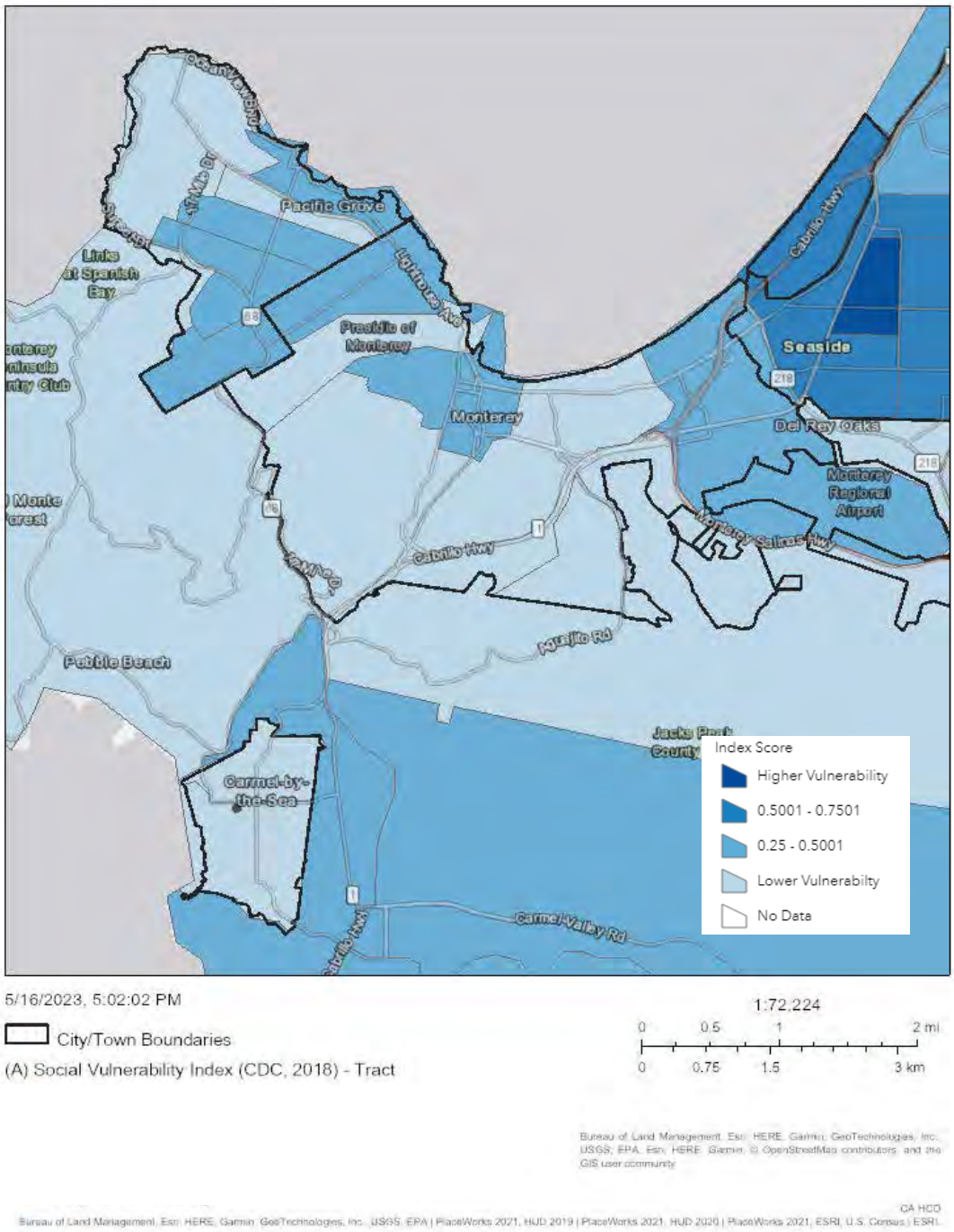
Figure A-43 shows SVI levels across Carmel-by-the-Sea. Carmel-by-the-Sea scores low on the SVI (less than 0.25) indicating that the City is slightly vulnerable to disasters, but highly equipped to respond to them. Just outside of the City's borders however, vulnerability levels increase to 0.25-0.5. This is likely due to a difference in jurisdictional resources.

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



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

Figure A-43 Social Vulnerability Index, Carmel-by-the-Sea, 2018



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

In the City of Carmel-by-the-Sea, public transportation is serviced by Monterey-Salinas Transit (MST). 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.[28] 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 6th highest monthly ridership (Monterey-Salinas Transit, 2023). In an effort to lower the disparities in access to transit, the City has collaborated with MST to ensure that 100% of the City's residents live within a ½ mile of transit stops. Additionally, 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 Network of Monterey (ITN Monterey) and the MST Rides ADA Paratransit Agency.

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:

- 1.1.D: Allow Religious Institution Affiliated Housing Development (site 5 has been designated for this use in the Sites Inventory);
- 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;

[28] https://carmel.novusagenda.com/agendapublic/CoverSheet.aspx?ItemID=5838&MeetingID=1350

- 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).

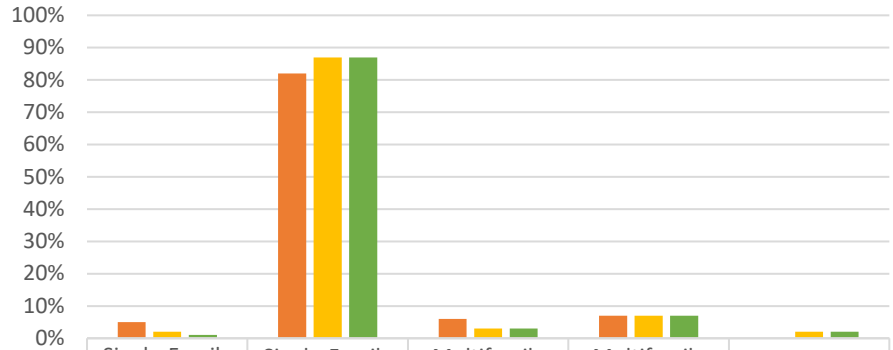
Table A-19 Housing Units by Type by Jurisdiction, 2019

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-44 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-44 Housing by Type in Carmel-by-the-Sea, 2010-2019



	Single-Family Home: Attached	Single-Family Home: Detached	Multifamily Housing: Two to Four Units	Multifamily Housing: Five-plus Units	Mobile Homes
2010	5%	82%	6%	7%	0%
2015	2%	87%	3%	7%	2%
2019	1%	87%	3%	7%	2%

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

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.

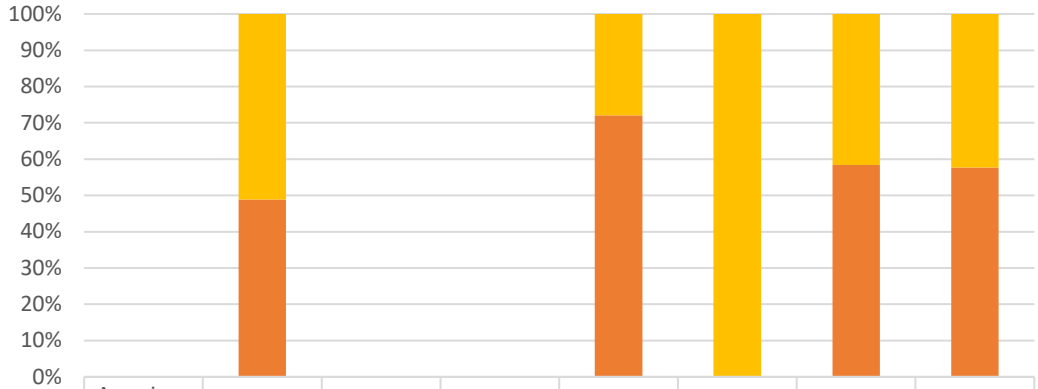
Table A-21 Household Size by Tenure by Jurisdiction, 2019

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-45 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-44). 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-45 Household Tenure by Race, Carmel-by-the-Sea, 2019

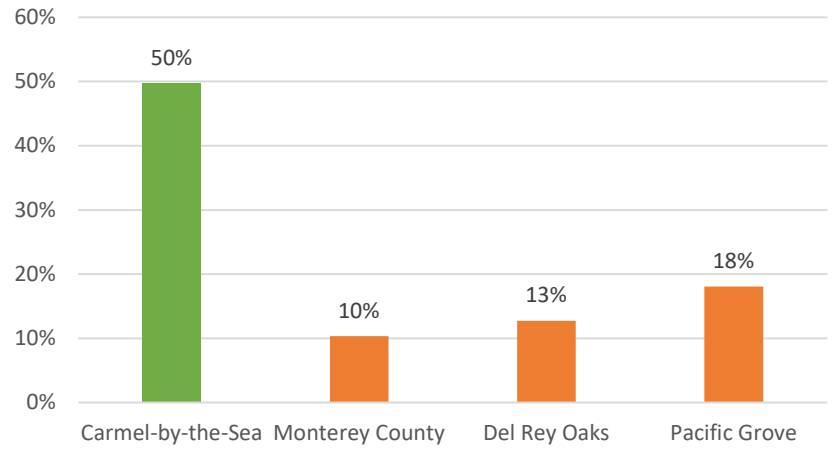


	American Indian or Alaska Native (Hispanic and Non-Hispanic)	Asian alone	Native Hawaiian and Other Pacific Islander	Black or African American (Hispanic and Non-Hispanic)	Hispanic or Latinx	Some Other Race/Multiple Races	White (Hispanic and Non-Hispanic)	White, Non-Hispanic
Renter Occupied	0%	51%	0%	0%	28%	100%	42%	42%
Owner Occupied	0%	49%	0%	0%	72%	0%	58%	58%

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

Figure A-46 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).

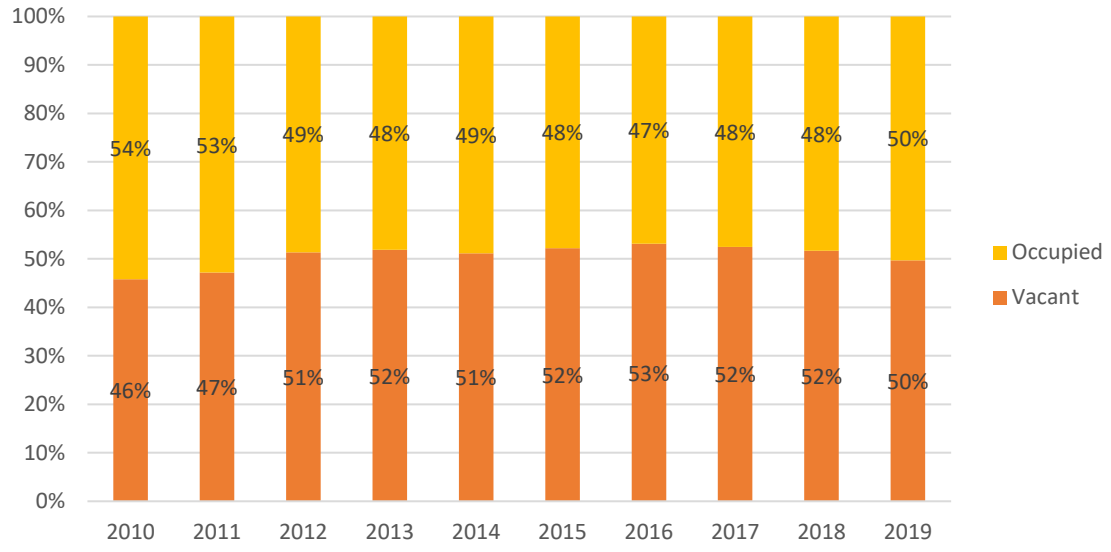
Figure A-46 Vacancy Rates by Jurisdiction, 2019



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

Figure A-47 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 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-46). 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.[29] 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.

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.

[29] 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.

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.

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 Iye	1	Moderate	Inclusionary	In perpetuity
Total	62			

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

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.

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

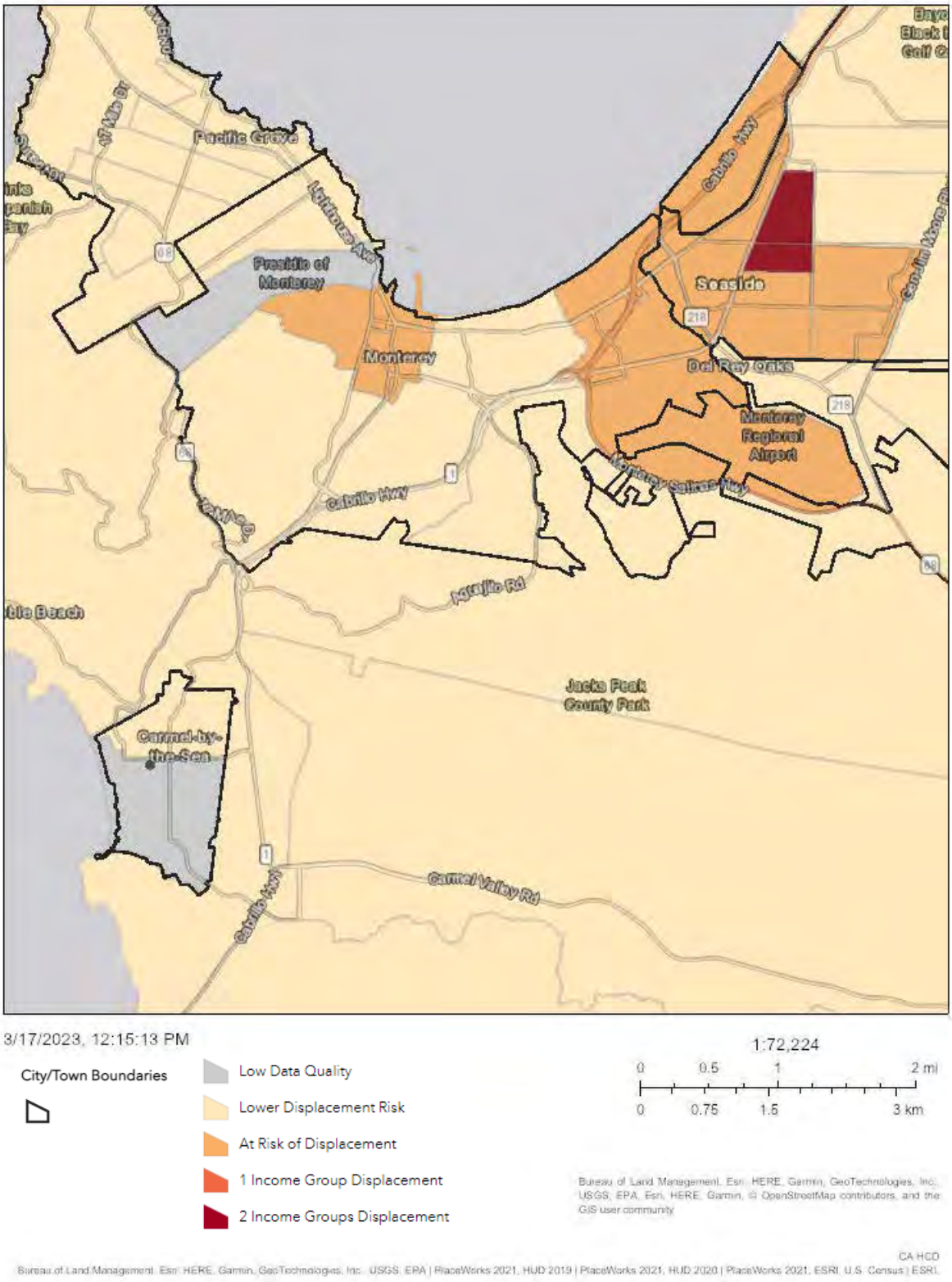
Another option to preserve the affordability of at-risk projects is to provide an incentive package to the owners to maintain the projects as affordable housing. Incentives could include bringing down the interest rate on the remaining loan balance, providing loans for capital improvements, and/or supplementing 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-48 illustrates displacement risk in Carmel-by-the-Sea.

Figure A-48 Displacement Risk, Carmel-by-the-Sea, 2022



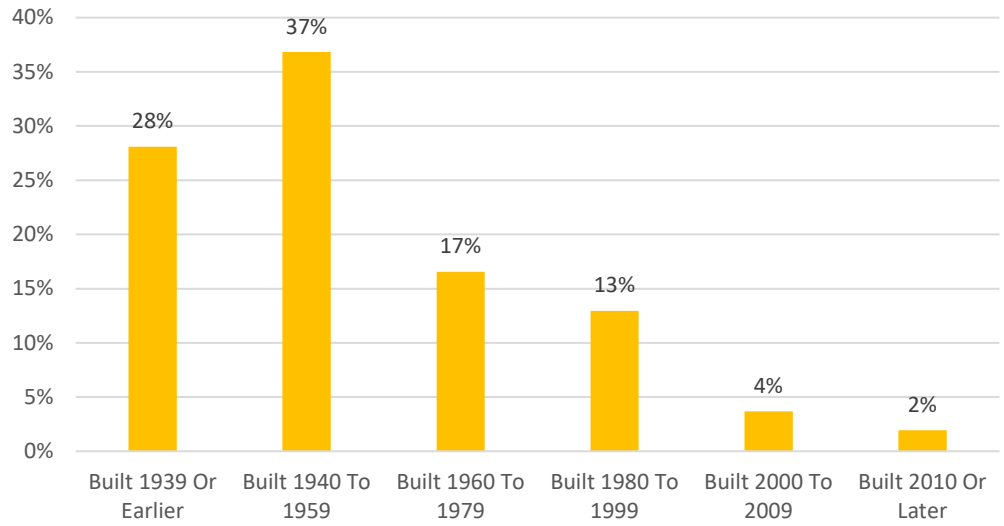
SOURCE: California Department of Housing and Community Development AFFH Data Viewer

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-49 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-49 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 six (5-6) 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. From Code Compliance records and on-site local knowledge, the complaints are spread across the city and do not appear more frequently in any particular part of the city nor are they concentrated.[30][31]

As indicated by the 49 building permit applications received by the City (as of October 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".

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.

[30] Correspondence with Code Compliance Officer December 15, 2023
[31] https://carmel.novusagenda.com/agendapublic/CoverSheet.aspx?ItemID=5833&MeetingID=1505

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.

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.

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,[32] 30-year fixed loan, and a 5 percent down payment.

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).

[32] Interest rate based on December 29, 2022 interest rate according to Freddie Mac Primary Mortgage Market Survey

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".[33]

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.[34] 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;

[33] From State of California Civil Rights Department
[34] From State of California, Civil Rights Department Complaint Process

- **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 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.[35]

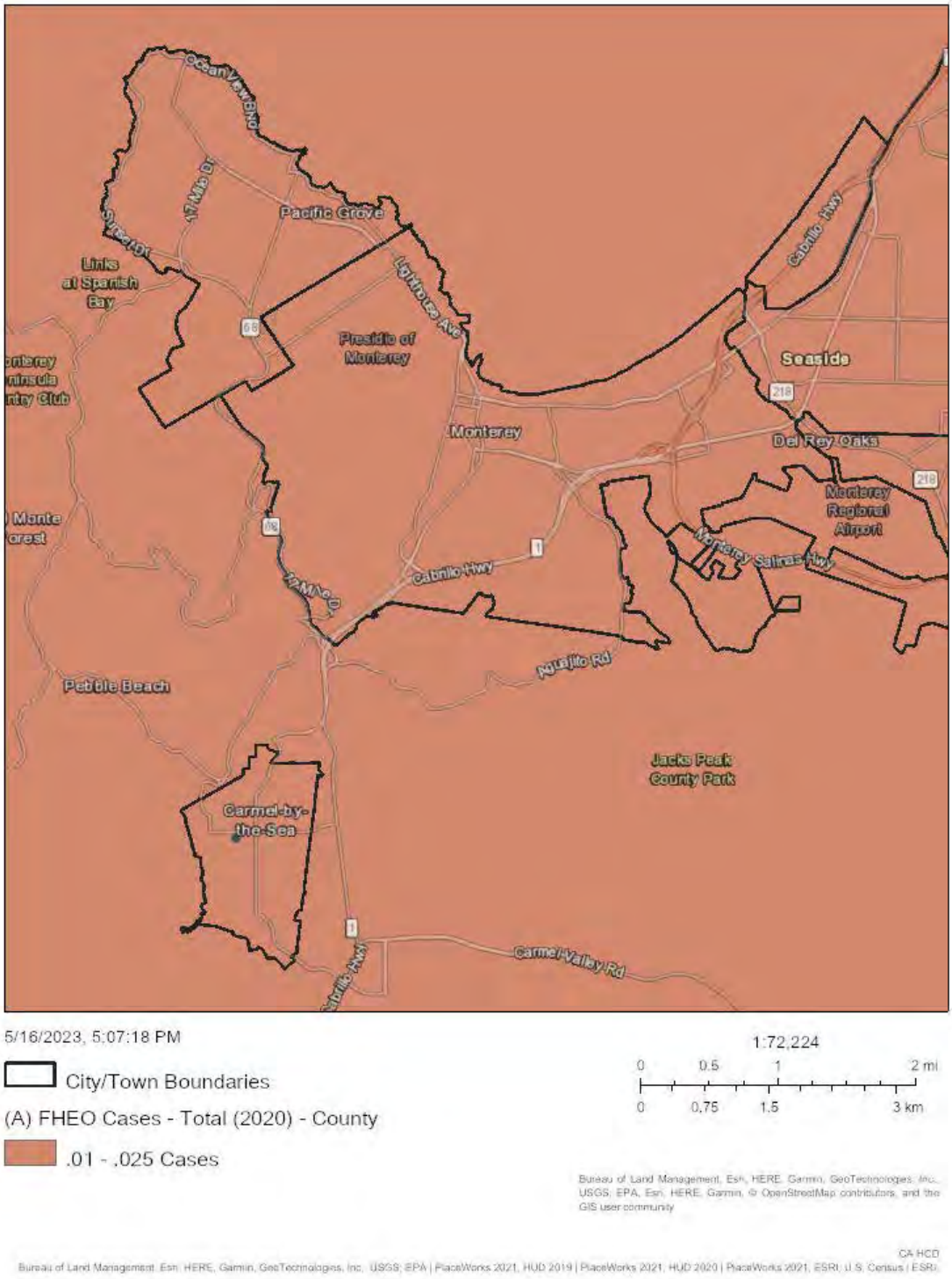
In 2020, a total of six (6) discrimination cases were found with the Office of Fair Housing and Equal Opportunity. Fifty percent of the cases were filed on the basis of disability bias. None of the complaints alleged racial bias. Figure A-50 illustrates that out of all of the FHEO cases filed in the 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.[36]

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-51 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.

[35] From California Department of Fair Employment & Housing, 2018; Monterey County Regional Analysis of Impediments to Fair Housing Choice, 2019

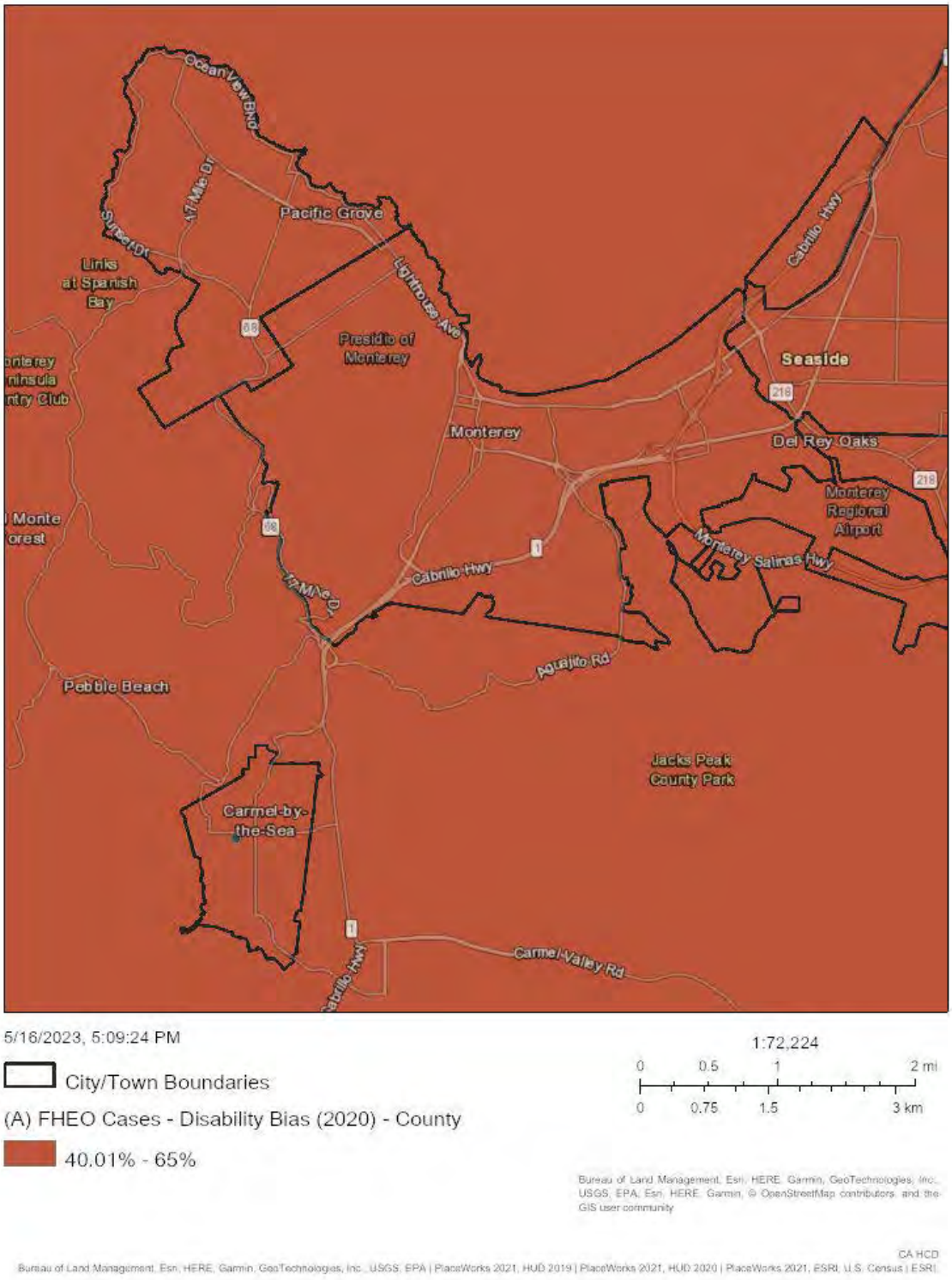
[36] City of Carmel-by-the-Sea, 2023

Figure A-50 FHEO Cases Total, Monterey County, 2020



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

Figure A-51 FHEO Cases, Disability Bias, Monterey County, 2020



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

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.[37]

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 complains 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:

[37] From Gentry, A. (2021, September 4). Annual fair housing report shows increase in housing harassment. NFHA.

- 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. However, 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
Household Characteristics 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.	▪ Lack of racial and ethnic diversity within the City; and ▪ Lack of adequate affordable housing options.	Program 1.1.B: Underutilized Sites Program 3.1.C: Density Bonus Program 3.1.D: Reduced Entitlement and Development Fees Program 1.3.D: Employee Housing Program Program 2.1.A: Incentives for Mixed-Use Development	High
Disproportionate Housing Needs 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.	▪ Lack of affordable housing; ▪ Lack of adequate housing stock that meets the needs of residents; and ▪ Jobs-worker imbalance.	Program 1.1.B: Underutilized Sites Program 1.3.D: Employee Housing Program Program 2.4.A: Housing Rehabilitation and Maintenance Information Program 3.1.B: Housing for Extremely-Low Income Households Program 3.1.C: Density Bonus Program 3.1.G: Affordable Housing Overlay District	High
Special Needs Groups In Carmel-by-the-Sea, extremely low-income and special needs groups	▪ Lack of affordable housing; ▪ Jobs-worker imbalance;	Program 1.3.E: Amend the A-2 Zoning District Program 3.1.B: Housing for Extremely-Low Income Households	High

Fair Housing Issue	Contributing Factor(s)	AFFH Programmatic Action	Priority
experience disproportionate impacts of poverty, increasing the challenge of obtaining adequate housing in the City.	▪ Lack of accessible units for individuals with disabilities; and ▪ Lack of Transitional and Supportive Housing/Emergency Shelters.	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	
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.	▪ 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.	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	High
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.	▪ 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.	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	High

Fair Housing Issue	Contributing Factor(s)	AFFH Programmatic Action	Priority
Fair Housing Enforcement 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.	▪ Lack of access to information about fair housing rights; and ▪ Limited knowledge of fair housing by residents.	Program 2.1.C: Monitor Affordable Housing Stock Program 5.1.A: Fair Housing Services Program 5.1.B: Housing Choice Voucher Program Program 5.1.C: Shared Housing Information Program 5.2.A: Support Community Organizations	Medium

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.

Housing Constraints

APPENDIX B

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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 95-10[1], 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 2008[2] to further restrict water use which limits the placement of new water meters to service new development.

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

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 water[3] for general distribution which represents a water deficit of approximately 37.339AF. There is also Malpaso Water Company water entitled to certain limited properties whose owners were previously able to purchase water directly from the Water Company[4]. 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.

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

[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

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.

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 units[5].

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.

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

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

[5] May 17, 2023 email correspondence with CAWD

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.

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 (SB 35) 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.

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	-	-
Accessory Dwelling Units								
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	-	-	-	-	-	-	-
Multifamily Dwellings								
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
Family Day Care								
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)		Rear			
Residential Districts								
R-1	2,500[1] 4,000	15	Interior 3	Street Side 5	15	24 feet 2 stories	Less than 45 percent of the area of the building site[2] 2,400[3]	22% of the base floor area
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/A1	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% of each side property line. The remaining 50% 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 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 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 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 not to be removed. This review process includes a single hearing.

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.

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.

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.

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.

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.

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 developments that include affordable housing (Program 1.1.C, see Chapter 2). This program also establishes waived parking requirements for apartments 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.

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-7 (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 state law (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 flood 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.

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;

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. 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. However, if the final reviewing authority is the City Council, the decision shall be final.

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 nine (9) required findings that the Planning Commission must make to determine eligibility. The required findings are objective and do not pose a barrier to the development of licensed residential facilities. Overall, the City permits licensed Residential Care Facilities in accordance with the requirements of State Law and does not pose 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 City does not have any privately-owned or operated employee housing sites that provide housing for five or more employees and thus in compliance with Division 13, Part 1 of the California Health and Safety Code, commencing with Section 17000.

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.

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.

6. 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.

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.

Historic Resources Review

I want to keep the village feel of the town.

November 17, 2022 Housing Ad Hoc Committee Community Meeting Attendee

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.

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
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

[6] https://ci.carmel.ca.us/sites/main/files/file-attachments/fy_23-24_master_fee_schedule.pdf?1694542754

Application/Permit Type	Fee
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
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

Application/Permit Type	Fee
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)
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

Application/Permit Type	Fee
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-10, 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 a 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. 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 Categorically 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. Categorically 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 is therefore not subject to SB 35 (see Government Code Section 65913.4(6)). The City has included a program in the 6th Cycle Housing Element to address SB-35 if the law becomes applicable to Coastal Zone areas. The City will create a SB35 checklist and written procedures for processing SB35 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.

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 story poles be installed 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.

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 it 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.

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.

Table B-13 Summary of Governmental Constraints

Governmental Constraint	Programmatic Action
Lack of Water Resources The primary infrastructure constraint to the development of housing in Carmel is the lack of potable water.	Program 1.2.A: Water Distribution Program 4.1.A: Water Conservation
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.	Program 3.1.G: Establish Minimum Densities
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.	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
City Fees The City's design review and permitting process may be financially prohibitive for lower income households and likely most affordable housing projects.	Program 3.1.D: Reduced Entitlement and Development Fees Program 3.1.E: Reduced Parking Requirements
Parking Requirements Parking is limited within Carmel-by-the-Sea. Off-street parking requirements can be prohibitive to building multi-family and affordable housing.	Program 3.1.E: Reduced Parking Requirements
Commercial Overnight Visitor Accommodation	Program 1.3.B: Overnight Visitor Accommodation (Conversion) Development Transfer Rights Program 1.2.D: Overnight Visitor Accommodation – Employee Housing Program

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.

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

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.

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% and 9% 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% credit is for the acquisition of existing buildings for rehabilitation and new construction financed by tax-exempt bonds. The 9% credit is generally for new construction and substantial rehabilitation with no federal subsidies. The amount of the credit is equal to 4% or 9% 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% LIHTC is more valuable than the 4% LIHTC, so it is typically used for larger projects. The 9% LIHTC is also more competitive, as there is a limited amount of 9% credits available each year. Both the 4% and 9% 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% 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% 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% vacancy rate of which 80% 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 on the following page.

Table B-14 Summary of Non-Governmental Constraints

Non-Governmental Constraint	Programmatic Action
Land Availability and Cost 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. Some of the primary factors that have contributed to high land costs in Carmel-by-the-Sea are its, and limited availably of land.	Program 3.1.A: Mixed Use Affordable Housing Program 3.1.B: Overnight Visitor Accommodation (Conversion) Transfer of Development Rights. Program 1.1.C: Development on Small Sites Program 3.1.C: Density Bonus
Construction Costs Costs of labor and materials are very high in Carmel-by-the-Sea and could be considered constraints on housing development.	Program 3.1.C: Density Bonus
Availability of Financing	Program 2.1.D: Establish Affordable Housing Trust Fund Program 5.1.C: Shared Housing Information Program 5.1.B: Housing Choice Voucher Program Program 5.2.A: Support Community Organizations
Small Lots and Large Units	Program 3.1.G: Establish Minimum Densities
Seasonal Vacancies	Program 2.1.D: Establish Affordable Housing Trust Fund

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 2045[1]. 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	0	0	0	37	37
Remaining RHNA	113	74	44	81	312

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

C.3 Overview of Sites Inventory

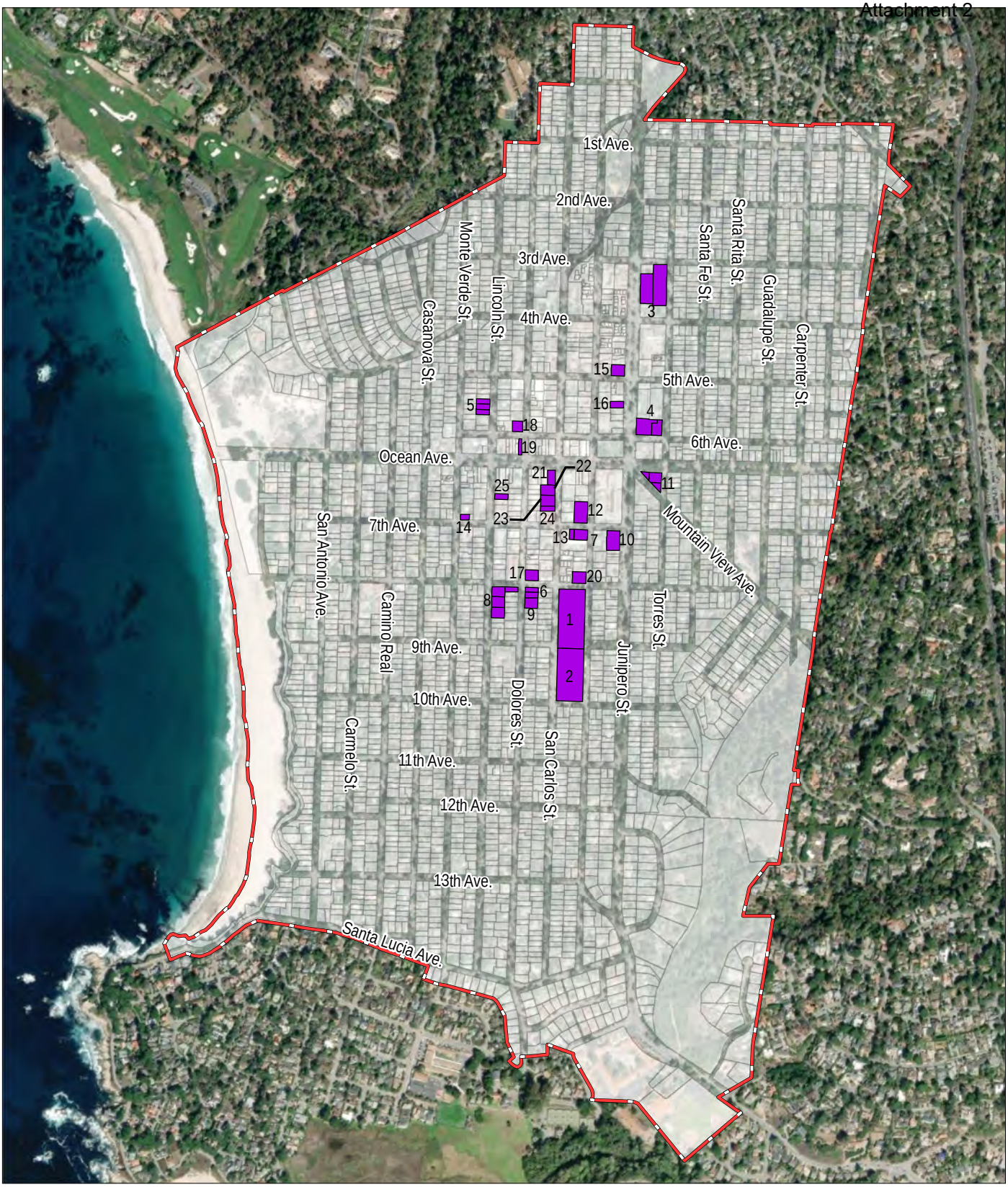
The purpose of the sites inventory is to identify and analyze specific sites that are available and suitable for residential development in order to accommodate Carmel-by-the-Sea's assigned 349 housing units. The City isn't responsible for building the housing but creates the programs and policies to 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.



Source: Monterey County GIS 2023, Google Earth 2023

Figure C-1

Sites Inventory

Carmel Housing & Safety Element Update

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 8th & 10th 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 8th & 10th 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 & 4th, and E/S Junipero between 3rd & 4th	010104001000 010104004000	R-4	MFR	1.28	44	56	28	11	17	--
4	Bruno's Market Site (#6) NE Corner of Junipero & 6th, and NW Corner of Torres & 6th	010095013000 010095012000	RC	RC	0.53	33	17	--	--	5	12
5	First Church of Christ Parking Lot (#8), Lincoln 2-4 NW of 6th	010212027000 010212004000 010212026000	SB 10	SB 10	0.28	33	9	2	1	3	3
6	Red Cross Site (#10), SE Corner of Dolores & 8th	010144015000 010144016000	SB 10	SB 10	0.18	33	5	3	2	--	--
7	Girl Boy Girl, SW Corner of Mission & 7th (#14)	010142001000	SC	CC	0.18	33	5	--	--	--	5
8	Carmel Foundation Site (#15), NE Corner of Lincoln & 8th	010149012000 010149010000 010149011000 010149001000	A-3	SFR	0.62	33	21	11	10	--	--
9	American Legion Site, Dolores 2 SE 8th	010144014000	SB 10	SB 10	0.18	33	5	2	3	--	--
10	AT&T Building SW Corner of Junipero & 7th	010087012000	RC	RC	0.35	33	11	--	--	--	11

Site #	Location (Reference to ECO NW Study)	APN	Zoning	General Plan	Acreage	Applied Density (DU/AC)	Minimum Capacity	Very Low	Low	Moderate	Above Moderate
11	Forest Cottages Specific Plan, NE Corner of Ocean & Mountain View	010085004000 010085005000 010085003000	R-1	SFR	0.30	20	6	--	2	--	4
Subtotal Primary Underutilized Sites					6.78		228	96	64	33	35
Sites Recycled from 5th 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 8th & Delores	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
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

Site #	Location (Reference to ECO NW Study)	APN	Zoning	General Plan	Acreage	Applied Density (DU/AC)	Minimum Capacity	Very Low	Low	Moderate	Above Moderate
Subtotal Recycled Sites					2.09		60	0	0	0	60
TOTAL							288	96	64	33	95
Hospitality Employee Housing							31	8	12	11	0
ADUs							34	10	10	10	4
Pipeline Projects							57	7	7	7	36
Subtotal Other							122	25	29	28	40
GRAND TOTAL							410	121	93	61	135
RHNA							349	113	74	44	118
Difference							61	8	19	17	17
Difference (Percent)							117%	107%	126%	139%	114%

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 feasibility for the development of affordable units.

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 has identified four (4) underutilized parcels (Sites #1-3) with intentions to make them available through the Surplus Land Act process 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 are planned to remain in City ownership and are anticipated to be made available for development through long-term leases. These sites will 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 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.

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)

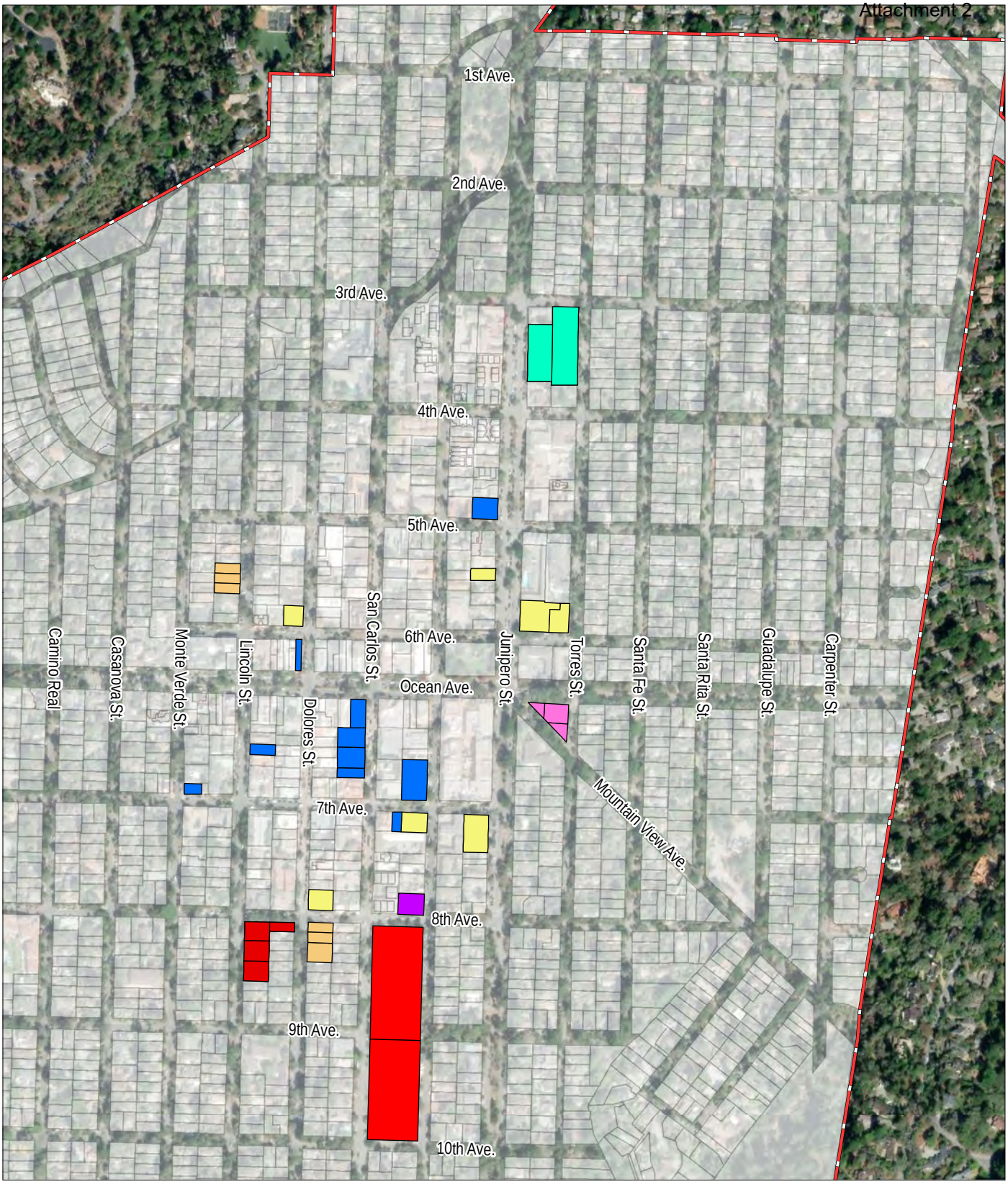
This housing plan and Site Inventory provides capacity for a variety of housing types; including multi-family rental housing, factory-built housing, mobile homes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. The Zoning 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.

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)



Source: Monterey County GIS 2023, Google Earth 2023

Figure C-2

Housing Types and Affordability

Carmel Housing & Safety Element Update

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.

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.

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 010138021000	Ulrika Plaza	SC	Core Commercial	0.37	33	--	--	--	12	Rental	Approved
010145012000 010145024000 010145023000	JB Pastor	SC	Core Commercial	0.27	33	--	--	--	8	Rental	Pending
010146010000	Scandia Lopez	CC	Core Commercial	0.09	33	--	--	--	3	Rental	Approved
010021014000 010021013000 010021012000 010021011000 010021030000 010021031000 010021032000 010021033000	Carmel Resort Inn	R-1	Single-Family Residential	0.74	11	--	--	--	8	Ownership	Pending
					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.

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	Finaled: 10/31/2023
010-251-036	McLeod	Finaled: 11/22/2023
010-102-009	Lyons	Finaled: 12/6/2023
010-193-024	Altomare	Finaled: 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	96	64	33	35	228
5th 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	107%	126%	139%	114%	

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

The City has identified 25 housing opportunity sites and 57 pipeline housing projects (including 26 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.

Primary 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

"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

[2] ECO Northwest, January 27, 2023. "Housing Element Analysis for the City of Carmel by-the-Sea."

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 make the property available through the Surplus Land Act process, 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.

The City's intention for development of this site includes partnering with an affordable housing developer 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).

As previously discussed, the City will follow the requirements of the Surplus Land Act to lease the land to facilitate the development of affordable residential units. 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-6 Site #1 Description

Site Description		Site Image & Capacity Calculation
Address	East Side of San Carlos between 8th and 10th 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 X 33) (.95)(.95) = 28 units 84% of minimum density
Environmental Constraints	None known	

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 south parking lot). Following approved development standards, the City will make the property available through the Surplus Land Act process, 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 the development of 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 follow the requirements of the Surplus Land Act to lease the land to facilitate the development of affordable residential units. 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 8th and 10th 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	
Infrastructure Availability	Yes, no constraints.	Realistic Capacity utilizing factors = (1.84 X 33) (.95) (.95) (.95) = 52 units 86% of minimum density
Environmental Constraints	None known	

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.

Site Description	Adjustment	Reasoning
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). The City will make the property available through the Surplus Land Act process, 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 follow the requirements of the Surplus Land Act to lease the land to facilitate the development of affordable residential units. 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

<table>
<tr><th colspan="2">Site Description</th><th>Site Image & Capacity Calculation</th></tr>
<tr><td>Address</td><td>West side of Torres between 3rd and 4th Ave.
E side of Junipero between 3rd and 4th Ave.</td><td rowspan="8"> </td></tr>
<tr><td>APN</td><td>010-104-001-000
010-104-004-000</td></tr>
<tr><td>By-Right with 20% Affordable</td><td>No, not used in previous cycle.</td></tr>
<tr><td>Size of Site</td><td>1.28 acres</td></tr>
<tr><td>Zoning</td><td>R-4</td></tr>
<tr><td>Allowable Density</td><td>Maximum 33 du/ac * (up to 44 du/ac with affordable)</td></tr>
<tr><td>Applied RHNA Affordability</td><td>Very Low-Income: 28 units
Low-income: 11 unit
Moderate-Income: 17 units</td></tr>
<tr><td>Existing Use</td><td>Non-vacant; parking lot</td></tr>
<tr><td>Infrastructure Availability</td><td>Yes, no constraints.</td><td rowspan="2">Realistic Capacity utilizing factors =

(1.28 X 44) (.90) (.95) (.95) = 45 units
80% of maximum density (44 du/ac)</td></tr>
<tr><td>Environmental Constraints</td><td>None known</td></tr>
<tr><td>Other Constraints</td><td colspan="2">Potential height restrictions due to viewshed (CMC 17.12.050).</td></tr>
</table>

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.

Site Description	Adjustment	Reasoning
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 6th 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 X 33) (.90) (.95) (.95) = 14 units 82% of minimum density
Environmental Constraints	None known	

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) units to accommodate two (2) very low-, one (1) low-, three (3) moderate-, and three (3) 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) units to accommodate two (2) very low-, two (2) low, and three (3) 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.

While the site is less than 0.5 acres, the Church has expressed interest in developing housing on the underutilized parking lot. Because the current owner is a mission-driven organization, it's possible they may subsidize affordable housing construction and management. 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.

Additionally, the City intends to implement SB 4 for this site, which enables a streamlined process for the development of affordable residential units on land owned by a religious institution. All units are required to be affordable and approved by-right, requiring no discretionary review.

Table C-14 Site #5 Description

Site Description		Site Image & Capacity Calculation
Address	Lincoln 2 NW of 6th Ave Lincoln 3 NW of 6th Ave Lincoln 4 NW of 6th 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	Very low-income: 2 units Low-income: 1 unit Moderate-income: 3 units Above moderate-income: 3 units	
Existing Use	Non-vacant; parking lot	
Infrastructure Availability	Yes, no constraints.	Realistic Capacity utilizing factors = (0.28 X 33) (.90) (.95) (.95) = 7 units 77% of minimum density
Environmental Constraints	None known	

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) units to accommodate three (3) very low- and two (2) 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 four (4) units to accommodate two (2) very low-, two (2) low-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.

While the site is less than 0.5 acres, the property owner has expressed interest in developing affordable senior housing. 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.

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 8th 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	Very Low-income: 3 units Low-income: 2 units	
Existing Use	Non-vacant; vacant office space and parking lot	
Infrastructure Availability	Yes, no constraints.	Realistic Capacity utilizing factors = (0.18 X 33) (.90) (.95) (.95) = 4 units 80% of minimum density
Environmental Constraints	None known	

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 7th 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	
Infrastructure Availability	Yes, no constraints.	Realistic Capacity utilizing factors = (0.18 X 33) (.90) (.95) (.95) = 4 units 80% of minimum density
Environmental Constraints	None known	

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.

The Carmel Foundation currently manages a total of 50 affordable senior housing units in the Village including Norton Court, Trevvett 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.

City of Carmel-by-the-Sea

COMMUNITY PLANNING AND BUILDING DEPARTMENT
POST OFFICE BOX CC
CARMEL-BY-THE-SEA, CA 93921
(831) 620-2010 OFFICE

Attachment 2

Housing Element Site Inventory Property Owner Interest Form

The City has developed a list of potential sites that could accommodate residential units over the next eight-year planning cycle (2023-2031) to meet the City's 6th Cycle Regional Housing Needs Allocation (RHNA) goal of 349 new residential units. Please use the following form to indicate potential interest in developing housing on your property and potential constraints to development.

OPPORTUNITIES

☑ I am interested in developing housing on my property.

Please provide additional information: *(e.g., type of housing you would like to develop (single-family/multi-family, rental/for-sale), anticipated affordability level of the unit(s) (low income/market-rate), a timeline of potential development, etc.)*

The Carmel Foundation is always open to develop new low-income housing for seniors. There is currently no timeline that can be quoted as adding additional units would be dependent on proposed space and funding.

CONSTRAINTS

☐ The property identified has existing uses/tenants that may impede residential development.

Please provide additional information: *(e.g., leases that will not expire within the current 2023-2031 Housing Element Cycle, easements, deed restrictions, etc.)*

☐ I am not interested in developing housing or selling my property to a housing developer.

Please provide additional information: *(e.g. cost of construction, personal preference, etc.)*

Property Owner Name:
Holly Zoller, President/CEO of The Carmel Foundation

APN: 010 - 149 - 010
010 - 149 - 011
010-149-012, 010-149-001

Table C-20 Site #8 Description

Site Description		Site Image & Capacity Calculation
Address	Northeast corner of Lincoln and 8th 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 X 33) (.90) (.95) (.95) = 17 units 80% of minimum density
Environmental Constraints	None known	

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) units to accommodate two (2) very low- and three (3) 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 four (4) units to accommodate two (2) very low- and two (2) low-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.

While the site is less than 0.5 acres, the property owner has expressed interest in developing affordable housing for veterans. Additionally, 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.

Table C-22 Site #9 Description

Site Description		Site Image & Capacity Calculation
Address	Dolores Street 2 SE of 8th 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	Very Low-Income: 2 units Low-Income: 3 units	
Existing Use	Non-Vacant; office space and meeting hall	
Infrastructure Availability	Yes, no constraints.	Realistic Capacity utilizing factors = (0.18 X 33) (.90) (.95) (.95) = 4 units 80% of minimum density
Environmental Constraints	None known	

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 7th 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 X 33) (.90) (.95) (.95) = 9 units 81% of minimum density
Environmental Constraints	None known	

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.	Realistic Capacity = (0.30 X 20) = 6 units Specific Plan Approved Density
Environmental Constraints	None known	

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 7th Ave	
APN	010-141-003-000	
By-Right with 20% Affordable	No, used in 4th and 5th 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.	Realistic Capacity utilizing factors = (0.37 X 38) (.90) (.95) (.95) = 9 units 75% of minimum density
Environmental Constraints	None known	

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	7th Ave 2 Southwest of Mission Street	
APN	010-142-013-000	
By-Right with 20% Affordable	No, used in 4th and 5th 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.	Realistic Capacity utilizing factors = (0.07 X 33) (.90) (.95) (.95) = 1 unit 50% of minimum density
Environmental Constraints	None known	

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 7th Ave	
APN	010-191-004-000	
By-Right with 20% Affordable	No, used in 4th and 5th 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 X 33) (.90) (.95) (.95) = 1 unit 50% of minimum density
Environmental Constraints	None known	

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 5th Ave	
APN	010-097-007-000	
By-Right with 20% Affordable	No, used in 4th and 5th 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 X 33) (.90) (.95) (.95) = 4 units 80% of minimum density
Environmental Constraints	None known	

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 5th and 6th Ave	
APN	010-098-004-000	
By-Right with 20% Affordable	No, used in 4th and 5th 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.	Realistic Capacity utilizing factors = (0.11 X 33) (.90) (.95) (.95) = 2 units 66% of minimum density
Environmental Constraints	None known	

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 8th Ave	
APN	010-145-008-000	
By-Right with 20% Affordable	No, used in 4th and 5th 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.	Realistic Capacity utilizing factors = (0.19 X 33) (.90) (.95) (.95) = 5 units 83% of minimum density
Environmental Constraints	None known	

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 6th Ave	
APN	010-138-006-000	
By-Right with 20% Affordable	No, used in 4th and 5th 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.	Realistic Capacity utilizing factors = (0.13 X 33) (.90) (.95) (.95) = 3 units 75% of minimum density
Environmental Constraints	None known	

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 4th and 5th 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 X 33) (.90) (.95) (.95) = 2 units 100% of minimum density
Environmental Constraints	None known	

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 8th Ave	
APN	010-142-006-000	
By-Right with 20% Affordable	No, used in 4th and 5th 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 X 33) (.90) (.95) (.95) = 5 units 83% of minimum density
Environmental Constraints	None known	

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 4th and 5th 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.	Realistic Capacity utilizing factors = (0.15 X 33) (.90) (.95) (.95) = 4 units 100% of minimum density
Environmental Constraints	None known	

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 4th and 5th 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.	Realistic Capacity utilizing factors = (0.18 X 33) (.90) (.95) (.95) = 4 units 80% of minimum density
Environmental Constraints	None known	

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 7th Ave	
APN	010-146-003-000	
By-Right with 20% Affordable	No, used in 4th and 5th 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.	Realistic Capacity utilizing factors = (0.18 X 33) (.90) (.95) (.95) = 4 units 80% of minimum density
Environmental Constraints	None known	

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 7th Ave	
APN	010-146-004-000	
By-Right with 20% Affordable	No, used in 4th and 5th 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.	Realistic Capacity utilizing factors = (0.09 X 33) (.90) (.95) (.95) = 2 units 100% of max density
Environmental Constraints	None known	

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 4th and 5th 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.	Realistic Capacity utilizing factors = (0.09 X 33) (.90) (.95) (.95) = 2 units 100% of minimum density
Environmental Constraints	None known	

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. 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.

Additionally, the City has developed Program 1.3.B, which encourages property owners to consider rehabilitating their sites as multi-family rental residences through a transfer of development rights.

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
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

APN	Address	Overnight Visitor Accommodation Establishment Name
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

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 finaled 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																
			Realistic Capacity				Segregation/Integration					Access to Opportunity		Disproportionate Housing Needs	
Site #	Census Tract	APN	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																
			Realistic Capacity				Segregation/Integration					Access to Opportunity		Disproportionate Housing Needs	
Site #	Census Tract	APN	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																
			Realistic Capacity				Segregation/Integration					Access to Opportunity		Disproportionate Housing Needs	
Site #	Census Tract	APN	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]
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

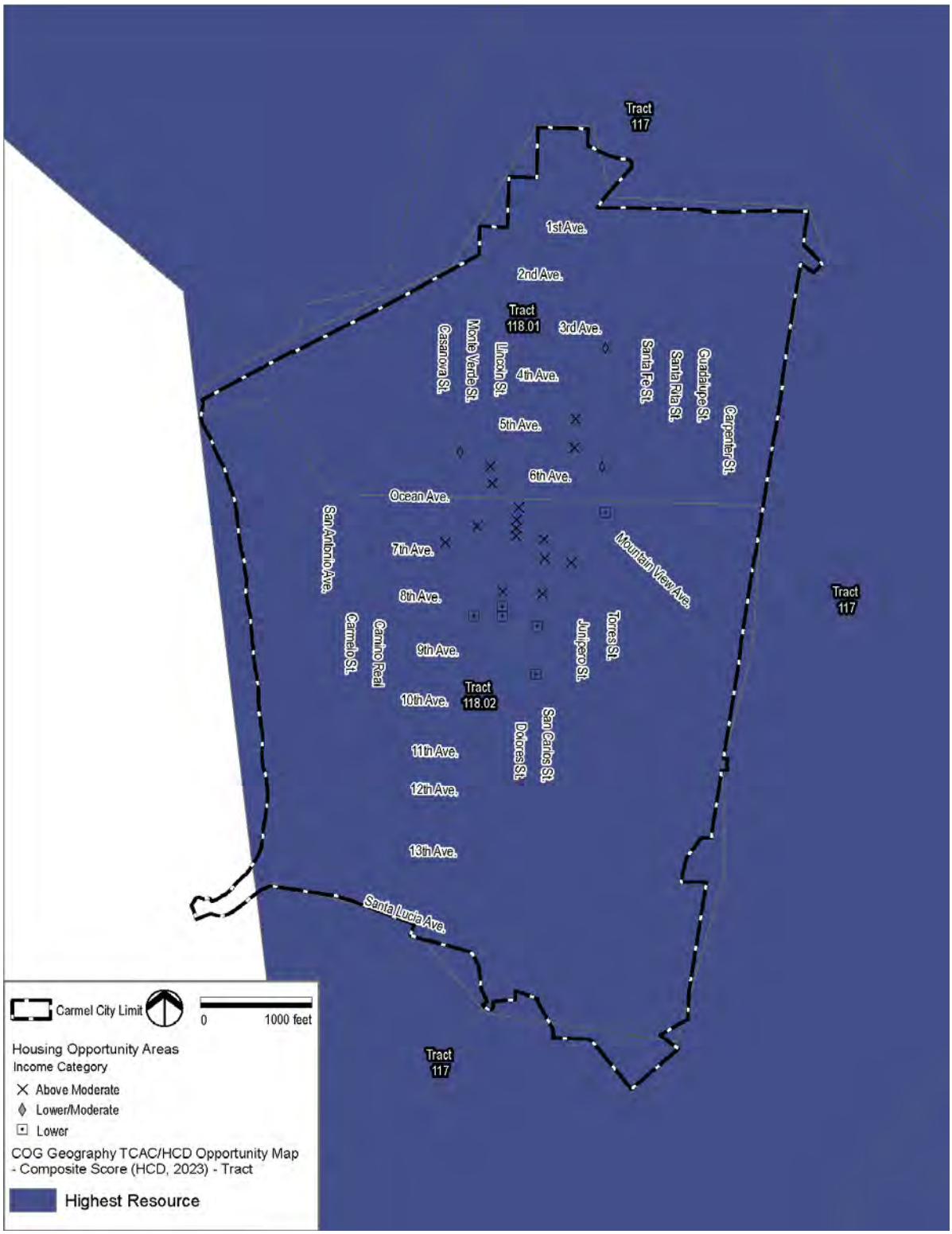
Table C-59 and Figure C-3 show the distribution of housing opportunity units at each income level according to their designated resource area. All anticipated housing opportunity units are planned to be accommodated in highest resource areas with adequate access to economic and educational opportunities, 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.

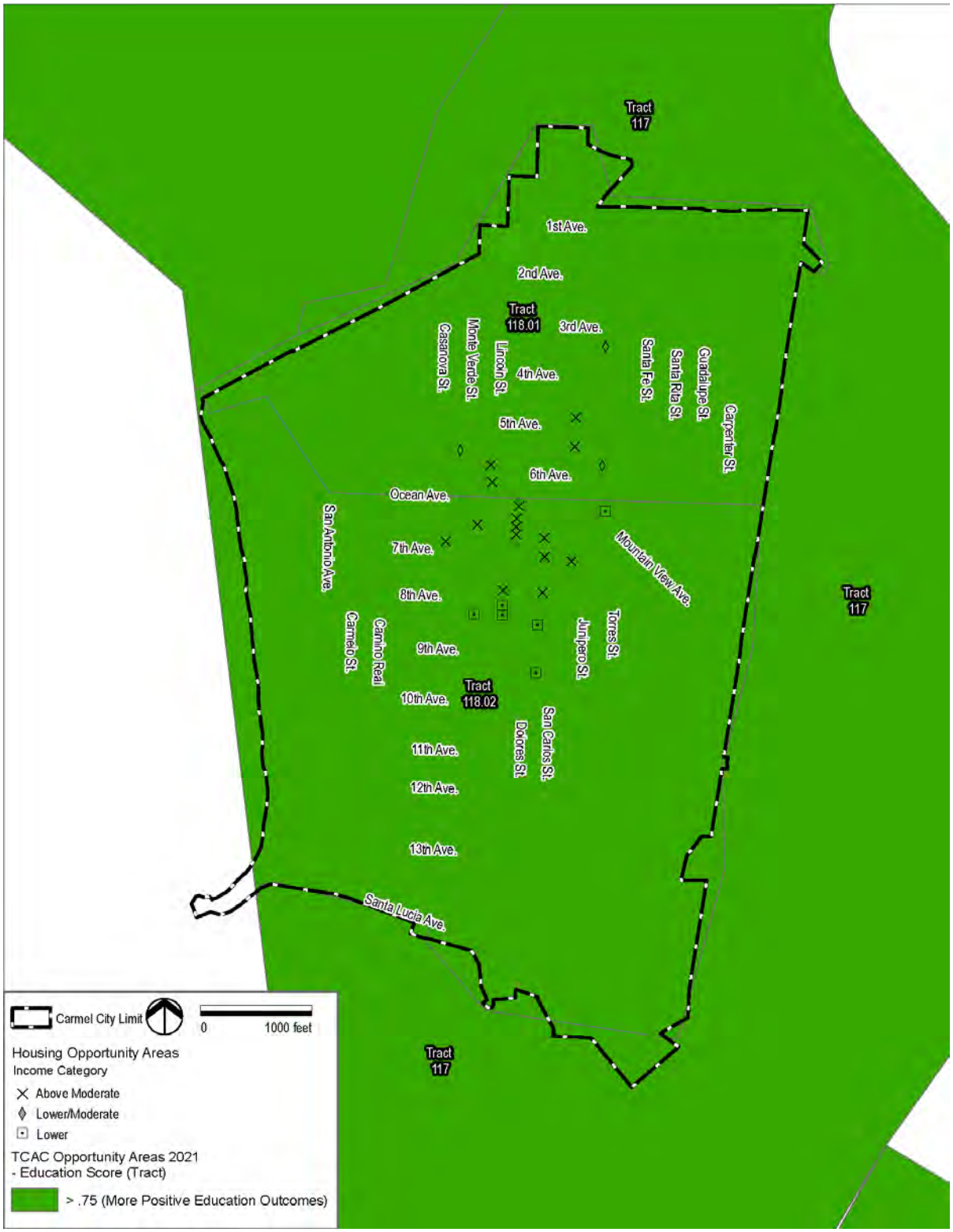
The TCAC/HCD Opportunity Area Education score is based on math proficiency, reading proficiency, high school graduation rates, and the student poverty rate. As shown in Figure C-4, all census tracts across the city received positive scores for the education domain, indicating that households city-wide 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.

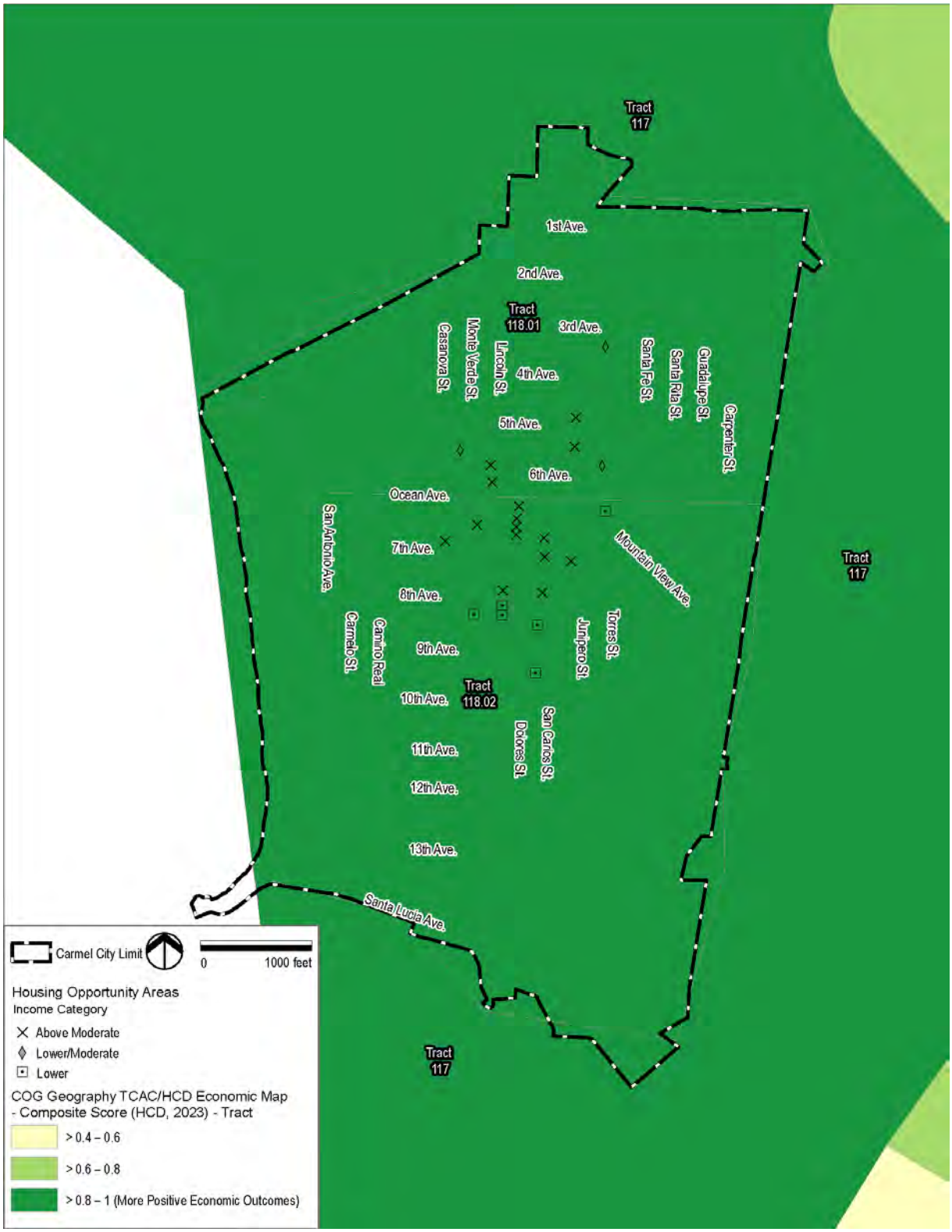
Overall, residents across the city experience similar access to educational opportunities, economic mobility, and low levels of pollution burden. Therefore, the distribution of housing opportunity sites and units at each affordability level will not create a discrepancy in access or perpetuate existing 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



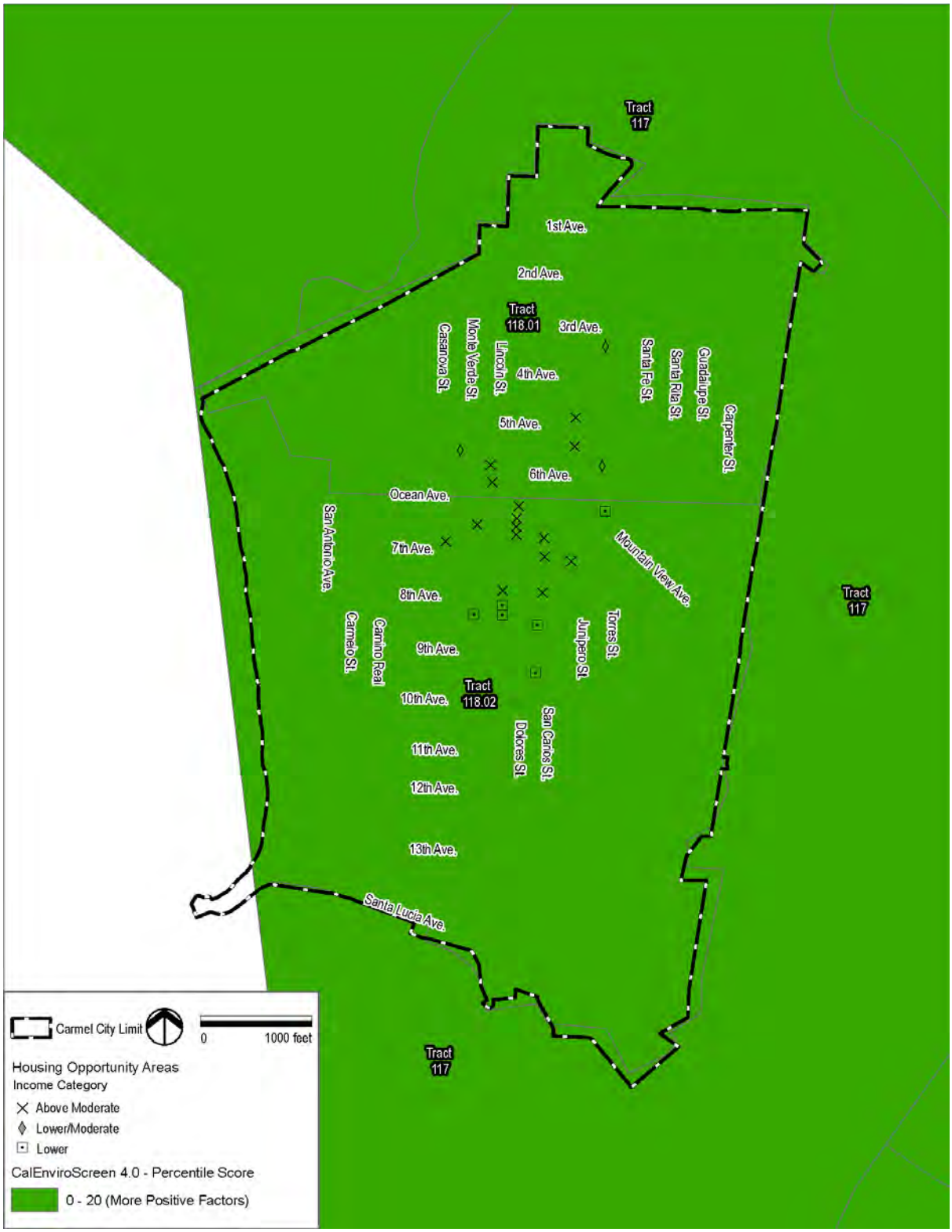
SOURCE: HCD AFFH Data Viewer; City of Carmel-by-the-Sea

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.

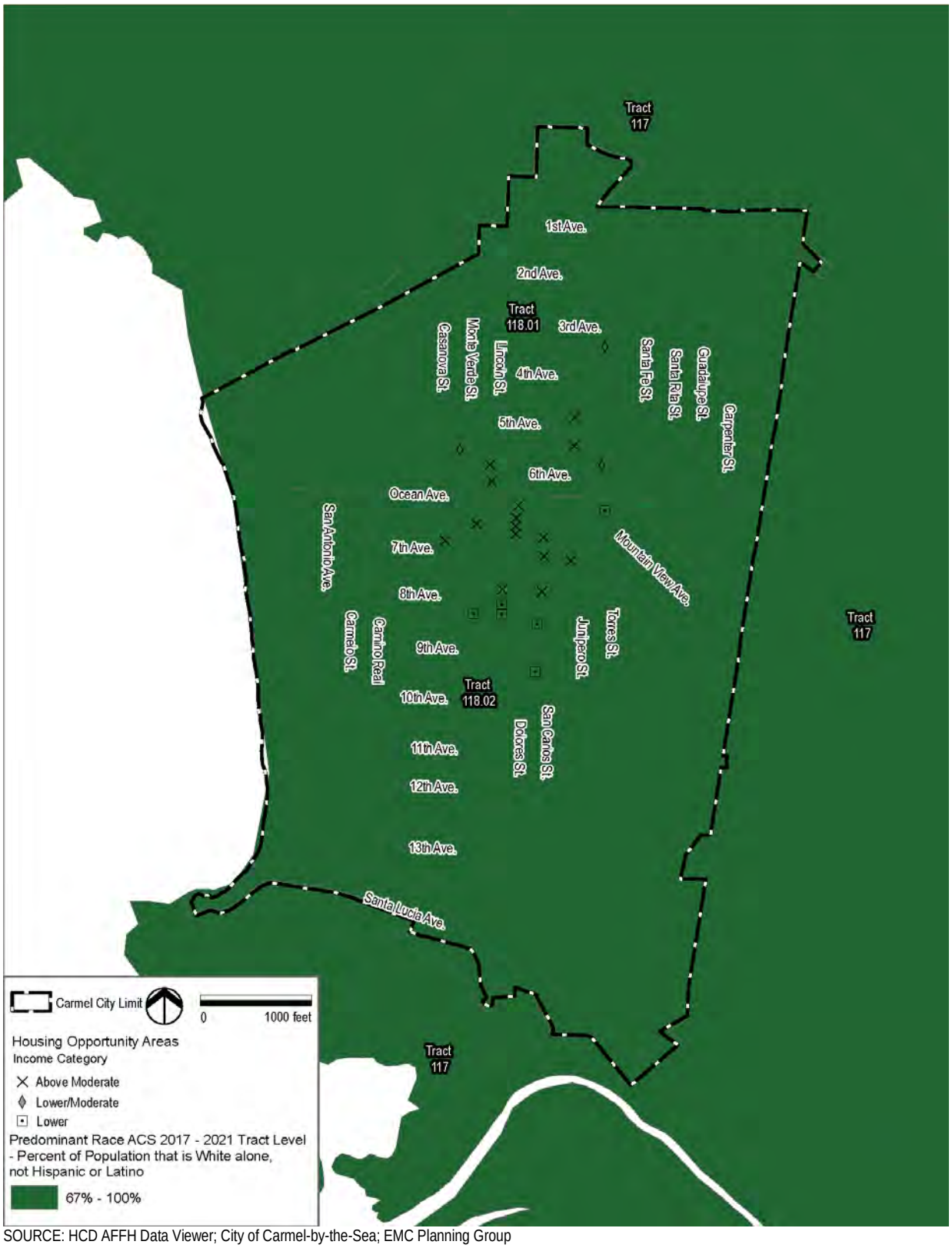
Overall, diversity in Carmel-by-the-Sea is low and only slightly varies according to census tract. As shown in Table C-60, Census Tract 118.01, located north of Ocean Avenue, has a slightly lower proportion of non-Hispanic White residents (86.5 percent), compared to Census Tract 118.02, located south 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

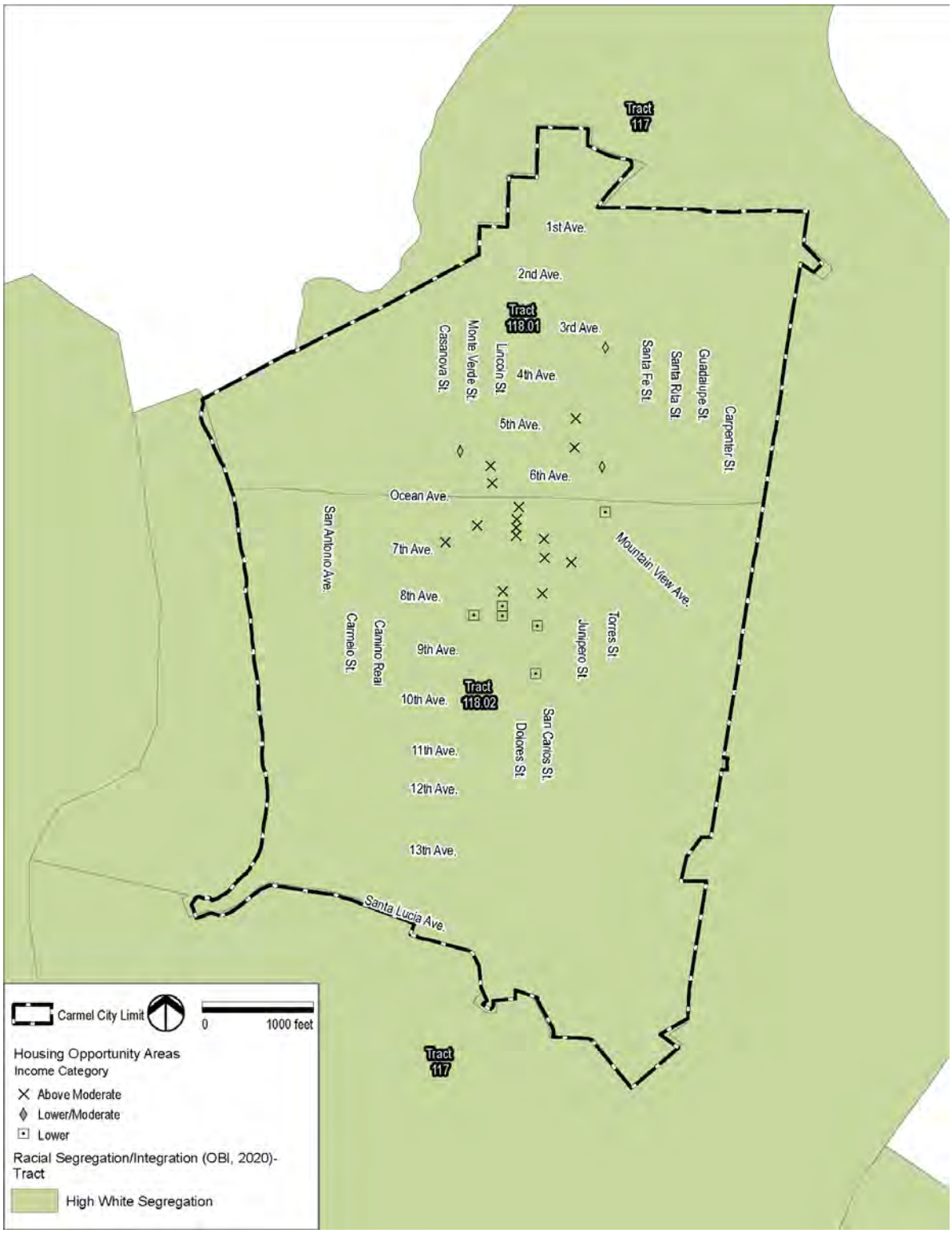
As shown in Table C-60, Census Tract 118.01 is anticipated to accommodate 128 housing opportunity units, of which approximately 33 percent are lower-income. Census Tract 118.02 is anticipated to accommodate 217 housing opportunity units, of which approximately 54 percent are lower-income. This distribution 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.

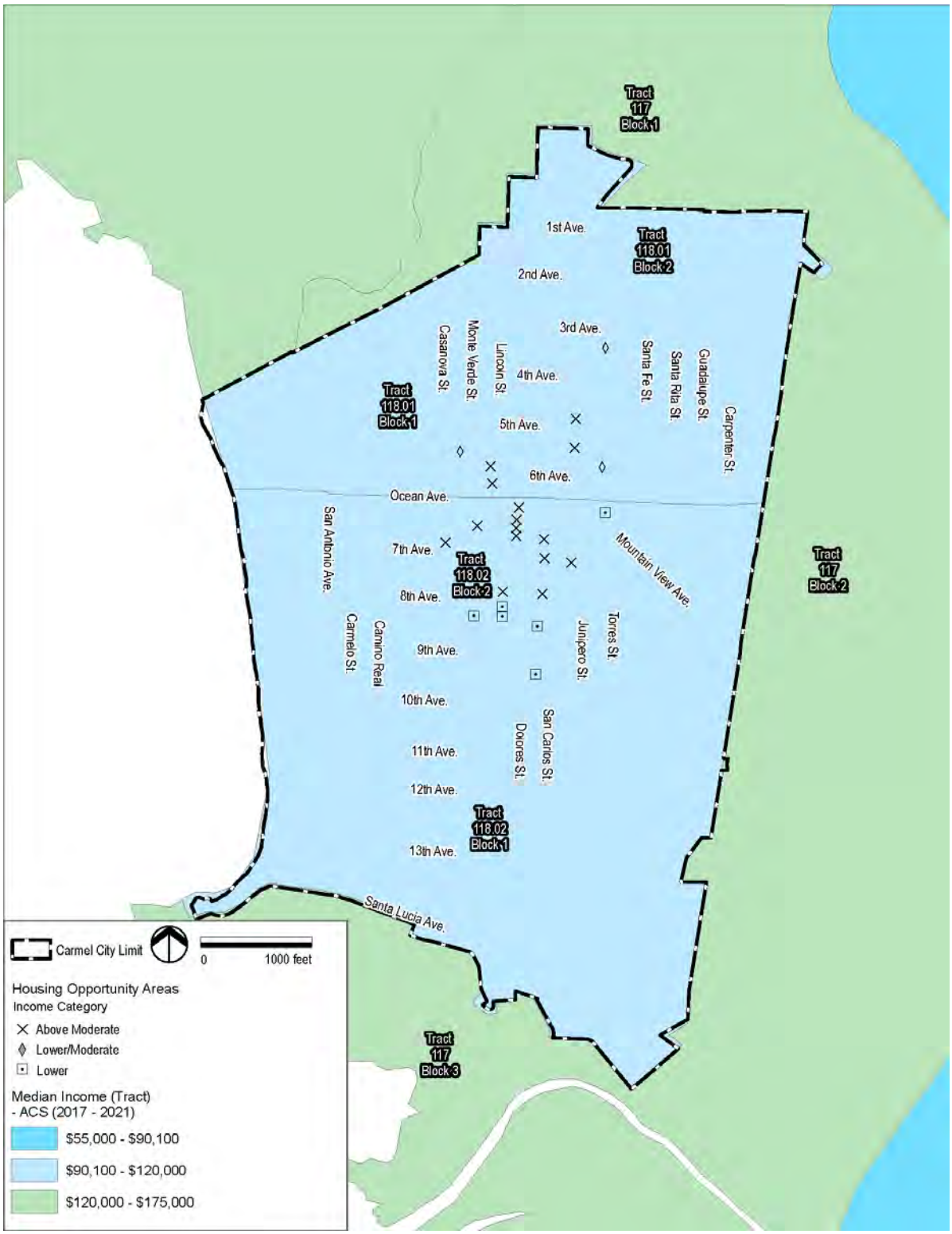
Table C-61 Site Inventory Unit Count by Median Income and Poverty Status, 2021

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

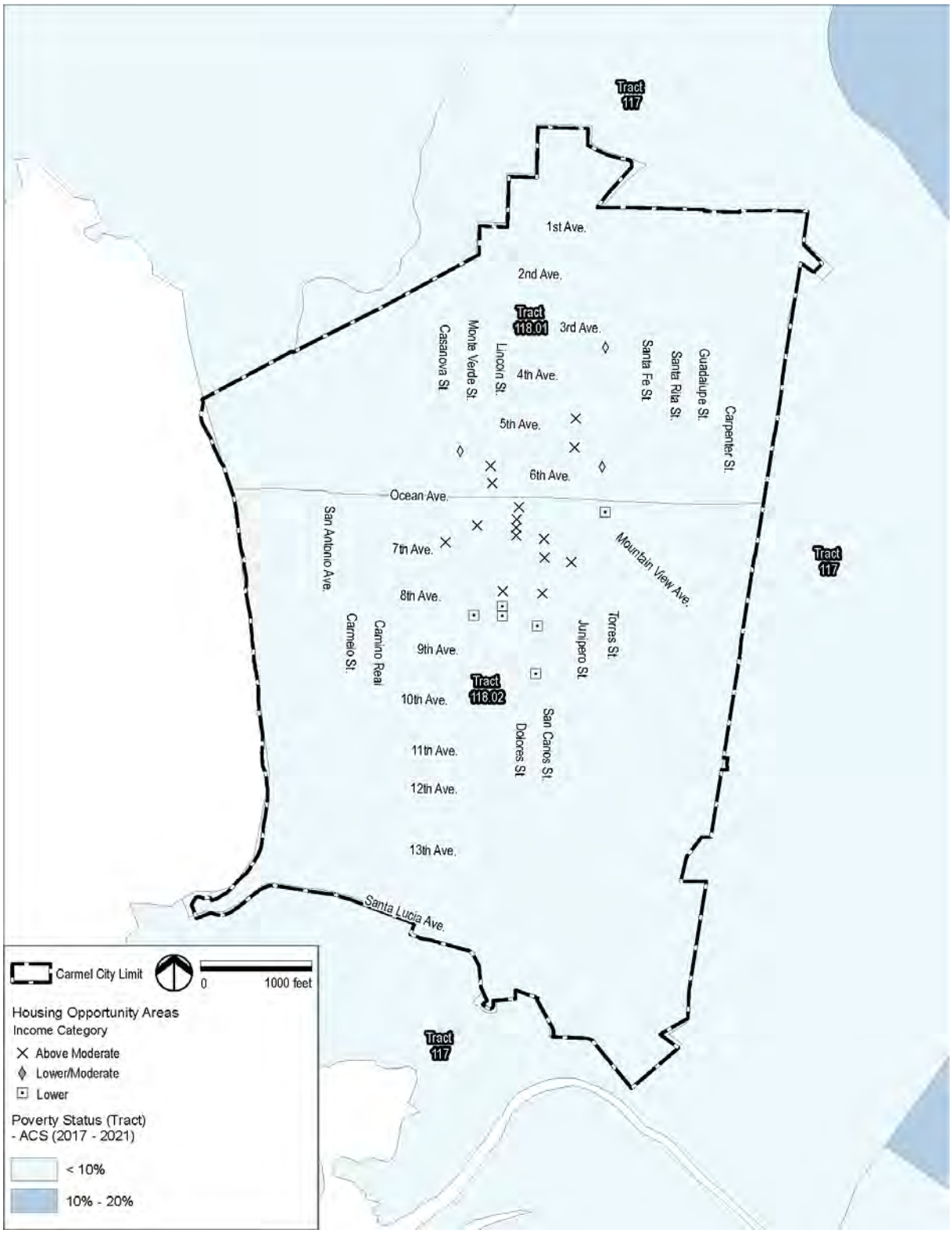
[3] California Revised State Income Limits December 31, 2021.

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.

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.

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

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 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

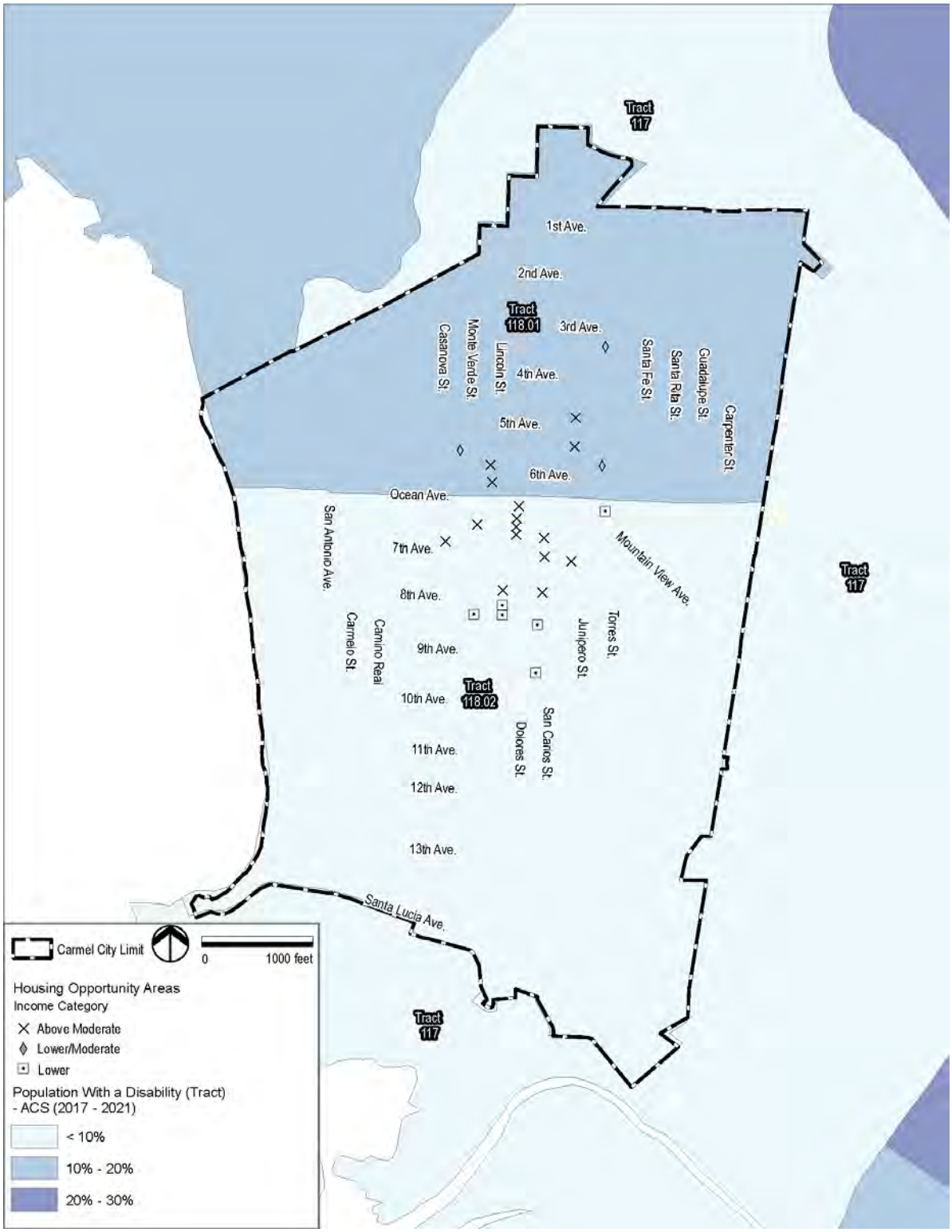
Income Group	Census Tract 118.02 Population with a Disability 7.7%	Percent	Census Tract 118.01 Population with a Disability 17.1%	Percent
Very Low-Income	66	30%	30	23%
Low Income	52	24%	12	9%
Moderate-Income	8	4%	25	20%
Above Moderate-Income	91	42%	61	48%
Total	217	100%	128	100%

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.

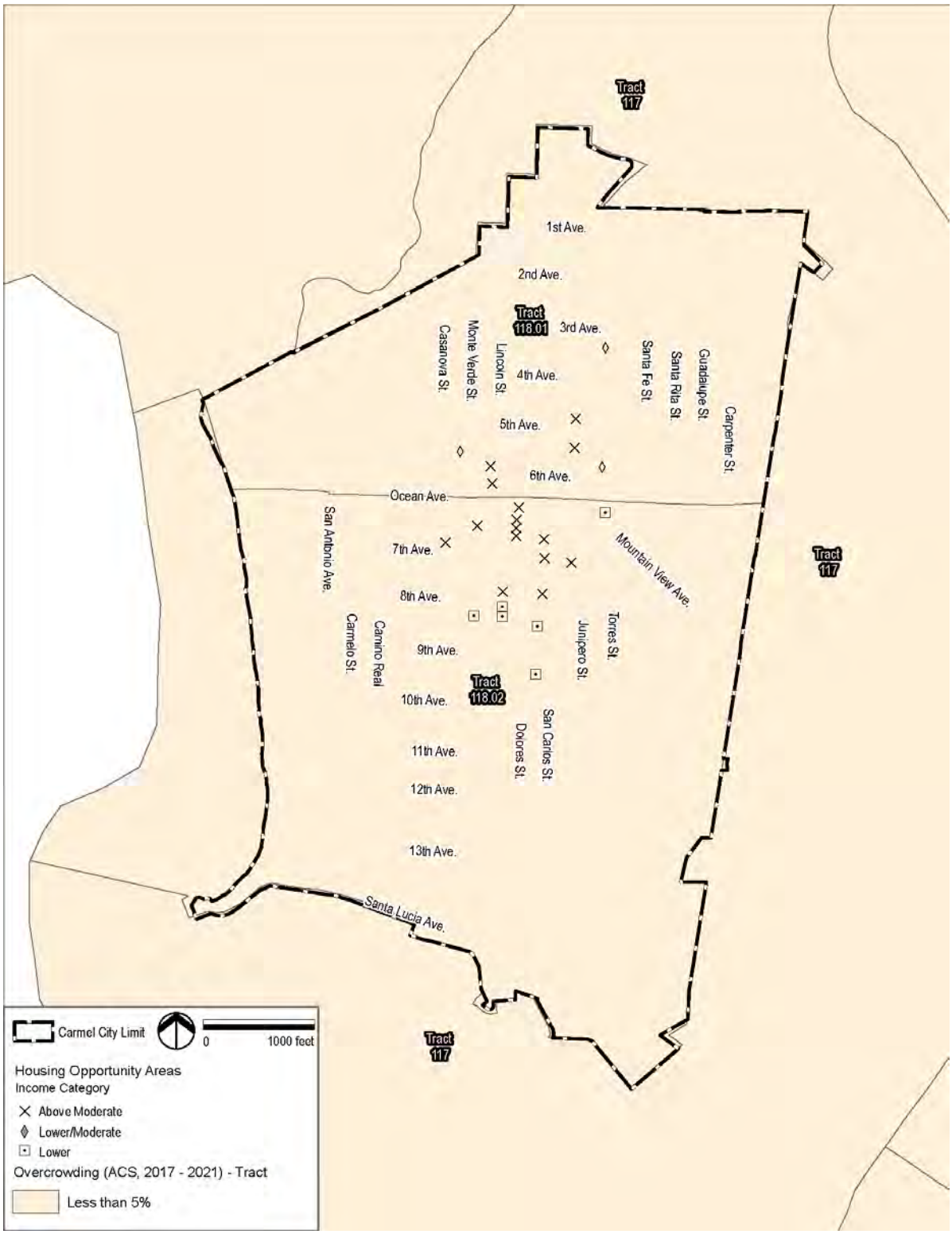
The distribution of housing opportunity units is anticipated to reduce overcrowding by increasing housing supplying throughout the city. A total of 42 lower-income units are anticipated in Census Tract 118.01 to meet the existing need for affordable residential units and mitigate future concentrations. 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.

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.

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

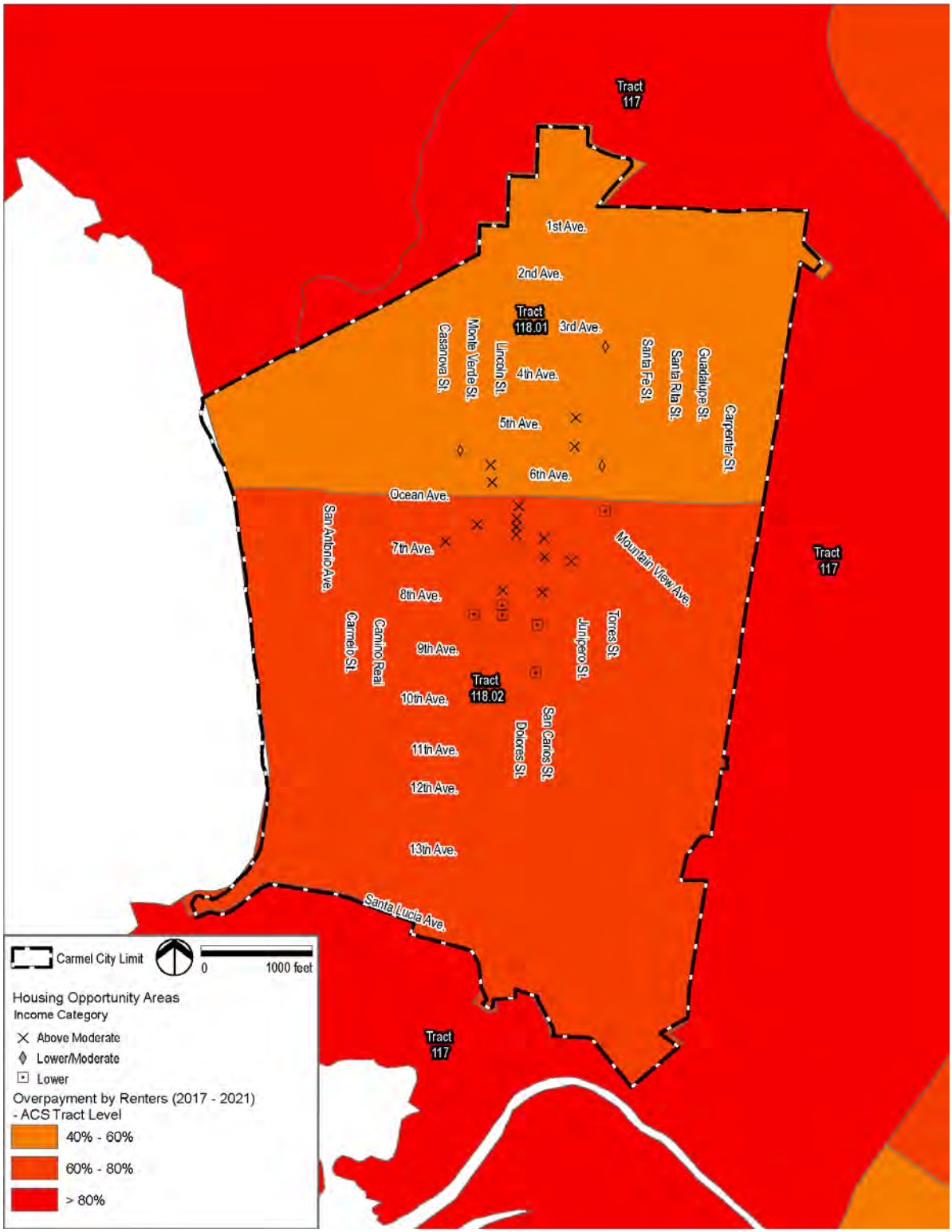
To address barriers to obtaining affordable housing for lower-income and special needs households, the City has developed a suite of programs to facilitate the construction of housing affordable to lower-income households and support lower-income households through continued education (Programs 1.4.A, 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.

Figure C-13 Sites Inventory Analysis by Cost Burdened Renter Households, 2021



SOURCE: HCD AFFH Data Viewer; City of Carmel-by-the-Sea

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 in Figure C-14, Example Development Map, presented on the following page. 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

Source: Monterey County GIS 2023

EMC

Example Development Map

Carmel Housing & Safety Element Update

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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 6th 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.	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. Dissemination of information at City Hall and on the City's website is a passive activity that can effectively educate and inform the public.	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.	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. 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.	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 6th 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 3rd floor mezzanine.	Modify to specify 3rd 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.	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. 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.	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 6th 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.	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. 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. 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.	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 6th 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.	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. No development participated in the density bonus or setback incentive in the commercial or multi-family districts. The City did not pursue a lot merger incentive program for the commercial districts. Density bonus regulations continue to provide the greatest incentive. 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	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.	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. 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.	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 6th 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.	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. A significant percentage of single-family homes continue to remain vacant for part of the year due to second home ownership. 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.	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 6th 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 6th 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 6th Cycle
	• 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	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. During the planning period, the construction of Accessory Dwelling Units (ADUs) provided housing opportunities for extremely low-income households. Group Residential facilities are permitted with the approval of a Use Permit in the R-4 district. Group Residential is defined as *Shared living quarters without separate kitchens or bathrooms for each room or unit, including boarding houses, dormitories, and private residential clubs, but excluding guesthouses*.	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 6th 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 6th 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 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

APPENDIX E

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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)

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)

Carmel Area Wastewater District
3945 Rio Rd.
Carmel, CA 93922
T: (831) 624-1248
Carmel Area WasteWater District (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 ProTem/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://montereypeninsula.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.montereystanddown.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 agendized 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 Development[1]

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 period[2]. 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 heigh 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

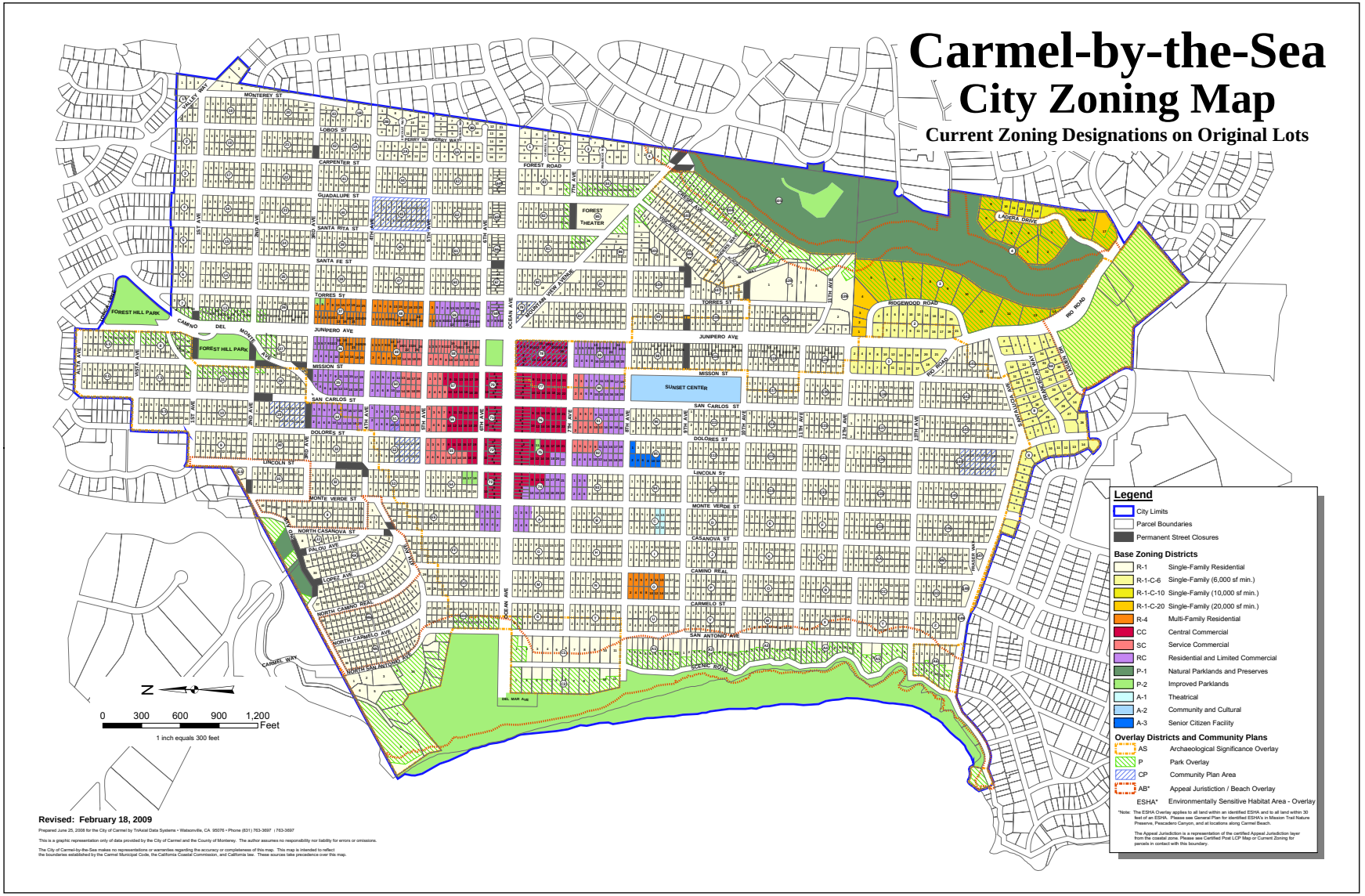
[2] According to Carmel's most recent Annual Progress Report to HCD.

[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

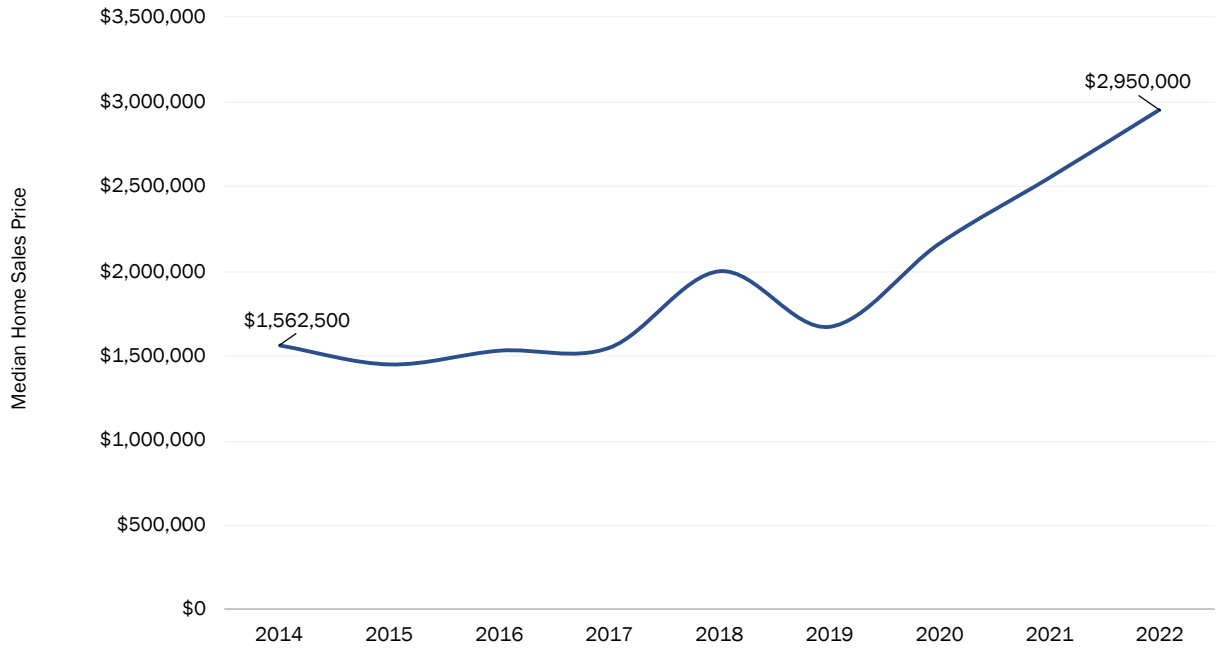
Market Overview

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 Radar[6]



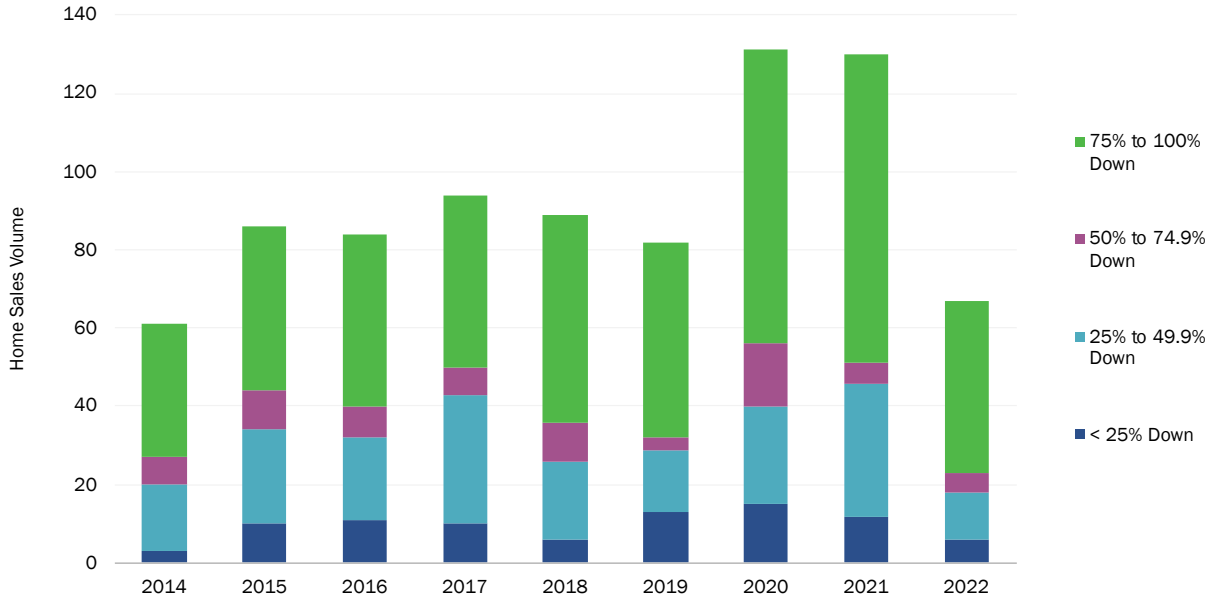
Over this same period, there has been an acceleration of both sales volume and the share of homes that are purchased all cash or with mostly cash. For example, in 2020 and 2021 sales volumes were 50 percent higher than the previous five-year average. Moreover, the percentage of home sales with 75 percent 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 Radar[8]



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 B25004[10]

	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).

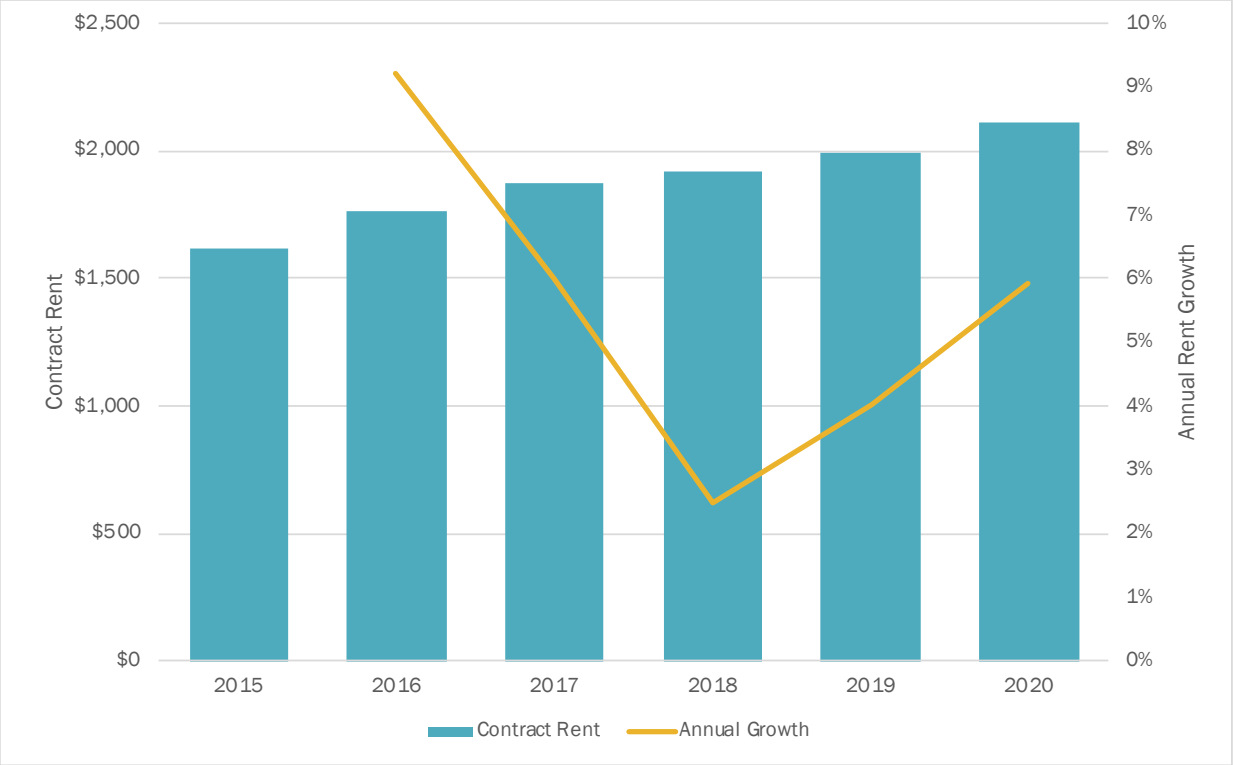
Unit Type	Owner-Occupied	Renter-Occupied	Total
Single-family Detached	993	694	1,687
Single-family Attached	0	19	19
Duplex	0	0	0
Triplex/Quadplex	0	22	22
Small Multifamily (5-19 units)	0	162	162
Large Multifamily (20+ units)	0	0	0
Mobile Homes[12]	0	19	19
Total	**993**	**916**	**1,909**
Tenure Split	*52.0%*	*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

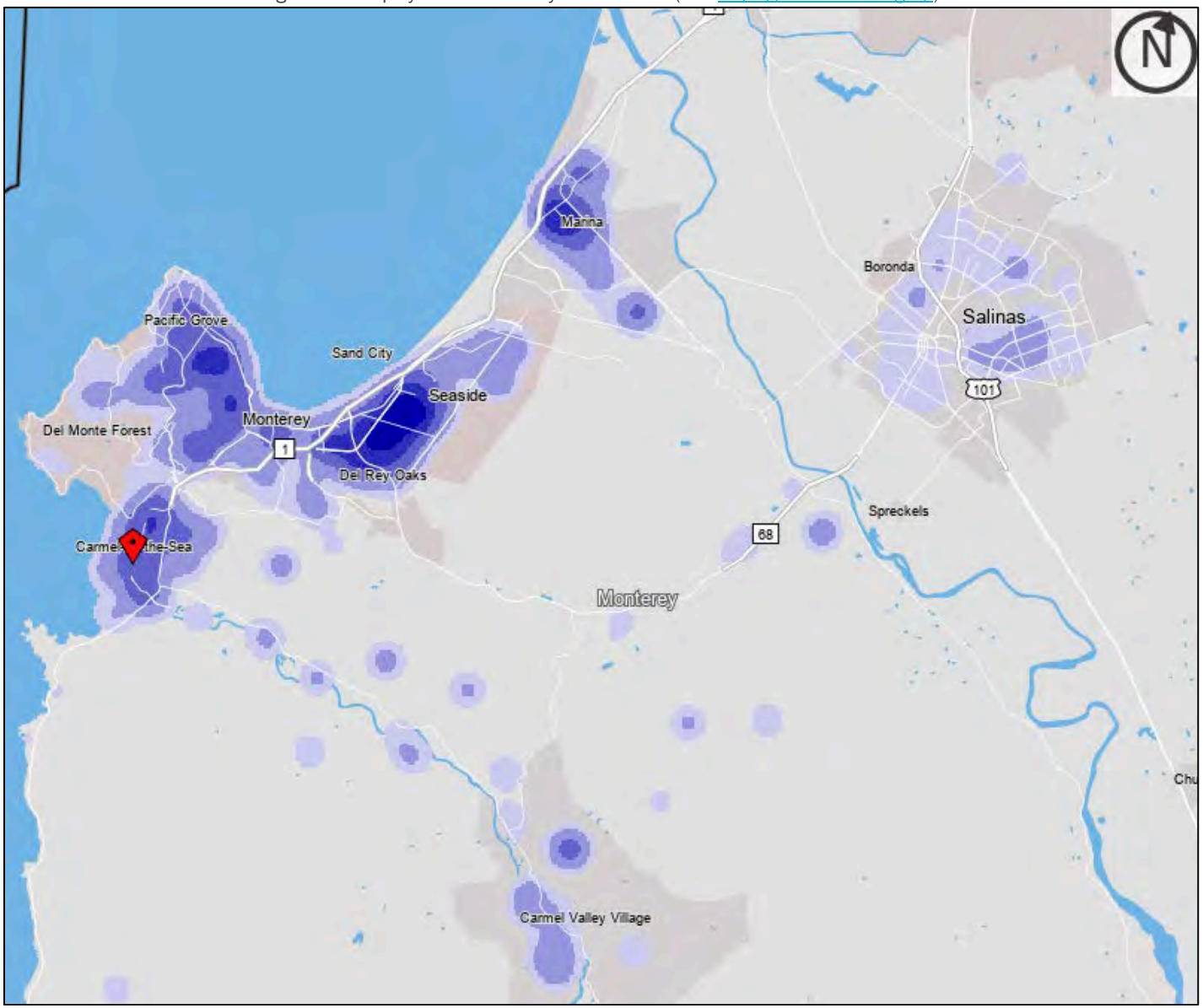
It is hypothesized that Carmel's concentration of jobs in the leisure and hospitality sector creates challenges for local workers who do not have sufficient incomes to afford housing in the community. This imbalance of jobs to housing impacts quality of life including how far workers must travel for 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 of 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-4[16], 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 my 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

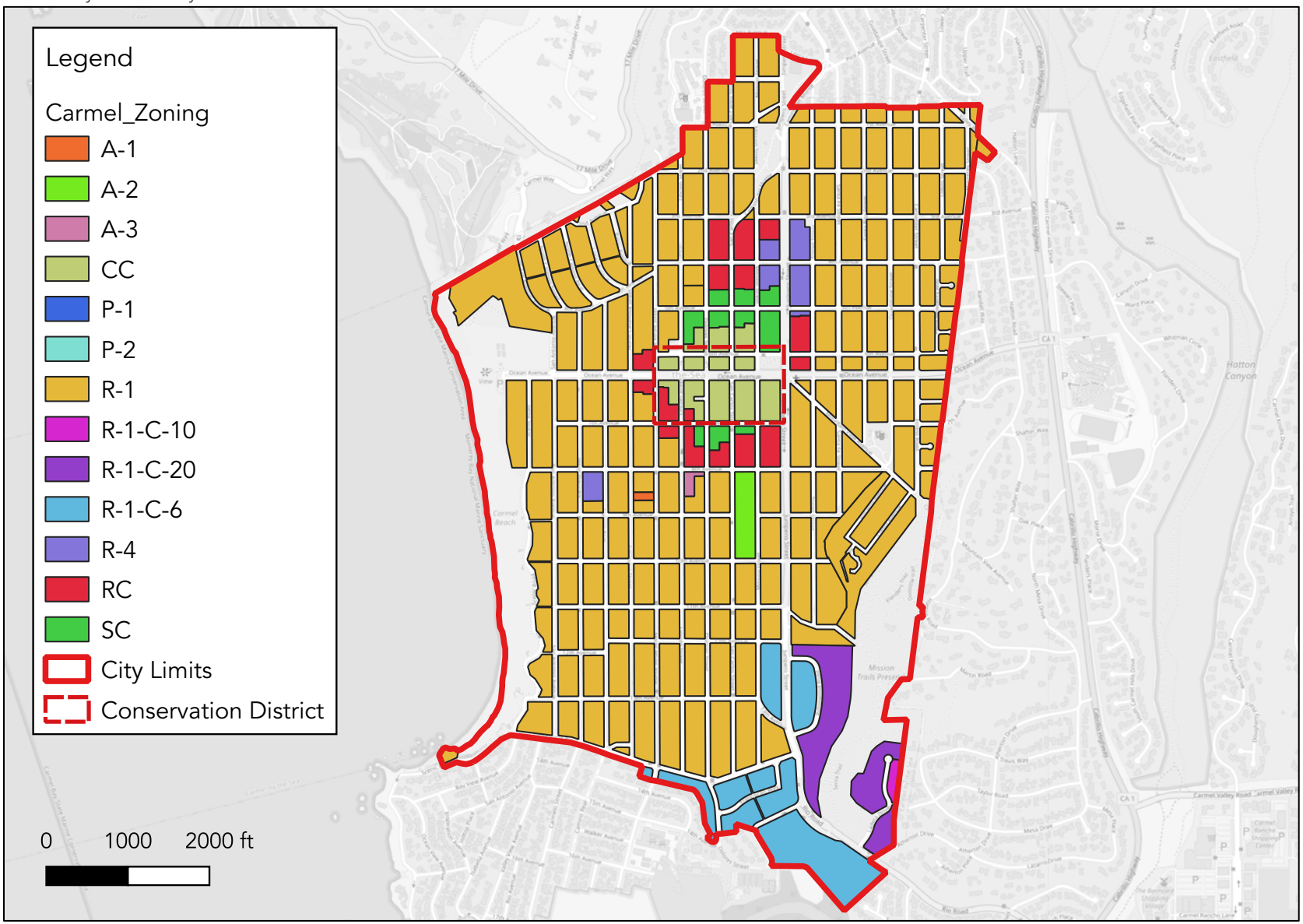
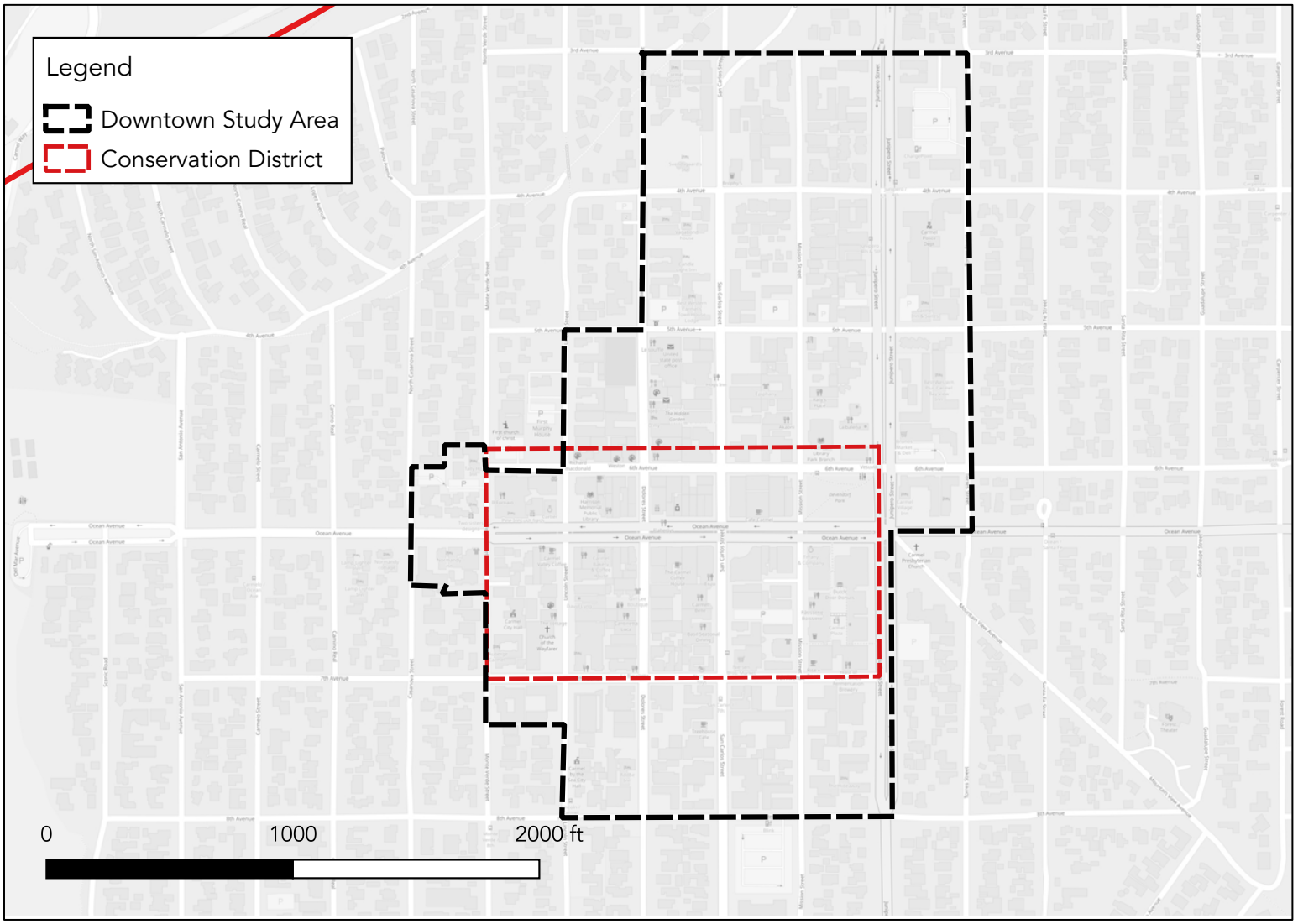


Figure 11: Commercial Core Study Area Definition

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 uint.

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.

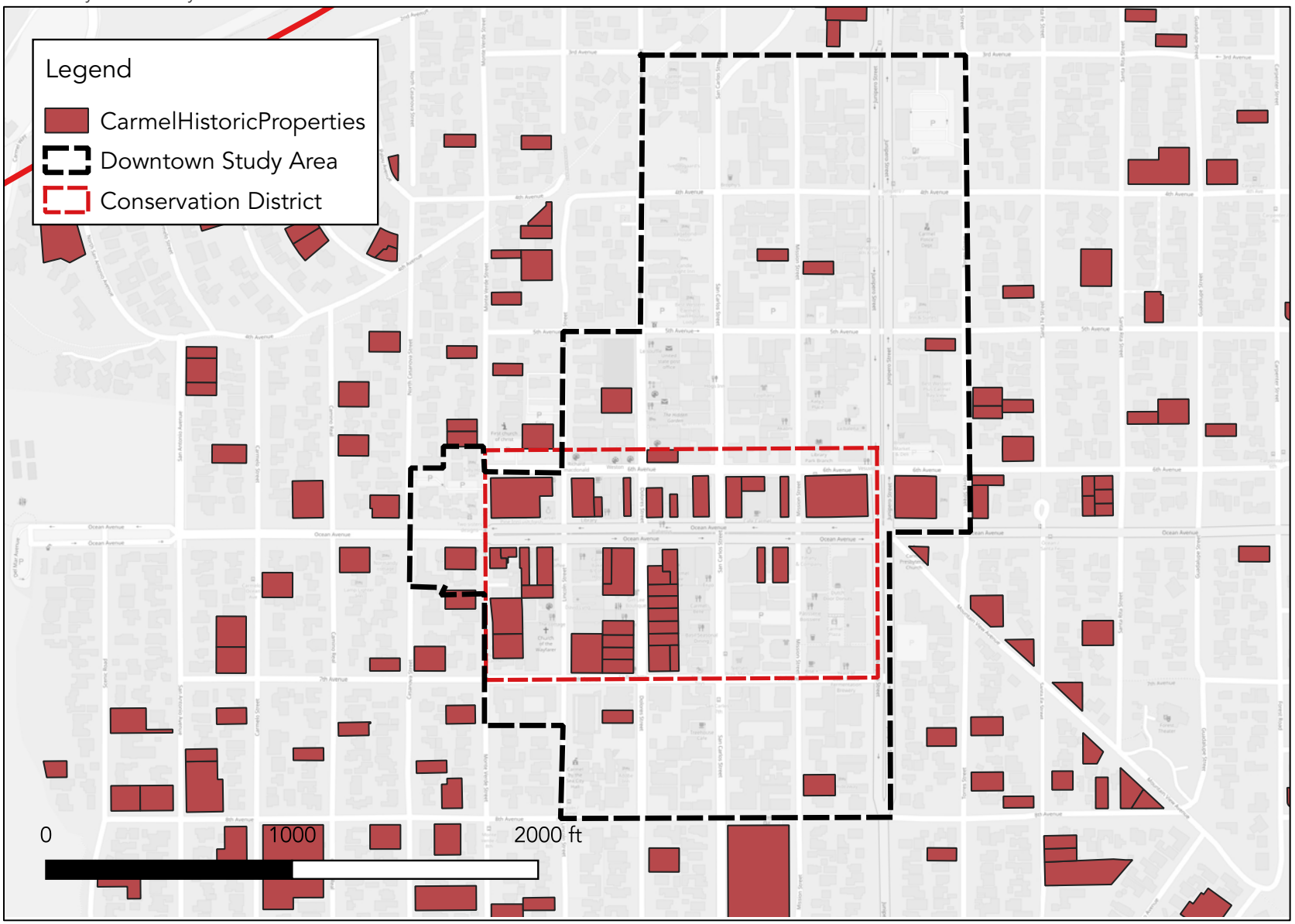


Figure 13: Omitted Properties do to Existing Use

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

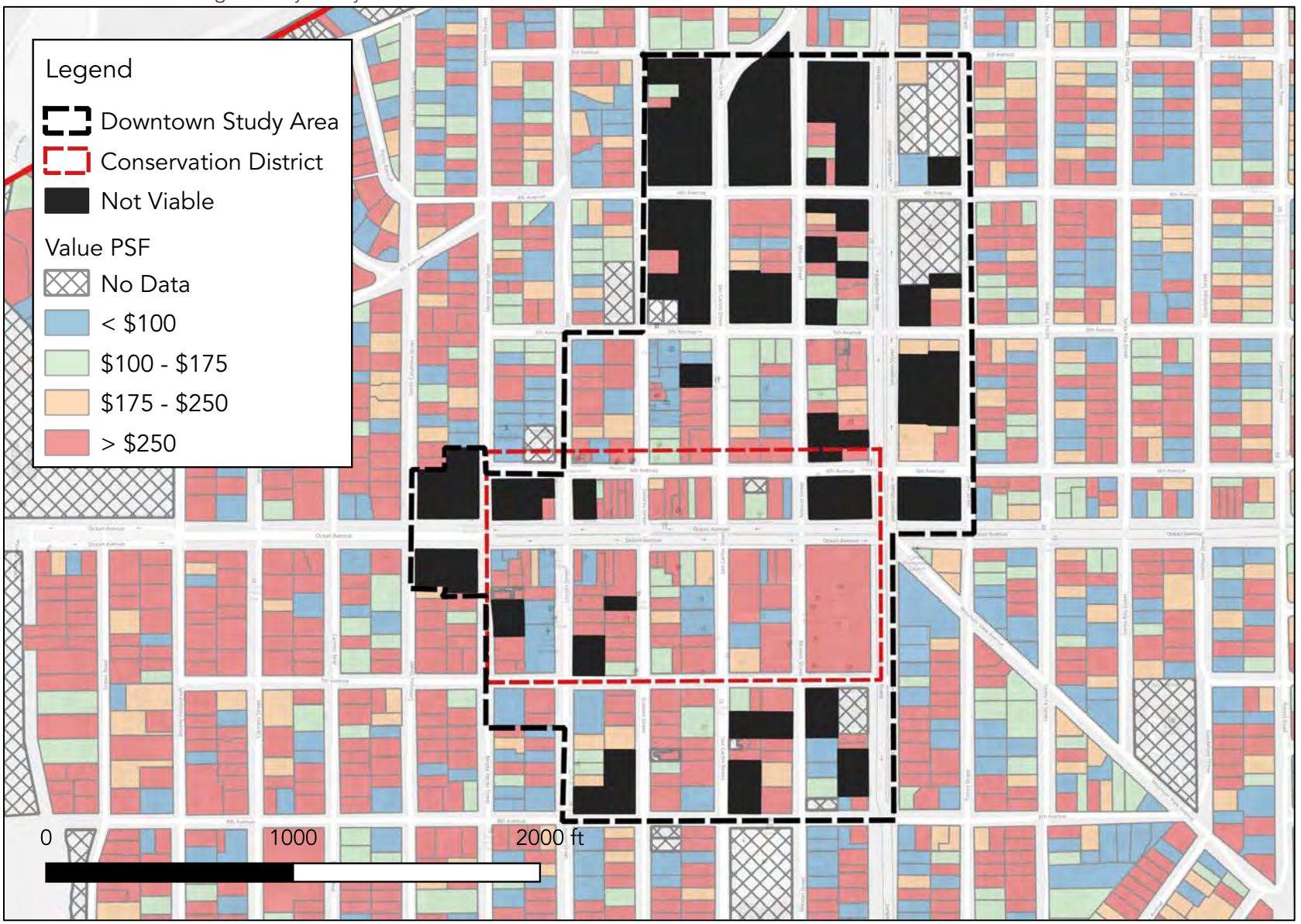


Figure 18: Candidate Site List

Source: ECONorthwest

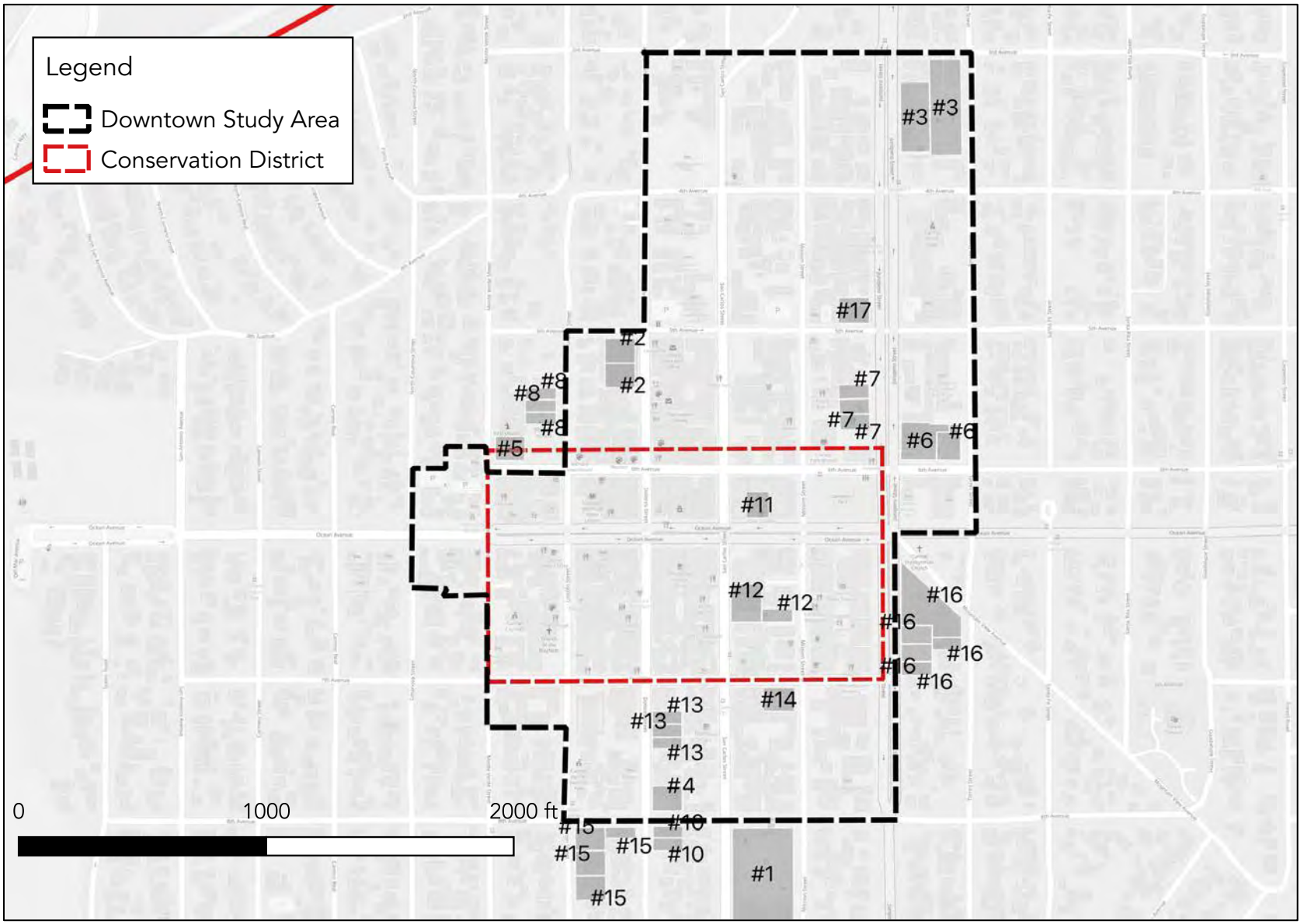


Figure 19: Data Table of Candidate Sites

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 AB1851[24], 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 heigh 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

G

APPENDIX

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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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Appendix H
Stakeholder Survey

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.

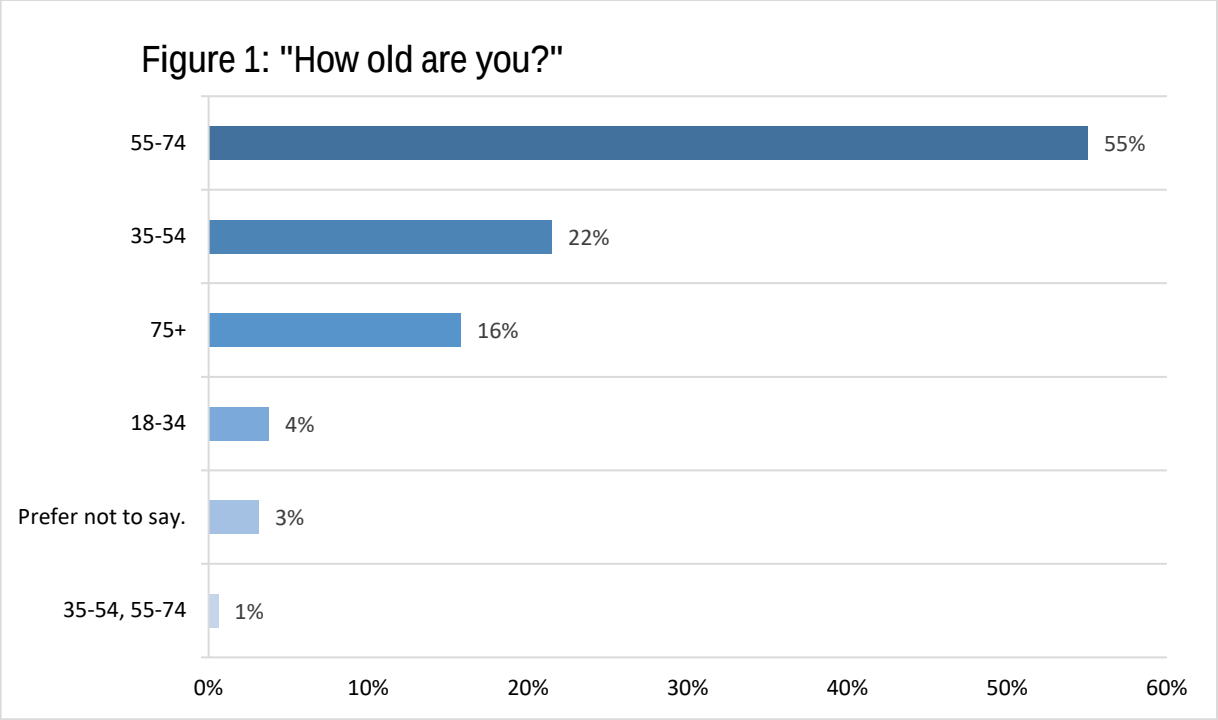
The survey responses discussed below represent responses from an uncontrolled sample size of self-selected community members who are considered to be motivated and interested in the 6th Cycle Housing Element. This can make it difficult to draw conclusions based on the responses received. The following serves as a brief summary of the responses received.

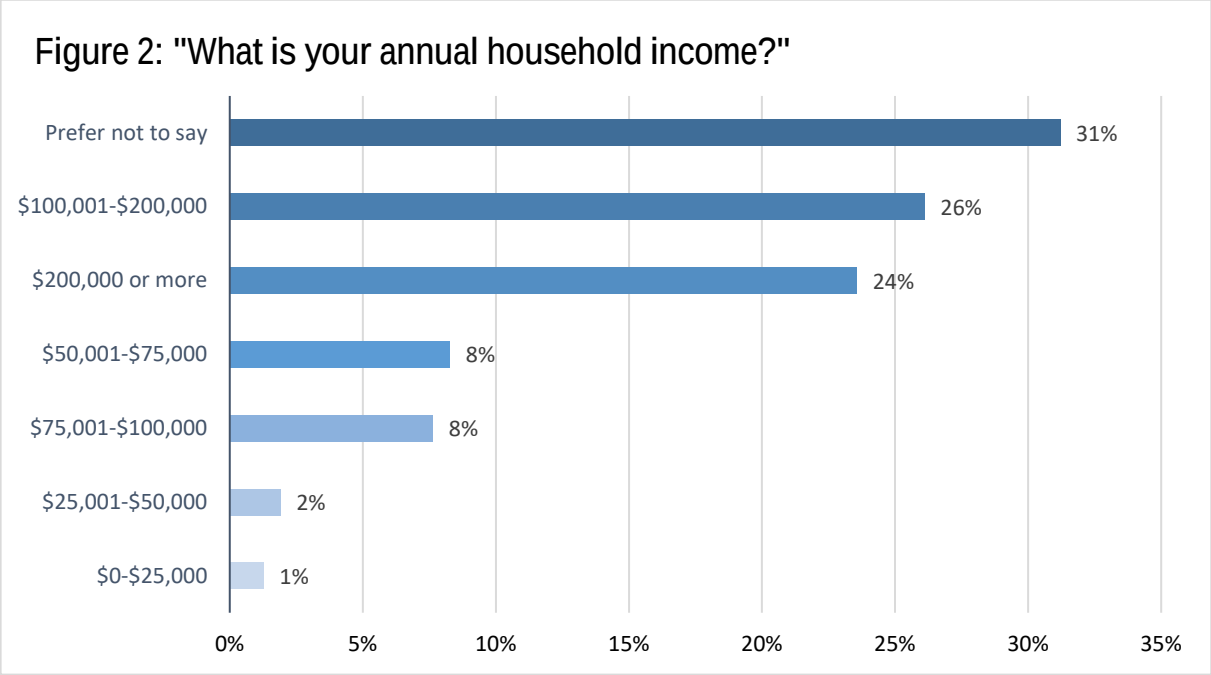
Online Survey Results

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.





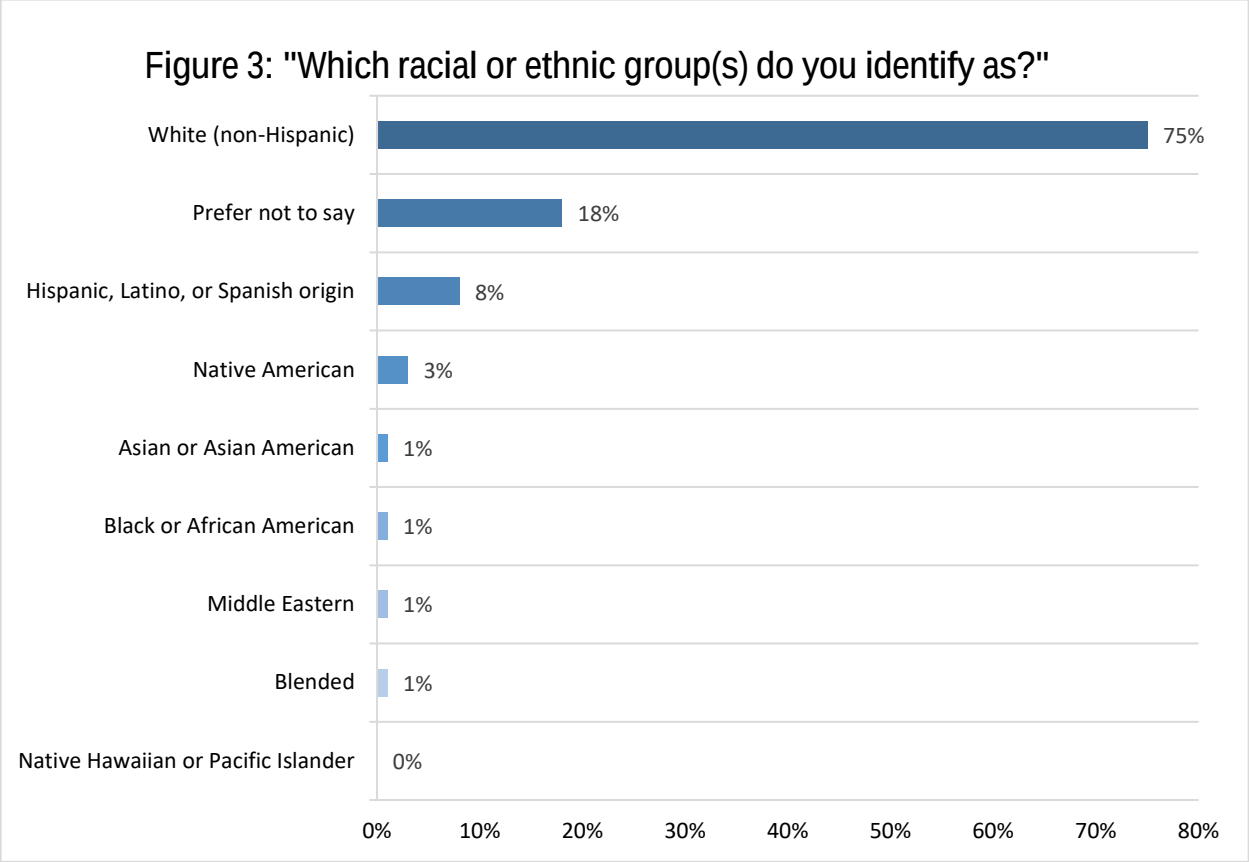


Figure 4 below demonstrates the majority of respondents identified themselves as Carmel residents owning their home (61 percent) compared to 14 percent of survey respondents indicating they rent their homes. Twenty-two percent of respondents identified as working in Carmel-by-the-Sea, 8 percent identified as business owners in Carmel-by-the-Sea, and one respondent identified as being unhoused or lacking permanent housing.

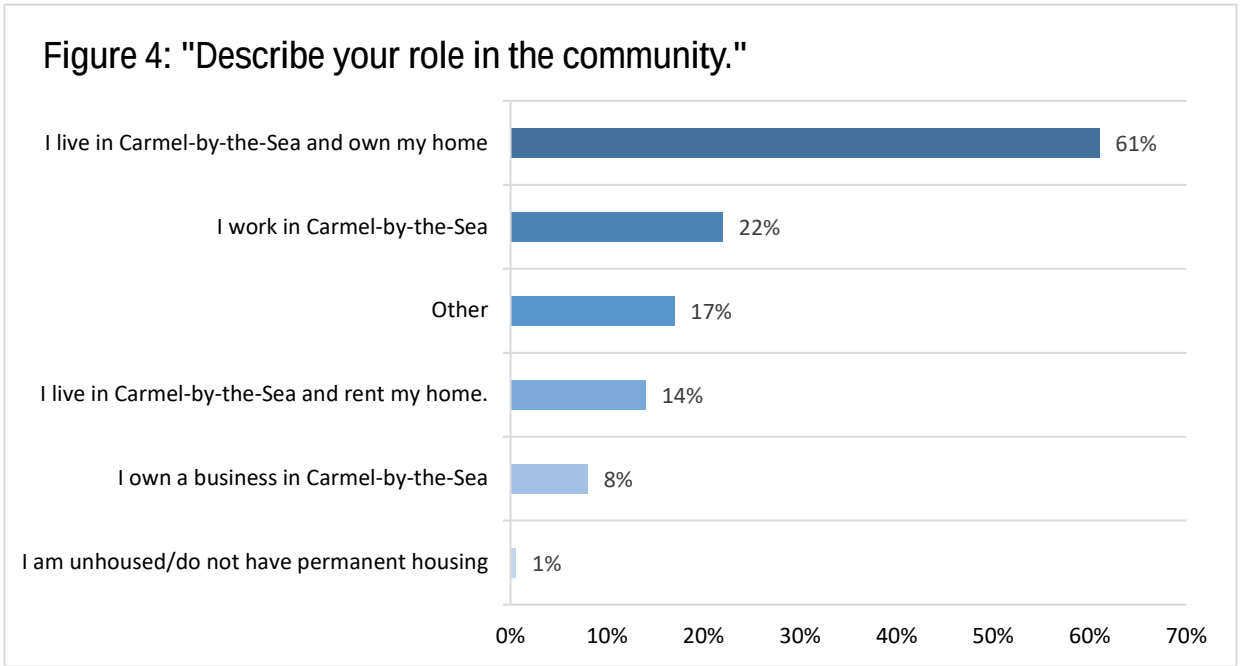
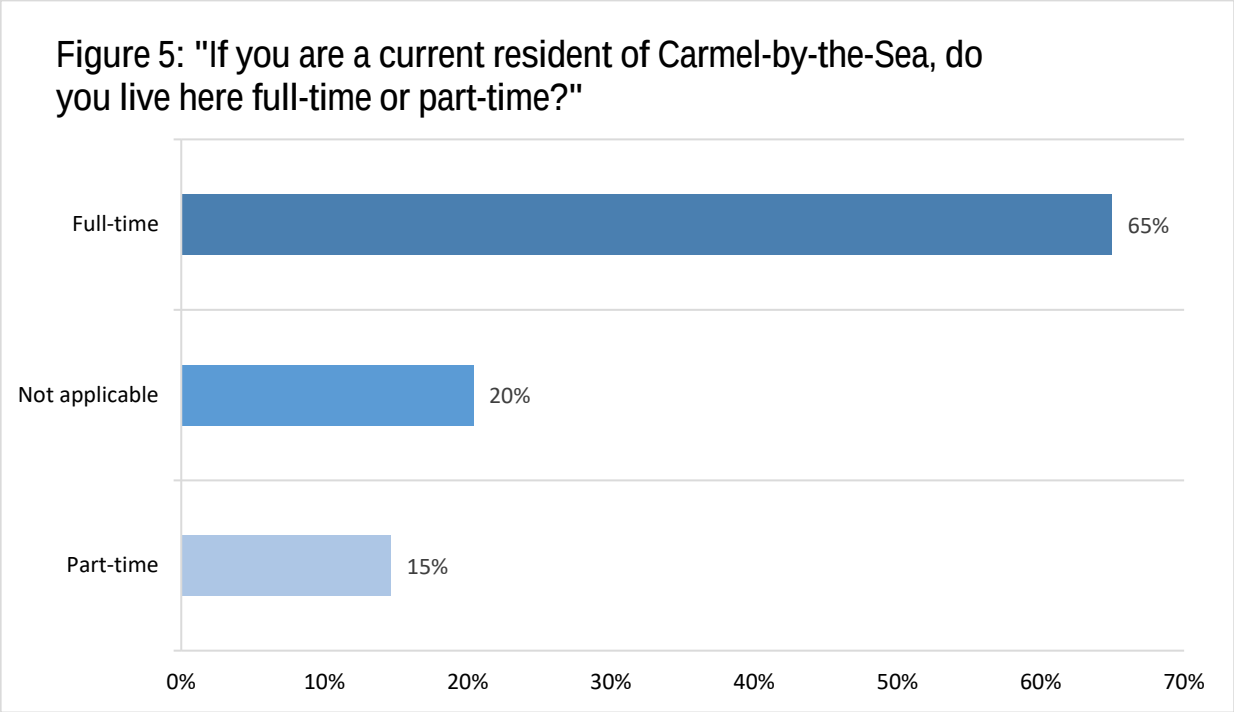
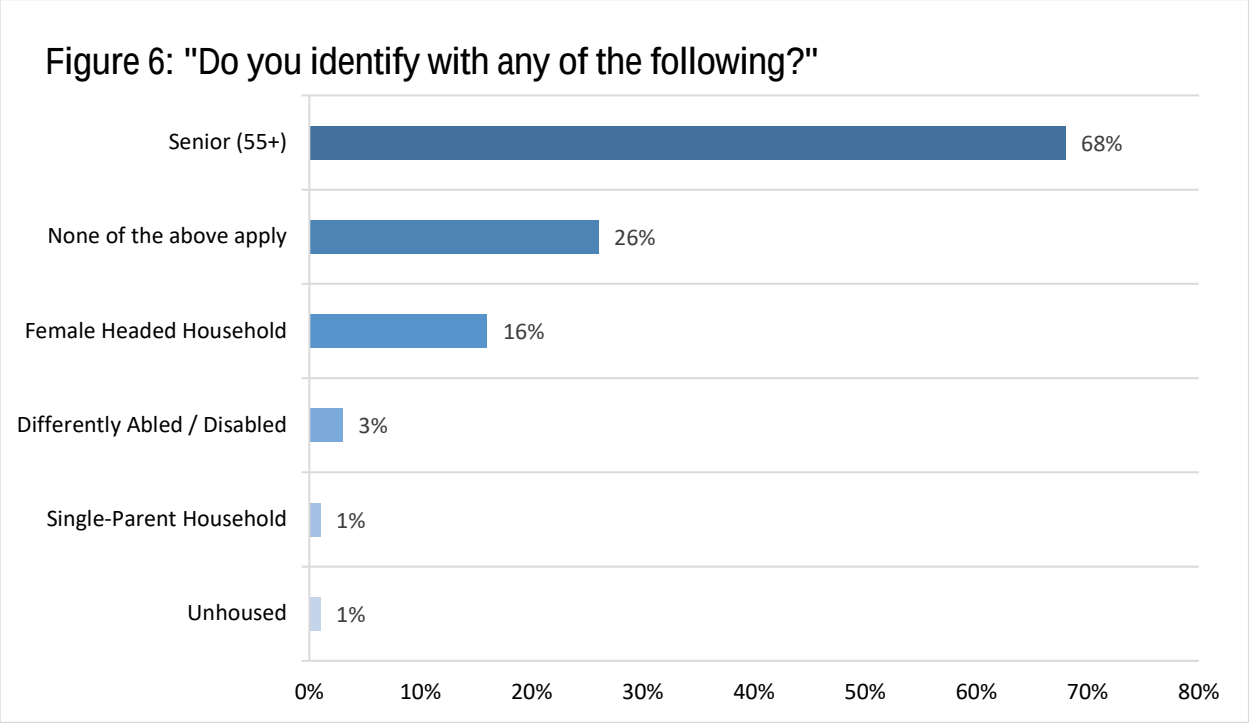


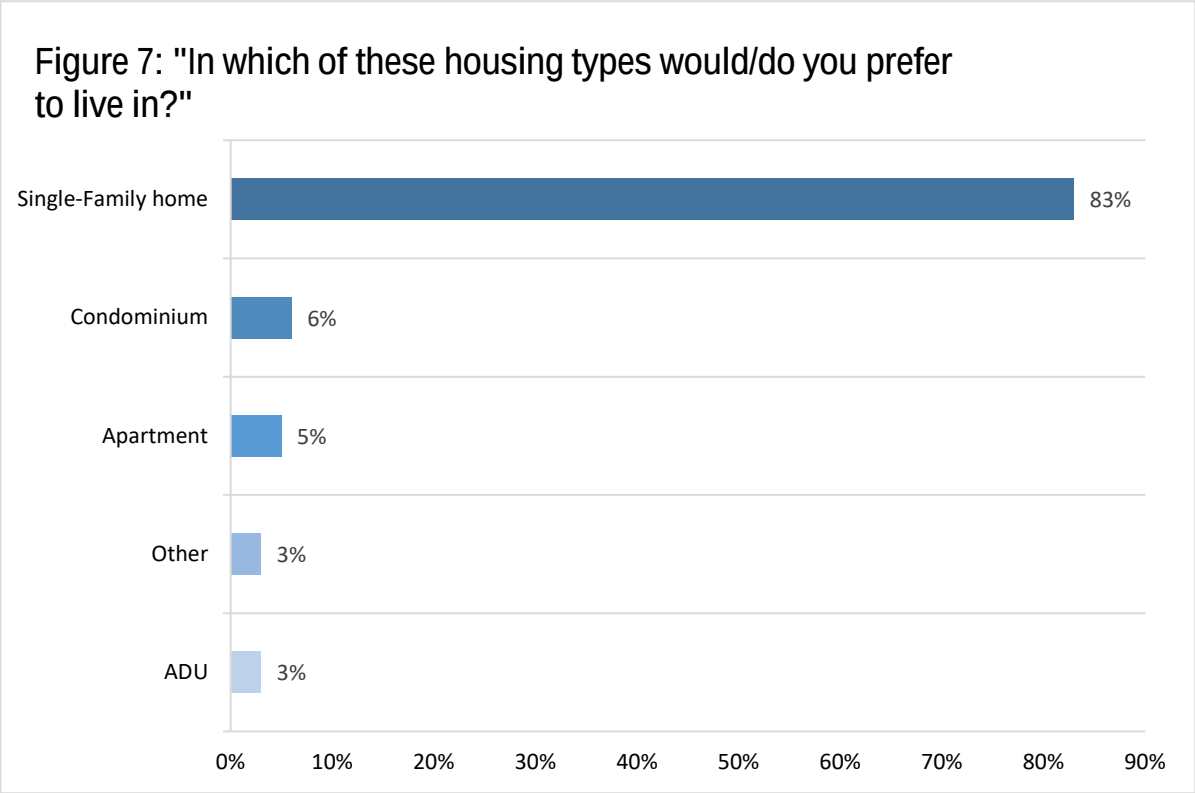
Figure 5 below demonstrates that the majority of survey respondents live in Carmel-by-the-Sea full-time, and **Figure 6** below demonstrates that 68 percent of survey respondents are 55 years or older followed by 16 percent being female-headed households. This demographic data suggests that respondents 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)**.



Note: See Attachment B for a full list of "other" responses received.

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;

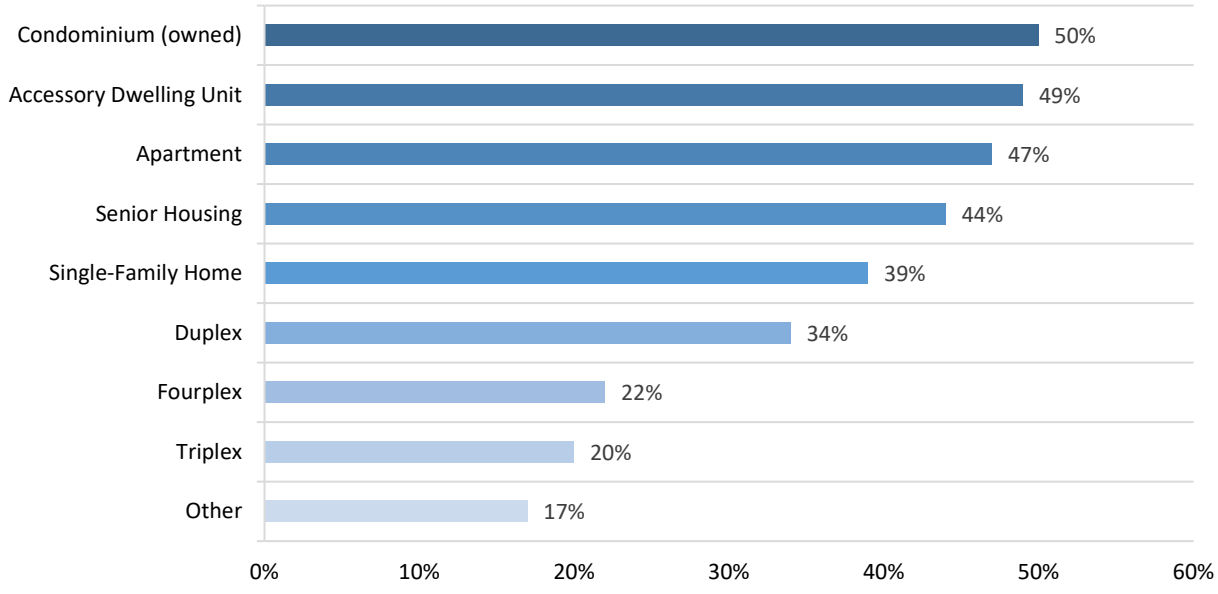
- I am at the stage in my life where I am seeking to maximize my financial solvency through steady accrual of work skills/experience and high willingness to relocate for greater chances of quality employment. I will not seek any living place requiring greater commitment until I have found the community 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?"



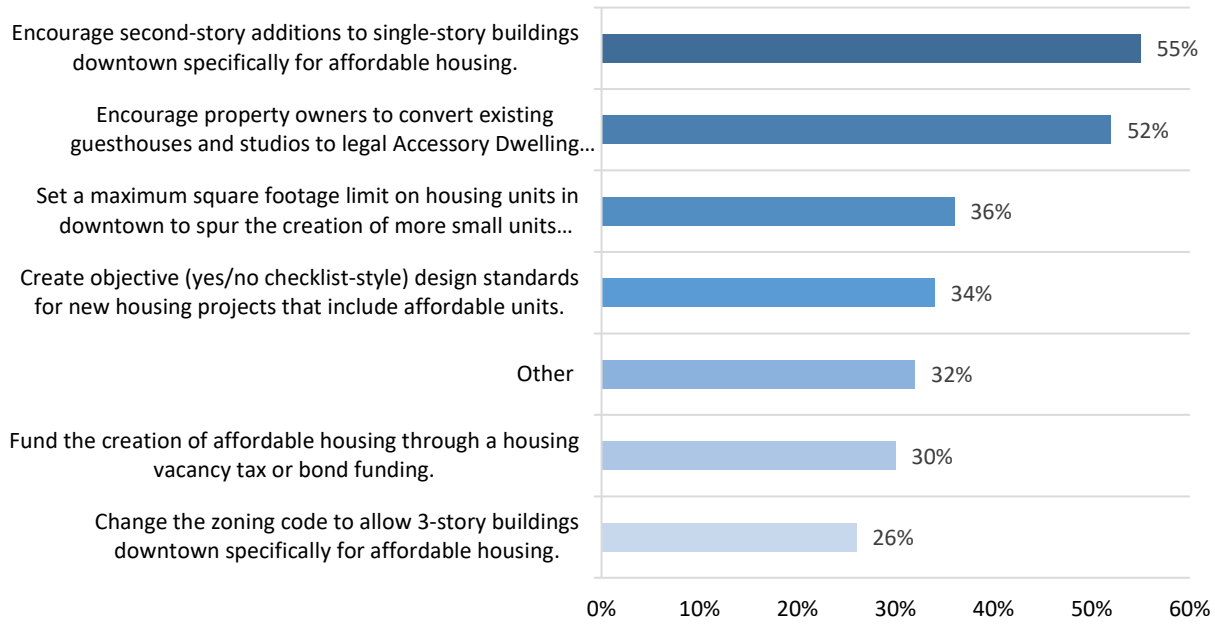
Note: See Attachment B for a full list of "other" responses received.

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.

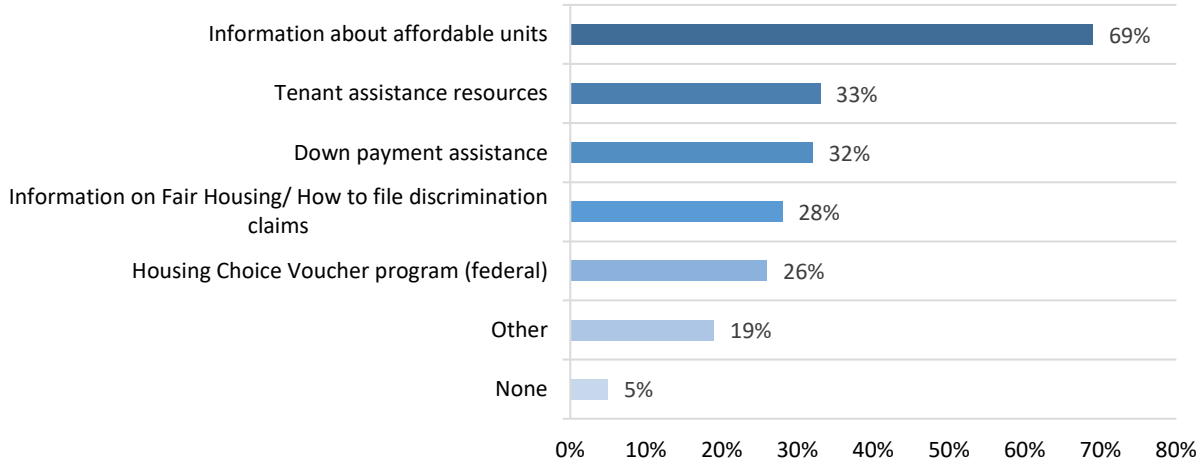
Figure 9: "How can the supply of affordable housing be increased to meet the needs of our community?"



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?"

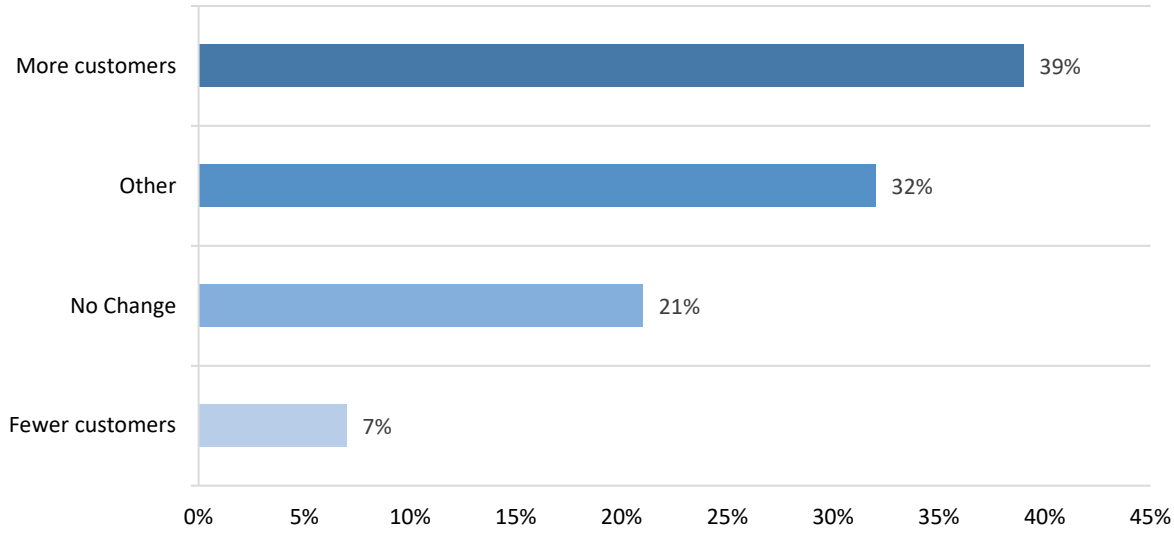


Note: See Attachment B for a full list of the "other" responses received. The "other" responses are the open-ended responses that were received.

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?"

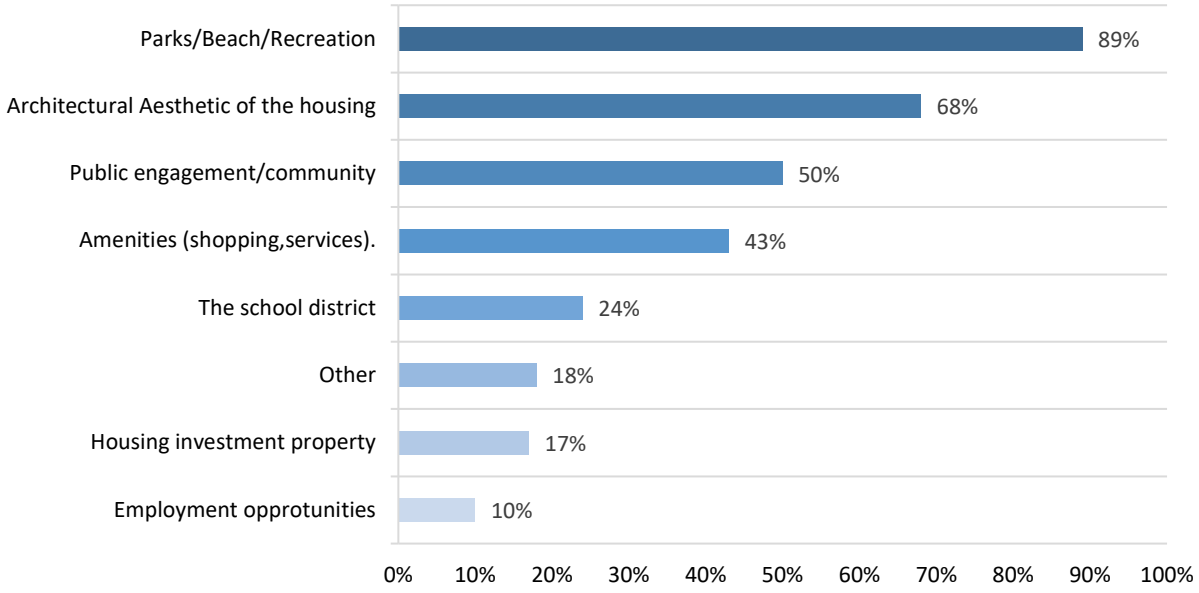


Note: See Attachment B for a full list of the "other" responses received. The "other" responses are the open-ended responses that were received.

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.

Figure 12: "What are the most appealing elements about life 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.

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

A

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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

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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 therefor 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 arrondisement 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. ly 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 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 buisness 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 / restsurants. 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 liked 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 it. 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 QofL 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.

Review of Environmental Safety Element for Compliance with Recent State Legislation (August 25, 2023)

B

APPENDIX

EMC PLANNING GROUP INC.
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To: **Marnie Waffle, AICP, Principal Planner, City of Carmel-by-the-Sea**

From: **Stuart Poulter, AICP, Senior Planner**

Cc: **Brandon Swanson, Director of Community Planning and Building, City of Carmel-by-the-Sea**

Date: **August 25, 2023**

Re: **Review of Environmental Safety Element for Compliance with Recent State Legislation**

Message: This memo provides a review of the *City of Carmel-by-the-Sea General Plan/Coastal Land Use Plan - Environmental Safety Element* (hereafter referred to as the City's "Safety Element" or "Environmental Safety Element") for compliance with five key legislative mandates passed since the City of Carmel-by-the-Sea (City) last updated the City's Safety Element in 2009.

Summary of Recent Legislative Actions

Since the last Safety Element update in 2009, several pieces of legislation have been passed that require updates to the City's Environmental Safety Element: Senate Bill (SB) 1241 (2012), SB 379 (2015), SB 99 (2019), Assembly Bill (AB) 747 (2019), and AB 1409 (2021). SB 379 requires that a Safety Element include an analysis of how vulnerability to hazards may increase due to climate change, and to promote resilience to those increased hazards. The remaining bills address emergency evacuation. SB 99 requires identification of streets with a single egress/ingress, and AB 747 and AB 1409 require identification of evacuation routes and their capacity, safety, and viability under various emergency scenarios as well as identification of evacuation locations.

SB 1241 revises Safety Element requirements for state responsibility areas (SRA) and very high fire hazard severity zones (VHFHSZ) and requires the Safety Element to take into account specified

considerations, including the most recent version of the Office of Planning and Research's *Fire Hazard Planning Technical Advisory* (2022 Update). Pursuant to Government Code 65302.5 (implemented via AB 2911 and effective January 1, 2019), local agencies with land classified as SRA and/or VHFHSZ must submit copies of their draft Safety Element to the California Department of Fire and Forestry Protection (CAL FIRE) and the State Board of Forestry and Fire Protection (Board) for review and comment no later than 90 days prior to adoption of the Safety Element and/or General Plan update. Government Code 65302.5 further requires that upon the next revision of the Housing Element on or after January 1, 2014, the Safety Element is required to be reviewed and updated as necessary to address the risk of fire for land classified as state responsibility areas and land classified as very high fire hazard severity zones. (Gov. Code, § 65302, subd. (g)(3).)

The Safety Element is required to include:

- Fire hazard severity zone maps available from the Department of Forestry and Fire Protection.
- Any historical data on wildfires available from local agencies or a reference to where the data can be found.
- Information about wildfire hazard areas that may be available from the United States Geological Survey.
- The general location and distribution of existing and planned uses of land in very high fire hazard severity zones (VHFHSZs) and in state responsibility areas (SRAs), including structures, roads, utilities, and essential public facilities. The location and distribution of planned uses of land shall not require defensible space compliance measures required by state law or local ordinance to occur on publicly owned lands or open space designations of homeowner associations.
- The local, state, and federal agencies with responsibility for fire protection, including special districts and local offices of emergency services. (Gov. Code, § 65302, subd. (g)(3)(A).)

Based on that information, the Safety Element shall include goals, policies, and objectives that protect the community from the unreasonable risk of wildfire. (Gov. Code, § 65302, subd. (g)(3)(B).) To carry out those goals, policies, and objectives, feasible implementation measures shall be included in the Safety Element, which include but are not limited to:

- Avoiding or minimizing the wildfire hazards associated with new uses of land.

- Locating, when feasible, new essential public facilities outside of high fire risk areas, including, but not limited to, hospitals and health care facilities, emergency shelters, emergency command centers, and emergency communications facilities, or identifying construction methods or other methods to minimize damage if these facilities are located in the SRA or VHFHSZ.

- Designing adequate infrastructure if a new development is located in the SRA or VHFHSZ, including safe access for emergency response vehicles, visible street signs, and water supplies for structural fire suppression.

- Working cooperatively with public agencies with responsibility for fire protection. (Gov. Code, § 65302, subd. (g)(3)(C).)

The Safety Element shall also attach or reference any fire safety plans or other documents adopted by the city or county that fulfill the goals and objectives or contains the information required above. (Gov. Code, § 65302, subd. (g)(3)(D).) This might include Local Hazard Mitigation Plans, Unit Fire Plans, Community Wildfire Protection Plans, or other plans.

CAL FIRE's Land Use Planning Program, within the Office of the State Fire Marshal, assists the Board with Safety Element reviews and provides information and technical assistance to local agencies. CAL FIRE's Land Use Planning Program provides a "General Plan Safety Element Assessment" which will be utilized for purposes of determining the City's Safety Element Update is consistent with recent state wildfire legislation. EMC Planning Group staff will assist City staff with coordinating this review process with CAL FIRE's Land Use Planning Program staff to ensure efficient and timely review of the City's Safety Element Update in conjunction with the City's 6th Cycle Housing Element Update process. The two CAL FIRE Land Use Planning Program staff identified as the primary reviewers for the City of Carmel-by-the-Sea are Fire Captains Kyle O'Neil (kyle.oneil@fire.ca.gov) and Shawn Arnold (shawn.arnold@fire.ca.gov) out of the CAL FIRE Southern Region (Fresno) Headquarters.

Current Environmental Safety Element

The City of Carmel-by-the-Sea Environmental Safety Element (adopted in September 2009) identifies the following "Issues of Local Significance": Earthquakes, Landslides, Drainage/Flooding, Fire, Tsunami, and Disaster Preparedness.

Evaluation and Recommendations

The current Environmental Safety Element was reviewed to determine changes necessary for compliance with recent legislation. Based on this review, the Geology and Seismic Hazards and Evacuation Route sections may require additional information. Additionally, it is suggested that a section be included to outline the documents incorporated by reference to provide clarity, as well as to note that both documents of reference are currently undergoing updates. This is urged due to the high level of reliance upon references to sufficiently fulfill state requirements per California Government Code Sections 65302(g)(4)(D)(i) and 65302(g)(4)(D)(ii). These documents include the recently adopted *2021 Monterey County Multi-Jurisdictional Hazard Mitigation Plan (Annex B: Carmel-by-the-Sea)* and the ongoing Community Wildfire Protection Plan (being prepared in collaboration with the cities of Monterey and Pacific Grove). In addition, Carmel is undergoing technical studies of climate-related risks and potential coastal resiliency measures as part of a Coastal Engineering Study and subsequent anticipated updates to the City's Local Coastal Program. Any available data or conclusions from these studies shall be reviewed and incorporated into the Safety Element update as needed.

The Geology and Seismic Hazards discussion should include mapping of liquefaction susceptibility hazards and landslide hazard areas. Additionally, this section should be restructured to present geologic and seismic hazards more clearly. It is also important to note that per California Government Code Section 65302.5(a), at least 45 days prior to adoption or amendment of the safety element, each county and city shall submit to the California Geological Survey (CGS) of the Department of Conservation one copy of a draft of the safety element or amendment and any technical studies used for developing the safety element. The Seismic Hazards Program at CGS may review drafts submitted to it to determine whether they incorporate known seismic and other geologic hazard information, and report its findings to the planning agency within 30 days of receipt of the draft of the safety element or amendment pursuant to this subdivision. Per correspondence with CGS staff by EMC Planning Group, the City is advised to submit a draft of the Safety Element Update to Dr. Erik Frost, Senior Engineering Geologist with the Seismic Hazards Program at CGS. Dr. Frost's e-mail address is: erik.frost@conservation.ca.gov.

In addition, the following information and data should be updated as found in the "Supporting Information" section of the current Environmental Safety Element:

- Page 8-7, Table 8.1: Major Historical Earthquakes in the Region – update to reflect any earthquakes since 2004.

- Page 8-13 - update all State Fire Code and Building Code language to reflect recently adopted state codes.
- Page 8-14 and 8-15 – update "Local Fire Hazard Severity Zones" discussion to reflect ongoing updates to SRA and LRA maps by CAL FIRE. Also update Figure 8.4: State and Local Responsibility Area Fire Hazard Severity Zones to reflect current SRA and LRA designations within city limits (and outside of city limits).
- Page 8-17, Table 8.2: Carmel Fire Department Incident Report: 2008 – update to most recently available data for Carmel Fire Department (last updated in March 2009).
- Page 8-18 and 8-19 – update "Roofing Materials" discussion to reflect any changes to City's Building Code and Design Review requirements; update Graph 8.1: Roofing Materials in Carmel to reflect updated roofing information from City Building Department.
- Page 8-21, Table 8.3: Historic Monterey County Tsunami Events: 1806-2006 – update to reflect any tsunami events in Monterey County since 2006.
- Page 8-24, Table 8.4: Summary of Selected Hazardous Materials Laws and Regulations – update to reflect any applicable federal, state, or local laws relating to hazardous materials since 2009(?) (not clear what date/year this table is accurate as of). Utilize most recent list from publicly-available hazards/hazardous materials list (via Department of Toxic Substances Control EnviroStor and State Water Resources Control Board GeoTracker).
- Page 8-33 – update "Environmental Safety Element References" list
- Figure 8.2: Areas Prone to Landslide – update to reflect most recent County or City landslide risk data.
- Figure 8.3: Flood Hazard & Localized Flooding Areas – update to reflect most recent Federal Emergency Management Agency (FEMA) Flood Map data and/or County localized flooding data.
- Figure 8.4: State and Local Responsibility Area Fire Severity Zones – update to reflect current LRA and SRA mapping data from CAL FIRE (https://osfm.fire.ca.gov/divisions/community-wildfire-preparedness-and-mitigation/wildfire-preparedness/fire-hazard-severity-zones/fire-hazard-severity-zones-map/)

- Figure 8.5: Tsunami Hazard Areas – update to reflect most recently available tsunami mapping data from California Department of Conservation California Tsunami Hazard Area Maps and Data (https://www.conservation.ca.gov/cgs/tsunami/maps).
- Figure 8.6: Evacuation Routes – replace with the City's most recently adopted evacuation routes map (2015?)

Information on evacuation routes and evacuation areas would be primarily reflected in the Disaster Preparedness section (under "Evacuation Routes"). Evacuation could be necessary for a variety of reasons, and is frequently important to fires, earthquakes, floods, and hazardous materials released, and may need to be discussed in sections related to these hazards as well. Single egress streets are of greatest concern during an evacuation. A map or table of these streets should be added to the Environmental Safety Element, as well as mapping that illustrates evacuation routes in scenarios of flooding hazards and fire hazards.

Environmental Safety Element text, policies, and graphics will be reviewed for appropriate additions or revisions.

CalEEMod Results

C

APPENDIX

Carmel 2031 HE_Unmitigated Detailed Report

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Data Field	Value
Project Name	Carmel 2031 HE_Unmitigated
Construction Start Date	1/1/2024
Operational Year	2031
Lead Agency	—
Land Use Scale	Plan/community
Analysis Level for Defaults	County
Windspeed (m/s)	2.80
Precipitation (days)	27.6
Location	Carmel-By-The-Sea, CA 93921, USA
County	Monterey
City	Carmel-by-the-Sea
Air District	Monterey Bay ARD
Air Basin	North Central Coast
TAZ	3244
EDFZ	6
Electric Utility	Pacific Gas & Electric Company
Gas Utility	Pacific Gas & Electric
App Version	2022.1.1.19

1.2. Land Use Types

Land Use Subtype	Size	Unit	Lot Acreage	Building Area (sq ft)	Landscape Area (sq ft)	Special Landscape Area (sq ft)	Population	Description

Apartments Mid Rise	400	Dwelling Unit	10.5	384,000	0.00	—	1,328	—

1.3. User-Selected Emission Reduction Measures by Emissions Sector

No measures selected

2. Emissions Summary

2.1. Construction Emissions Compared Against Thresholds

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Un/Mit.	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Unmit.	3.10	511	13.5	27.8	0.03	0.51	2.14	2.65	0.47	0.51	0.98	—	5,379	5,379	0.26	0.23	11.5	5,466
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Unmit.	4.43	3.73	36.0	33.7	0.06	1.60	19.8	21.4	1.47	10.1	11.6	—	6,737	6,737	0.29	0.23	0.30	6,762
Average Daily (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Unmit.	2.15	28.7	11.3	17.9	0.02	0.44	2.46	2.90	0.41	0.85	1.26	—	3,577	3,577	0.18	0.13	2.74	3,624
Annual (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Unmit.	0.39	5.25	2.07	3.27	< 0.005	0.08	0.45	0.53	0.07	0.16	0.23	—	592	592	0.03	0.02	0.45	600
Exceeds (Daily Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Threshold	—	—	—	—	—	—	—	82.0	—	—	—	—	—	—	—	—	—	—
Unmit.	—	—	—	—	—	—	Yes	No	—	—	—	—	—	—	—	—	—	—

Exceeds (Average Daily)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Threshold	—	—	—	—	—	—	—	82.0	—	—	—	—	—	—	—	—	—	—
Unmit.	—	—	—	—	—	—	Yes	No	—	—	—	—	—	—	—	—	—	—

2.2. Construction Emissions by Year, Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Year	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily - Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2024	3.10	2.68	13.5	27.8	0.03	0.51	2.14	2.65	0.47	0.51	0.98	—	5,379	5,379	0.26	0.23	11.5	5,466
2025	2.89	511	12.6	26.7	0.03	0.44	2.14	2.59	0.41	0.51	0.92	—	5,322	5,322	0.25	0.23	10.8	5,407
Daily - Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2024	4.43	3.73	36.0	33.7	0.06	1.60	19.8	21.4	1.47	10.1	11.6	—	6,737	6,737	0.29	0.23	0.30	6,762
2025	2.87	2.51	13.0	26.1	0.03	0.44	2.14	2.59	0.41	0.51	0.92	—	5,203	5,203	0.28	0.23	0.28	5,278
Average Daily	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2024	2.15	1.84	11.3	17.9	0.02	0.44	2.46	2.90	0.41	0.85	1.26	—	3,577	3,577	0.18	0.13	2.74	3,624
2025	0.87	28.7	4.04	7.84	0.01	0.14	0.61	0.76	0.13	0.15	0.28	—	1,566	1,566	0.08	0.06	1.35	1,588
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2024	0.39	0.34	2.07	3.27	< 0.005	0.08	0.45	0.53	0.07	0.16	0.23	—	592	592	0.03	0.02	0.45	600
2025	0.16	5.25	0.74	1.43	< 0.005	0.03	0.11	0.14	0.02	0.03	0.05	—	259	259	0.01	0.01	0.22	263

2.4. Operations Emissions Compared Against Thresholds

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Un/Mit.	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Unmit.	8.01	16.5	5.90	53.0	0.09	0.26	6.41	6.67	0.25	1.63	1.88	195	10,939	11,134	17.9	0.43	19.4	11,729
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Unmit.	5.89	14.5	6.24	31.8	0.08	0.25	6.41	6.66	0.25	1.63	1.87	195	10,580	10,776	18.0	0.46	3.18	11,366
Average Daily (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Unmit.	7.22	15.7	6.16	45.4	0.08	0.26	6.30	6.56	0.25	1.60	1.85	195	10,644	10,839	17.9	0.45	9.96	11,431
Annual (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Unmit.	1.32	2.87	1.12	8.28	0.02	0.05	1.15	1.20	0.05	0.29	0.34	32.3	1,762	1,794	2.97	0.07	1.65	1,893
Exceeds (Daily Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Threshold	—	137	137	550	—	—	—	82.0	—	—	—	—	—	—	—	—	—	—
Unmit.	—	No	No	No	—	—	Yes	No	—	—	—	—	—	—	—	—	—	—
Exceeds (Average Daily)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Threshold	—	137	137	550	—	—	—	82.0	—	—	—	—	—	—	—	—	—	—
Unmit.	—	No	No	No	—	—	Yes	No	—	—	—	—	—	—	—	—	—	—

2.5. Operations Emissions by Sector, Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Sector	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e

Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mobile	5.64	5.35	3.16	29.1	0.07	0.05	6.41	6.46	0.04	1.63	1.67	—	6,959	6,959	0.35	0.33	16.7	7,082
Area	2.07	11.0	0.21	22.8	< 0.005	0.01	—	0.01	0.01	—	0.01	0.00	60.7	60.7	< 0.005	< 0.005	—	60.9
Energy	0.30	0.15	2.53	1.07	0.02	0.20	—	0.20	0.20	—	0.20	—	3,869	3,869	0.39	0.02	—	3,885
Water	—	—	—	—	—	—	—	—	—	—	—	35.7	50.6	86.3	1.23	0.08	—	141
Waste	—	—	—	—	—	—	—	—	—	—	—	159	0.00	159	15.9	0.00	—	558
Refrig.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2.75	2.75
Total	8.01	16.5	5.90	53.0	0.09	0.26	6.41	6.67	0.25	1.63	1.88	195	10,939	11,134	17.9	0.43	19.4	11,729
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mobile	5.60	5.27	3.71	30.7	0.07	0.05	6.41	6.46	0.04	1.63	1.67	—	6,661	6,661	0.41	0.37	0.43	6,780
Area	0.00	9.04	0.00	0.00	0.00	0.00	—	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00
Energy	0.30	0.15	2.53	1.07	0.02	0.20	—	0.20	0.20	—	0.20	—	3,869	3,869	0.39	0.02	—	3,885
Water	—	—	—	—	—	—	—	—	—	—	—	35.7	50.6	86.3	1.23	0.08	—	141
Waste	—	—	—	—	—	—	—	—	—	—	—	159	0.00	159	15.9	0.00	—	558
Refrig.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2.75	2.75
Total	5.89	14.5	6.24	31.8	0.08	0.25	6.41	6.66	0.25	1.63	1.87	195	10,580	10,776	18.0	0.46	3.18	11,366
Average Daily	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mobile	5.50	5.19	3.49	28.7	0.07	0.05	6.30	6.34	0.04	1.60	1.64	—	6,682	6,682	0.38	0.35	7.21	6,804
Area	1.42	10.4	0.14	15.6	< 0.005	0.01	—	0.01	0.01	—	0.01	0.00	41.6	41.6	< 0.005	< 0.005	—	41.7
Energy	0.30	0.15	2.53	1.07	0.02	0.20	—	0.20	0.20	—	0.20	—	3,869	3,869	0.39	0.02	—	3,885
Water	—	—	—	—	—	—	—	—	—	—	—	35.7	50.6	86.3	1.23	0.08	—	141
Waste	—	—	—	—	—	—	—	—	—	—	—	159	0.00	159	15.9	0.00	—	558
Refrig.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2.75	2.75
Total	7.22	15.7	6.16	45.4	0.08	0.26	6.30	6.56	0.25	1.60	1.85	195	10,644	10,839	17.9	0.45	9.96	11,431

Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mobile	1.00	0.95	0.64	5.24	0.01	0.01	1.15	1.16	0.01	0.29	0.30	—	1,106	1,106	0.06	0.06	1.19	1,126
Area	0.26	1.90	0.03	2.85	< 0.005	< 0.005	—	< 0.005	< 0.005	—	< 0.005	0.00	6.88	6.88	< 0.005	< 0.005	—	6.90
Energy	0.05	0.03	0.46	0.20	< 0.005	0.04	—	0.04	0.04	—	0.04	—	641	641	0.06	< 0.005	—	643
Water	—	—	—	—	—	—	—	—	—	—	—	5.92	8.37	14.3	0.20	0.01	—	23.3
Waste	—	—	—	—	—	—	—	—	—	—	—	26.4	0.00	26.4	2.64	0.00	—	92.3
Refrig.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0.46	0.46
Total	1.32	2.87	1.12	8.28	0.02	0.05	1.15	1.20	0.05	0.29	0.34	32.3	1,762	1,794	2.97	0.07	1.65	1,893

3. Construction Emissions Details

3.1. Site Preparation (2024) - Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Location	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Onsite	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-Road Equipment	4.34	3.65	36.0	32.9	0.05	1.60	—	1.60	1.47	—	1.47	—	5,296	5,296	0.21	0.04	—	5,314
Dust From Material Movement	—	—	—	—	—	—	19.7	19.7	—	10.1	10.1	—	—	—	—	—	—	—
Onsite truck	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Average Daily	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Off-Road Equipment	0.12	0.10	0.99	0.90	< 0.005	0.04	—	0.04	0.04	—	0.04	—	145	145	0.01	< 0.005	—	146
Dust From Material Movement	—	—	—	—	—	—	0.54	0.54	—	0.28	0.28	—	—	—	—	—	—	—
Onsite truck	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-Road Equipment	0.02	0.02	0.18	0.16	< 0.005	0.01	—	0.01	0.01	—	0.01	—	24.0	24.0	< 0.005	< 0.005	—	24.1
Dust From Material Movement	—	—	—	—	—	—	0.10	0.10	—	0.05	0.05	—	—	—	—	—	—	—
Onsite truck	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Offsite	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	0.10	0.09	0.08	0.81	0.00	0.00	0.12	0.12	0.00	0.03	0.03	—	122	122	0.01	0.01	0.01	123
Vendor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Hauling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Average Daily	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	< 0.005	< 0.005	< 0.005	0.02	0.00	0.00	< 0.005	< 0.005	0.00	< 0.005	< 0.005	—	3.35	3.35	< 0.005	< 0.005	0.01	3.40
Vendor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Hauling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Worker	< 0.005	< 0.005	< 0.005	< 0.005	0.00	0.00	< 0.005	< 0.005	0.00	< 0.005	< 0.005	—	0.55	0.55	< 0.005	< 0.005	< 0.005	0.56
Vendor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Hauling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00

3.3. Grading (2024) - Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Location	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Onsite	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-Road Equipment	4.19	3.52	34.3	30.2	0.06	1.45	—	1.45	1.33	—	1.33	—	6,598	6,598	0.27	0.05	—	6,621
Dust From Material Movement	—	—	—	—	—	—	9.20	9.20	—	3.65	3.65	—	—	—	—	—	—	—
Onsite truck	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Average Daily	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-Road Equipment	0.34	0.29	2.82	2.48	0.01	0.12	—	0.12	0.11	—	0.11	—	542	542	0.02	< 0.005	—	544
Dust From Material Movement	—	—	—	—	—	—	0.76	0.76	—	0.30	0.30	—	—	—	—	—	—	—
Onsite truck	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Off-Road Equipment	0.06	0.05	0.51	0.45	< 0.005	0.02	—	0.02	0.02	—	0.02	—	89.8	89.8	< 0.005	< 0.005	—	90.1
Dust From Material Movement	—	—	—	—	—	—	0.14	0.14	—	0.05	0.05	—	—	—	—	—	—	—
Onsite truck	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Offsite	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	0.11	0.10	0.09	0.93	0.00	0.00	0.13	0.13	0.00	0.03	0.03	—	139	139	0.01	0.01	0.02	141
Vendor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Hauling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Average Daily	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	0.01	0.01	0.01	0.07	0.00	0.00	0.01	0.01	0.00	< 0.005	< 0.005	—	11.5	11.5	< 0.005	< 0.005	0.02	11.7
Vendor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Hauling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	< 0.005	< 0.005	< 0.005	0.01	0.00	0.00	< 0.005	< 0.005	0.00	< 0.005	< 0.005	—	1.90	1.90	< 0.005	< 0.005	< 0.005	1.93
Vendor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Hauling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00

3.5. Building Construction (2024) - Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Location	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e

Onsite	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-Road Equipment	1.44	1.20	11.2	13.1	0.02	0.50	—	0.50	0.46	—	0.46	—	2,398	2,398	0.10	0.02	—	2,406
Onsite truck	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-Road Equipment	1.44	1.20	11.2	13.1	0.02	0.50	—	0.50	0.46	—	0.46	—	2,398	2,398	0.10	0.02	—	2,406
Onsite truck	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Average Daily	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-Road Equipment	0.78	0.66	6.13	7.16	0.01	0.27	—	0.27	0.25	—	0.25	—	1,309	1,309	0.05	0.01	—	1,314
Onsite truck	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-Road Equipment	0.14	0.12	1.12	1.31	< 0.005	0.05	—	0.05	0.05	—	0.05	—	217	217	0.01	< 0.005	—	217
Onsite truck	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Offsite	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	1.58	1.43	1.03	14.1	0.00	0.00	1.93	1.93	0.00	0.45	0.45	—	2,123	2,123	0.12	0.09	9.29	2,161
Vendor	0.09	0.05	1.29	0.65	0.01	0.01	0.22	0.23	0.01	0.06	0.07	—	858	858	0.04	0.13	2.21	899
Hauling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00

Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	1.56	1.41	1.33	13.3	0.00	0.00	1.93	1.93	0.00	0.45	0.45	—	2,001	2,001	0.15	0.09	0.24	2,030
Vendor	0.08	0.04	1.36	0.67	0.01	0.01	0.22	0.23	0.01	0.06	0.07	—	858	858	0.04	0.13	0.06	897
Hauling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Average Daily	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	0.84	0.76	0.68	6.92	0.00	0.00	1.03	1.03	0.00	0.24	0.24	—	1,097	1,097	0.07	0.05	2.19	1,115
Vendor	0.05	0.02	0.73	0.36	< 0.005	0.01	0.12	0.12	0.01	0.03	0.04	—	469	469	0.02	0.07	0.52	490
Hauling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	0.15	0.14	0.12	1.26	0.00	0.00	0.19	0.19	0.00	0.04	0.04	—	182	182	0.01	0.01	0.36	185
Vendor	0.01	< 0.005	0.13	0.07	< 0.005	< 0.005	0.02	0.02	< 0.005	0.01	0.01	—	77.6	77.6	< 0.005	0.01	0.09	81.2
Hauling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00

3.7. Building Construction (2025) - Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Location	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Onsite	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-Road Equipment	1.35	1.13	10.4	13.0	0.02	0.43	—	0.43	0.40	—	0.40	—	2,398	2,398	0.10	0.02	—	2,406
Onsite truck	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Off-Road Equipment	1.35	1.13	10.4	13.0	0.02	0.43	—	0.43	0.40	—	0.40	—	2,398	2,398	0.10	0.02	—	2,406
Onsite truck	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Average Daily	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-Road Equipment	0.37	0.31	2.90	3.62	0.01	0.12	—	0.12	0.11	—	0.11	—	666	666	0.03	0.01	—	669
Onsite truck	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-Road Equipment	0.07	0.06	0.53	0.66	< 0.005	0.02	—	0.02	0.02	—	0.02	—	110	110	< 0.005	< 0.005	—	111
Onsite truck	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Offsite	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	1.46	1.37	0.95	13.1	0.00	0.00	1.93	1.93	0.00	0.45	0.45	—	2,082	2,082	0.12	0.09	8.60	2,119
Vendor	0.08	0.04	1.23	0.61	0.01	0.01	0.22	0.23	0.01	0.06	0.07	—	843	843	0.04	0.12	2.19	882
Hauling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	1.45	1.35	1.25	12.4	0.00	0.00	1.93	1.93	0.00	0.45	0.45	—	1,962	1,962	0.14	0.09	0.22	1,992
Vendor	0.08	0.04	1.30	0.62	0.01	0.01	0.22	0.23	0.01	0.06	0.07	—	843	843	0.04	0.12	0.06	881
Hauling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Average Daily	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	0.40	0.37	0.31	3.27	0.00	0.00	0.53	0.53	0.00	0.12	0.12	—	548	548	0.04	0.02	1.03	557
Vendor	0.02	0.01	0.35	0.17	< 0.005	< 0.005	0.06	0.06	< 0.005	0.02	0.02	—	234	234	0.01	0.03	0.26	245

Hauling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	0.07	0.07	0.06	0.60	0.00	0.00	0.10	0.10	0.00	0.02	0.02	—	90.7	90.7	0.01	< 0.005	0.17	92.2
Vendor	< 0.005	< 0.005	0.06	0.03	< 0.005	< 0.005	0.01	0.01	< 0.005	< 0.005	< 0.005	—	38.8	38.8	< 0.005	0.01	0.04	40.5
Hauling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00

3.9. Paving (2025) - Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Location	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Onsite	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-Road Equipment	0.95	0.80	7.45	9.98	0.01	0.35	—	0.35	0.32	—	0.32	—	1,511	1,511	0.06	0.01	—	1,517
Paving	—	0.00	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Onsite truck	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Average Daily	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-Road Equipment	0.05	0.04	0.41	0.55	< 0.005	0.02	—	0.02	0.02	—	0.02	—	82.8	82.8	< 0.005	< 0.005	—	83.1
Paving	—	0.00	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Onsite truck	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-Road Equipment	0.01	0.01	0.07	0.10	< 0.005	< 0.005	—	< 0.005	< 0.005	—	< 0.005	—	13.7	13.7	< 0.005	< 0.005	—	13.8

Paving	—	0.00	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Onsite truck	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Offsite	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	0.08	0.07	0.05	0.68	0.00	0.00	0.10	0.10	0.00	0.02	0.02	—	108	108	0.01	< 0.005	0.45	110
Vendor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Hauling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Average Daily	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	< 0.005	< 0.005	< 0.005	0.03	0.00	0.00	0.01	0.01	0.00	< 0.005	< 0.005	—	5.63	5.63	< 0.005	< 0.005	0.01	5.72
Vendor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Hauling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	< 0.005	< 0.005	< 0.005	0.01	0.00	0.00	< 0.005	< 0.005	0.00	< 0.005	< 0.005	—	0.93	0.93	< 0.005	< 0.005	< 0.005	0.95
Vendor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Hauling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00

3.11. Architectural Coating (2025) - Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Location	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Onsite	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Off-Road Equipment	0.15	0.13	0.88	1.14	< 0.005	0.03	—	0.03	0.03	—	0.03	—	134	134	0.01	< 0.005	—	134
Architectural Coatings	—	511	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Onsite truck	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Average Daily	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-Road Equipment	0.01	0.01	0.05	0.06	< 0.005	< 0.005	—	< 0.005	< 0.005	—	< 0.005	—	7.32	7.32	< 0.005	< 0.005	—	7.34
Architectural Coatings	—	28.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Onsite truck	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-Road Equipment	< 0.005	< 0.005	0.01	0.01	< 0.005	< 0.005	—	< 0.005	< 0.005	—	< 0.005	—	1.21	1.21	< 0.005	< 0.005	—	1.22
Architectural Coatings	—	5.11	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Onsite truck	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Offsite	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	0.29	0.27	0.19	2.61	0.00	0.00	0.39	0.39	0.00	0.09	0.09	—	416	416	0.02	0.02	1.72	424
Vendor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Hauling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00

Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Average Daily	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	0.02	0.01	0.01	0.13	0.00	0.00	0.02	0.02	0.00	< 0.005	< 0.005	—	21.6	21.6	< 0.005	< 0.005	0.04	22.0
Vendor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Hauling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	< 0.005	< 0.005	< 0.005	0.02	0.00	0.00	< 0.005	< 0.005	0.00	< 0.005	< 0.005	—	3.58	3.58	< 0.005	< 0.005	0.01	3.64
Vendor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00
Hauling	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00

4. Operations Emissions Details

4.1. Mobile Emissions by Land Use

4.1.1. Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Land Use	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Apartments Mid Rise	5.64	5.35	3.16	29.1	0.07	0.05	6.41	6.46	0.04	1.63	1.67	—	6,959	6,959	0.35	0.33	16.7	7,082
Total	5.64	5.35	3.16	29.1	0.07	0.05	6.41	6.46	0.04	1.63	1.67	—	6,959	6,959	0.35	0.33	16.7	7,082
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Apartments Mid Rise	5.60	5.27	3.71	30.7	0.07	0.05	6.41	6.46	0.04	1.63	1.67	—	6,661	6,661	0.41	0.37	0.43	6,780
Total	5.60	5.27	3.71	30.7	0.07	0.05	6.41	6.46	0.04	1.63	1.67	—	6,661	6,661	0.41	0.37	0.43	6,780
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Apartments Mid Rise	1.00	0.95	0.64	5.24	0.01	0.01	1.15	1.16	0.01	0.29	0.30	—	1,106	1,106	0.06	0.06	1.19	1,126
Total	1.00	0.95	0.64	5.24	0.01	0.01	1.15	1.16	0.01	0.29	0.30	—	1,106	1,106	0.06	0.06	1.19	1,126

4.2. Energy

4.2.1. Electricity Emissions By Land Use - Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Land Use	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Apartments Mid Rise	—	—	—	—	—	—	—	—	—	—	—	—	663	663	0.11	0.01	—	670
Total	—	—	—	—	—	—	—	—	—	—	—	—	663	663	0.11	0.01	—	670
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Apartments Mid Rise	—	—	—	—	—	—	—	—	—	—	—	—	663	663	0.11	0.01	—	670
Total	—	—	—	—	—	—	—	—	—	—	—	—	663	663	0.11	0.01	—	670
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Apartments Mid Rise	—	—	—	—	—	—	—	—	—	—	—	—	110	110	0.02	< 0.005	—	111

Total	—	—	—	—	—	—	—	—	—	—	—	—	110	110	0.02	< 0.005	—	111

4.2.3. Natural Gas Emissions By Land Use - Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Land Use	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Apartments Mid Rise	0.30	0.15	2.53	1.07	0.02	0.20	—	0.20	0.20	—	0.20	—	3,206	3,206	0.28	0.01	—	3,215
Total	0.30	0.15	2.53	1.07	0.02	0.20	—	0.20	0.20	—	0.20	—	3,206	3,206	0.28	0.01	—	3,215
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Apartments Mid Rise	0.30	0.15	2.53	1.07	0.02	0.20	—	0.20	0.20	—	0.20	—	3,206	3,206	0.28	0.01	—	3,215
Total	0.30	0.15	2.53	1.07	0.02	0.20	—	0.20	0.20	—	0.20	—	3,206	3,206	0.28	0.01	—	3,215
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Apartments Mid Rise	0.05	0.03	0.46	0.20	< 0.005	0.04	—	0.04	0.04	—	0.04	—	531	531	0.05	< 0.005	—	532
Total	0.05	0.03	0.46	0.20	< 0.005	0.04	—	0.04	0.04	—	0.04	—	531	531	0.05	< 0.005	—	532

4.3. Area Emissions by Source

4.3.1. Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Source	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e

Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hearths	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00
Consumer Products	—	8.22	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Architectural Coatings	—	0.82	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Landscape Equipment	2.07	1.96	0.21	22.8	< 0.005	0.01	—	0.01	0.01	—	0.01	—	60.7	60.7	< 0.005	< 0.005	—	60.9
Total	2.07	11.0	0.21	22.8	< 0.005	0.01	—	0.01	0.01	—	0.01	0.00	60.7	60.7	< 0.005	< 0.005	—	60.9
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hearths	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00
Consumer Products	—	8.22	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Architectural Coatings	—	0.82	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	0.00	9.04	0.00	0.00	0.00	0.00	—	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hearths	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00	0.00	—	0.00	0.00	0.00	0.00	0.00	0.00	—	0.00
Consumer Products	—	1.50	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Architectural Coatings	—	0.15	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Landscape	0.26	0.25	0.03	2.85	< 0.005	< 0.005	—	< 0.005	< 0.005	—	< 0.005	—	6.88	6.88	< 0.005	< 0.005	—	6.90
Total	0.26	1.90	0.03	2.85	< 0.005	< 0.005	—	< 0.005	< 0.005	—	< 0.005	0.00	6.88	6.88	< 0.005	< 0.005	—	6.90

4.4. Water Emissions by Land Use

4.4.1. Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Land Use	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Apartments Mid Rise	—	—	—	—	—	—	—	—	—	—	—	35.7	50.6	86.3	1.23	0.08	—	141
Total	—	—	—	—	—	—	—	—	—	—	—	35.7	50.6	86.3	1.23	0.08	—	141
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Apartments Mid Rise	—	—	—	—	—	—	—	—	—	—	—	35.7	50.6	86.3	1.23	0.08	—	141
Total	—	—	—	—	—	—	—	—	—	—	—	35.7	50.6	86.3	1.23	0.08	—	141
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Apartments Mid Rise	—	—	—	—	—	—	—	—	—	—	—	5.92	8.37	14.3	0.20	0.01	—	23.3
Total	—	—	—	—	—	—	—	—	—	—	—	5.92	8.37	14.3	0.20	0.01	—	23.3

4.5. Waste Emissions by Land Use

4.5.1. Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Land Use	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Apartments Mid Rise	—	—	—	—	—	—	—	—	—	—	—	159	0.00	159	15.9	0.00	—	558
Total	—	—	—	—	—	—	—	—	—	—	—	159	0.00	159	15.9	0.00	—	558
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Apartments Mid Rise	—	—	—	—	—	—	—	—	—	—	—	159	0.00	159	15.9	0.00	—	558
Total	—	—	—	—	—	—	—	—	—	—	—	159	0.00	159	15.9	0.00	—	558
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Apartments Mid Rise	—	—	—	—	—	—	—	—	—	—	—	26.4	0.00	26.4	2.64	0.00	—	92.3
Total	—	—	—	—	—	—	—	—	—	—	—	26.4	0.00	26.4	2.64	0.00	—	92.3

4.6. Refrigerant Emissions by Land Use

4.6.1. Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Land Use	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e

Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Apartments Mid Rise	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2.75	2.75
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2.75	2.75
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Apartments Mid Rise	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2.75	2.75
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2.75	2.75
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Apartments Mid Rise	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0.46	0.46
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0.46	0.46

4.7. Offroad Emissions By Equipment Type

4.7.1. Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Equipment Type	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

4.8. Stationary Emissions By Equipment Type

4.8.1. Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Equipment Type	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

4.9. User Defined Emissions By Equipment Type

4.9.1. Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Equipment Type	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

4.10. Soil Carbon Accumulation By Vegetation Type

4.10.1. Soil Carbon Accumulation By Vegetation Type - Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Vegetation	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

4.10.2. Above and Belowground Carbon Accumulation by Land Use Type - Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Land Use	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

4.10.3. Avoided and Sequestered Emissions by Species - Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Species	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Avoided	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Sequestered	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Removed	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Avoided	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Sequestered	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Removed	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Avoided	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Sequestered	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Removed	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

5. Activity Data

5.1. Construction Schedule

Phase Name	Phase Type	Start Date	End Date	Days Per Week	Work Days per Phase	Phase Description
Site Preparation	Site Preparation	1/30/2024	2/13/2024	5.00	10.0	—
Grading	Grading	2/14/2024	3/27/2024	5.00	30.0	—

Building Construction	Building Construction	3/28/2024	5/22/2025	5.00	300	—
Paving	Paving	5/23/2025	6/20/2025	5.00	20.0	—
Architectural Coating	Architectural Coating	6/21/2025	7/19/2025	5.00	20.0	—

5.2. Off-Road Equipment

5.2.1. Unmitigated

Phase Name	Equipment Type	Fuel Type	Engine Tier	Number per Day	Hours Per Day	Horsepower	Load Factor
Site Preparation	Rubber Tired Dozers	Diesel	Average	3.00	8.00	367	0.40
Site Preparation	Tractors/Loaders/Backhoes	Diesel	Average	4.00	8.00	84.0	0.37
Grading	Graders	Diesel	Average	1.00	8.00	148	0.41
Grading	Excavators	Diesel	Average	2.00	8.00	36.0	0.38
Grading	Tractors/Loaders/Backhoes	Diesel	Average	2.00	8.00	84.0	0.37
Grading	Scrapers	Diesel	Average	2.00	8.00	423	0.48
Grading	Rubber Tired Dozers	Diesel	Average	1.00	8.00	367	0.40
Building Construction	Forklifts	Diesel	Average	3.00	8.00	82.0	0.20
Building Construction	Generator Sets	Diesel	Average	1.00	8.00	14.0	0.74
Building Construction	Cranes	Diesel	Average	1.00	7.00	367	0.29
Building Construction	Welders	Diesel	Average	1.00	8.00	46.0	0.45
Building Construction	Tractors/Loaders/Backhoes	Diesel	Average	3.00	7.00	84.0	0.37
Paving	Pavers	Diesel	Average	2.00	8.00	81.0	0.42
Paving	Paving Equipment	Diesel	Average	2.00	8.00	89.0	0.36
Paving	Rollers	Diesel	Average	2.00	8.00	36.0	0.38
Architectural Coating	Air Compressors	Diesel	Average	1.00	6.00	37.0	0.48

5.3. Construction Vehicles

5.3.1. Unmitigated

Phase Name	Trip Type	One-Way Trips per Day	Miles per Trip	Vehicle Mix
Site Preparation	—	—	—	—
Site Preparation	Worker	17.5	9.47	LDA,LDT1,LDT2
Site Preparation	Vendor	—	6.03	HHDT,MHDT
Site Preparation	Hauling	0.00	20.0	HHDT
Site Preparation	Onsite truck	—	—	HHDT
Grading	—	—	—	—
Grading	Worker	20.0	9.47	LDA,LDT1,LDT2
Grading	Vendor	—	6.03	HHDT,MHDT
Grading	Hauling	0.00	20.0	HHDT
Grading	Onsite truck	—	—	HHDT
Building Construction	—	—	—	—
Building Construction	Worker	288	9.47	LDA,LDT1,LDT2
Building Construction	Vendor	42.8	6.03	HHDT,MHDT
Building Construction	Hauling	0.00	20.0	HHDT
Building Construction	Onsite truck	—	—	HHDT
Paving	—	—	—	—
Paving	Worker	15.0	9.47	LDA,LDT1,LDT2
Paving	Vendor	—	6.03	HHDT,MHDT
Paving	Hauling	0.00	20.0	HHDT
Paving	Onsite truck	—	—	HHDT
Architectural Coating	—	—	—	—
Architectural Coating	Worker	57.6	9.47	LDA,LDT1,LDT2
Architectural Coating	Vendor	—	6.03	HHDT,MHDT

Architectural Coating	Hauling	0.00	20.0	HHDT
Architectural Coating	Onsite truck	—	—	HHDT

5.4. Vehicles

5.4.1. Construction Vehicle Control Strategies

Non-applicable. No control strategies activated by user.

5.5. Architectural Coatings

Phase Name	Residential Interior Area Coated (sq ft)	Residential Exterior Area Coated (sq ft)	Non-Residential Interior Area Coated (sq ft)	Non-Residential Exterior Area Coated (sq ft)	Parking Area Coated (sq ft)
Architectural Coating	777,600	259,200	0.00	0.00	—

5.6. Dust Mitigation

5.6.1. Construction Earthmoving Activities

Phase Name	Material Imported (cy)	Material Exported (cy)	Acres Graded (acres)	Material Demolished (sq. ft.)	Acres Paved (acres)
Site Preparation	—	—	15.0	0.00	—
Grading	—	—	90.0	0.00	—
Paving	0.00	0.00	0.00	0.00	0.00

5.6.2. Construction Earthmoving Control Strategies

Non-applicable. No control strategies activated by user.

5.7. Construction Paving

Land Use	Area Paved (acres)	% Asphalt
Apartments Mid Rise	0.00	0%

5.8. Construction Electricity Consumption and Emissions Factors

kWh per Year and Emission Factor (lb/MWh)

Year	kWh per Year	CO2	CH4	N2O
2024	0.00	204	0.03	< 0.005
2025	0.00	204	0.03	< 0.005

5.9. Operational Mobile Sources

5.9.1. Unmitigated

Land Use Type	Trips/Weekday	Trips/Saturday	Trips/Sunday	Trips/Year	VMT/Weekday	VMT/Saturday	VMT/Sunday	VMT/Year
Apartments Mid Rise	1,816	1,816	1,816	662,840	9,084	9,084	9,084	3,315,662

5.10. Operational Area Sources

5.10.1. Hearths

5.10.1.1. Unmitigated

Hearth Type	Unmitigated (number)
Apartments Mid Rise	—
Wood Fireplaces	0
Gas Fireplaces	400
Propane Fireplaces	0
Electric Fireplaces	0
No Fireplaces	0
Conventional Wood Stoves	0
Catalytic Wood Stoves	0
Non-Catalytic Wood Stoves	0

Pellet Wood Stoves	0

5.10.2. Architectural Coatings

Residential Interior Area Coated (sq ft)	Residential Exterior Area Coated (sq ft)	Non-Residential Interior Area Coated (sq ft)	Non-Residential Exterior Area Coated (sq ft)	Parking Area Coated (sq ft)
777600	259,200	0.00	0.00	—

5.10.3. Landscape Equipment

Season	Unit	Value
Snow Days	day/yr	0.00
Summer Days	day/yr	250

5.11. Operational Energy Consumption

5.11.1. Unmitigated

Electricity (kWh/yr) and CO2 and CH4 and N2O and Natural Gas (kBTU/yr)

Land Use	Electricity (kWh/yr)	CO2	CH4	N2O	Natural Gas (kBTU/yr)
Apartments Mid Rise	1,187,158	204	0.0330	0.0040	10,002,514

5.12. Operational Water and Wastewater Consumption

5.12.1. Unmitigated

Land Use	Indoor Water (gal/year)	Outdoor Water (gal/year)
Apartments Mid Rise	16,722,840	0.00

5.13. Operational Waste Generation

5.13.1. Unmitigated

Land Use	Waste (ton/year)	Cogeneration (kWh/year)
Apartments Mid Rise	296	—

5.14. Operational Refrigeration and Air Conditioning Equipment

5.14.1. Unmitigated

Land Use Type	Equipment Type	Refrigerant	GWP	Quantity (kg)	Operations Leak Rate	Service Leak Rate	Times Serviced
Apartments Mid Rise	Average room A/C & Other residential A/C and heat pumps	R-410A	2,088	< 0.005	2.50	2.50	10.0
Apartments Mid Rise	Household refrigerators and/or freezers	R-134a	1,430	0.12	0.60	0.00	1.00

5.15. Operational Off-Road Equipment

5.15.1. Unmitigated

Equipment Type	Fuel Type	Engine Tier	Number per Day	Hours Per Day	Horsepower	Load Factor

5.16. Stationary Sources

5.16.1. Emergency Generators and Fire Pumps

Equipment Type	Fuel Type	Number per Day	Hours per Day	Hours per Year	Horsepower	Load Factor

5.16.2. Process Boilers

Equipment Type	Fuel Type	Number	Boiler Rating (MMBtu/hr)	Daily Heat Input (MMBtu/day)	Annual Heat Input (MMBtu/yr)

5.17. User Defined

Equipment Type	Fuel Type

5.18. Vegetation

5.18.1. Land Use Change

5.18.1.1. Unmitigated

Vegetation Land Use Type	Vegetation Soil Type	Initial Acres	Final Acres

5.18.1. Biomass Cover Type

5.18.1.1. Unmitigated

Biomass Cover Type	Initial Acres	Final Acres

5.18.2. Sequestration

5.18.2.1. Unmitigated

Tree Type	Number	Electricity Saved (kWh/year)	Natural Gas Saved (btu/year)

6. Climate Risk Detailed Report

6.1. Climate Risk Summary

Cal-Adapt midcentury 2040–2059 average projections for four hazards are reported below for your project location. These are under Representation Concentration Pathway (RCP) 8.5 which assumes GHG emissions will continue to rise strongly through 2050 and then plateau around 2100.

Climate Hazard	Result for Project Location	Unit
Temperature and Extreme Heat	6.20	annual days of extreme heat

Extreme Precipitation	4.85	annual days with precipitation above 20 mm
Sea Level Rise	0.00	meters of inundation depth
Wildfire	39.4	annual hectares burned

Temperature and Extreme Heat data are for grid cell in which your project are located. The projection is based on the 98th historical percentile of daily maximum/minimum temperatures from observed historical data (32 climate model ensemble from Cal-Adapt, 2040–2059 average under RCP 8.5). Each grid cell is 6 kilometers (km) by 6 km, or 3.7 miles (mi) by 3.7 mi.
Extreme Precipitation data are for the grid cell in which your project are located. The threshold of 20 mm is equivalent to about ¾ an inch of rain, which would be light to moderate rainfall if received over a full day or heavy rain if received over a period of 2 to 4 hours. Each grid cell is 6 kilometers (km) by 6 km, or 3.7 miles (mi) by 3.7 mi.
Sea Level Rise data are for the grid cell in which your project are located. The projections are from Radke et al. (2017), as reported in Cal-Adapt (2040–2059 average under RCP 8.5), and consider different increments of sea level rise coupled with extreme storm events. Users may select from four model simulations to view the range in potential inundation depth for the grid cell. The four simulations make different assumptions about expected rainfall and temperature are: Warmer/drier (HadGEM2-ES), Cooler/wetter (CNRM-CM5), Average conditions (CanESM2), Range of different rainfall and temperature possibilities (MIROC5). Each grid cell is 50 meters (m) by 50 m, or about 164 feet (ft) by 164 ft.
Wildfire data are for the grid cell in which your project are located. The projections are from UC Davis, as reported in Cal-Adapt (2040–2059 average under RCP 8.5), and consider historical data of climate, vegetation, population density, and large (> 400 ha) fire history. Users may select from four model simulations to view the range in potential wildfire probabilities for the grid cell. The four simulations make different assumptions about expected rainfall and temperature are: Warmer/drier (HadGEM2-ES), Cooler/wetter (CNRM-CM5), Average conditions (CanESM2), Range of different rainfall and temperature possibilities (MIROC5). Each grid cell is 6 kilometers (km) by 6 km, or 3.7 miles (mi) by 3.7 mi.

6.2. Initial Climate Risk Scores

Climate Hazard	Exposure Score	Sensitivity Score	Adaptive Capacity Score	Vulnerability Score
Temperature and Extreme Heat	N/A	N/A	N/A	N/A
Extreme Precipitation	N/A	N/A	N/A	N/A
Sea Level Rise	1	0	0	N/A
Wildfire	1	0	0	N/A
Flooding	N/A	N/A	N/A	N/A
Drought	0	0	0	N/A
Snowpack Reduction	N/A	N/A	N/A	N/A
Air Quality Degradation	N/A	N/A	N/A	N/A

The sensitivity score reflects the extent to which a project would be adversely affected by exposure to a climate hazard. Exposure is rated on a scale of 1 to 5, with a score of 5 representing the greatest exposure.
The adaptive capacity of a project refers to its ability to manage and reduce vulnerabilities from projected climate hazards. Adaptive capacity is rated on a scale of 1 to 5, with a score of 5 representing the greatest ability to adapt.
The overall vulnerability scores are calculated based on the potential impacts and adaptive capacity assessments for each hazard. Scores do not include implementation of climate risk reduction measures.

6.3. Adjusted Climate Risk Scores

Climate Hazard	Exposure Score	Sensitivity Score	Adaptive Capacity Score	Vulnerability Score
Temperature and Extreme Heat	N/A	N/A	N/A	N/A
Extreme Precipitation	N/A	N/A	N/A	N/A
Sea Level Rise	1	1	1	2
Wildfire	1	1	1	2
Flooding	N/A	N/A	N/A	N/A
Drought	1	1	1	2
Snowpack Reduction	N/A	N/A	N/A	N/A
Air Quality Degradation	N/A	N/A	N/A	N/A

The sensitivity score reflects the extent to which a project would be adversely affected by exposure to a climate hazard. Exposure is rated on a scale of 1 to 5, with a score of 5 representing the greatest exposure.
The adaptive capacity of a project refers to its ability to manage and reduce vulnerabilities from projected climate hazards. Adaptive capacity is rated on a scale of 1 to 5, with a score of 5 representing the greatest ability to adapt.
The overall vulnerability scores are calculated based on the potential impacts and adaptive capacity assessments for each hazard. Scores include implementation of climate risk reduction measures.

6.4. Climate Risk Reduction Measures

7. Health and Equity Details

7.1. CalEnviroScreen 4.0 Scores

The maximum CalEnviroScreen score is 100. A high score (i.e., greater than 50) reflects a higher pollution burden compared to other census tracts in the state.

Indicator	Result for Project Census Tract
Exposure Indicators	—
AQ-Ozone	10.6
AQ-PM	1.58
AQ-DPM	47.1
Drinking Water	38.7
Lead Risk Housing	49.5
Pesticides	0.00

Toxic Releases	0.30
Traffic	3.29
Effect Indicators	—
CleanUp Sites	68.9
Groundwater	47.4
Haz Waste Facilities/Generators	0.00
Impaired Water Bodies	12.5
Solid Waste	0.00
Sensitive Population	—
Asthma	23.1
Cardio-vascular	5.82
Low Birth Weights	—
Socioeconomic Factor Indicators	—
Education	0.00
Housing	7.39
Linguistic	0.00
Poverty	18.2
Unemployment	—

7.2. Healthy Places Index Scores

The maximum Health Places Index score is 100. A high score (i.e., greater than 50) reflects healthier community conditions compared to other census tracts in the state.

Indicator	Result for Project Census Tract
Economic	—
Above Poverty	86.41088156
Employed	59.69459772
Median HI	80.36699602
Education	—

Bachelor's or higher	89.51623252
High school enrollment	100
Preschool enrollment	63.27473374
Transportation	—
Auto Access	36.49428975
Active commuting	87.60426023
Social	—
2-parent households	5.82574105
Voting	92.42910304
Neighborhood	—
Alcohol availability	57.96227384
Park access	81.35506224
Retail density	7.031951752
Supermarket access	75.4908251
Tree canopy	96.52252021
Housing	—
Homeownership	53.13743103
Housing habitability	51.67457975
Low-inc homeowner severe housing cost burden	73.88682151
Low-inc renter severe housing cost burden	29.35968177
Uncrowded housing	58.11625818
Health Outcomes	—
Insured adults	84.53740536
Arthritis	0.0
Asthma ER Admissions	98.1
High Blood Pressure	0.0
Cancer (excluding skin)	0.0

Asthma	0.0
Coronary Heart Disease	0.0
Chronic Obstructive Pulmonary Disease	0.0
Diagnosed Diabetes	0.0
Life Expectancy at Birth	73.2
Cognitively Disabled	58.3
Physically Disabled	38.4
Heart Attack ER Admissions	98.5
Mental Health Not Good	0.0
Chronic Kidney Disease	0.0
Obesity	0.0
Pedestrian Injuries	94.5
Physical Health Not Good	0.0
Stroke	0.0
Health Risk Behaviors	—
Binge Drinking	0.0
Current Smoker	0.0
No Leisure Time for Physical Activity	0.0
Climate Change Exposures	—
Wildfire Risk	49.1
SLR Inundation Area	88.2
Children	20.9
Elderly	7.8
English Speaking	98.1
Foreign-born	8.5
Outdoor Workers	51.2
Climate Change Adaptive Capacity	—

Impervious Surface Cover	91.0
Traffic Density	9.7
Traffic Access	0.0
Other Indices	—
Hardship	17.5
Other Decision Support	—
2016 Voting	95.9

7.3. Overall Health & Equity Scores

Metric	Result for Project Census Tract
CalEnviroScreen 4.0 Score for Project Location (a)	1.00
Healthy Places Index Score for Project Location (b)	86.0
Project Located in a Designated Disadvantaged Community (Senate Bill 535)	No
Project Located in a Low-Income Community (Assembly Bill 1550)	No
Project Located in a Community Air Protection Program Community (Assembly Bill 617)	No

a: The maximum CalEnviroScreen score is 100. A high score (i.e., greater than 50) reflects a higher pollution burden compared to other census tracts in the state.
b: The maximum Health Places Index score is 100. A high score (i.e., greater than 50) reflects healthier community conditions compared to other census tracts in the state.

7.4. Health & Equity Measures

No Health & Equity Measures selected.

7.5. Evaluation Scorecard

Health & Equity Evaluation Scorecard not completed.

7.6. Health & Equity Custom Measures

No Health & Equity Custom Measures created.

8. User Changes to Default Data

Screen	Justification

Construction: Construction Phases	Required demolition to support residential development is unknown at the time of the assessment.
Operations: Vehicle Data	Trip rates adjusted to match VMT analysis.
Operations: Road Dust	Local roads are 100% paved.
Operations: Water and Waste Water	Wastewater treatment will be provided through local municipal services.
Characteristics: Project Details	Carmel by the Sea is an Urban Setting
Construction: On-Road Fugitive Dust	All worker, vendor, and hauling travel will be on paved roads..

Special-Status Species in the Vicinity of the Housing Sites

D

APPENDIX

Appendix D
Special-Status Species in the Vicinity of the Housing Sites

Table 1 Special-Status Plant Species in the Vicinity of the Housing Sites

Species	Status (Federal/State/ CNPS)	Suitable Habitat Description	Potential to Occur on Housing Site
Angel's hair lichen (Ramalina thrausta)	--/--/2B.1	North Coast coniferous forests on dead twigs and other lichens	Unlikely to occur on housing sites due to absence of northern coastal coniferous forest habitat.
Beach layia *(Layia carnosa)*	FE/SE/1B.1	Coastal dunes, hugely reduced in range along California's north coast dunes, on sparsely vegetated semi-stabilized dunes, usually behind foredunes; elevation 0-75m. Blooming Period: March - July	Unlikely to occur on housing sites due to absence of suitable coastal dune habitat.
California skrew moss *(Tortula californica)*	--/--/1B.2	Chenopod scrub, valley and foothill grassland. Moss growing on sandy soil; elevation 10-1460m.	Unlikely to occur on housing site due to absence of suitable growing habitat.
Carmel Valley bush-mallow *(Malacothamnus palmeri* var. *involucratus)*	--/--/1B.2	Chaparral, cismontane woodland, coastal scrub; elevation 30-1100m. Blooming Period: May - October	Unlikely to occur on housing site due to absence of suitable growing habitat.
Carmel Valley malacothrix *(Malacothrix saxatilis* var. *arachnoidea)*	--/--/1B.2	Chaparral (rocky); elevation 25-335m. Blooming Period: March - December	Unlikely to occur on housing site due to absence of rocky chaparral habitat.
Coastal dunes milkvetch *(Astragalus tener* var. *titi)*	FE/SE/1B.1	Coastal bluff scrub, coastal dunes. Known only from a few extant occurrences, mostly historical in Southern California. Moist sandy depressions of bluffs or dunes along and near the Pacific Ocean, one site on a clay terrace; elevation 1-50m. Blooming Period: March - May	Unlikely to occur on housing sites due to distance from limited known extant populations.
Congdon's tarplant *(Centromadia parryi* spp. *congdonii)*	--/--/1B.1	Valley and foothill grassland (alkaline); elevation 1-230m. Known to occur on various substrates, and in disturbed and ruderal (weedy) areas. Blooming Period: June - November	Unlikely to occur on housing sites due to absence of undeveloped habitat.
Contra Costa goldfields *(Lasthenia conjugens)*	FE/--/1B.1	Wet areas in cismontane woodland, playas (alkaline), valley and foothill grassland, and vernal pools; elevation 0-470m. Blooming Period: March - June	Unlikely to occur on housing site due to absence of suitable growing habitat.

Species	Status (Federal/State/ CNPS)	Suitable Habitat Description	Potential to Occur on Housing Site
Eastwood's goldenbush *(Ericameria fasciculata)*	--/--/1B.1	Closed cone coniferous forest, chaparral (maritime), coastal dunes, and coastal scrub/sand; elevation 30 - 275 meters. Blooming Period: July - October	Unlikely to occur on housing site due to absence of suitable habitat.
Fort Ord spineflower *(Chorizanthe minutiflora)*	--/--/1B.2	Coastal scrub, maritime chaparral, sandy openings; elevation 60-145m. Blooming Period: April - July	Unlikely to occur on housing site due to absence of historical presence in area.
Fragrant fritillary *(Fritillaria liliacea)*	--/--/1B.2	Coastal scrub, valley and foothill grassland, and coastal prairie. Often on serpentine; various soils reported though usually clay in grassland; elevation 3-410m. Blooming Period: February - April	Unlikely to occur on housing site due to absence of suitable habitat.
Gowen cypress *(Cupressus goveniana ssp. goveniana)*	FT/--/1B.2	Closed cone coniferous forest. Narrowly endemic to Monterey County. Coastal terraces, usually in sandy soils, sometimes with Monterey pine, Bishop pine; elevation 100-125m. Evergreen	Unlikely to occur on housing site due to absence of historical presence in area.
Hickman's cinquefoil *(Potentilla hickmanii)*	FE/SE/1B.1	Coastal bluff scrub, closed-cone coniferous forest, meadows and seeps, marshes and swamps, small streams in open or forested areas along the coast; elevation 5-125m. Blooming Period: April - August	Unlikely to occur on housing site due to absence of historical presence in area.
Hickman's onion *(Allium hickmanii)*	--/--/1B.2	Closed-cone coniferous forest, chaparral, coastal scrub, valley and foothill grassland, coastal prairie, sandy loam, damp ground and vernal swales; elevation 20-200m. Blooming Period: April - May	Unlikely to occur on housing site due to absence of suitable habitat.
Hooked popcorn flower *(Plagiobothrys uncinatus)*	--/--/1B.2	Chaparral (sandy), cismontane woodland, valley and foothill grassland; elevation 300-730m. Blooming Period: April - May	Unlikely to occur on housing site due to absence of growing habitat.
Hooker's manzanita *(Arctostaphylos hookeri* ssp. *hookeri)*	--/--/1B.2	Sandy soils in coastal scrub, chaparral, and closed-cone forest habitats; evergreen; elevation 45-215m. Blooming Period: February - April	Unlikely to occur on housing site due to absence of suitable habitat.
Hospital Canyon larkspur *(Delphinium californicum* ssp. *interius)*	--/--/1B.2	Cismontane woodland and chaparral, in wet, boggy meadows, openings in chaparral, and in canyons; elevation 225-1060m. Blooming Period: April - June	Unlikely to occur on housing site due to absence of suitable habitat.
Hutchinson's larkspur *(Delphinium hutchinsoniae)*	--/--/1B.2	Broadleaved upland forest, chaparral, coastal prairie, coastal scrub; elevation 0-400m. Blooming Period: March - June	Unlikely to occur on housing site due to absence of broadleaved upland forest habitat.
Jolon clarkia *(Clarkia jolonensis)*	--/--/1B.2	Cismontane woodland, chaparral, coastal scrub; elevation 20-660m. Blooming Period: April - June	Unlikely to occur on housing site due to absence of suitable habitat.
Kellogg's horkelia *(Horkelia cuneata* ssp. *sericea)*	--/--/1B.1	Closed-cone coniferous forest, maritime chaparral, coastal scrub, sandy or gravelly openings; elevation 10-200m. Blooming Period: April - September	Unlikely to occur on housing site due to absence of suitable habitat.
Little Sur manzanita *(Arctostaphylos edmundsii)*	--/--/1B.2	Coastal bluff scrub, chaparral includes A. edmundsii var. parvifolia, state-listed rare, forming mounds on sandy terraces on ocean bluffs; elevation 30-105m. Blooming period: April - November.	Unlikely to occur on housing sites due to absence of historical presence in area.

Species	Status (Federal/State/ CNPS)	Suitable Habitat Description	Potential to Occur on Housing Site
Maple-leaved checkerbloom *(Sidalcea malachroides)*	--/--/1B	Broadleaved upland forest, coastal prairie, coastal scrub, North Coast coniferous forest, often in disturbed areas; elevation 2-700m. Blooming Period: April - August	Unlikely to occur on housing sites due to absence of broadleaved upland forest habitat.
Marsh microseris *(Microseris paludosa)*	--/--/1B.2	Closed-cone coniferous forest, cismontane woodland, coastal scrub, valley and foothill grassland; elevation 5-300m. Blooming Period: April - June	Unlikely to occur on housing sites due to absence of suitable habitat.
Menzies's wallflower *(Erysimum menziesii* ssp. *menziesii)*	FE/SE/1B.1	Coastal dunes. Known only from Mendocino and Monterey Counties, localized on dunes and coastal strand; elevation 0-35m. Blooming Period: March - June	Unlikely to occur on housing sites due to absence of historical presence in area.
Monterey clover *(Trifolium trichocalyx)*	FE/SE/1B.1	Closed-cone coniferous forest, endemic to Monterey County. Poorly drained, low nutrient soil underlain with hardpan soils, also openings and burned areas; elevation 120-205. Blooming Period: April - June	Unlikely to occur on housing sites due to absence of historical presence in area.
Monterey cypress *(Cupressus macrocarpa)*	--/--/1B.2	Closed-cone coniferous forest. Narrowly endemic to Monterey County, granitic soils; elevation 10-30m. Evergreen	Indigenous stands unlikely to occur on housing sites.
Monterey gilia *(Gilia tenuiflora* ssp. *arenaria)*	FE/ST/1B.2	Maritime chaparral, cismontane woodland, coastal dunes, coastal scrub, sandy openings; elevation 0-45m. Blooming Period: April - June	Unlikely to occur on housing sites due to absence of suitable habitat.
Monterey pine *(Pinus radiata)*	--/--/1B.1	Closed-cone coniferous forest, cismontane woodland; elevation 25-185m. Evergreen	Indigenous stands unlikely to occur on housing sites.
Monterey spineflower *(Chorizanthe pungens* var. *pungens)*	FT/--/1B.2	Sandy openings in maritime chaparral, cismontane woodland, coastal dunes, coastal scrub, and valley and foothill grassland; elevation 3-450m. Blooming Period: April - June	Unlikely to occur on housing sites due to absence of a nearby population.
Northern curly-leaved monardella *(Monardella sinuata ssp. nigrescens)*	--/--/1B.2	Sandy sites in chaparral, coastal dunes, coastal scrub, and lower montane coniferous forest (ponderosa pine sandhills); elevation 0-300m. Blooming Period: April - September	Unlikely to occur on housing sites due to absence of historical presence in area.
Pacific Grove clover *(Trifolium polyodon)*	--/SR/1B.1	Closed-cone coniferous forest, coastal prairie, meadows and seeps, valley and foothill grassland, mesic; elevation 5-120m. Blooming Period: April - June	Unlikely to occur on housing sites due to absence of closed-cone coniferous forest habitat.
Pajaro manzanita *(Arctostaphylos pajaroensis)*	--/--/1B.1	Sandy soils in chaparral habitat; evergreen; elevation 30-760m. Blooming Period: December - March	Unlikely to occur on housing sites due to absence of suitable habitat.
Pine rose *(Rosa pinetorum)*	--/--/1B.2	Closed-cone coniferous forest; elevation 2-300m. Blooming Period: May - July	Unlikely to occur on housing sites due to absence of undisturbed habitat.
Pink Johnny-nip *(Castilleja ambigua* var. *insalutata)*	--/--/1B.1	Coastal bluff scrub, coastal prairie. Wet or moist coastal strand or scrub habitats; 3-135m elevation. Blooming Period: May - August	Unlikely to occur on housing sites due to absence of suitable habitat.

Species	Status (Federal/State/ CNPS)	Suitable Habitat Description	Potential to Occur on Housing Site
Pinnacles buckwheat *(Eriogonum nortonii)*	--/--/1B.3	Sandy sites in chaparral and valley and foothill grassland, often on recent burns; elevation 300-975m. Blooming Period: May - June	Unlikely to occur on housing sites due to absence of recently burned preferred growing habitat.
Point Reyes horkelia *(Horkelia marinensis)*	--/--/1B.2	Sandy sites in coastal dunes, coastal prairie, and coastal scrub; elevation 5-755m. Blooming Period: May - September	Unlikely to occur on housing sites due to absence of historical presence in area.
Purple amole *(Chlorogalum purpureum* var. *purpureum)*	FT/--/1B.1	Cismontane woodland, valley and foothill grassland. Often in grassy areas with blue oaks in foothill woodland; elevation 300-330m. Blooming Period: May - June	Unlikely to occur on housing sites due to absence of blue oak woodland habitat.
Saline clover *(Trifolium hydrophilum)*	--/--/1B.2	Marshes and swamps, valley and foothill grassland, and vernal pools. Prefers wet, alkaline sites; elevation 0-300m. Blooming Period: April - June	Unlikely to occur on housing sites due to absence of marsh and swamp habitat.
Salt marsh bird's-beak *(Cordylanthus maritimus* ssp. *maritimus)*	FE/SE/1B	Coastal dunes, marshes and swamps (coastal salt); elevation 0-30m. Blooming Period: May - October	Unlikely to occur on housing sites due to absence of coastal salt marshland habitat.
San Francisco collinsia *(Collinsia multicolor)*	--/--/1B.2	Serpentine sites in closed cone coniferous forest and coastal scrub. Prefers decomposed shale (mudstone) mixed with humus; elevation 30-250m. Blooming Period: March - May	Unlikely to occur on housing sites due to absence of serpentine habitat.
Sand-loving wallflower *(Erysimum ammophilum)*	--/--/1B.2	Maritime chaparral, coastal dunes, coastal scrub, sandy openings; elevation 0 – 60m. Blooming Period: February - June	Unlikely to occur on housing sites due to absence of historical presence in area.
Sandmat manzanita *(Arctostaphylos pumila)*	--/--/1B.2	Closed cone coniferous forest, maritime chaparral, cismontane woodland, coastal dunes, coastal scrub, sandy openings; elevation 30-730m. Blooming Period: February - May	Unlikely to occur on housing sites due to absence of suitable habitat.
Santa Cruz clover *(Trifolium buckwestiorum)*	--/--/1B.1	Broadleaved upland forest, cismontane woodland, and coastal prairie; prefers moist grassland and gravelly margins; elevation 105-610m. Blooming Period: April - October	Unlikely to occur on housing sites due to moist grassland habitat.
Santa Cruz microseris *(Stebbinsoseris decipiens)*	--/--/1B	Broadleaved upland forest, closed-cone coniferous forest, chaparral, coastal prairie, coastal scrub, valley and foothill grassland, open areas, sometimes serpentine; elevation 10-500m. Blooming Period: April - May	Unlikely to occur on housing sites due to absence of suitable growing habitat.
Santa Cruz tarplant *(Holocarpha macradenia)*	FT/SE/1B.1	Coastal prairie, coastal scrub, and valley and foothill grassland; often on clay or sandy soils; elevation 10-220m. Blooming Period: June - October	Unlikely to occur on housing sites due to absence of nearby population.
Seaside bird's-beak *(Cordylanthus rigidus* ssp. *littoralis)*	--/SE/1B.1	Closed-cone coniferous forest, maritime chaparral, cismontane woodland, coastal dunes, coastal scrub, sandy often disturbed sites; elevation 0-215m. Blooming Period: May - October	Unlikely to occur on housing sites due to absence of historical presence in area.
Tidestrom's lupine *(Lupinus tidestromii)*	FE/SE/1B.1	Partially stabilized dunes, immediately near the ocean; elevation 0-3m. Blooming Period: April - June	Unlikely to occur on housing sites due to absence of suitable habitat.

Species	Status (Federal/State/ CNPS)	Suitable Habitat Description	Potential to Occur on Housing Site
Toro manzanita *(Arctostaphylos montereyensis)*	--/--/1B.2	Maritime chaparral, cismontane woodland, coastal scrub, sandy; elevation 30-730m. Blooming Period: February – March	Unlikely to occur on housing sites due to absence of suitable habitat.
Twisted horsehair lichen *(Sulcaria spiralifera)*	--/--1B.2	North Coast coniferous forest (immediate coast), coastal dunes. Usually on conifers. 0-90 m.	Unlikely to occur on housing sites due to absence of suitable habitat.
Woodland woollythreads *(Monolopia gracilens)*	--/--/1B.2	Serpentine, open sites in broadleaved upland forest, chaparral, cismontane woodland, North Coast coniferous forest, and valley and foothill grassland; elevation 100-1200m. Blooming Period: March - July	Unlikely to occur on housing sites due to absence of serpentine broadleaved upland forest habitat.
Yadon's rein orchid *(Piperia yadonii)*	FE/--/1B.1	Sandy sites in coastal bluff scrub, closed cone coniferous forest, maritime chaparral; elevation 10-510m. Blooming Period: May - August	Unlikely to occur on housing sites due to absence of suitable, undisturbed habitat.

SOURCE: CDFW 2023, CNPS 2023

NOTE: Status Codes:

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SSC: Species of Special Concern.

SFP: Fully Protected species under the California Fish and Game Code.

SD: Delisted under the California Endangered Species Act.

CNPS Rare Plant Ranks and Threat Code Extensions

1B: Plants that are considered Rare, Threatened, or Endangered in California and elsewhere.

2B: Plants that are considered Rare, Threatened, or Endangered in California, but more common elsewhere.

.1: Seriously endangered in California (over 80% of occurrences threatened/high degree and immediacy of threat).

.2: Fairly endangered in California (20-80% occurrences threatened).

.3: Not very endangered in California (<20% of occurrences threatened or no current threats known).

Table 2 Special-Status Wildlife Species Housing in the Vicinity of the Housing Sites

Species	Status (Federal/State)	Suitable Habitat Description	Potential to Occur on Housing Site
American badger *(Taxidea taxus)*	--/SSC	Most abundant in drier, open stages of most shrub, forest, and herbaceous habitats. Need sufficient food and open, uncultivated ground with friable soils to dig burrows. Prey on burrowing rodents.	Unlikely to occur on housing sites due to absence of uncultivated, undisturbed ground within Carmel city limits.
Arroyo toad *(Bufo californicus)*	FE/SSC	Semi-arid regions near washes or intermittent streams, including valley-foothill and desert riparian, desert wash, etc. Rivers with sandy banks, willows, cottonwoods, and sycamores, loose, gravelly areas of streams in drier parts of range.	Unlikely to occur on housing sites due to absence of suitable habitat.
Bank swallow *(Riparia riparia)*	--/ST	Highly colonial species that nests in alluvial soils along rivers, streams, lakes, and ocean coasts. Nesting colonies only occur in vertical banks or bluffs of friable soils at least one meter tall, suitable for burrowing with some predator deterrence values. Breeding colony present in Salinas River.	Unlikely to occur on housing sites due to absence of suitable nesting habitat.
Blunt-nosed leopard lizard *(Gambelia sila)*	FE/SE	Resident of sparsely vegetated alkali and desert scrub habitats, in areas of low topographic relief. Seeks cover in mammal burrows, under shrubs or structures such as fence posts.	Unlikely to occur on housing sites due to absence of vegetated alkali or desert scrub habitat.
Buena Vista Lake ornate shrew (*Sorex ornatus relictus*)	FE	Marshlands and riparian areas in the Tulare Basin. Prefers moist soil. Uses stumps, logs and litter for cover.	Unlikely to occur on housing sites due to distance from Tulare Basin.
California black rail *(Laterallus jamaicensis coturniculus)*	--/ST	Inhabits freshwater marshes, wet meadows, and shallow margins of saltwater marshes bordering larger bays. Needs water depth of about 1 inch that does not fluctuate during the year and dense vegetation for nesting.	Unlikely to occur on housing sites due to absence of marsh habitat.
California brown pelican *(Pelecanus occidentalis californicus)*	FE/SE	(Nesting Colony) Colonial nester on coastal islands just outside the surf line, nests on coastal islands of small to moderate size which afford immunity from attach by ground-dwelling predators.	Unlikely to occur on housing sites due to distance from coastal island habitat.
California clapper rail (*Rallus longirostris obsoletus)*	FE/--	Tidal and brackish marshes with unrestricted daily tidal flows.	Unlikely to occur on housing sites due to absence of brackish marsh habitat.
California condor *(Gymnogyps californianus)*	FE/SE	Requires vast expanses of open savannah, grasslands, and foothill chaparral in mountain ranges of moderate altitude. Deep canyons containing clefts in the rocky walls provide nesting sites. Forages up to 100 miles from roost/nest.	Unlikely to occur on housing sites due to absence of suitable nesting or foraging habitat
California horned lark *(Eremophila alpestris actia)*	--/SSC	Coastal regions, chiefly from Sonoma County to San Diego County, also within the main part of the San Joaquin Valley and east to the foothills. Prefers short-grass prairie, mountain meadows, open coastal plains, fallow grain fields, alkali flats.	Unlikely to occur on housing sites due to absence of short-grass prairie habitat.
California least tern *(Sternula antillarum browni)*	FE/SE	Nests along the coast from San Francisco Bay south to northern Baja California. Colonial breeder on bare or sparsely vegetated, flat substrates (sand beaches, alkali flats, landfills, or paved areas).	Unlikely to occur on housing sites due to absence of suitable nesting habitat.

Species	Status (Federal/State)	Suitable Habitat Description	Potential to Occur on Housing Site
California red-legged frog *(Rana draytonii)*	FT/SSC	Rivers, creeks, and stock ponds with pools and overhanging vegetation. Requires dense, shrubby or emergent riparian vegetation, and prefers short riffles and pools with slow-moving, well-oxygenated water. Needs upland habitat to aestivate (remain dormant during dry months) in small mammal burrows, cracks in the soil, or moist leaf litter.	Unlikely to occur on housing sites due to absence of aquatic habitat.
California tiger salamander *(Ambystoma californiense)*	FT/ST	Grasslands and oak woodlands near seasonal pools and stock ponds in central and coastal California. Needs upland habitat to aestivate (remain dormant during dry months) in small mammal burrows, cracks in the soil, or moist leaf litter. Requires seasonal water sources that persist into late March for breeding habitat.	Unlikely to occur on housing sites due to absence of available seasonal pooling habitat.
Coast horned lizard *(Phrynosoma blainvillii)*	--/SSC	Arid grassland and scrubland habitats; prefers lowlands along sandy washes with scattered low bushes. Requires open areas for sunning, bushes for cover, patches of loose soil for burrowing, and abundant supply of ants and other insects for feeding.	Unlikely to occur on housing sites due to absence of lowland sandy wash habitat.
Coast Range newt *(Taricha torosa)*	--/SSC	Coastal drainages; lives in terrestrial habitats and can migrate over 1 km to breed in ponds, reservoirs, and slow-moving streams.	Unlikely to occur on housing sites due to absence of aquatic habitat.
Ferruginous hawk *(Buteo regalis)*	--/SSC	(Wintering) Open grasslands, sagebrush flats, desert scrub, low foothills and fringes of pinyon-juniper habitats. Mostly consumes flat lagomorphs, ground squirrels, and mice.	Unlikely to occur on housing sites due to absence of suitable habitat.
Foothill yellow-legged frog *(Rana boylii)*	--/SSC	Partly shaded, shallow streams and riffles with rocky substrate in a variety of habitats. Requires at least some cobble-sized substrate for egg-laying and 15 weeks of available water to attain metamorphosis.	Unlikely to occur on housing sites due to absence of suitable stream habitat.
Least Bell's vireo *(Vireo bellii pusillus)*	FE/SE	Summer resident of southern and central California in riparian habitats below 2,000 feet in elevation. Often nests in large shrubs, along margins of bushes or on twigs projecting into pathways.	Unlikely to occur on housing sites due to absence of marginal riparian habitat.
Marbled murrelet *(Brachyramphus marmoratus)*	FT/SE	Feeds near shore, and nests up to six miles inland from coast from Half Moon Bay to Santa Cruz in old-growth redwood forests, often in Douglas fir trees.	Unlikely to occur on housing sites due to absence of old growth redwood forests.
Monarch butterfly *(Danaus plexippus)*	FC/--	Winter roost sites. Wind protected tree groves (Eucalyptus, Monterey pine, cypress) with nectar and water sources nearby.	Potential to occur on housing sites due to presence of quality over wintering habitat in close proximity to the proposed developments.
Monterey shrew *(Sorex ornatus salarius)*	FE/--	Riparian, wetland and upland areas in the vicinity of the Salinas River delta. Prefers moist microhabitats. feeds on insects and other invertebrates found under logs, rocks and litter.	Unlikely to occur on housing sites due to absence of aquatic habitat.

Species	Status (Federal/State)	Suitable Habitat Description	Potential to Occur on Housing Site
Northern california legless lizard *(Anniella pulchra)*	--/SSC	Sandy or loose loamy soils under sparse vegetation, moist soils. Anniella pulchra is traditionally split into two subspecies: *A. pulchra pulchra* (silvery legless lizard) and *A. pulchra nigra* (black legless lizard), but these subspecies are typically no longer recognized.	Unlikely to occur on housing sites due to lack of undisturbed habitat.
Obscure bumble bee *(Bombus caliginosus)*	--/SCE	Meadows and grasslands with flowering plants. May be found in some natural areas within urban environments. Require flowering plants that bloom and provide adequate nectar and pollen throughout the colony's flight period from as early as February to late November.	Potential to occur on housing sites due to historical CNDDB records of this species in the area.
San Joaquin kit fox *(Vulpes macrotis mutica)*	FE/ST	Annual grasslands or grassy open stages with scattered shrubby vegetation. Needs loose-textured sandy soils for burrowing, and suitable prey base.	Unlikely to occur on housing sites due to absence of open stage grassland habitat.
Santa Cruz long-toed salamander *(Ambystoma macrodactylum croceum)*	FE/SE	Wet meadows near sea level in a few restricted locales in Santa Cruz and Monterey Counties. Aquatic larvae prefer shallow (<12 inches) water; use clumps of vegetation or debris for cover. Adults use mammal burrows.	Unlikely to occur on housing sites due to absence of wet meadow habitat.
Smith's blue butterfly *(Euphilotes enoptes smithi)*	FE/--	Coastal dunes and coastal sage scrub plant communities. Host plants include *Eriogonum latifolium* and *E. parvifolium* for larval and adult stages.	Unlikely to occur on housing sites due to absence of coastal dune habitat
Townsend's big-eared bat *(Corynorhinus townsendii)*	--/SCT	Inhabits a wide variety of habitats. Most common in mesic sites. Roosts in the open, hanging from walls and ceilings. Roosting sites limiting. Extremely sensitive to human disturbance.	Unlikely to occur on housing sites due to dense human disturbance in and around the City of Carmel.
Tricolored blackbird *(Agelaius tricolor)*	--/SE	Areas adjacent to open water with protected nesting substrate, which typically consists of dense, emergent freshwater marsh vegetation.	Unlikely to occur on housing sites due to absence of dense, freshwater marsh habitat.
Western bumble bee (*Bombus occidentalis*)	--/CE	Meadows and grasslands with flowering plants; can also be found in natural areas within urban environments.	Potential to occur on housing sites due to historical CNDDB records of this species in the area.
Western snowy plover *(Charadrius alexandrinus nivosus)*	FT/SSC	Sandy beaches, salt pond levees, shores of large alkali lakes; sandy, gravelly, or friable soils for nesting.	Unlikely to occur on housing sites due to absence of sandy beach habitat.
Western yellow-billed cuckoo *(Coccyzus americanus)*	FC/SE	Riparian forest nester, along the broad, lower flood-bottoms of larger river systems. Nests in riparian jungles of willow, often mixed with cottonwoods, with lower story of blackberry, nettles, or wild grape.	Unlikely to occur on housing sites due to absence of large river system habitat

SOURCE: CDFW 2023

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Monterey Peninsula Water Management District's Technical Memorandum (June 1, 2023)

E

APPENDIX

Technical Memorandum
June 1, 2023
Summary of Water Supply Requirements for Housing

Typically, a water supply/demand analysis would examine future residential water demand based on population[1], because people use water not houses, but this year is the beginning of the 6th Cycle of the Regional Housing Needs Allocation (RHNA) effort, so this memorandum will focus on how much residential water is needed to meet typical housing needs and the RHNA goals. However, it is important to acknowledge that a full supply and demand forecast such as the District's 2022 Adopted Supply and Demand Forecast also include non-residential (such as commercial) water needs going forward to meet job growth and economic expansion.

Residential Water Need – What Do Housing Types Use?

The District has a long-established residential fixture unit count methodology that is captured in its Rules and Regulations, Rule 24. The data is statistically based on engineering, design, and plumbing standards for residential housing units, and is updated to current standards regularly. The methodology examines architectural floor plans and determines ("counts") the number of fixtures in the proposed structure or dwelling unit and, based on the installed fixtures, determines the capacity of the dwelling unit to use water.

For purposes of forecasting future needs, the District has applied its fixture unit counts to determine the following for typical or standard capacity for water use, in acre-feet per unit:

	Acre-Feet Required	Multi-Family: 1 to 2 Bedroom 1 Bathroom	Multi-Family: 2 to 3 Bedroom 2 Bathroom	Single-Family: 1 Master Bath 1 Standard Bath 1 Half-Bath
Standard Bathroom(s)	0.043	0.043	0.086	0.043
Half Bathroom	0.023			0.023
Master Bathroom	0.053			0.053
Kitchen	0.015	0.015	0.015	0.015
Clothes Washer	0.010	0.010	0.010	0.010
Landscaping & Other[2]	Varies	(see footnote 2)	(see footnote 2)	0.036
Total per Unit		0.068	0.111	0.180

[1] The District's Adopted 2022 Supply and Demand Forecast adopted relies upon the AMBAG Regional Growth Forecast 25-year population projection to estimate the annual growth rate in residential water use. Use of RHNA dwelling units will result in a higher number than population estimates.
[2] "Other" may include other fixtures such as utility sink, bar sink, vegetable sink, bidet, custom tub or showers. Overall project landscaping will be added.

How do these Capacity Factors Apply to RHNA Categories?

RHNA requirements are allocated to four categories of housing based on affordability, but each category may be a mix of housing types. Therefore, the District assumes a mixture of housing types for each category.

RHNA Housing Type Category	Assumption of Housing Mix	Resulting Water Use Factor (AF)
Very Low Income	50% 1-Bath & 50% 2-Bath (100% Multi-Family)	0.0895 AF
Low Income	50% 1-Bath & 50% 2-Bath (100% Multi-Family)	0.0895 AF
Moderate Income	50% Single-Family & 50% Multi-Family	0.1347 AF
Above Moderate	67% Single-Family & 33% Multi-Family	0.1501 AF

Based on the RHNA Goals and the Capacity Factors, What is the RHNA Water Need?

Based on the District's computed capacity factors by RHNA category, the Monterey Peninsula future residential water need can be forecast as 765 acre-feet, computed as follows. However, the total must be adjusted for jurisdictions whose housing need will be served in part by another water provider, which will include old Fort Ord land and certain self-sourced developments in the Carmel Valley and elsewhere, resulting in a need of 670 AF:

	Monterey	Pacific Grove	Carmel-by-the-Sea	Seaside	Del Rey Oaks	Sand City	County*	Total Units	Avg. Use per Unit	Water Required (AF)
Very Low Income	1,177	362	113	86	60	59	90	1,947	0.0895	174
Low Income	769	237	74	55	38	39	59	1,271	0.0895	114
Moderate	462	142	44	156	24	49	43	920	0.1347	124
Above Moderate	1,246	384	118	319	62	113	108	2,350	0.1501	353
Total Allocation	3,654	1,125	349	616	184	260	300	6,488	0.1179	765
Served by Others	(365)			(308)	(37)		(90)	(800)	(0.1179)	(94)
Net	3,289	1,125	349	308	147	260	210	5,688		670
Water for Net RHNA (AF)	380	130	40	45	17	32	25			

*: Assumption of 300 new RHNA units in the unincorporated County of the Cal-Am/MPWMD water service area. County housing element may differ, but currently unavailable.

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Mitigation Monitoring and Reporting Program

1.1 Introduction

CEQA Guidelines section 15097 requires public agencies to adopt reporting or monitoring programs when they approve projects subject to an environmental impact report or a negative declaration that includes mitigation measures to avoid significant adverse environmental effects. The reporting or monitoring program is to be designed to ensure compliance with conditions of project approval during project implementation in order to avoid significant adverse environmental effects.

The law was passed in response to historic non-implementation of mitigation measures presented in environmental documents and subsequently adopted as conditions of project approval. In addition, monitoring ensures that mitigation measures are implemented and thereby provides a mechanism to evaluate the effectiveness of the mitigation measures.

A definitive set of project conditions would include enough detailed information and enforcement procedures to ensure the measure's compliance. This monitoring program is designed to provide a mechanism to ensure that mitigation measures and subsequent conditions of project approval are implemented associated with projects in accordance with the housing element.

1.2 Monitoring and Reporting Program

The basis for this monitoring program is the mitigation measures included in the project mitigated negative declaration. These mitigation measures are designed to eliminate or reduce significant adverse environmental effects to less than significant levels. These mitigation measures become conditions of project approval, which the project proponent is required to complete during and after implementation of projects in accordance with the housing element.

The attached checklist is proposed for monitoring the implementation of the mitigation measures. This monitoring checklist contains all appropriate mitigation measures in the mitigated negative declaration.

1.3 Monitoring and Reporting Program Procedures

The City of Carmel-by-the-Sea shall use the attached monitoring checklist for projects in accordance with the housing element. The monitoring program should be implemented as follows:

1. The City of Carmel-by-the-Sea Community Planning and Building Department should be responsible for coordination of the monitoring program, including the monitoring checklist. The City of Carmel-by-the-Sea Community Planning and Building Department should be responsible for completing the monitoring checklist and distributing the checklist to the responsible individuals or agencies for their use in monitoring the mitigation measures.
2. Each responsible individual or agency will then be responsible for determining whether the mitigation measures contained in the monitoring checklist have been complied with. Once all mitigation measures have been complied with, the responsible individual or agency should submit a copy of the monitoring checklist to the City of Carmel-by-the-Sea Community Planning and Building Department to be placed in the project file. If the mitigation measure has not been complied with, the monitoring checklist should not be returned to the City of Carmel-by-the-Sea Community Planning and Building Department.
3. The City of Carmel-by-the-Sea Community Planning and Building Department will review the checklist to ensure that appropriate mitigation measures and additional conditions of project approval included in the monitoring checklist have been complied with at the appropriate time, e.g. prior to issuance of a use permit, etc. Compliance with mitigation measures is required for project approvals.
4. If a responsible individual or agency determines that a non-compliance has occurred, a written notice should be delivered by certified mail to the project proponent within 10 days, with a copy to the City of Carmel-by-the-Sea Community Planning and Building Department time. If non-compliance still exists at the expiration of the specified period of time, construction may be halted and fines may be imposed at the discretion of the City of Carmel-by-the-Sea.

1.4 Monitoring and Reporting Checklist

Step 1 - Prior to Issuance of Demolition Permits, Tree Removal Permits, or Grading Permits

AQ-1 The developer shall prepare a Construction Management Plan for review and approval by the Community Planning and Building Department. The Construction Management Plan shall include the following measures to reduce TAC emissions during construction at individual project sites:

a. Heavy-duty diesel vehicles will have 2010 or newer model year engines, in compliance with the California Air Resources Board's Truck and Bus Regulation;

b. Idling of construction equipment and heavy-duty diesel trucks will be avoided where feasible, and if idling is necessary, it will not exceed three minutes;

c. All construction equipment will be maintained and properly tuned in accordance with manufacturer's specifications and will be checked by a certified visible emissions evaluator; and

d. All non-road diesel construction equipment will, at a minimum, meet Tier 3 emission standards listed in the Code of Federal Regulations Title 40, Part 89, Subpart B, §89.112. Further, where feasible, construction equipment will use alternative fuels such as compressed natural gas, propane, electricity or biodiesel.

Party Responsible for Implementation: *Developer*

Party Responsible for Monitoring: *Community Planning and Building Department*

Monitoring Notes:

BIO-1 Worker Environmental Awareness Training. Prior to approval of a grading permit at a housing site, a qualified biologist shall conduct a training session for all construction personnel. At a minimum, the training shall include a description of special-status species potentially occurring in the housing site vicinity, including, but not limited to, monarch butterfly, obscure bumble bee, and western bumble bee. Their habitats, general measures that are being implemented to conserve species as they relate to the housing site, and the boundaries within which construction activities will occur will be explained. Informational handouts with photographs clearly illustrating the species' appearances shall be used in the training session. All new construction personnel shall undergo this mandatory environmental awareness training. Documentation of completion of this training shall be submitted to the City of Carmel-by-the-Sea Community Planning and Building Department prior to the start of ground disturbing activities.

Party Responsible for Implementation: *Developer*

Party Responsible for Monitoring: *City of Carmel-by-the-Sea Community Planning and Building Department*

Monitoring Notes:

BIO-2 Monarch Butterfly Survey and Avoidance. Prior to initiation of ground disturbance, a late fall/early winter monarch butterfly survey of trees on the housing site shall be conducted by a qualified biologist. Results of the survey shall be submitted to the City of Carmel-by-the-Sea Community Planning and Building Department upon completion. If the results of the survey do not identify any potential overwintering monarch butterflies on-site, not further mitigation is required. If overwintering monarchs are determined to use the site, the applicant shall avoid removal of trees used for overwintering by monarchs to the greatest extent feasible. If trees cannot be avoided, tree removal shall occur outside of the overwintering period (November through February) or until a qualified biologist has determined that overwintering monarchs are no longer using the site. Documentation of tree avoidance or absence of monarchs shall be submitted to the City of Carmel-by-the-Sea Community Planning and Building Department prior to tree removal.

Party Responsible for Implementation: *Developer*

Party Responsible for Monitoring: *City of Carmel-by-the-Sea Community Planning and Building Department*

Monitoring Notes:

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BIO-3 Bumble Bee Survey and Avoidance. Prior to ground disturbance, a qualified biologist will conduct a pre-construction survey of small mammal burrows and thatched/bunch grasses for western bumble bee activity during the optimal flight period (April 1 – July 31). If the survey results are negative (i.e., no bumble bee activity observed), a letter report confirming absence will be prepared and submitted to the City of Carmel-by-the-Sea Community Planning and Building Department and no further mitigation is required.

If bumble bee nests are detected and the area can be avoided, a qualified biologist shall supervise the installation of protective fencing/flagging a minimum of 50 feet around the nest area prior to construction. The fencing/flagging will be checked at least once per week until construction is complete to ensure that the protective fencing/flagging remains intact. The qualified biologist can conduct the weekly checks or train a biological monitor selected from the construction crew by the construction contractor (typically the project foreman) to check the fencing/flagging and provide weekly updates.

Documentation of the fencing/flagging installation shall be provided to the City of Carmel-by-the-Sea Community Planning and Building Department prior to the start of ground disturbance activities. Documentation of the weekly checks and timely maintenance (if needed) shall be provided to the City of Carmel-by-the-Sea Community Planning and Building Department quarterly during construction.

If bumble bee nests are detected and the area cannot be avoided, the qualified biologist shall coordinate with the California Department of Fish and Wildlife to determine the appropriate method of relocation or eviction of the nests.

After it has been confirmed that the habitat area is no longer occupied, a letter report will be prepared by the qualified biologist and submitted to the City of Carmel-by-the-Sea Community Planning and Building Department.

Party Responsible for Implementation: *Developer*

Party Responsible for Monitoring: *City of Carmel-by-the-Sea Community Planning and Building Department*

Monitoring Notes:

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BIO-4 Approximately 14 days prior to tree removal or construction activities, a qualified biologist shall conduct a habitat assessment for bats and potential roosting sites in trees to be removed in trees within 50 feet of the construction easement. These surveys shall include a visual inspection of potential roosting features (bats need not be present) and a search for presence of guano within the housing site, construction access routes, and 50 feet around these areas. Cavities, crevices, exfoliating bark, and bark fissures that could provide suitable potential nest or roost habitat for bats shall be surveyed. Assumptions can be made on what species is present due to observed visual characteristics along with habitat use, or the bats can be identified to the species level with the use of a bat echolocation detector such as an "Anabat" unit. Potential roosting features found during the survey shall be flagged or marked.

If no roosting sites or bats are found, a letter report confirming absence shall be prepared and submitted to the Carmel-by-the-Sea Community Planning and Building Department and no further mitigation is required. If bats or roosting sites are found,

bats shall not be disturbed without specific notice to and consultation with the California Department of Fish and Wildlife.

If bats are found roosting outside of the nursery season (May 1 through October 1), the California Department of Fish and Wildlife shall be consulted prior to any eviction or other action. If avoidance or postponement is not feasible, a Bat Eviction Plan will be submitted to the California Department of Fish and Wildlife for written approval prior to project implementation. A request to evict bats from a roost includes details for excluding bats from the roost site and monitoring to ensure that all bats have exited the roost prior to the start of activity and are unable to re-enter the roost until activity is completed. Any bat eviction shall be timed to avoid lactation and young-rearing. If bats are found roosting during the nursery season, they shall be monitored to determine if the roost site is a maternal roost. This could occur by either visual inspection of the roost bat pups, if possible, or by monitoring the roost after the adults leave for the night to listen for bat pups. Because bat pups cannot leave the roost until they are mature enough, eviction of a maternal roost cannot occur during the nursery season. Therefore, if a maternal roost is present, a 50-foot buffer zone (or different size if determined in consultation with the California Department of Fish and Wildlife) shall be established around the roosting site within which no construction activities including tree removal or structure disturbance shall occur until after the nursery season. Once the absence of roosting bats has been confirmed, a letter report will be prepared and submitted to the City of Carmel-by-the-Sea Community Planning and Building Department.

Party Responsible for Implementation: *Developer*

Party Responsible for Monitoring: *City of Carmel-by-the-Sea Community Planning and Building Department*

Monitoring Notes:

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BIO-5 To avoid impacts to nesting birds during the nesting season (February 1 through September 15), construction activities within or adjacent to any housing site that includes any vegetation removal or ground disturbance (such as grading or trenching) shall be conducted between September 16 and January 31, which is outside of the bird nesting season. If construction activities must commence during the bird nesting season, then a

qualified biologist shall conduct a pre-construction survey for nesting birds to ensure that no nests would be disturbed during construction.

a. Two surveys for active nests of birds shall occur within 7 days prior to start of construction, with the second survey conducted within 48 hours prior to start of construction. Appropriate minimum survey radius surrounding the work area is typically 250 feet for passerines, 500 feet for smaller raptors, and 1,000 feet for larger raptors. Surveys shall be conducted at the appropriate times of day to observe nesting activities. Individual project developers shall submit evidence of completion of the pre-construction surveys to the City of Carmel-by-the-Sea Community Planning and Building Department prior to initiation of ground disturbing activities.

b. If the qualified biologist documents active nests within individual housing site boundaries, an appropriate buffer between each nest and active construction shall be established. The buffer shall be clearly marked and maintained until the young have fledged and are foraging independently. Prior to construction, the qualified biologist shall conduct baseline monitoring of each nest to characterize "normal" bird behavior and establish a buffer distance, which allows the birds to exhibit normal behavior. The qualified biologist shall monitor the nesting birds daily during construction activities and increase the buffer if birds show signs of unusual or distressed behavior (e.g., defensive flights and vocalizations, standing up from a brooding position, and/or flying away from the nest). If buffer establishment is not possible, the qualified biologist shall have the authority to cease all construction work in the area until the young have fledged and the nest is no longer active. This measure shall be implemented by the individual project developers prior to initiation of ground disturbing activities. Once the absence of nesting birds has been confirmed, a letter report will be prepared and submitted to the City of Carmel-by-the-Sea Community Planning and Building Department prior to disturbance of the nest area.

Party Responsible for Implementation: *Developer*

Party Responsible for Monitoring: *City of Carmel-by-the-Sea Community Planning and Building Department*

Monitoring Notes:

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GEO-1 The following language shall be included on all grading permits: "If paleontological resources are discovered during demolition and earthmoving activities, work shall stop

within 100 feet of the find until a qualified paleontologist can assess if the find is unique and, if necessary, develop appropriate treatment measures in consultation with the City's Community Planning and Building Department."

Party Responsible for Implementation: *Developer*

Party Responsible for Monitoring: *City of Carmel-by-the-Sea Community Planning and Building Department*

Monitoring Notes:

Planning for Success.

March 27, 2024

Marnie R. Waffle, AICP
Principal Planner
City of Carmel-by-the-Sea Community Planning and Building Department
City Hall, PO Box CC
Carmel-by-the-Sea, 93921

Re: City of Carmel-by-the-Sea 6th Cycle Housing Element Update (2023-2031) and Safety Element Update Mitigated Negative Declaration
Response to Comments

Dear Marnie,

EMC Planning Group has reviewed the public comments that were received during the State's 30-day public review period (February 23, 2024 to March 25, 2024) for the above-referenced mitigated negative declaration (MND). The lead agency (City of Carmel-by-the-Sea, hereinafter "City") is not required to respond to public comments on the proposed MND, but the City's decision-making body is required to consider all comments prior to considering adoption of the MND and approval of the project. We are only providing responses to environmental issues, as well as comments on the environmental review (CEQA) process.

The following public comments were received, and are attached to this letter:

1. Department of Toxic Substances Control, dated March 20, 2024; and
2. Monterey-Salinas Transit, dated March 25, 2024.

Department of Toxic Substances Control (March 20, 2024)

The Department of Toxic Substances Control submitted a comment letter on March 20, 2024, which is attached to this response letter. Our response to the comment is provided below.

EMC PLANNING GROUP INC.
A LAND USE PLANNING & DESIGN FIRM
601 Abrego Street, Monterey, CA 93940 Tel 831-649-1799 Fax 831-649-8399
www.emcplanning.com

1. The commenter states that surveys should be conducted for the presence of lead-based paints or products, mercury, asbestos containing materials, and polychlorinated biphenyl caulk if buildings or other structures are to be demolished on any of the housing sites. The commenter also states that the removal, demolition, and disposal of any of the above-mentioned chemicals should be conducted in compliance with state environmental regulations and policies and that sampling near current and/or former buildings should be conducted in accordance with the Department of Toxic Substances Control's *Update to June 2006 Phase I Addendum Guidance.*

   Section 9.0, Hazards and Hazardous Materials, checklist question "b" of the initial study concludes that compliance with uniformly applied requirements at the federal, state, and local level would be required by the City as part of the development review and building permit processes for individual projects on the housing sites for which demolition activities would occur. The initial study also indicates that the City's standard condition of approval #18 would be required, which would reduce impacts involving the potential release of hazardous materials into the environment to a less-than-significant level. The City could consider DTSC's recommendations as conditions of housing development project approvals. No changes to the mitigated negative declaration are necessary.

2. The commenter provides recommendations related to imported soil and fill material; such as testing all imported soil and fill material to ensure that any contaminants of concern are within approved screening levels for the intended land use.

   No specific comment on an environmental topic or content of the initial study is made. The City could consider DTSC's recommendations as conditions of housing development project approvals. No changes to the mitigated negative declaration are necessary.

Monterey-Salinas Transit (March 25, 2024)

The Monterey-Salinas Transit (MST) submitted a comment letter on March 25, 2024, which is attached to this response letter. Our response to the comment is provided below.

1. The commenter indicates support for the Housing Element Update's *Program 1.3.I: Implement State Law SB 10 Opportunities to Maximize Feasibility of Development in Strategic Locations* and recommends adding a section encouraging high-density housing development in areas with public transit and safe pedestrian infrastructure.

   This comment is noted. No specific comment on an environmental topic or content of the initial study is made. City staff has indicated they will not be

modifying the housing element update program. No changes to the mitigated negative declaration are necessary.

2. The commenter recommends including Transportation Demand Management (TDM) strategies into the mitigated negative declaration to maintain the thresholds of No Impact and Less than Significant Impact identified within Section 17.0, Transportation, of the initial study.

   As presented within Section 17.0, Transportation, of the initial study, all checklist questions were concluded to have no impact except one, which was concluded to have a less than significant impact. TDM measures are typically presented as mitigation measures in an environmental document when a transportation-related impact as a result of a project is significant and requires strategies to reduce that impact to less than significant. Hexagon Transportation Consultants prepared a memorandum for the initial study that concluded that the proposed project would have a less than significant vehicle miles traveled (VMT) impact. Therefore, no TDM strategies are required in the MND. The City could consider MST's recommendation as a condition of housing development project approvals. No changes to the mitigated negative declaration are necessary.

3. The commenter states that MST provides programs and services compatible with TDM strategies and that residential developments can participate in programs that incentivize transit use and further mitigate transportation impacts. No specific comment on an environmental topic or content of the initial study is made. No changes to the mitigated negative declaration are necessary.

4. The commenter requests that the City continue to collaborate with MST to ensure the City has adequate transit service for residents. No specific comment on an environmental topic or content of the initial study is made. No changes to the mitigated negative declaration are necessary.

If you have any questions, please feel free to reach out to Shoshana Lutz at lutz@emcplanning.com.

Sincerely,

Shoshana Lutz
Senior Planner

Teri Wissler Adam
Senior Principal

PLANNING COMMISSION RESOLUTION NO. 2024-025-PC

A RESOLUTION OF THE CITY OF CARMEL-BY-THE-SEA PLANNING COMMISSION RECOMMENDING THAT THE CITY COUNCIL ADOPT A RESOLUTION ADOPTING A GENERAL PLAN AMENDMENT REPEALING THE 2015-2023 HOUSING ELEMENT AND ADOPTING THE 2023-2031 HOUSING ELEMENT OF THE GENERAL PLAN IN COMPLIANCE WITH STATE HOUSING ELEMENT LAW.

WHEREAS, the California Legislature has found that "California has a housing supply and affordability crisis of historic proportions. The consequences of failing to effectively and aggressively confront this crisis are hurting millions of Californians, robbing future generations of the chance to call California home, stifling economic opportunities for workers and businesses, worsening poverty and homelessness, and undermining the state's environmental and climate objectives" (Government Code Section 65589.5.); and

WHEREAS, the Legislature has further found that "Among the consequences of those actions are discrimination against low-income and minority households, lack of housing to support employment growth, imbalance in jobs and housing, reduced mobility, urban sprawl, excessive commuting, and air quality deterioration" (Government Code Section 65589.5.); and

WHEREAS, the Legislature recently adopted the Housing Crisis Act of 2019 (SB 330), which states that "In 2018, California ranked 49th out of the 50 states in housing units per capita… California needs an estimated 180,000 additional homes annually to keep up with population growth, and the Governor has called for 3.5 million new homes to be built over 7 years"; and

WHEREAS, State Housing Element Law (Government Code Sections 65580 et seq.) requires that the Carmel-by-the-Sea City Council adopt a Housing Element for the eight-year period 2023-2031 to accommodate the City of Carmel-by-the-Sea regional housing need allocation (RHNA) of 349 housing units, comprised of 113 very low-income units, 74 low-income units, 44 moderate-income units, and 118 above moderate-income units; and

WHEREAS, to comply with State Housing Element Law, the City of Carmel-by-the-Sea has prepared the 2023-2031 Housing Element in compliance with State Housing Element Law and has identified sites that can accommodate housing units meeting the City's RHNA; and

WHEREAS, as provided in Government Code Section 65350 et. seq., adoption of the Housing Element constitutes a General Plan Amendment; and

WHEREAS, as provided in Government Code Sections 65352 – 65352.5 the City of Carmel-by-the-Sea mailed a public notice to all California Native American tribes provided by the Native American Heritage Commission and to other entities listed; and

WHEREAS, one California Native American Tribe requested consultation and were provided with information, including documents, website resources, and notification of public meetings. No further requests were received from the Tribe; and

WHEREAS, the preparation, adoption, and implementation of the Housing Element requires a diligent effort to include all economic segments of the community; and

WHEREAS, the City of Carmel-by-the-Sea conducted extensive community outreach over the last 17 months including five Housing Ad Hoc Committee workshops, five City Council meetings; one Joint Planning Commission and City Council meeting; one Planning Commission adoption recommendation hearing, and one City Council adoption hearing; and

WHEREAS, in accordance with Government Code Section 65585 (b), on June 5, 2023, the City of Carmel-by-the-Sea posted the draft Housing Element and requested public comment for a 30-day review period from June 5 to July 6, 2023; and

WHEREAS, on August 3, 2023, after responding to public comments, the City of Carmel-by-the-Sea submitted the draft Housing Element to the State Department of Housing and Community Development (HCD) for its review; and

WHEREAS, on September 15, 2023, HCD contacted the City of Carmel-by-the-Sea to discuss the adequacy of the draft Housing Element, and based upon this, the City of Carmel-by-the-Sea revised the draft Housing Element to include additional information and data; and

WHEREAS, on November 1, 2023, the City of Carmel-by-the-Sea received a letter from HCD providing its findings regarding the draft Housing Element; and

WHEREAS, on January 16, 2024, the City of Carmel-by-the-Sea posted a revised draft Housing Element responding to HCD's findings for a 7-day public review and comment period from January 16 to January 23, 2024; and

WHEREAS, on January 24, 2024, after responding to public comments, the City of Carmel-by-the-Sea re-submitted the draft Housing Element to the HCD for its review; and

WHEREAS, on February 6, 2024, HCD contacted the City of Carmel-by-the-Sea to discuss the adequacy of the draft Housing Element, and based upon this, City of Carmel-by-the-Sea staff revised the draft Housing Element to include additional information and data; and

WHEREAS, on March 1, 2024, the City of Carmel-by-the-Sea posted a revised draft Housing Element responding to HCD's findings for a 7-day public review and comment period from March 1, 2024 to March 7, 2024; and

WHEREAS, on March 8, 2024, after responding to public comments, the City of Carmel-by-the-Sea re-submitted the draft Housing Element to HCD for its review; and

WHEREAS, on March 20, 2024, the City of Carmel-by-the-Sea received a letter from HCD providing its findings regarding the draft Housing Element; and

WHEREAS, on March 26, 2024, the City of Carmel-by-the-Sea posted a revised draft Housing Element responding to HCD's findings for a 7-day public review and comment period from March 27, 2024 to April 2, 2024; and

WHEREAS, on April 4, 2024, after responding to public comments, the City of Carmel-by-the-Sea re-submitted the draft Housing Element to HCD for its review; and

WHEREAS, on or before April 8, 2024, the City of Carmel-by-the-Sea received a letter from HCD stating that the draft Housing Element is in substantial compliance with State Housing Element Law, and will comply with State Housing Element Law when it is adopted; and

WHEREAS, on April 8, 2024, the Planning Commission conducted a duly and properly noticed public hearing to take public testimony and consider this Resolution regarding the proposed Housing Element, reviewed the Housing Element and all pertinent maps, documents and exhibits, including HCD's findings, the City's response to HCD's findings, the staff report and all attachments, and oral and written public comments.

NOW, THEREFORE, BE IT RESOLVED, that the City of Carmel-by-the-Sea Planning Commission hereby finds that, based on substantial evidence in the record:

1. The foregoing recitals are true and correct and are incorporated by reference into this action.

2. The Housing Element substantially complies with State Housing Element Law.

3. The Planning Commission recommends that the City Council adopt a Resolution to repeal the 2015-2023 Housing Element and adopt the 2023-2031 Housing Element attached hereto as **Exhibit A**, incorporated by this reference.

Exhibit A: 2023-2031 City of Carmel-by-the-Sea Housing Element
Exhibit B: HCD Finding Letter, dated April 5, 2024

Attachment 6

Housing and Community Development (HCD) Revised Draft Addressing HCD Findings Letter: March 20, 2024

6th Cycle Housing Element Update (2023-2031)

City of Carmel-by-the-Sea

April 4, 2024

Prepared by

EMC Planning Group

HOUSING AND COMMUNITY DEVELOPMENT (HCD) REVISED DRAFT
ADDRESSING HCD FINDINGS LETTER: MARCH 20, 2024

6TH CYCLE HOUSING ELEMENT UPDATE (2023-2031)

CITY OF CARMEL-BY-THE-SEA

PREPARED FOR

City of Carmel-by-the-Sea

Marnie Waffle, AICP, Principal Planner

City of Carmel-by-the-Sea

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April 4, 2024

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1.0 Introduction

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 pending[2]), 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 methodology[5], 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.

[7]For 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 categories[8]. 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, HOMECarmel 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.

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

- **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.

- **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% 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.

"... 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

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)

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.

- **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

"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

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.

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% for affordable housing units in commercial areas.

Quantified Objective: **Reduced City fees by 25% 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 Funding 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

A

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 data[1] 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 obligation[3]. 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.

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.

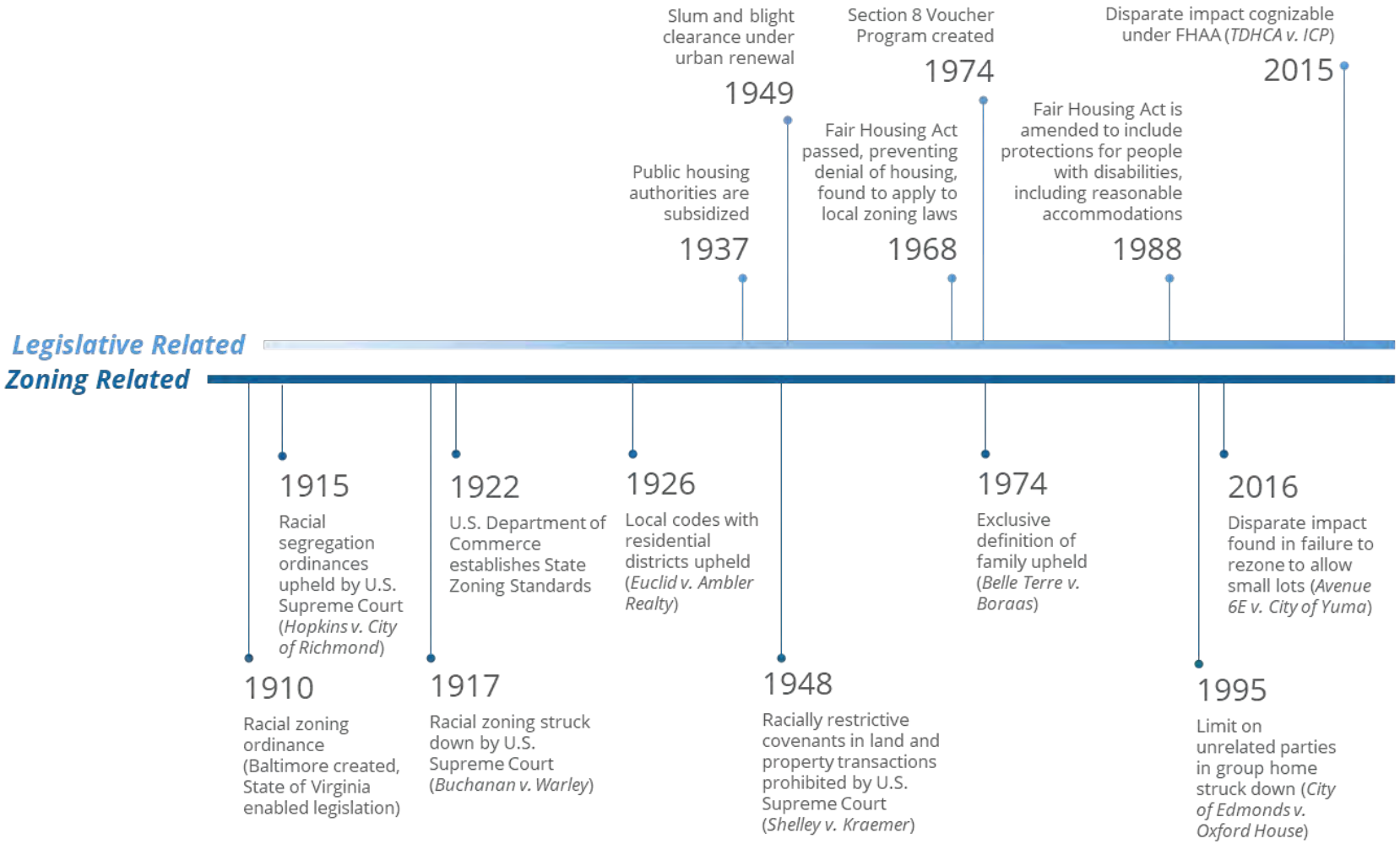
In sum, not all residents had equal ability to build housing wealth.

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

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.

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 covenants[4], redlining[5], 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 jobs[10], 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.

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

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.

[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 Oaks[14]. 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.

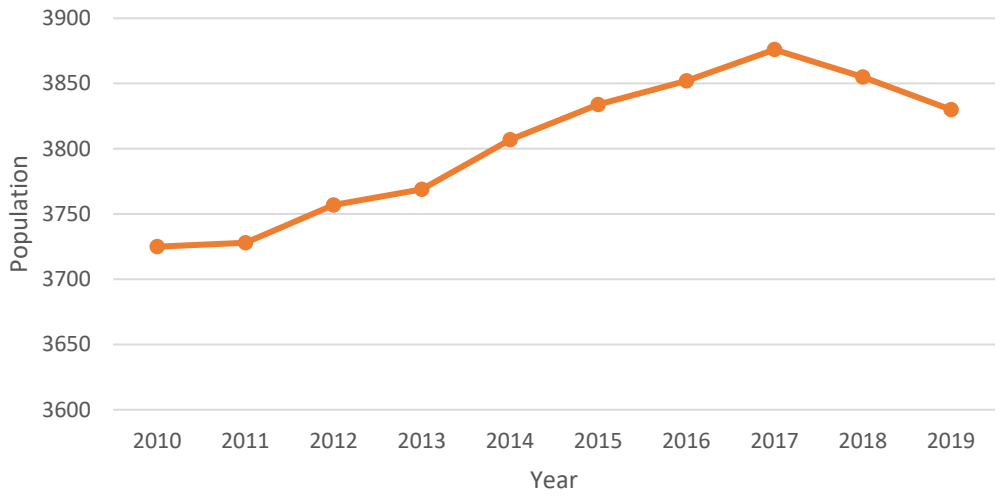
Table A-1 Population Growth Forecast by Jurisdiction, 2015-2045

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

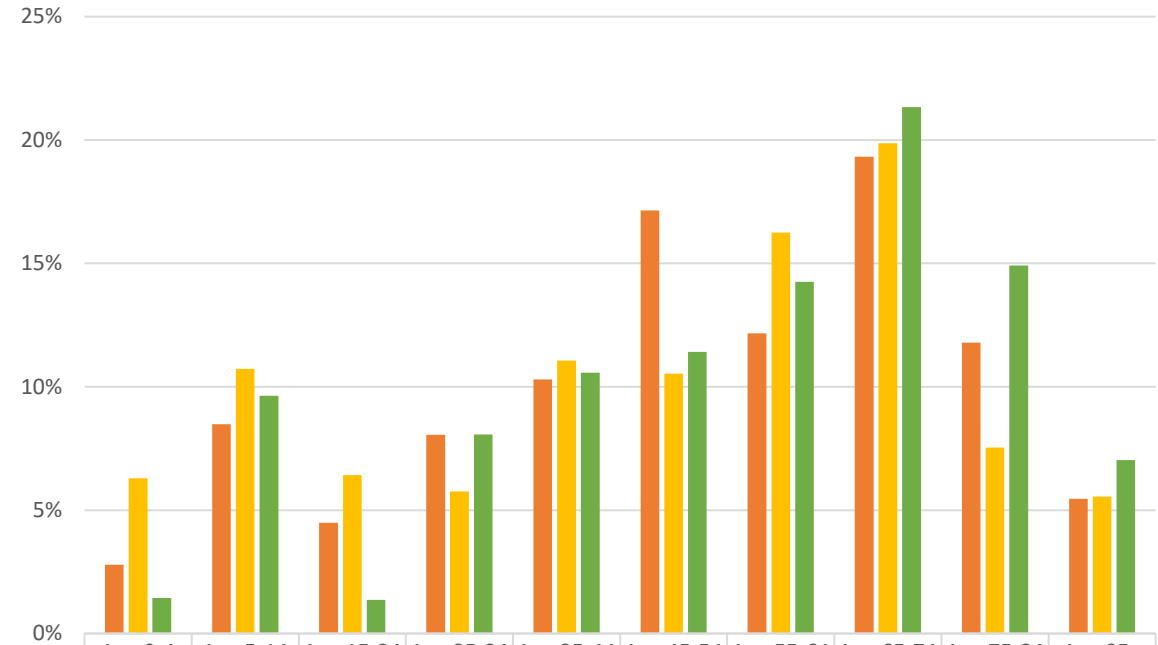
design or visitability features. Overall, the life stages of a population determine the housing stock that is needed in a community.

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



	Age 0-4	Age 5-14	Age 15-24	Age 25-34	Age 35-44	Age 45-54	Age 55-64	Age 65-74	Age 75-84	Age 85+
2010	3%	8%	4%	8%	10%	17%	12%	19%	12%	5%
2015	6%	11%	6%	6%	11%	11%	16%	20%	8%	6%
2019	1%	10%	1%	8%	11%	11%	14%	21%	15%	7%

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%

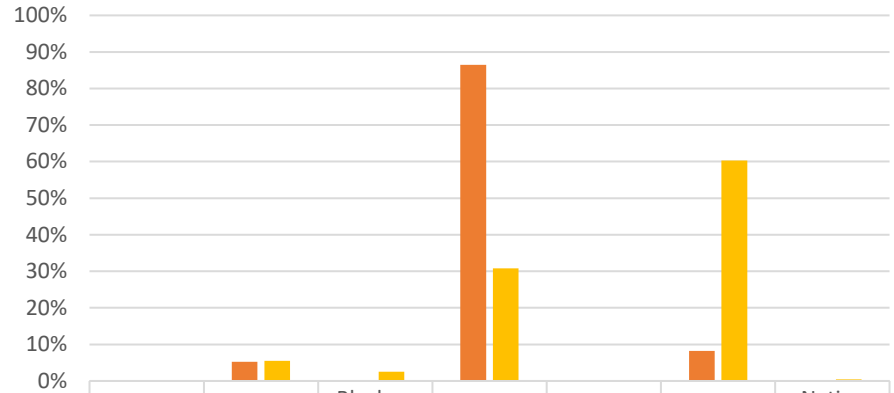
SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2019

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



	American Indian or Alaska Native	Asian	Black or African American, Non-Hispanic	White, Non-Hispanic	Some other race	Hispanic or Latino	Native Hawaiian and Other Pacific Islander
Carmel-by-the-Sea	0.0%	5.2%	0.1%	86.5%	0.0%	8.2%	0.0%
Monterey County	0.2%	5.5%	2.5%	30.8%	0.1%	60.3%	0.5%

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.

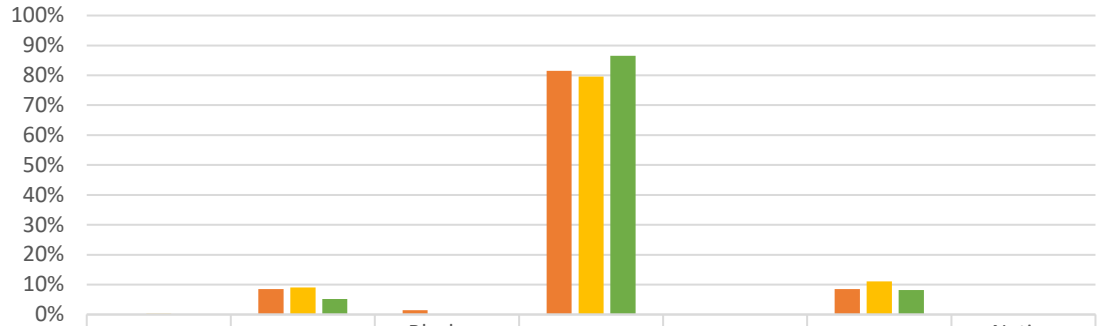
Table A-3 Population by Race by Jurisdiction, 2019

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



	American Indian or Alaska Native	Asian	Black or African American, Non-Hispanic	White, Non-Hispanic	Some other race	Hispanic or Latino	Native Hawaiian and Other Pacific Islander
2010	0.0%	8.6%	1.4%	81.5%	0.0%	8.5%	0.0%
2015	0.3%	9.0%	0.0%	79.6%	0.0%	11.1%	0.0%
2019	0.0%	5.2%	0.1%	86.5%	0.0%	8.2%	0.0%

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.

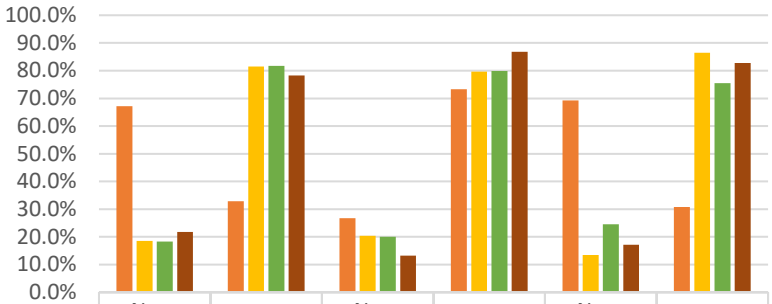
Residential segregation and exclusion, whether by race, ethnicity, disability, or income, is a result of numerous housing policies, practices, and procedures—both public and private—that have had enduring and pervasive negative impacts. Overt and covert housing discrimination through land use policy,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



	2010		2015		2019	
	Non-White	White	Non-White	White	Non-White	White
Monterey County	67.1%	32.9%	26.7%	73.3%	69.2%	30.8%
Carmel-by-the-Sea	18.5%	81.5%	20.4%	79.6%	13.5%	86.5%
Del Rey Oaks	18.3%	81.7%	20.1%	79.9%	24.5%	75.5%
Pacific Grove	21.8%	78.2%	13.2%	86.8%	17.2%	82.8%

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

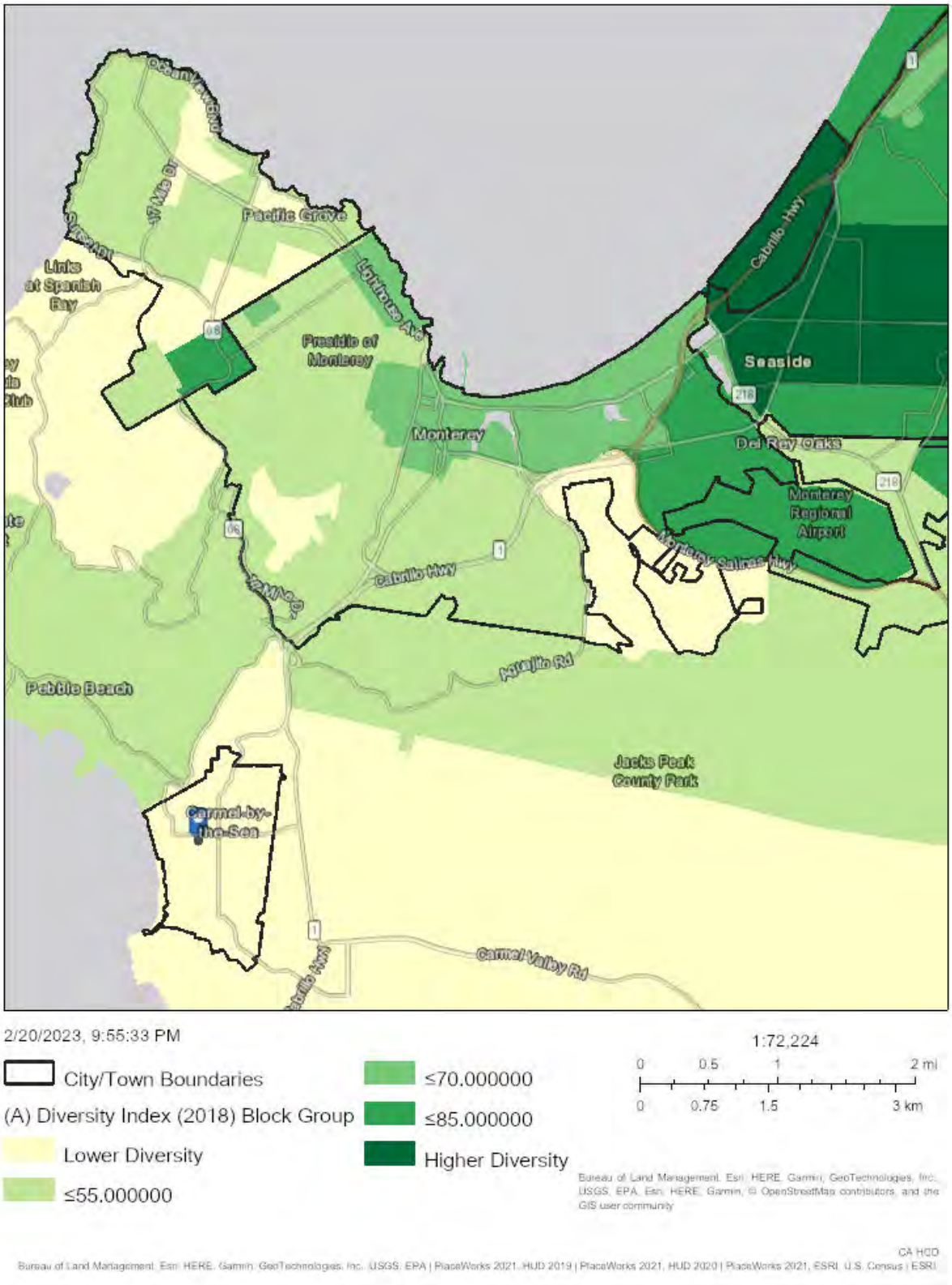
As of 2019, the City of Carmel-by-the-Sea has the highest percentage (86.5 percent) of White residents and the lowest percentage of Non-White residents (13.5 percent) when compared to the County, and the cities of Del Rey Oaks and Pacific Grove. Given the City's status as being a "Highest Resource" city (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



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.

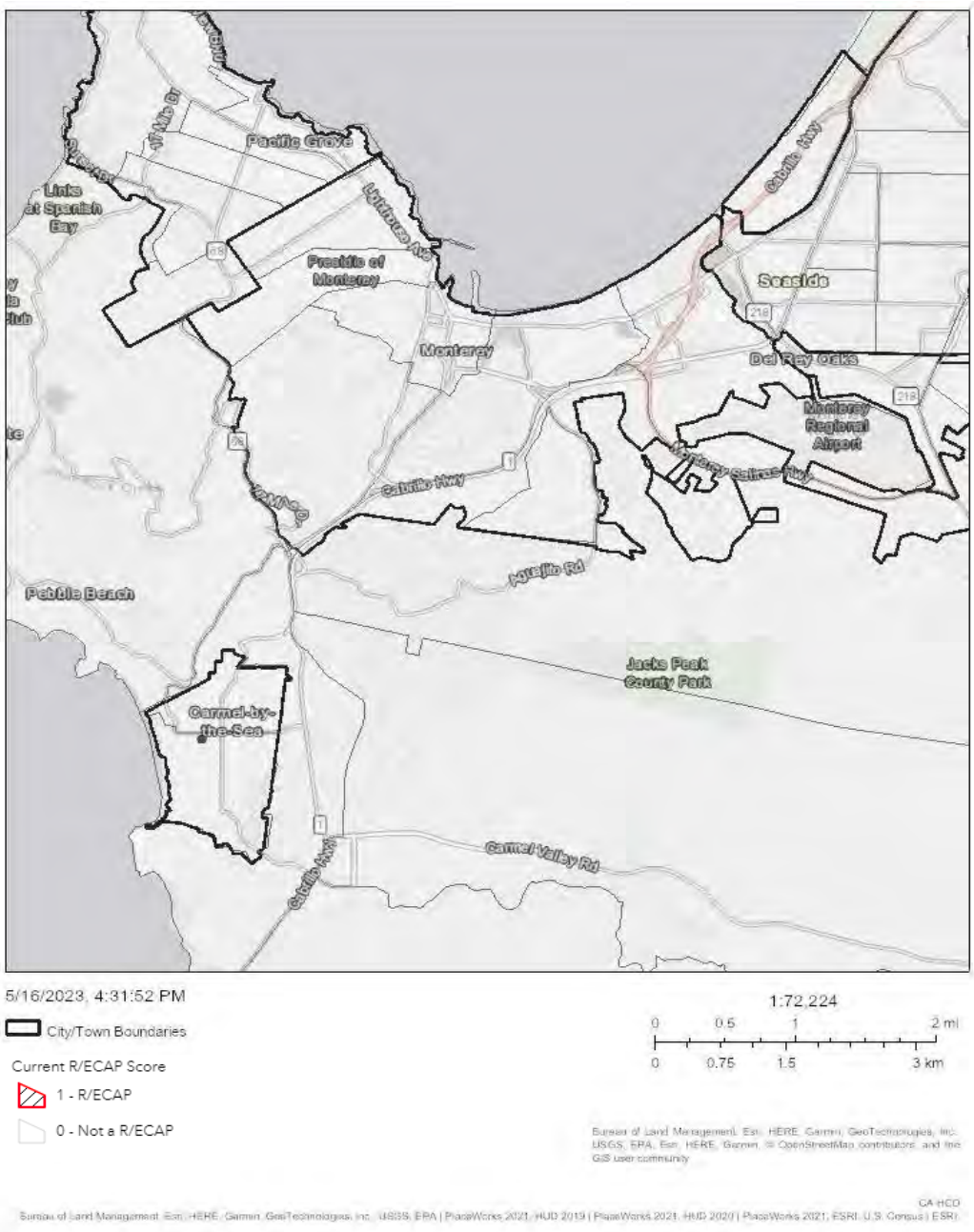
SOURCE: California Department of Housing and Community Development Guidance, 2023

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. Cityscape: 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 RCAA[17].

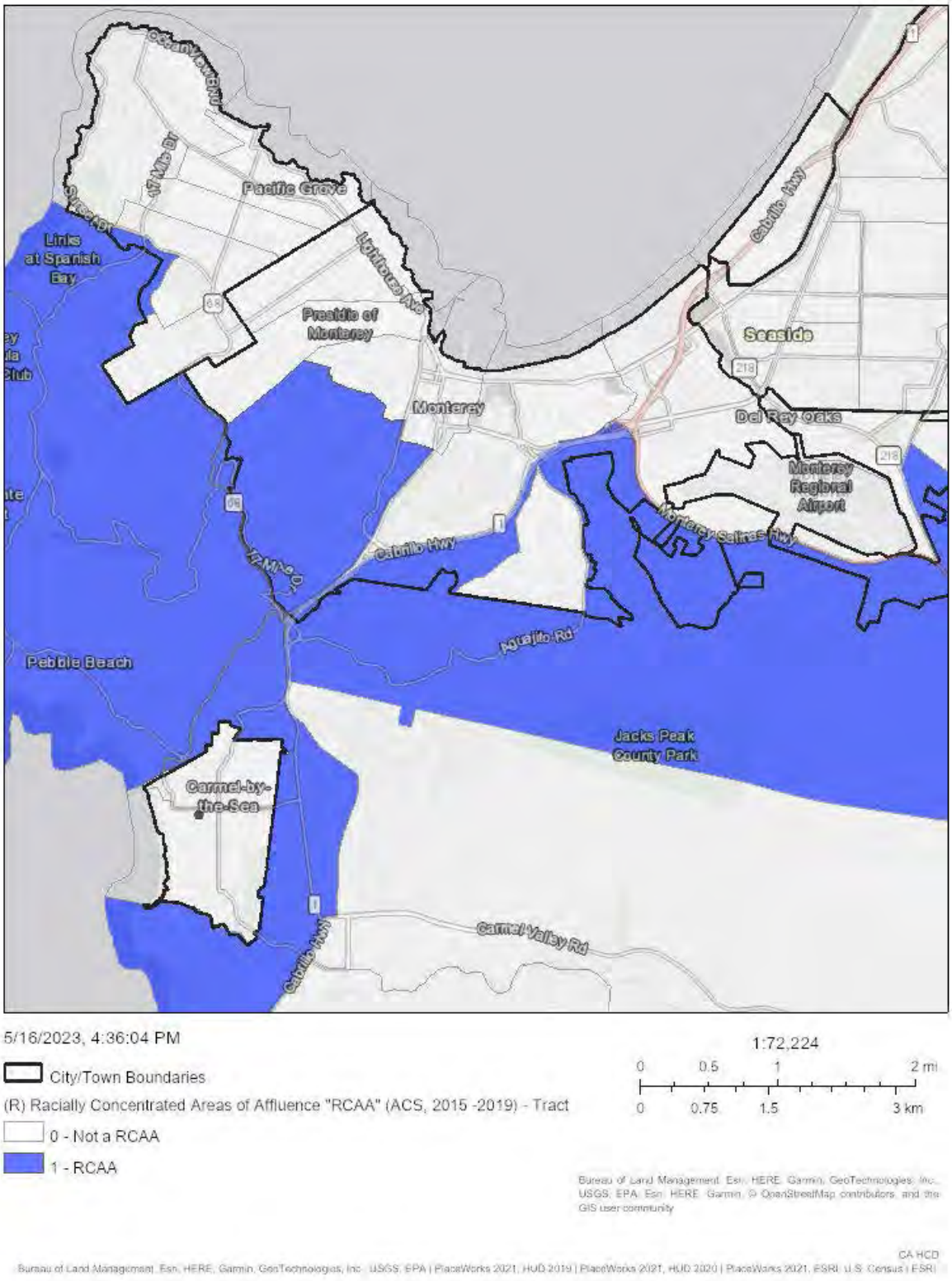
Figure A-8 R/ECAP by Census Tract, Carmel-by-the-Sea, 2009-2013



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

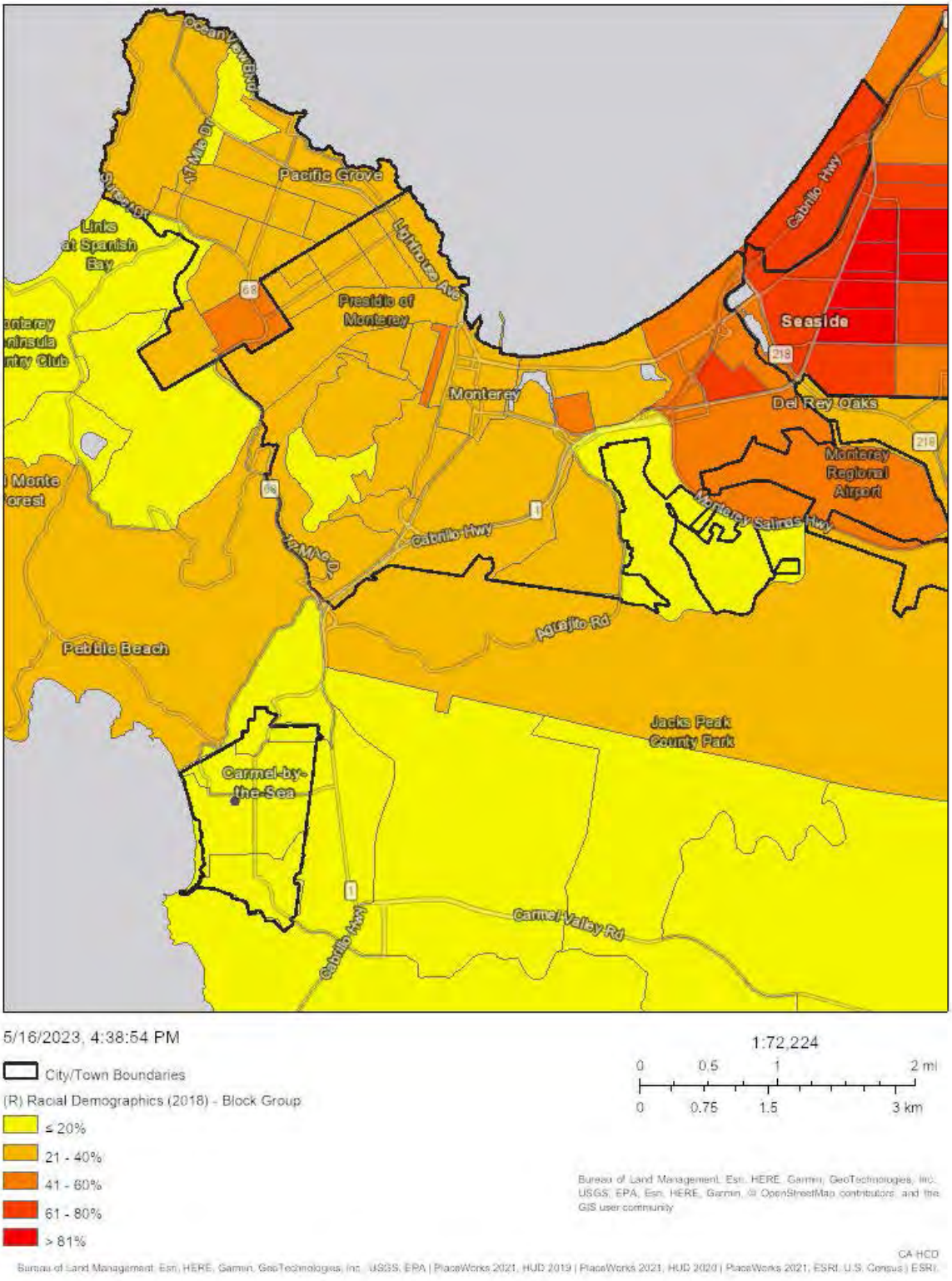
[17] To be considered an RCAA, census tracts must have a Location Quotient (LQ) of more than 1.25 and a median income 1.5 times higher than the COG AMI or 1.5 times higher than the State AMI, whichever is lower. In this case, Carmel's median income would need to be 1.5 times greater than the State AMI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

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



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



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 rates[21] 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.
[23]From 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

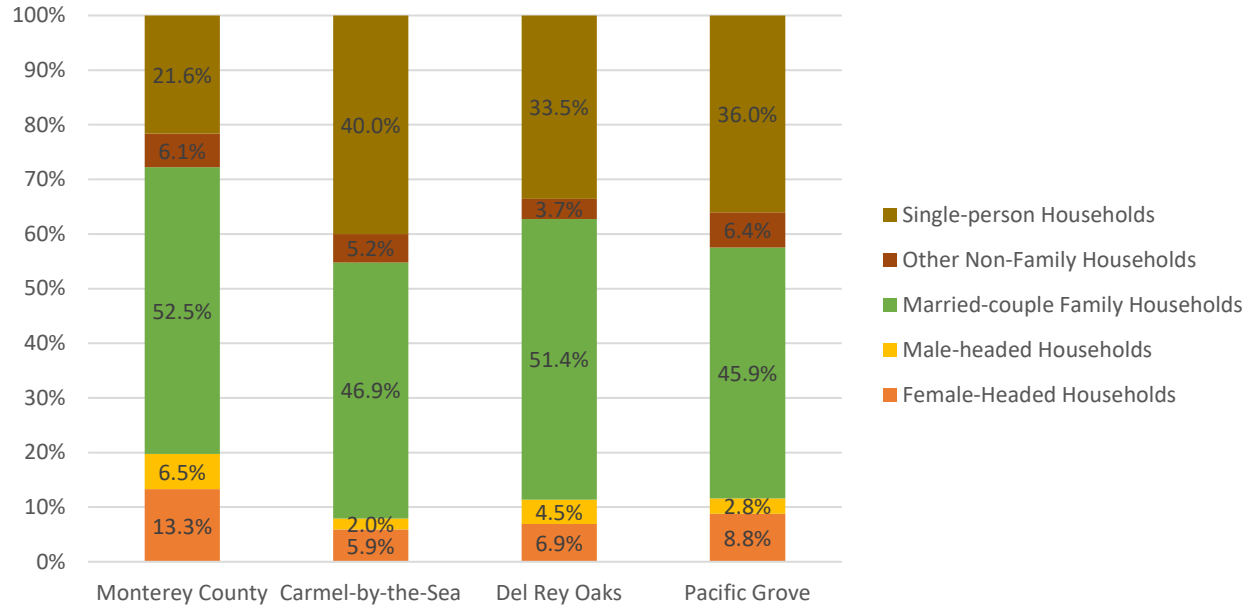
Jurisdictions	Population							Change 2015 - 2045	
	2015	2020	2025*	2030*	2035*	2040*	2045*	Numeric	Percent
Monterey County	139,177	141,764	146,716	153,852	159,100	162,612	165,328	26,151	19%
Carmel-by-the-Sea	3,417	3,437	3,437	3,442	3,450	3,453	3,459	42	1%
Del Rey Oaks	741	741	762	809	848	1,052	1,195	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).

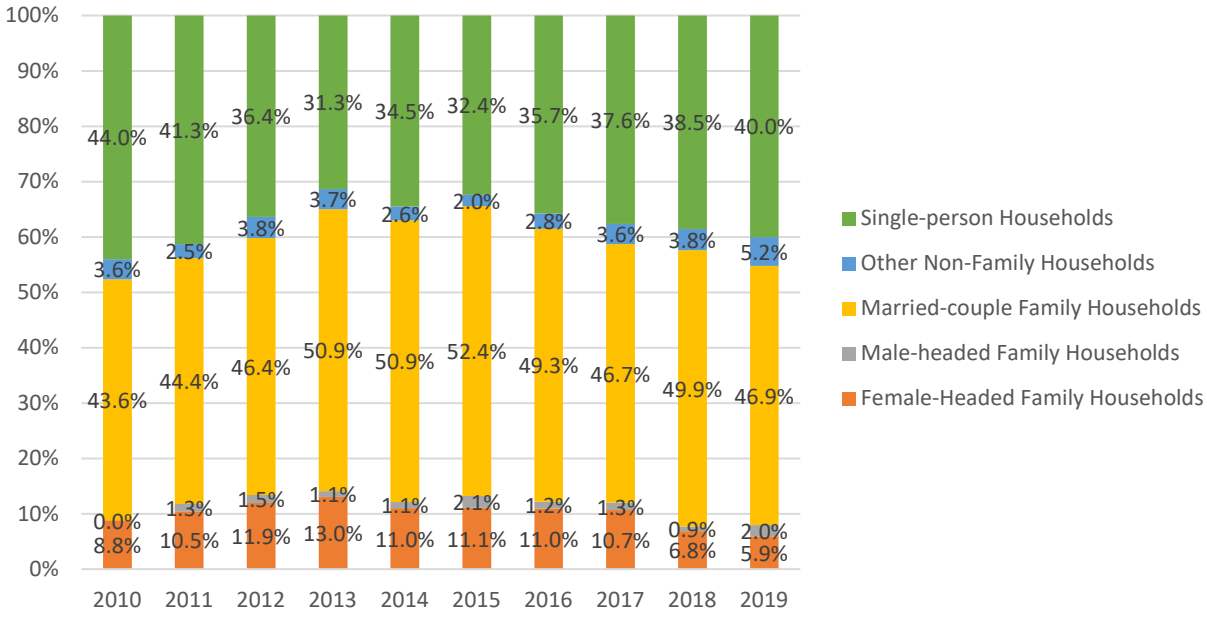
Figure A-12 Household by Type by Jurisdiction, 2019



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).

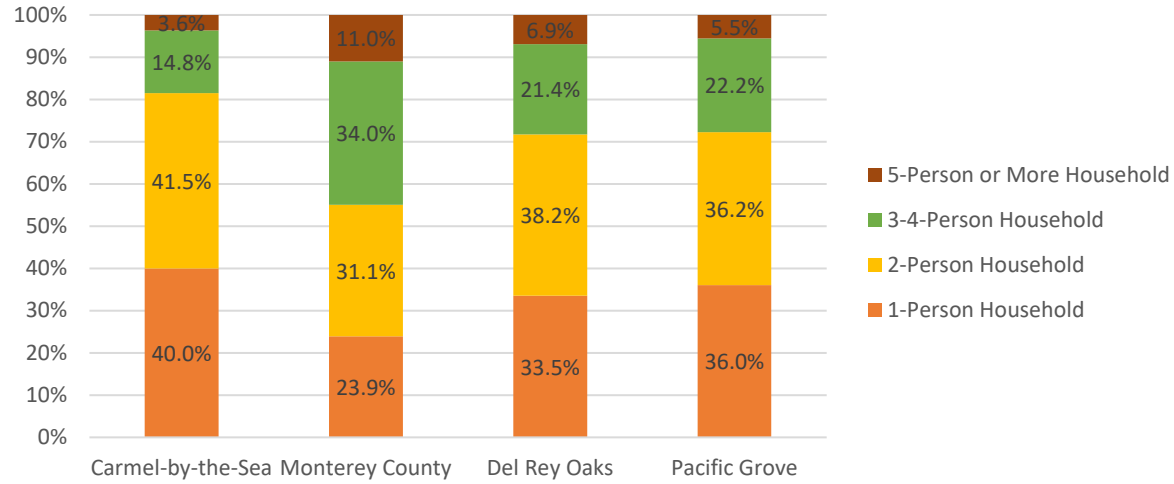
Figure A-13 Changes in Household Type, Carmel-by-the-Sea, 2010-2019



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.

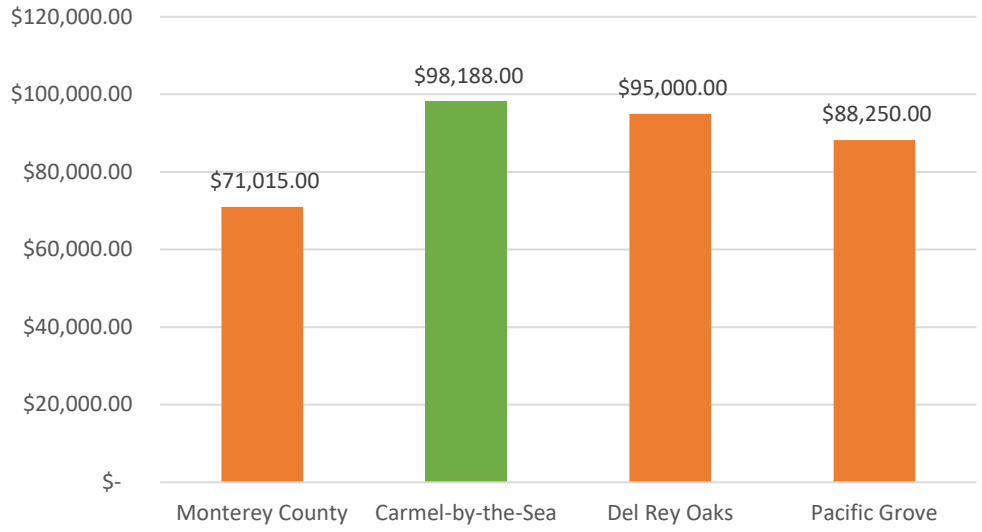
Table A-10 Households by Income Category, Carmel-by-the-Sea, 2019

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

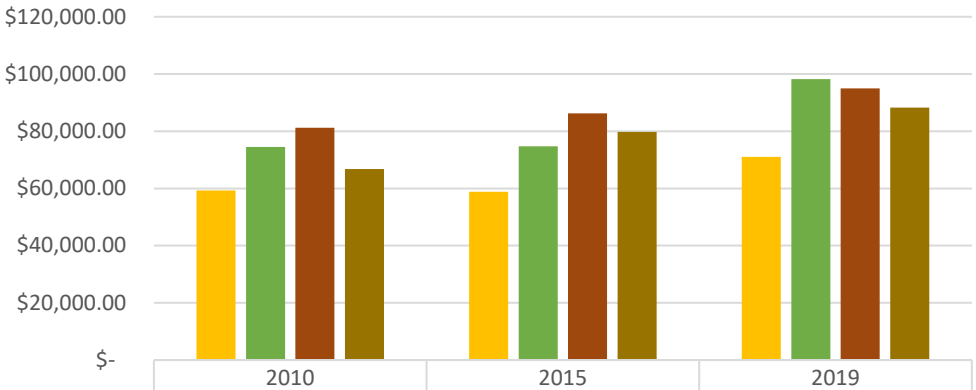


SOURCE: U.S. Census Bureau, ACS 5-Year Estimates, 2019

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.

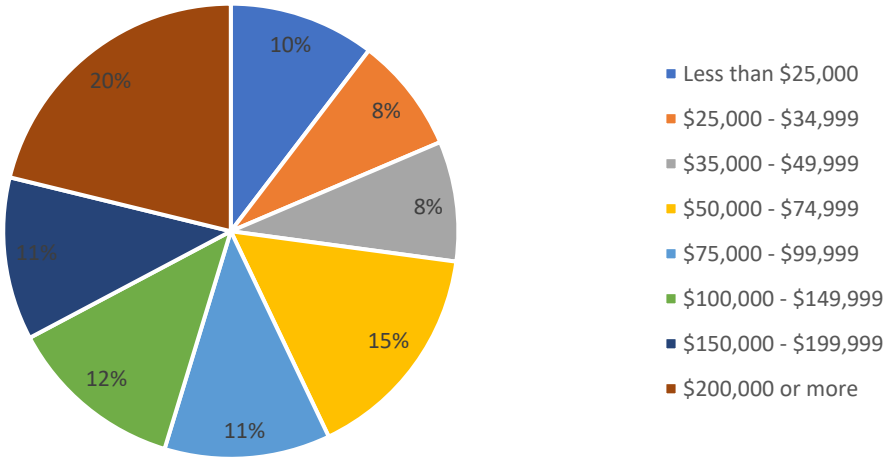
Figure A-16 Regional Median Household Income, 2010-2019



	2010	2015	2019
Monterey County	$59,271.00	$58,783.00	$71,015.00
Carmel-by-the-Sea	$74,489.00	$74,758.00	$98,188.00
Del Rey Oaks	$81,154.00	$86,250.00	$95,000.00
Pacific Grove	$66,730.00	$79,740.00	$88,250.00

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

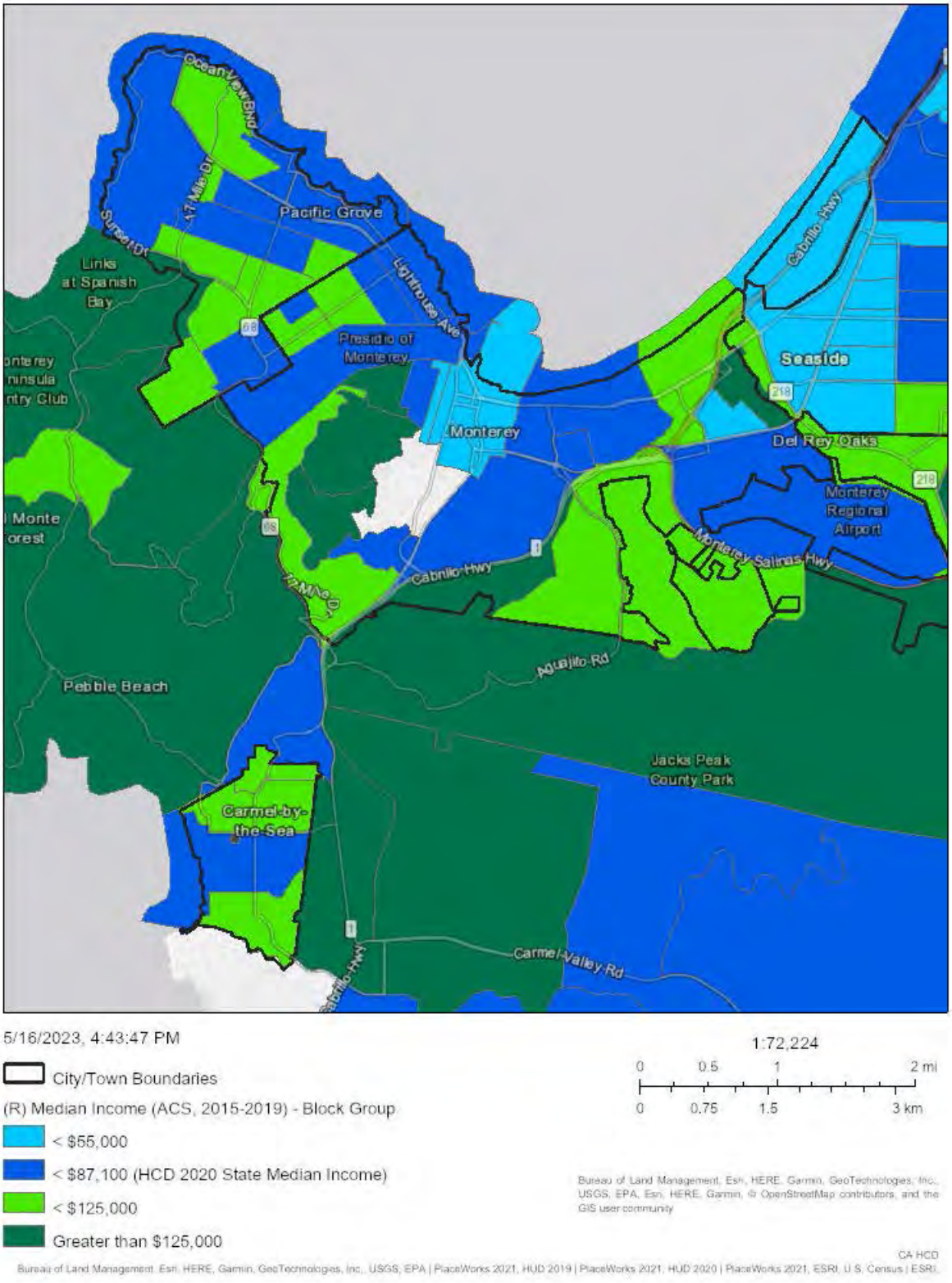
Figure A-17 Income by Category, Carmel-by-the-Sea, 2019



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

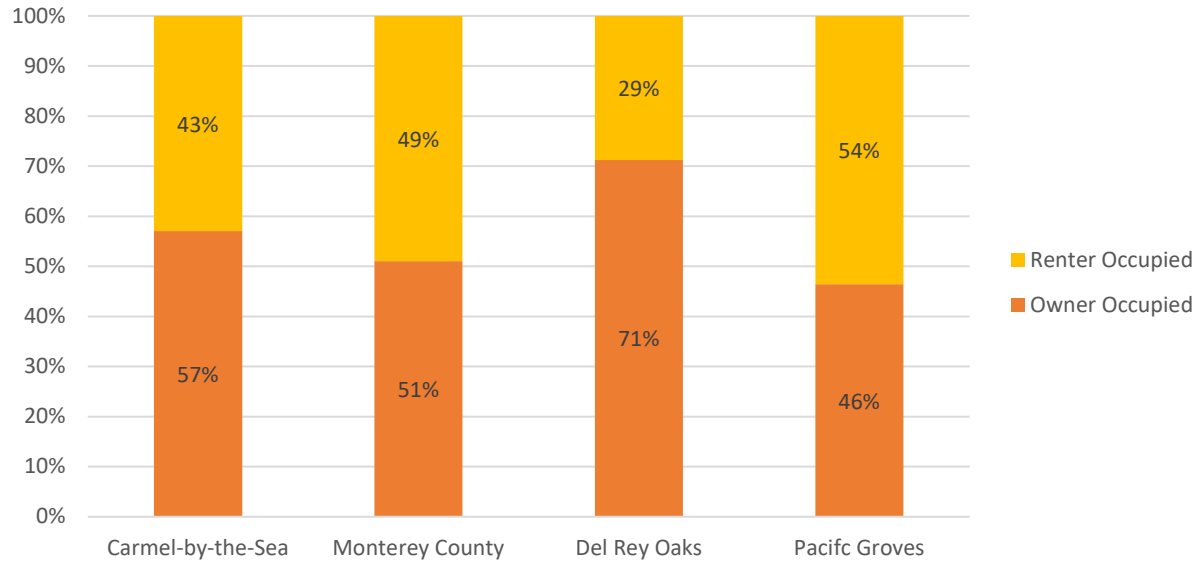


SOURCE: California Department of Housing and Community Development, AFFH Data Viewer

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 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:

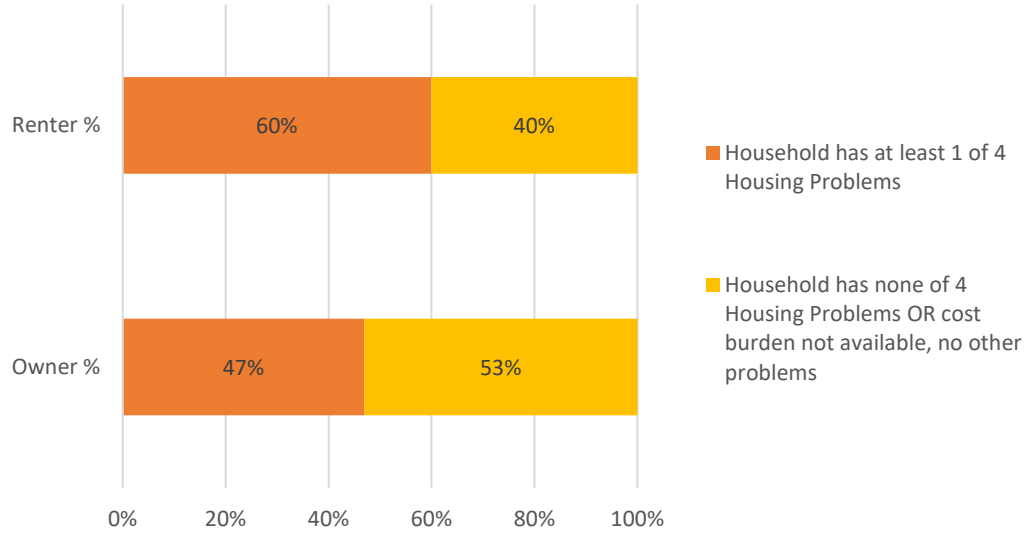
- Incomplete kitchen facilities;
- Incomplete plumbing facilities;
- More than 1.5 persons per room; and
- Cost burden greater than 50 percent.

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.

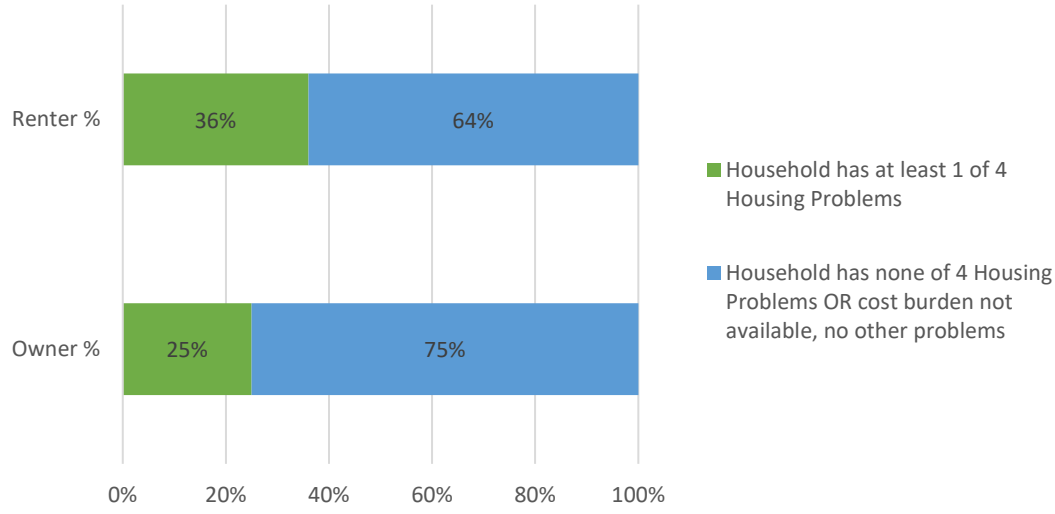
Figure A-20 and Figure A-21 illustrate housing problems by tenure and severe housing problems by tenure in Carmel-by-the-Sea during 2019. Approximately 60 percent of renter households have at least one of four housing problems and 36 percent have at least one of four severe housing problems. In contrast,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

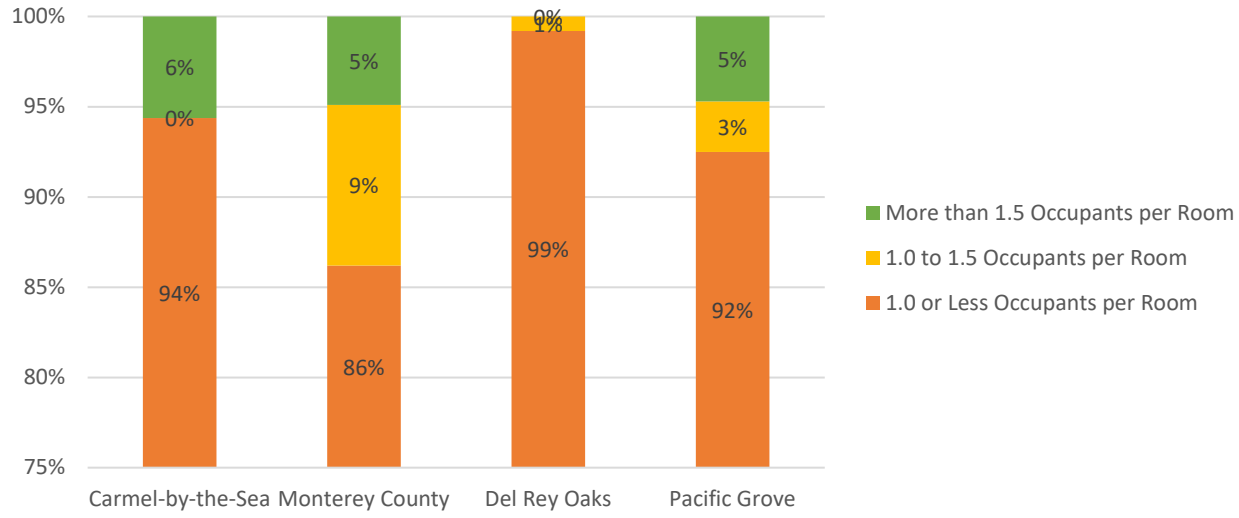
Overcrowding

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.

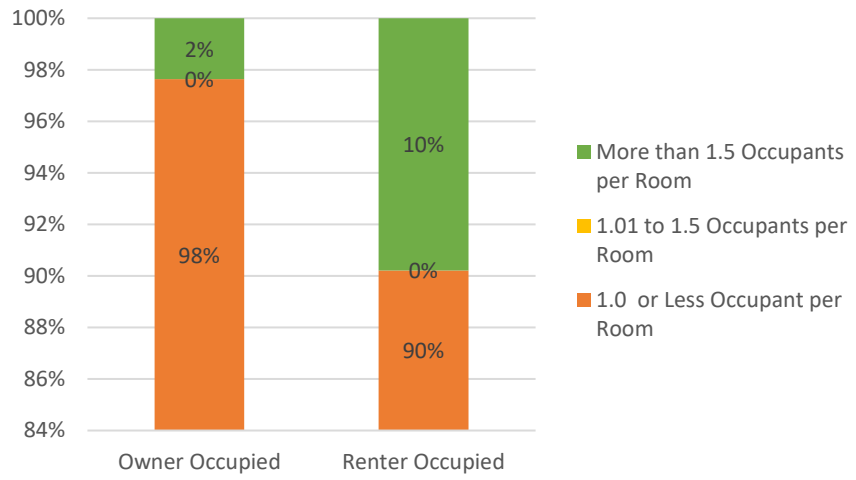
Figure A-22 Overcrowding by Severity by Jurisdiction, 2019



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.

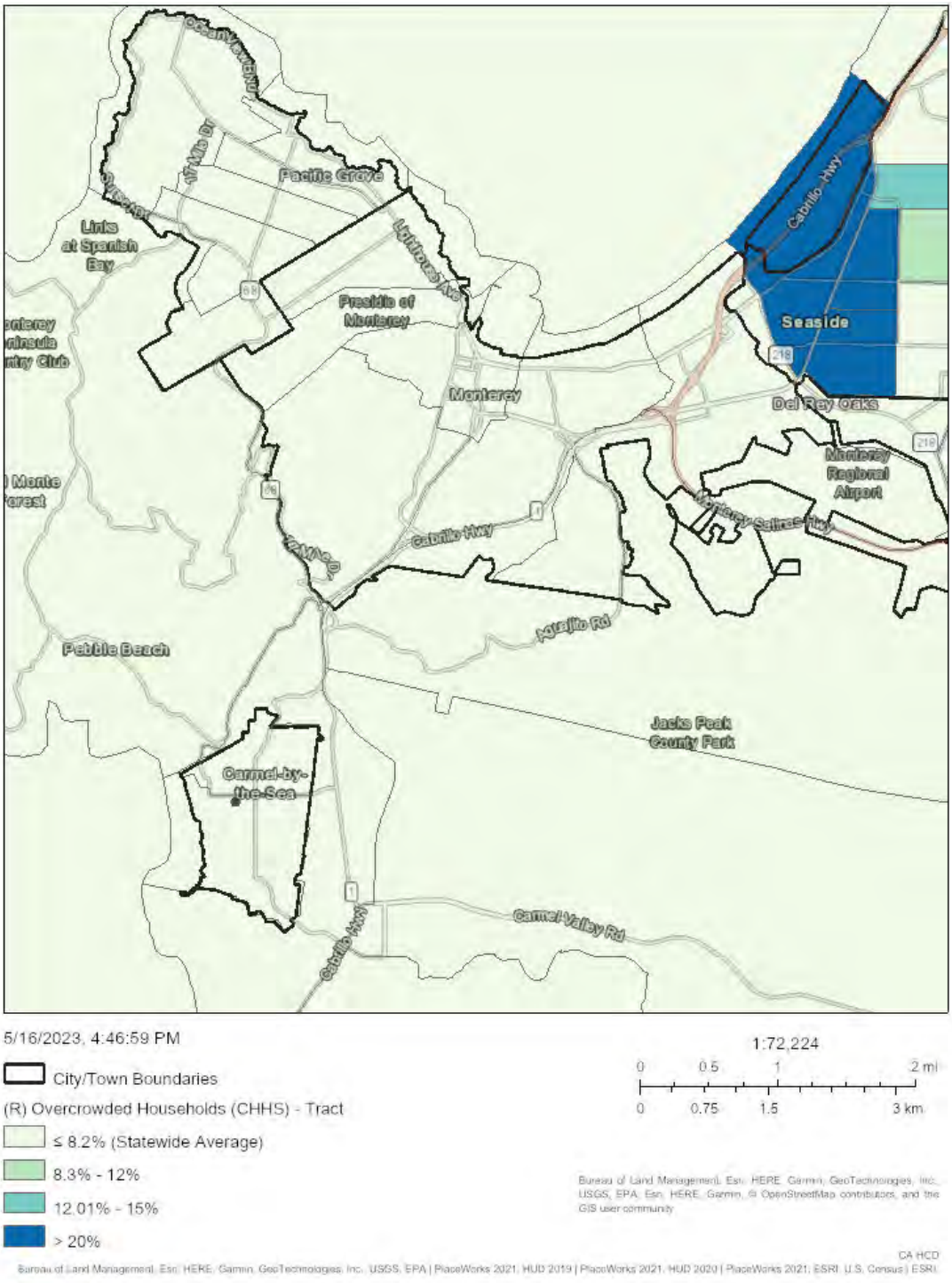
Figure A-23 Overcrowding by Tenure and Severity, Carmel-by-the-Sea, 2019



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



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

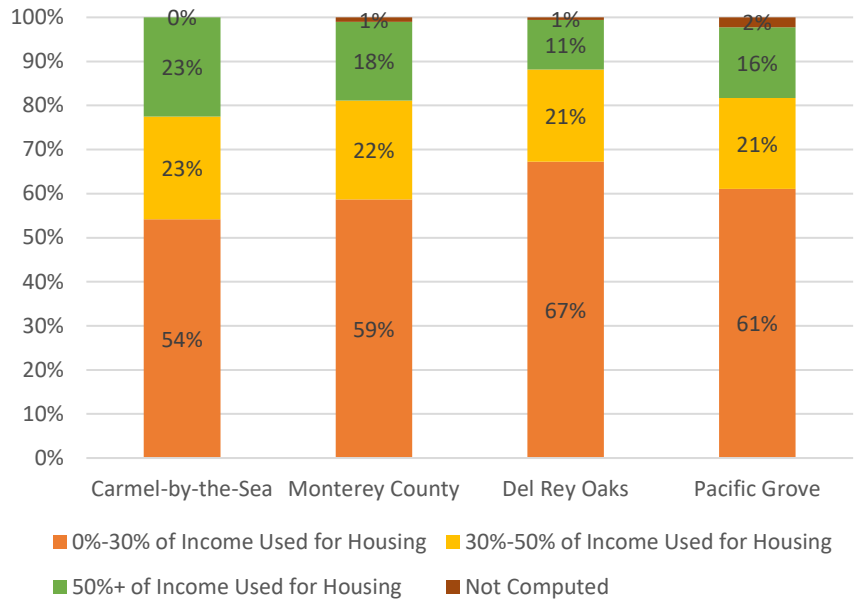
Cost Burden

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.

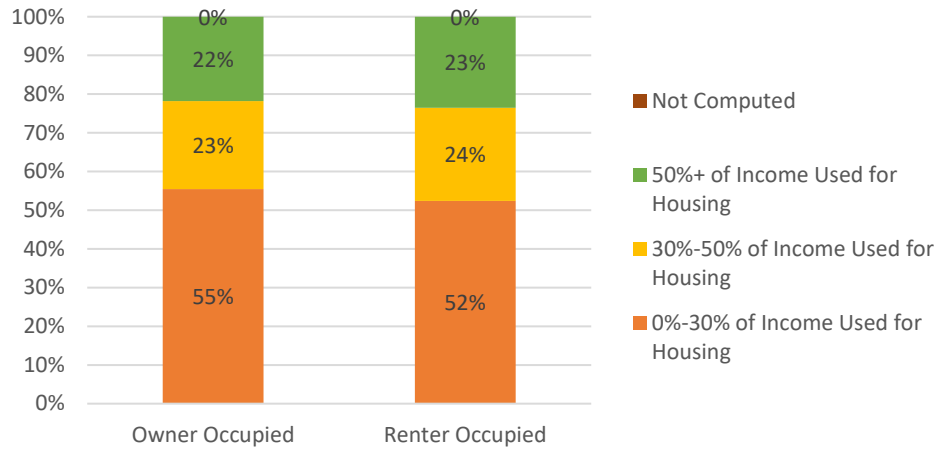
Figure A-25 Cost Burden Severity by Jurisdiction, 2015-2019



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

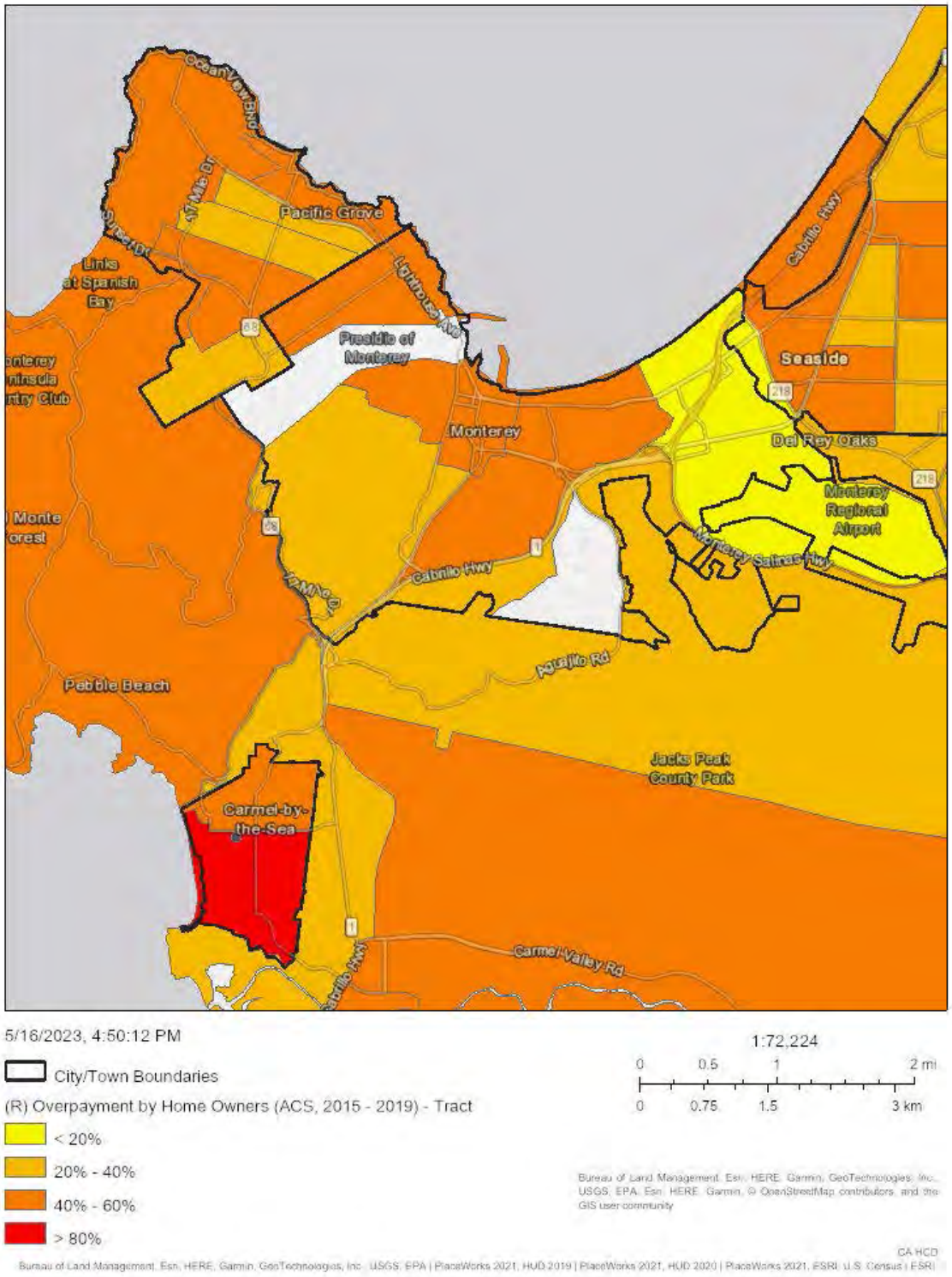


SOURCE: U.S. Census Bureau, CHAS Data, 2015-2019

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.

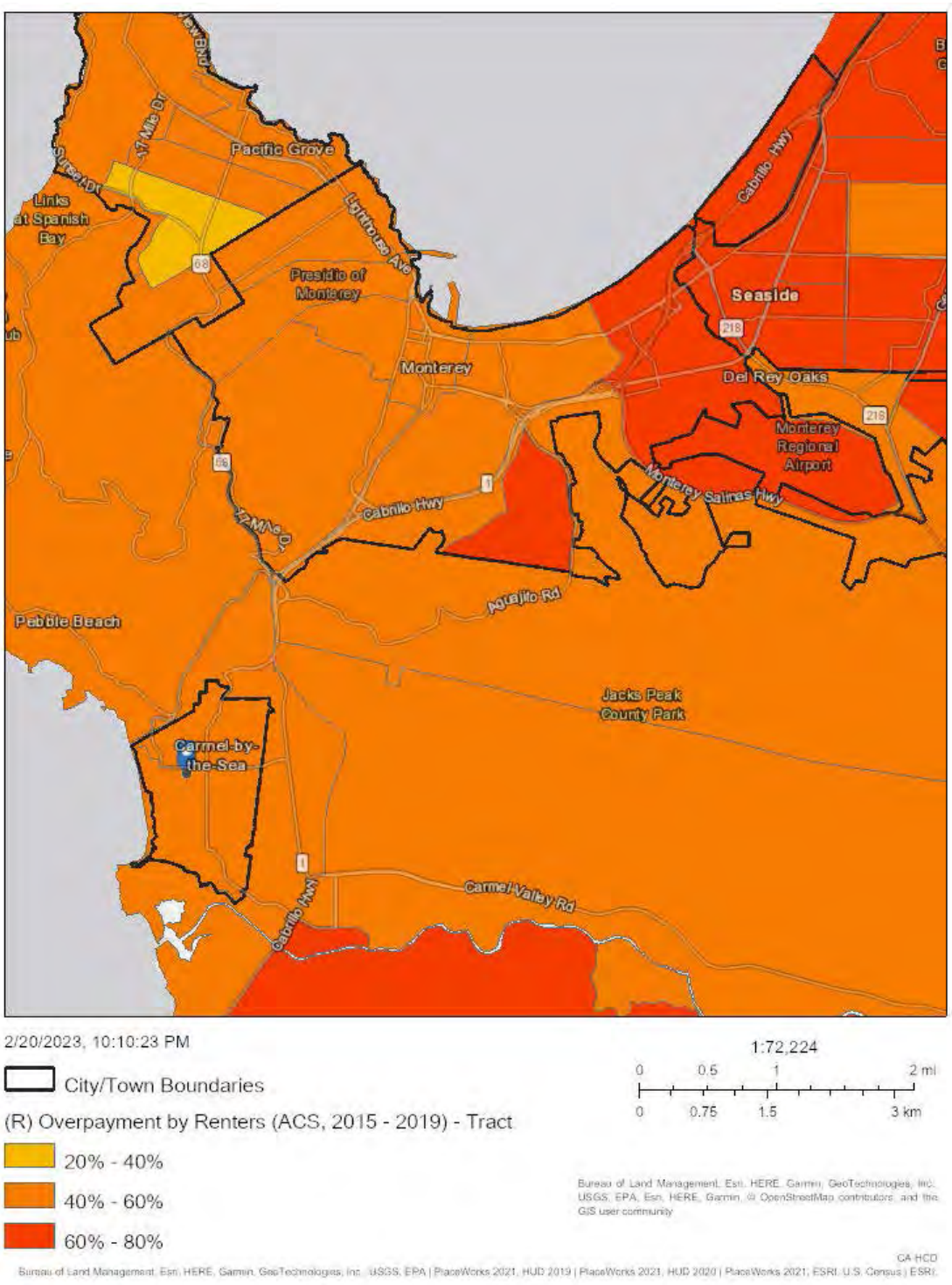
Figure A-28 illustrates cost burden of renters in Carmel-by-the-Sea. When analyzing concentrations of cost burden among renter-occupied households in Carmel-by-the-Sea, there is no variation based on location. Between 40-60 percent of renter-households experience cost burden across the City.

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



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



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%
Senior Owner-Households	763 households	40%	--
Senior Renter-Households	283 households	15%	--
Persons with Disabilities[24]	406 persons	--	12%
Persons with Developmental Disabilities[1]	<70 persons	--	--
Large Households	70 households	4%	--
Single-Parent Households	153 households	8%	--
Single-Parent, Female Headed Households with Children (under 18) below poverty line	0 households	--	--
People Living in Poverty	111 persons	--	3%
Farmworkers[2]	26,929 persons	--	--
Migrant Farmworkers	4,972 persons	--	--
Seasonal Farmworkers	12,123 persons	--	--
Permanent Farmworkers	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 of 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.

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 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.

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

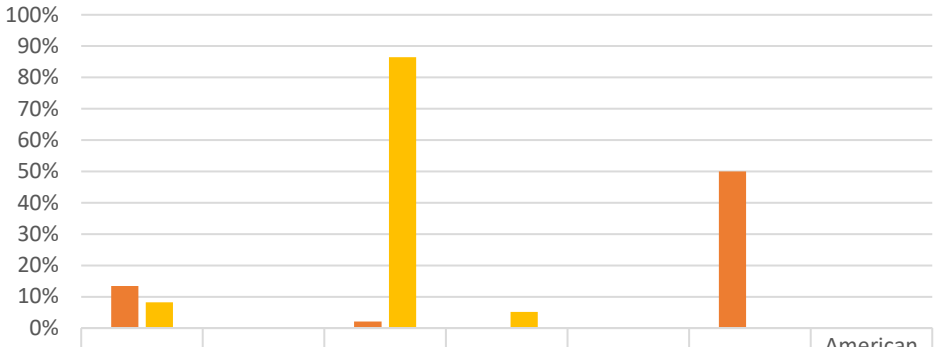
Households	Number	Percentage of Total Households
Total occupied units (households)	1,925	100%
Total Lower-income (0-80% of HAMFI) households	545	28%
Extremely Low-income (0-30% of HAMFI) households	140	7%
Extremely Low-income renters	40	2%
Extremely Low-income owners	100	5%
Lower-income households paying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



	Hispanic or Latinx	Other Race or Multiple Races (Hispanic and Non-Hispanic)	White, Non-Hispanic	Asian alone	Native Hawaiian and Other Pacific Islander	Black or African American (Hispanic and Non-Hispanic)	American Indian or Alaska Native (Hispanic and Non-Hispanic)
Below Poverty Line	13.4%	0.0%	2.1%	0.0%	0.0%	50.0%	0.0%
Race/Ethnicity*	8.2%	0.0%	86.5%	5.2%	0.0%	0.1%	0.0%

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:

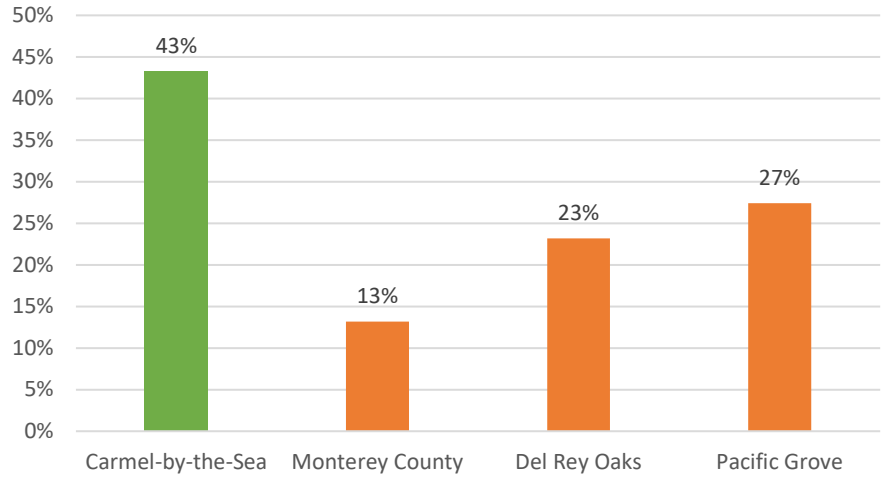
- Fair Housing Education;
- Housing Choice Voucher Program;
- 211 Monterey/United Way;
- Community Housing Improvement Systems and Planning Association, Inc. (CHISPA) Housing;
- Monterey-Salinas Transit; and
- Independent Transportation Network of Monterey (ITN Monterey).

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.

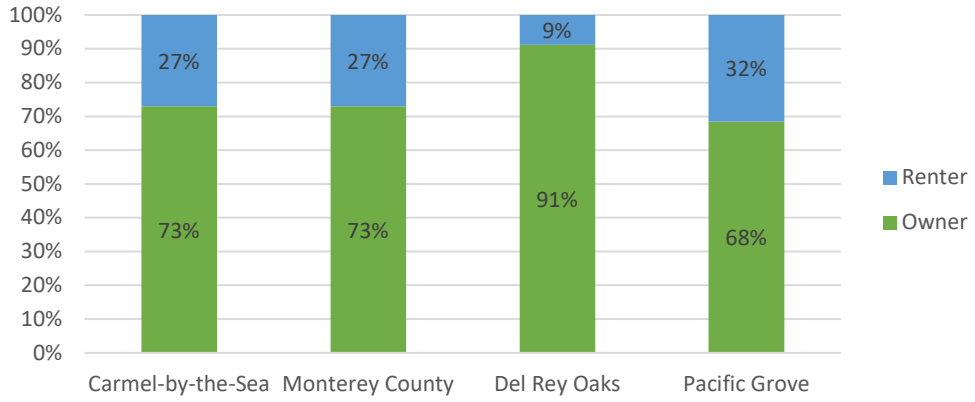
Figure A-30 Senior Population by Jurisdiction, 2019



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.

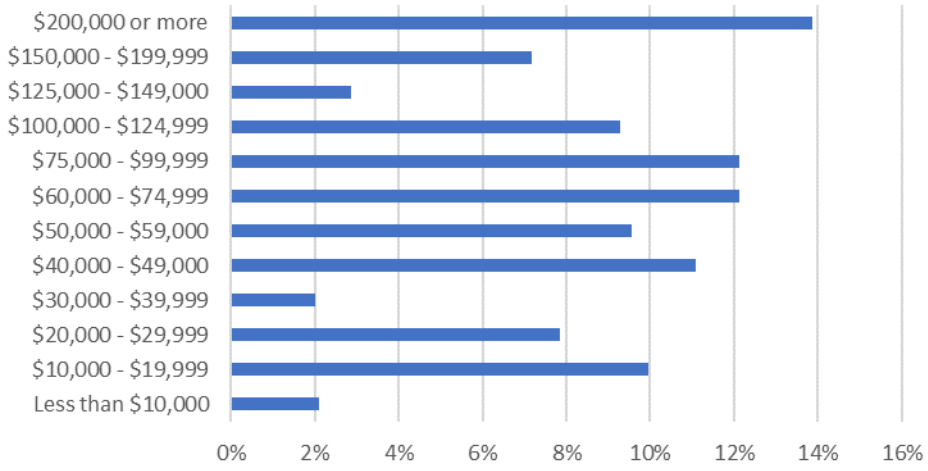
Figure A-31 Senior Housing by Tenure, Carmel-by-the-Sea, 2019



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:

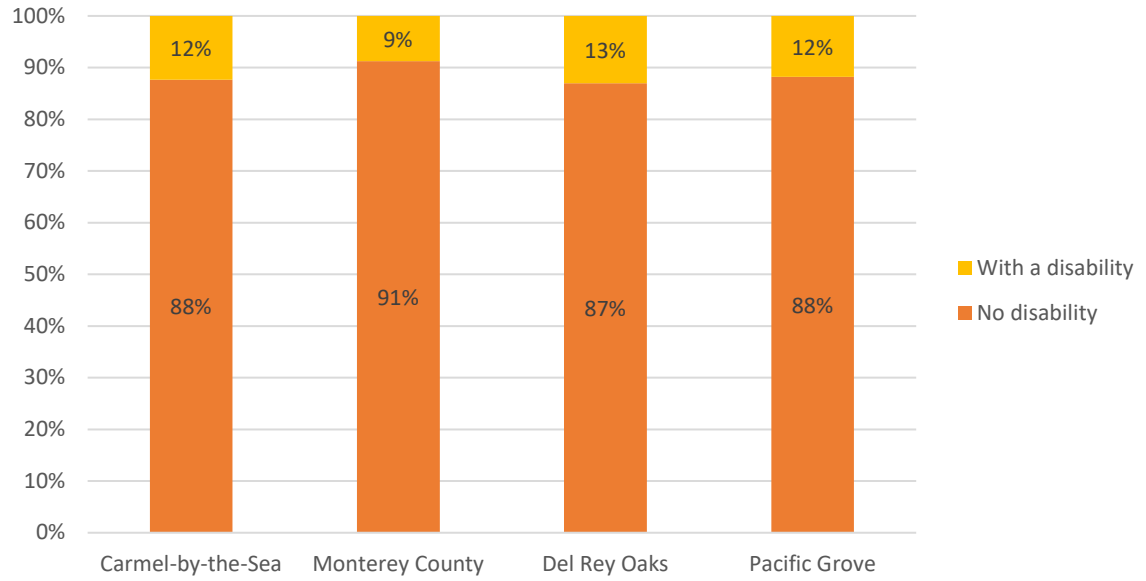
- The Salvation Army Good Samaritan Center;
- Meals on Wheels of the Monterey Peninsula;
- Seniors Helping Seniors;
- Seaside Recreation Services – Senior Center Programs;
- Habitat for Humanity Monterey;
- Monterey County Aging and Disability Resource Connection (ADRC); and
- Monterey-Salinas Transit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

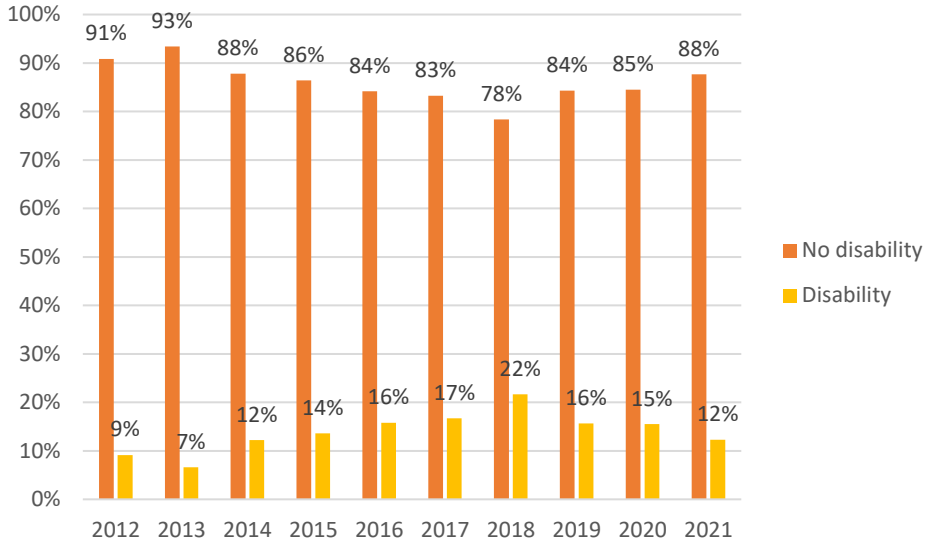
Figure A-33 Population by Disability Status by Jurisdiction, 2021



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:

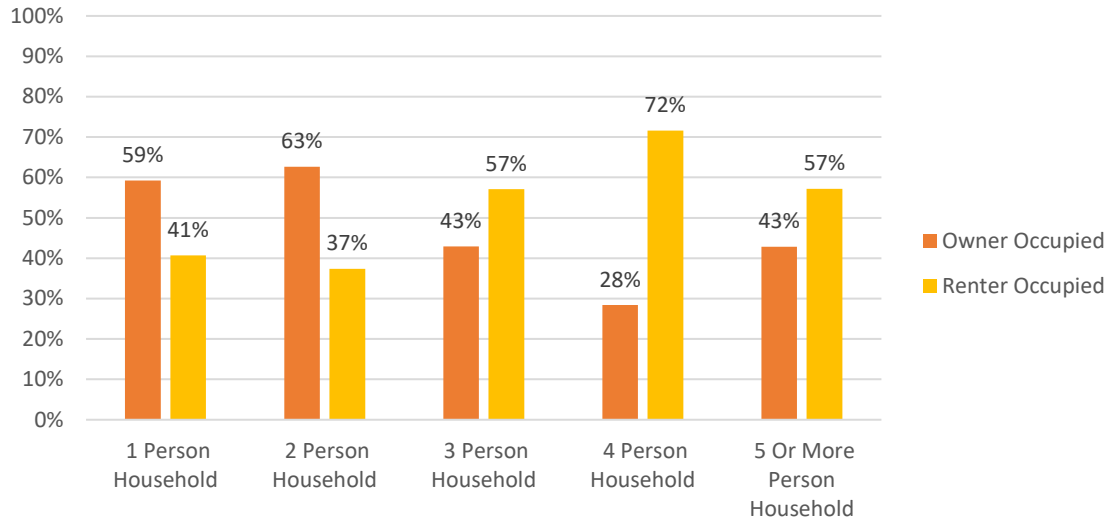
- Monterey County Aging and Adult Services;
- Monterey County Aging and Disability Resource Connection (ADRC);
- Paradigm Adult Services;
- Special Kids Connect;
- Monterey-Salinas Transit Courtesy Card Rides;
- Independent Transportation Network of Monterey (ITN Monterey); and
- MST Rides ADA Paratransit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

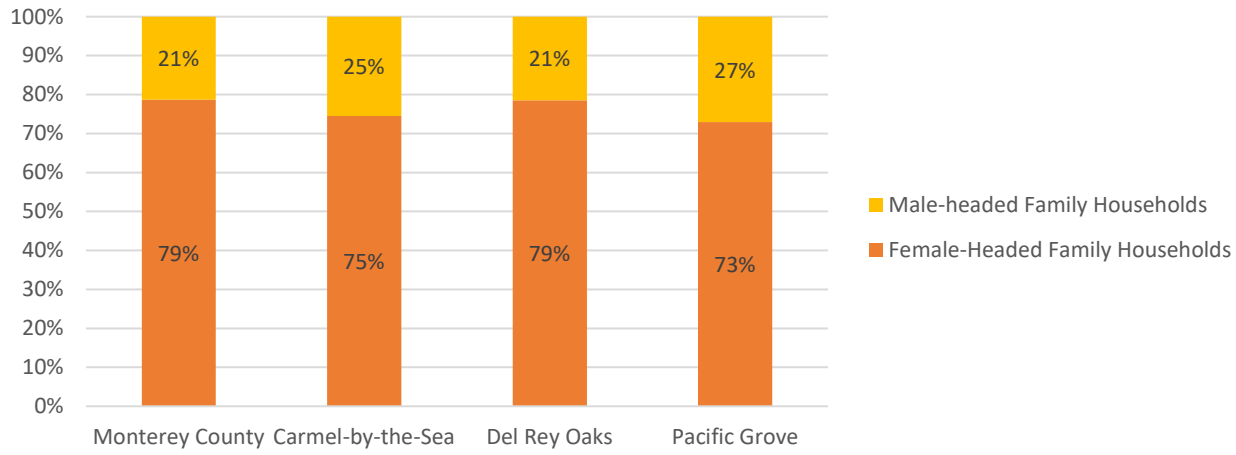
- Monterey County Down-payment Assistance Program;
- Monterey-Salinas Transit; and
- Monterey Dial-A-Ride Program.

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



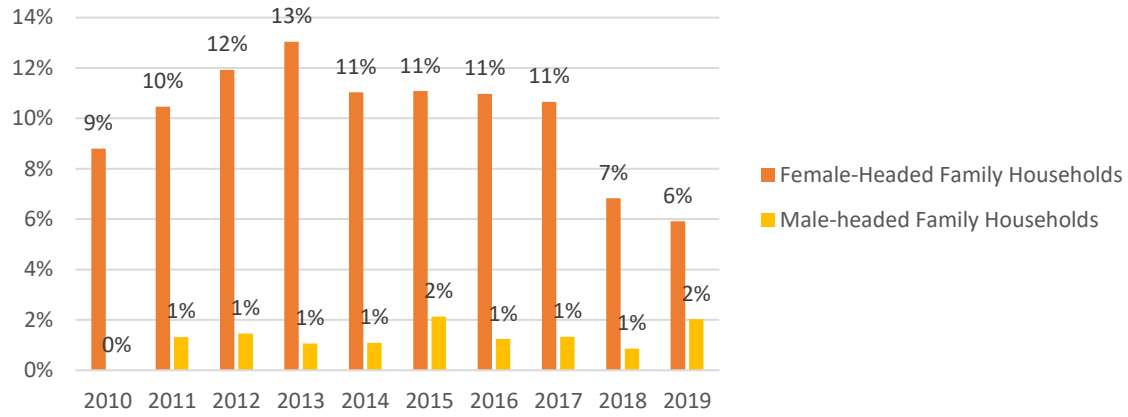
SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019

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.

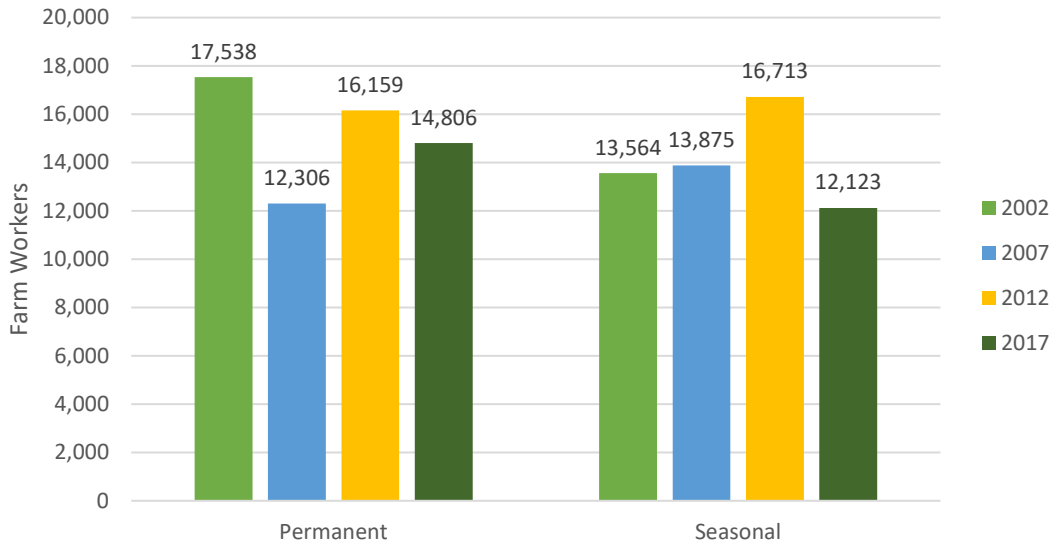
Farmworkers

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/fmmp/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 HOMELS-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)."

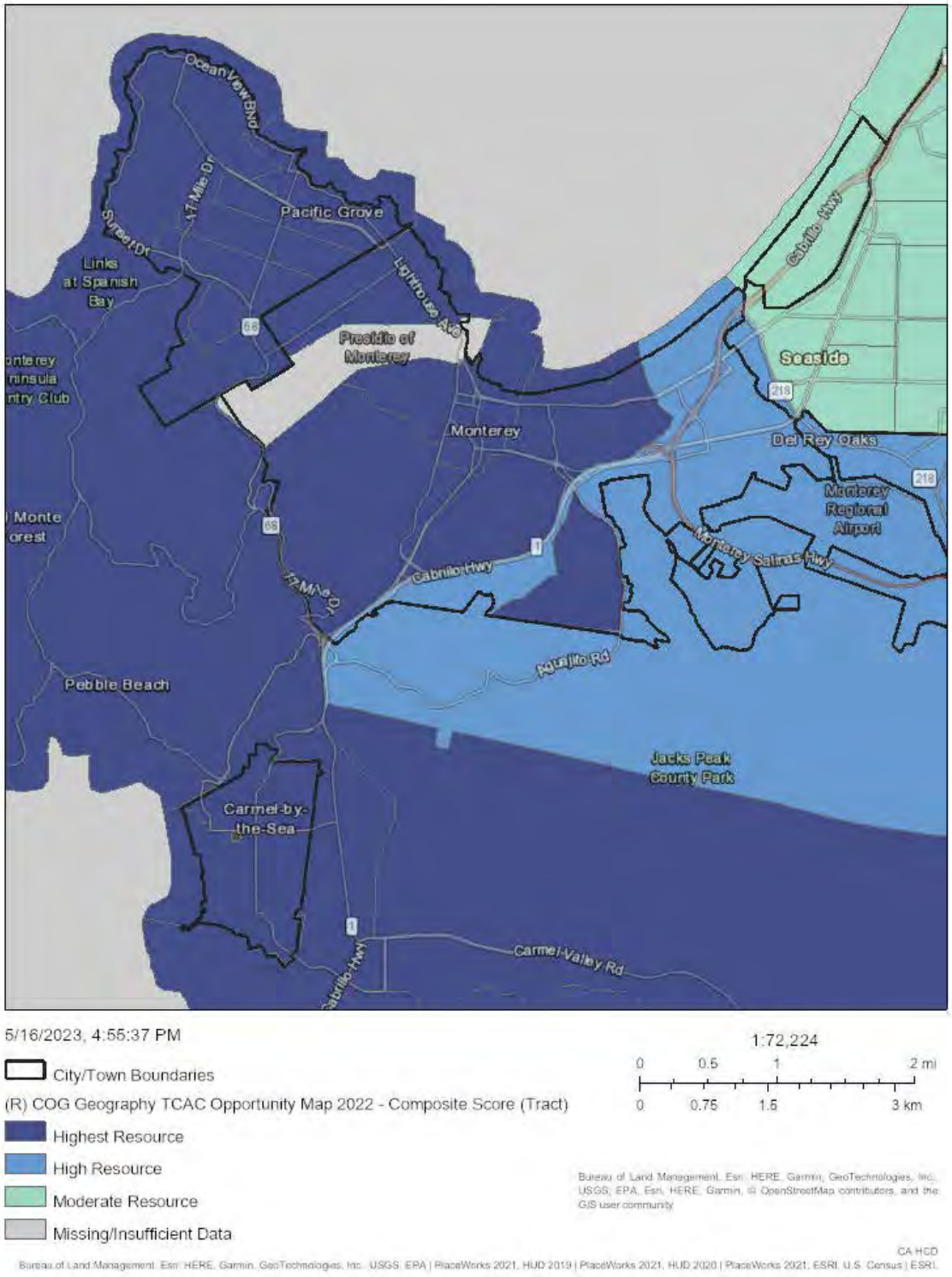
SOURCE: California Department of Housing and Community Development Guidance, 2021, page 34.

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



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 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.

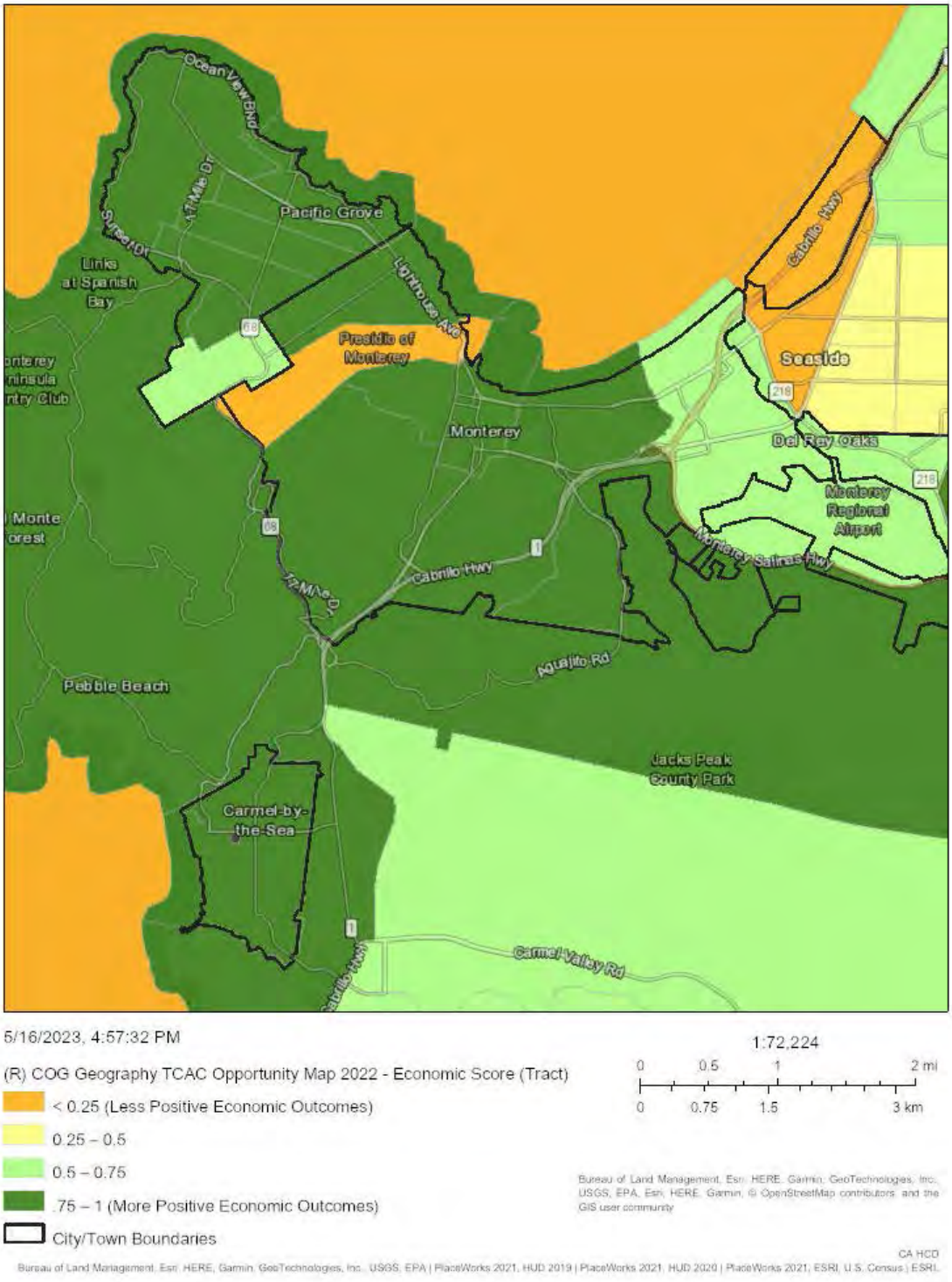
As shown in Figure A-41, access to employment opportunities does not differ across Carmel-by-the-Sea. The entirety of the city has a jobs proximity index score of at least 80, indicating adequate access to employment opportunities for residents across the city.

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 on 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.

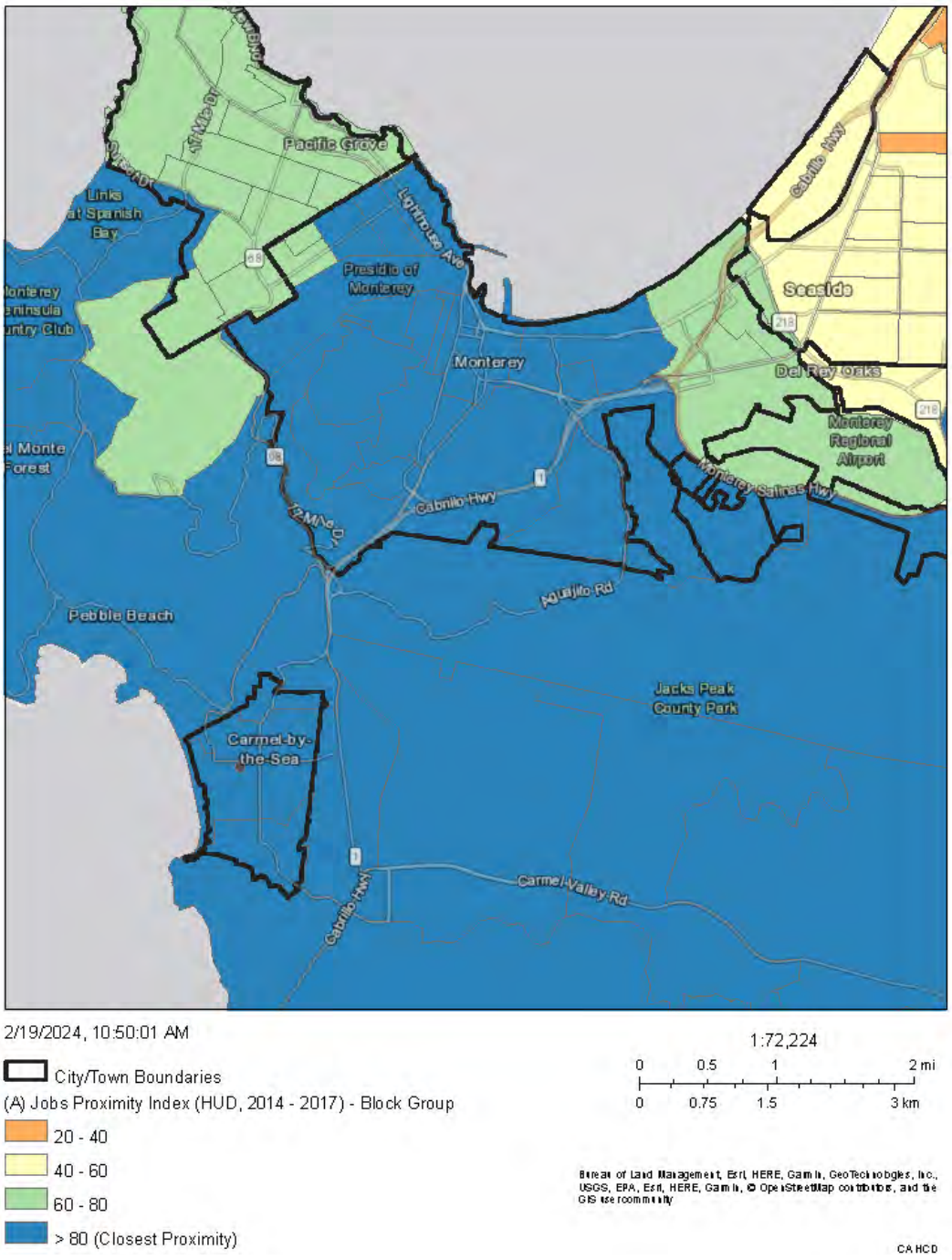
[29] HUD. AFFH-T Data Documentation Data Version AFFHT0006 (2020).

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



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

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



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

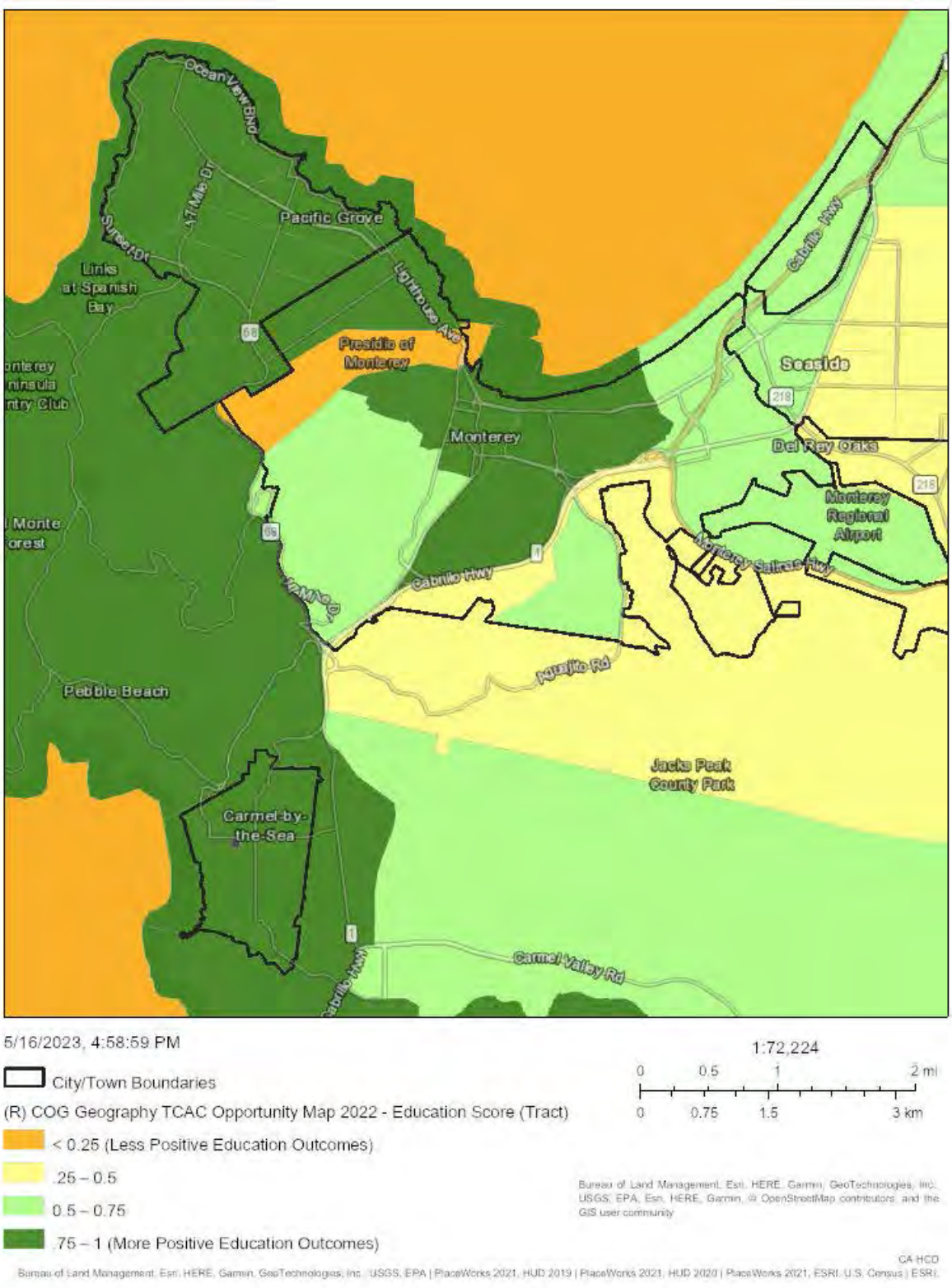
TCAC's opportunity areas environmental scores are based on the CalEnviroScreen 4.0 indicators, which identify areas disproportionately vulnerable to pollution sources such as ozone, PM2.5, diesel PM, pesticides, toxic release, traffic, cleanup sites, groundwater threats, hazardous waste, impaired water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

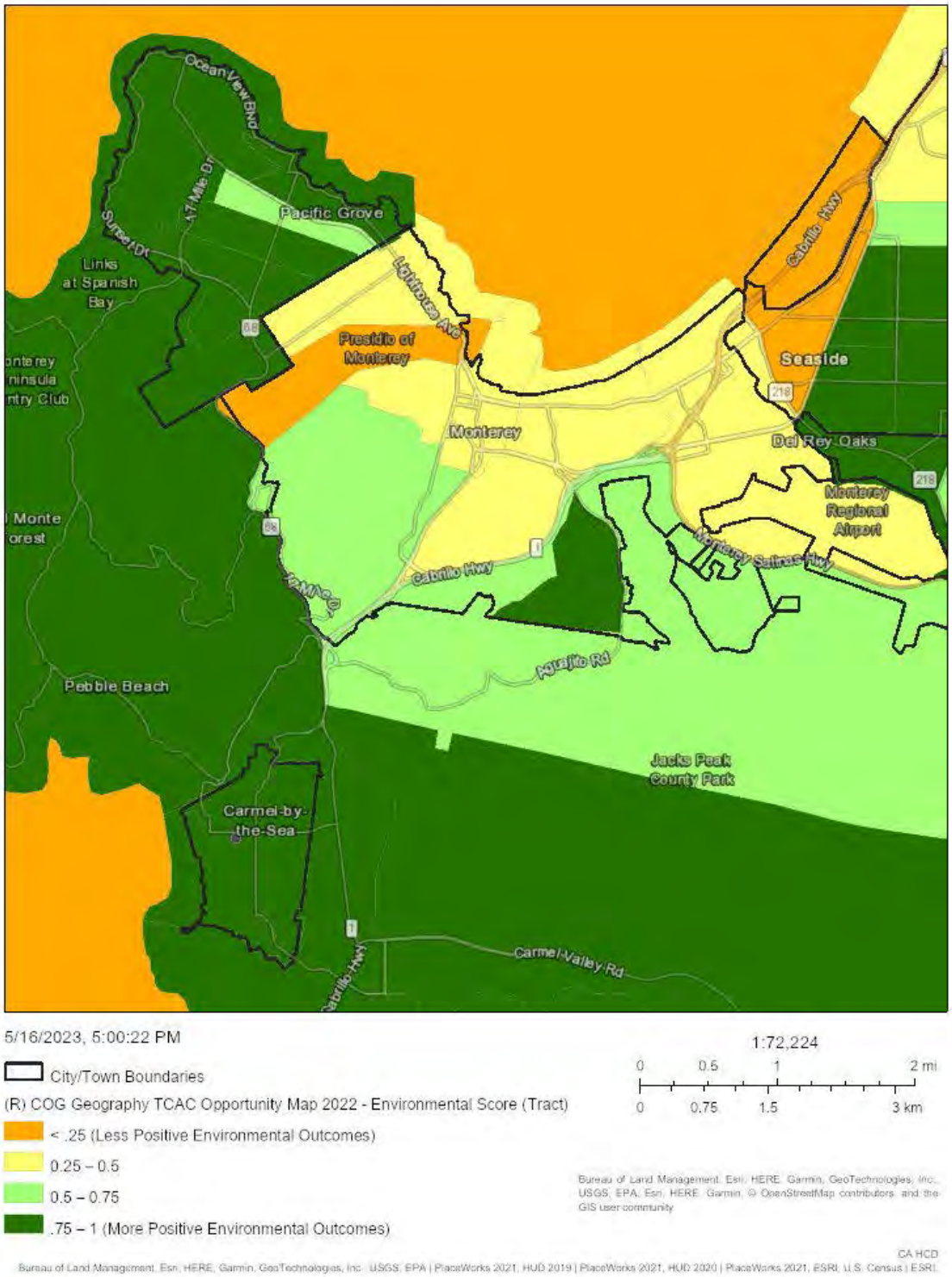
Figure A-44 shows SVI levels across Carmel-by-the-Sea. Carmel-by-the-Sea scores low on the SVI (less than 0.25) indicating that the City is slightly vulnerable to disasters, but highly equipped to respond to them. Just outside of the City's borders however, vulnerability levels increase to 0.25-0.5.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

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



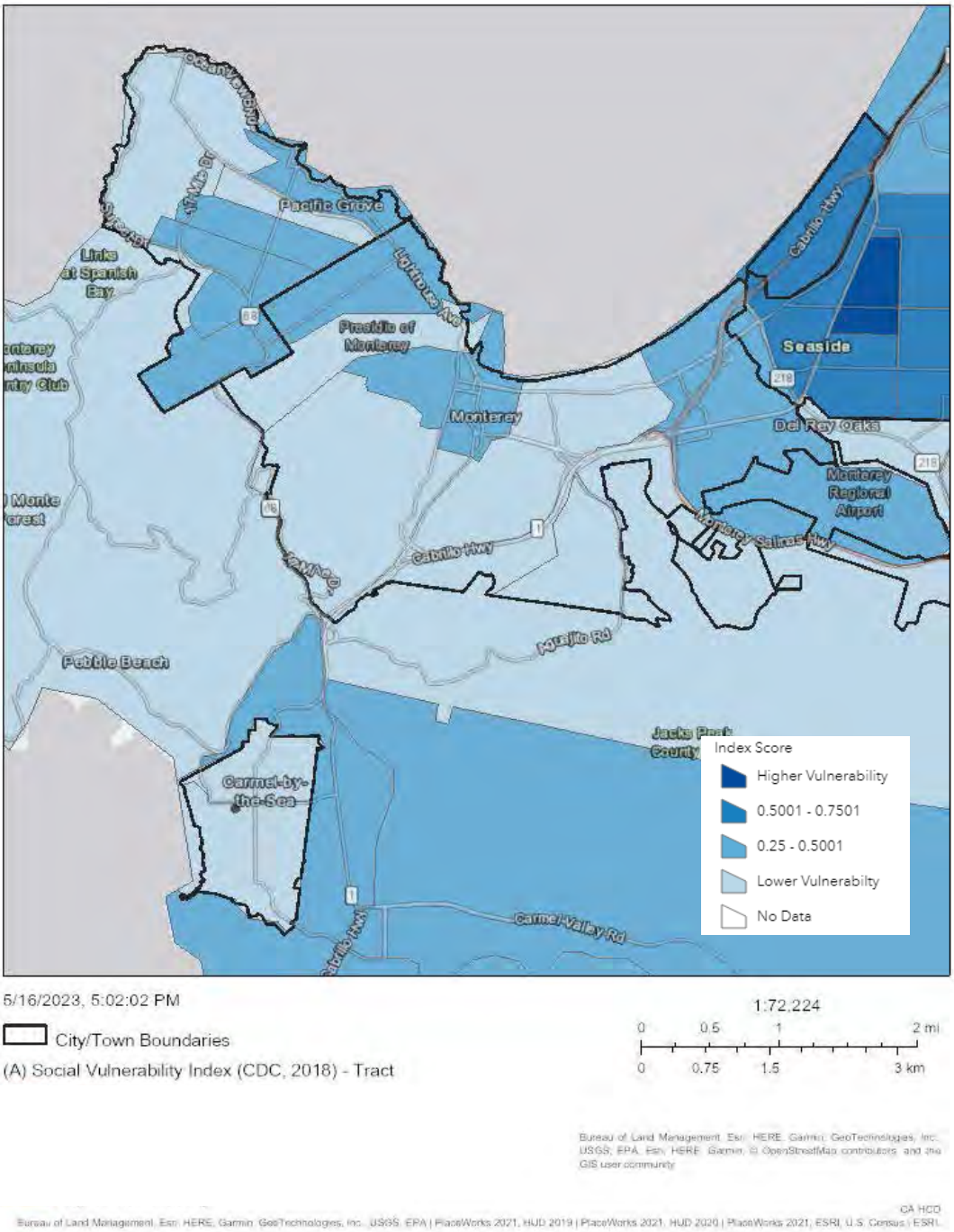
SOURCE: California Department of Housing and Community Development AFFH Data Viewer

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



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

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



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 (ITN 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 uses 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).

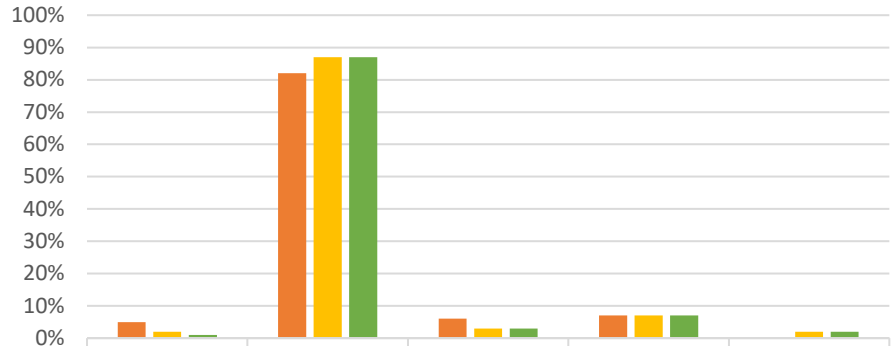
Table A-19 Housing Units by Type by Jurisdiction, 2019

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

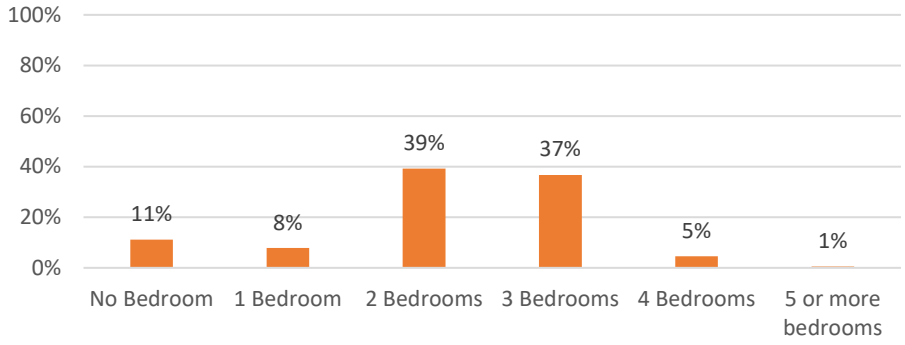


	Single-Family Home: Attached	Single-Family Home: Detached	Multifamily Housing: Two to Four Units	Multifamily Housing: Five-plus Units	Mobile Homes
2010	5%	82%	6%	7%	0%
2015	2%	87%	3%	7%	2%
2019	1%	87%	3%	7%	2%

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

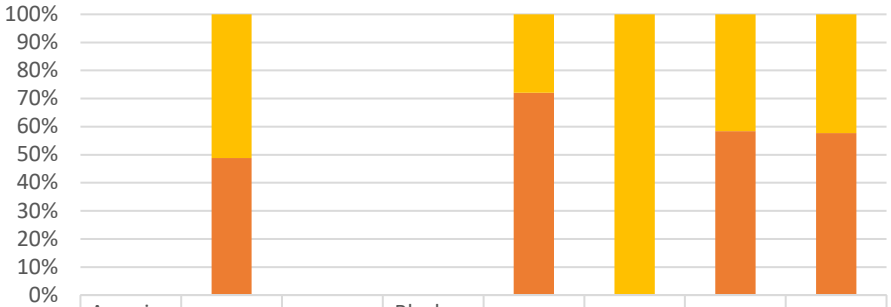
SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019

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.

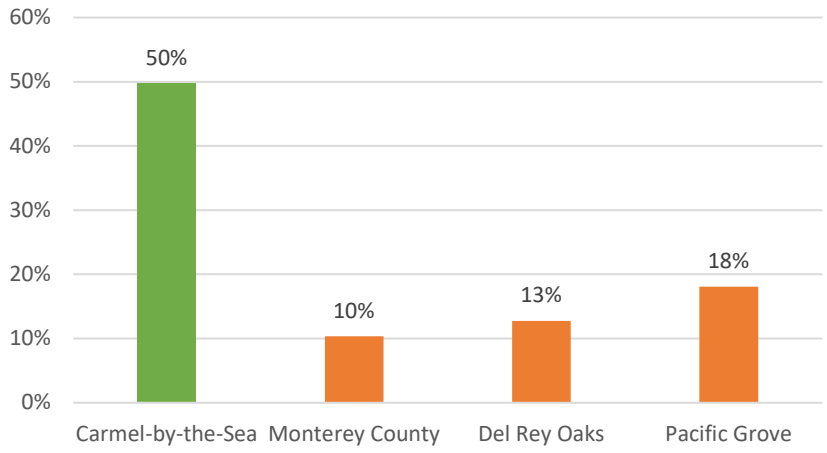
Figure A-47 Household Tenure by Race, Carmel-by-the-Sea, 2019



	American Indian or Alaska Native (Hispanic and Non-Hispanic)	Asian alone	Native Hawaian and Other Pacific Islander	Black or African American (Hispanic and Non-Hispanic)	Hispanic or Latinx	Some Other Race/Multiple Races	White (Hispanic and Non-Hispanic)	White, Non-Hispanic
Renter Occupied	0%	51%	0%	0%	28%	100%	42%	42%
Owner Occupied	0%	49%	0%	0%	72%	0%	58%	58%

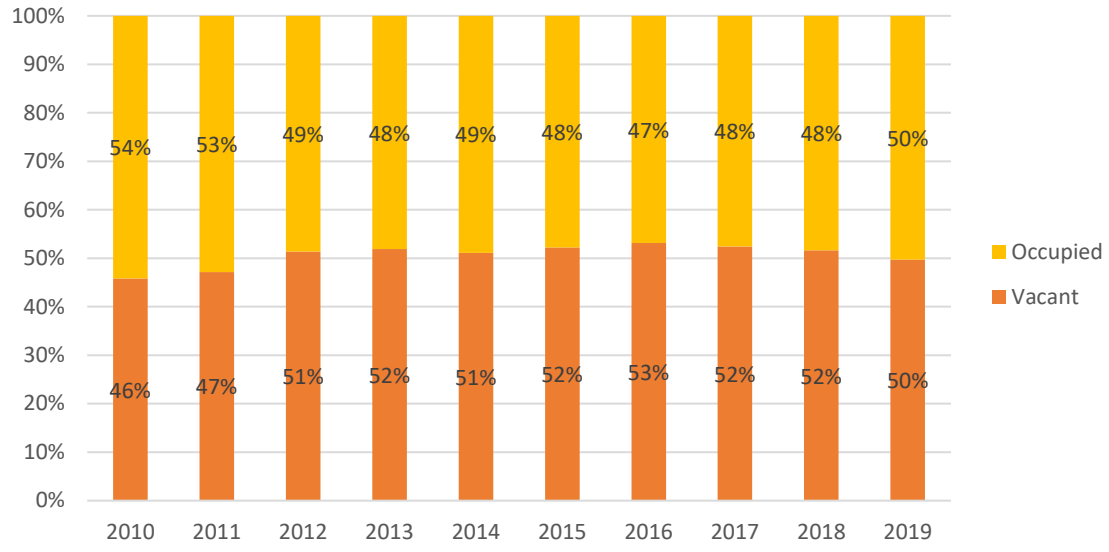
SOURCE: U.S. Census Bureau, ACS 5-Year Estimate, 2019

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 Iye	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.

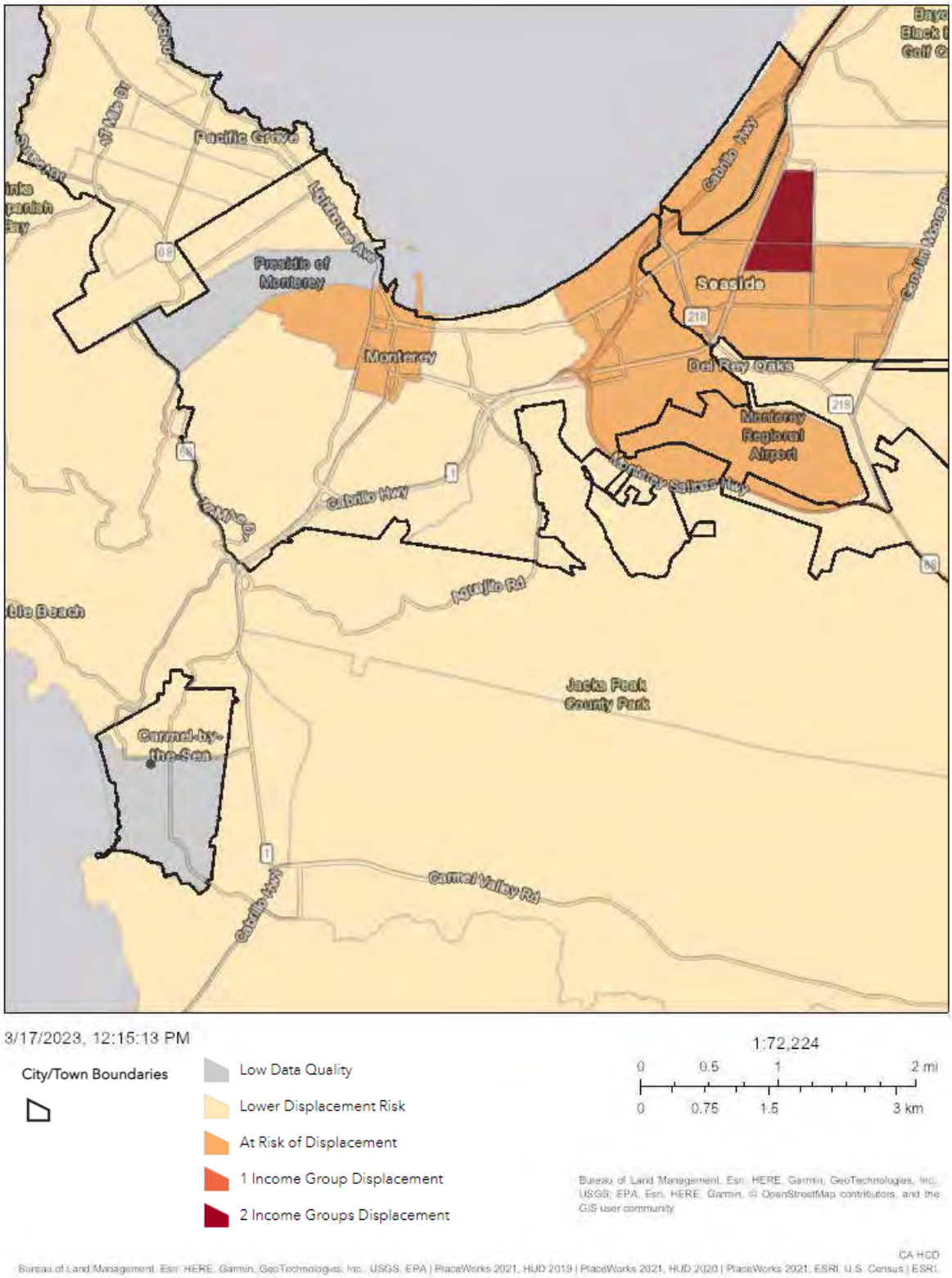
According to the California Department of Housing and Community Development (HCD) AFFH Data Viewer and the Urban Displacement Project 2022 estimates, Carmel-by-the-Sea renter-occupied households earning between 0-80 percent AMI are at low risk of potential displacement or gentrification in the northern 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.

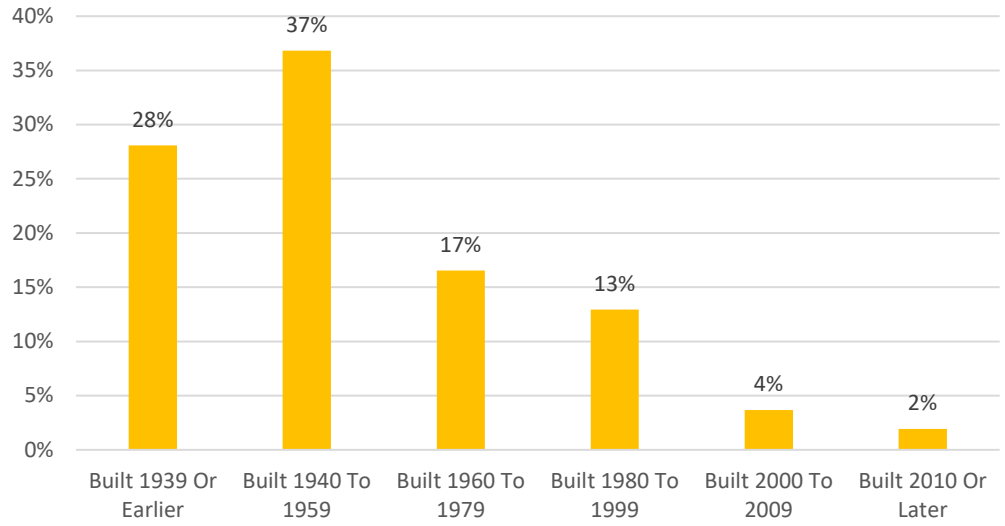
Figure A-51 illustrates housing stock by age in Carmel-by-the-Sea. In Carmel-by-the-Sea, 95 percent of the housing stock was built prior to 1999 and is over 20 years old. Thirty-seven (37) percent of the housing stock was built between 1940-1959 and 2 percent was built in 2010 or later.

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



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 2023[36] and November

[35] Correspondence with Code Compliance Officer December 15, 2023
[36] https://carmel.novusagenda.com/agendapublic/CoverSheet.aspx?ItemID=5833&MeetingID=1505

2023[37], 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:

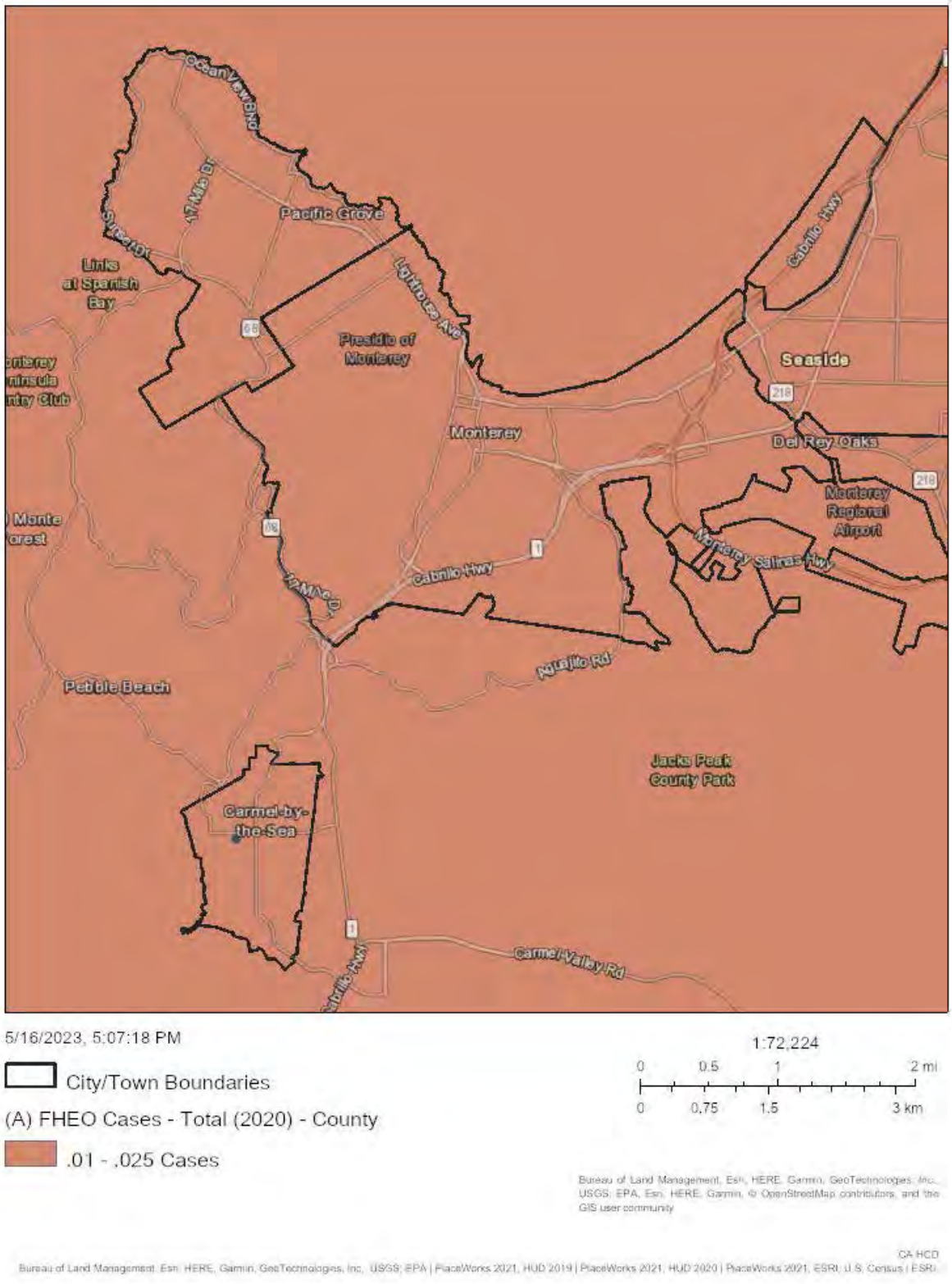
- First, fair lending cases referred to the Department of Justice from federal banking regulators has been declining, indicating that state and local government entities may want to play a larger role in examining fair lending barriers to homeownership;
- Second, NFHA identified a significant increase 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

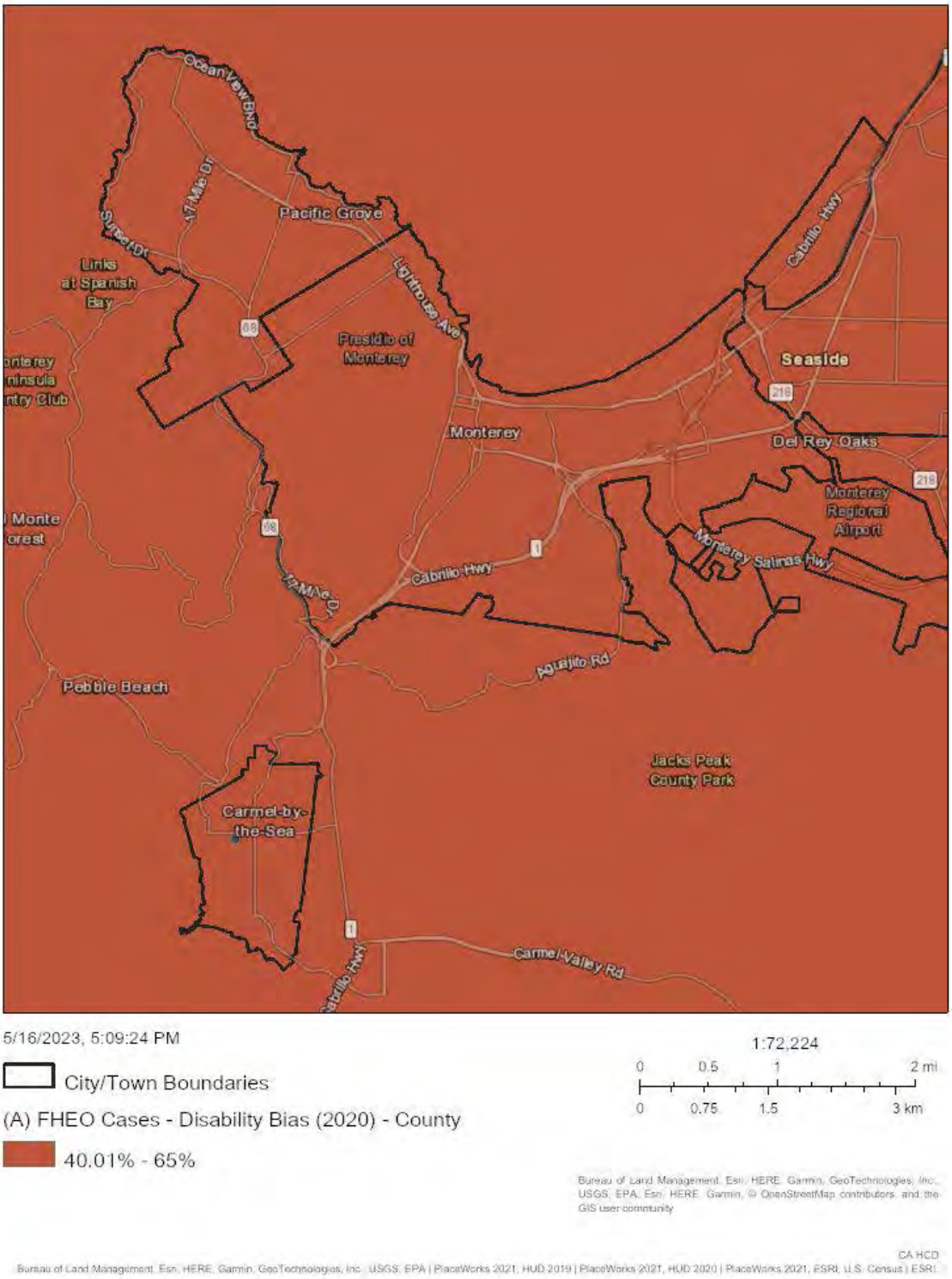
[43] From Gentry, A. (2021, September 4). Annual fair housing report shows increase in housing harassment. NFHA.

Figure A-52 FHEO Cases Total, Monterey County, 2020



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

Figure A-53 FHEO Cases, Disability Bias, Monterey County, 2020



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 complains 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
Household Characteristics 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.	▪ Lack of racial and ethnic diversity within the City; and ▪ Lack of adequate affordable housing options.	Program 1.1.B: Underutilized Sites Program 3.1.C: Density Bonus Program 3.1.D: Reduced Entitlement and Development Fees Program 1.3.D: Employee Housing Program Program 2.1.A: Incentives for Mixed-Use Development	High
Disproportionate Housing Needs 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.	▪ Lack of affordable housing; ▪ Lack of adequate housing stock that meets the needs of residents; and ▪ Jobs-worker imbalance.	Program 1.1.B: Underutilized Sites Program 1.3.D: Employee Housing Program Program 2.4.A: Housing Rehabilitation and Maintenance Information Program 3.1.B: Housing for Extremely-Low Income Households Program 3.1.C: Density Bonus Program 3.1.G: Affordable Housing Overlay District	High
Special Needs Groups In Carmel-by-the-Sea, extremely low-income and special needs groups	▪ Lack of affordable housing; ▪ Jobs-worker imbalance;	Program 1.3.E: Amend the A-2 Zoning District Program 3.1.B: Housing for Extremely-Low Income Households	High

Fair Housing Issue	Contributing Factor(s)	AFFH Programmatic Action	Priority
experience disproportionate impacts of poverty, increasing the challenge of obtaining adequate housing in the City.	▪ Lack of accessible units for individuals with disabilities; and ▪ Lack of Transitional and Supportive Housing/Emergency Shelters.	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	
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.	▪ 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.	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	High
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.	▪ 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.	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	High

Fair Housing Issue	Contributing Factor(s)	AFFH Programmatic Action	Priority
Fair Housing Enforcement 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.	▪ Lack of access to information about fair housing rights; and ▪ Limited knowledge of fair housing by residents.	Program 2.1.C: Monitor Affordable Housing Stock Program 5.1.A: Fair Housing Services Program 5.1.B: Housing Choice Voucher Program Program 5.1.C: Shared Housing Information Program 5.2.A: Support Community Organizations	Medium

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

APPENDIX B

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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 95-10[1], 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 2008[2] 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 water[3] for general distribution which represents a water deficit of approximately 37.339AF. There is also Malpaso Water Company water entitled to certain limited properties whose owners were previously able to purchase water directly from the Water Company[4]. 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.

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[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 units[5].

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.

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

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.

[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	-	-
Accessory Dwelling Units								
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	-	-	-	-	-	-	-
Multifamily Dwellings								
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
Family Day Care								
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)		Rear			
Residential Districts								
R-1	2,500[1] 4,000	15	Interior 3	Street Side 5	15	24 feet 2 stories	Less than 45 percent of the area of the building site[2] 2,400[3]	22% of the base floor area
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/A1	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 flood 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, melas, 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

I want to keep the village feel of the town.

November 17, 2022 Housing Ad Hoc Committee Community Meeting Attendee

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.

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 a 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 Categorically 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. Categorically 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 it 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
Lack of Water Resources The primary infrastructure constraint to the development of housing in Carmel is the lack of potable water.	Program 1.2.A: Water Distribution Program 4.1.A: Water Conservation
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.	Program 3.1.G: Establish Minimum Densities
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.	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
City Fees The City's design review and permitting process may be financially prohibitive for lower income households and likely most affordable housing projects.	Program 3.1.D: Reduced Entitlement and Development Fees Program 3.1.E: Reduced Parking Requirements
Parking Requirements Parking is limited within Carmel-by-the-Sea. Off-street parking requirements can be prohibitive to building multi-family and affordable housing.	Program 3.1.E: Reduced Parking Requirements
Commercial Overnight Visitor Accommodation	Program 1.3.B: Overnight Visitor Accommodation (Conversion) Development Transfer Rights Program 1.2.D: Overnight Visitor Accommodation – Employee Housing Program

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.

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

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.

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
Land Availability and Cost 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. Some of the primary factors that have contributed to high land costs in Carmel-by-the-Sea are its, and limited availably of land.	Program 3.1.A: Mixed Use Affordable Housing Program 3.1.B: Overnight Visitor Accommodation (Conversion) Transfer of Development Rights. Program 1.1.C: Development on Small Sites Program 3.1.C: Density Bonus
Construction Costs Costs of labor and materials are very high in Carmel-by-the-Sea and could be considered constraints on housing development.	Program 3.1.C: Density Bonus
Availability of Financing	Program 2.1.D: Establish Affordable Housing Trust Fund Program 5.1.C: Shared Housing Information Program 5.1.B: Housing Choice Voucher Program Program 5.2.A: Support Community Organizations
Small Lots and Large Units	Program 3.1.G: Establish Minimum Densities
Seasonal Vacancies	Program 2.1.D: Establish Affordable Housing Trust Fund

Vacant and Available Sites

C

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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 2045[1]. 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

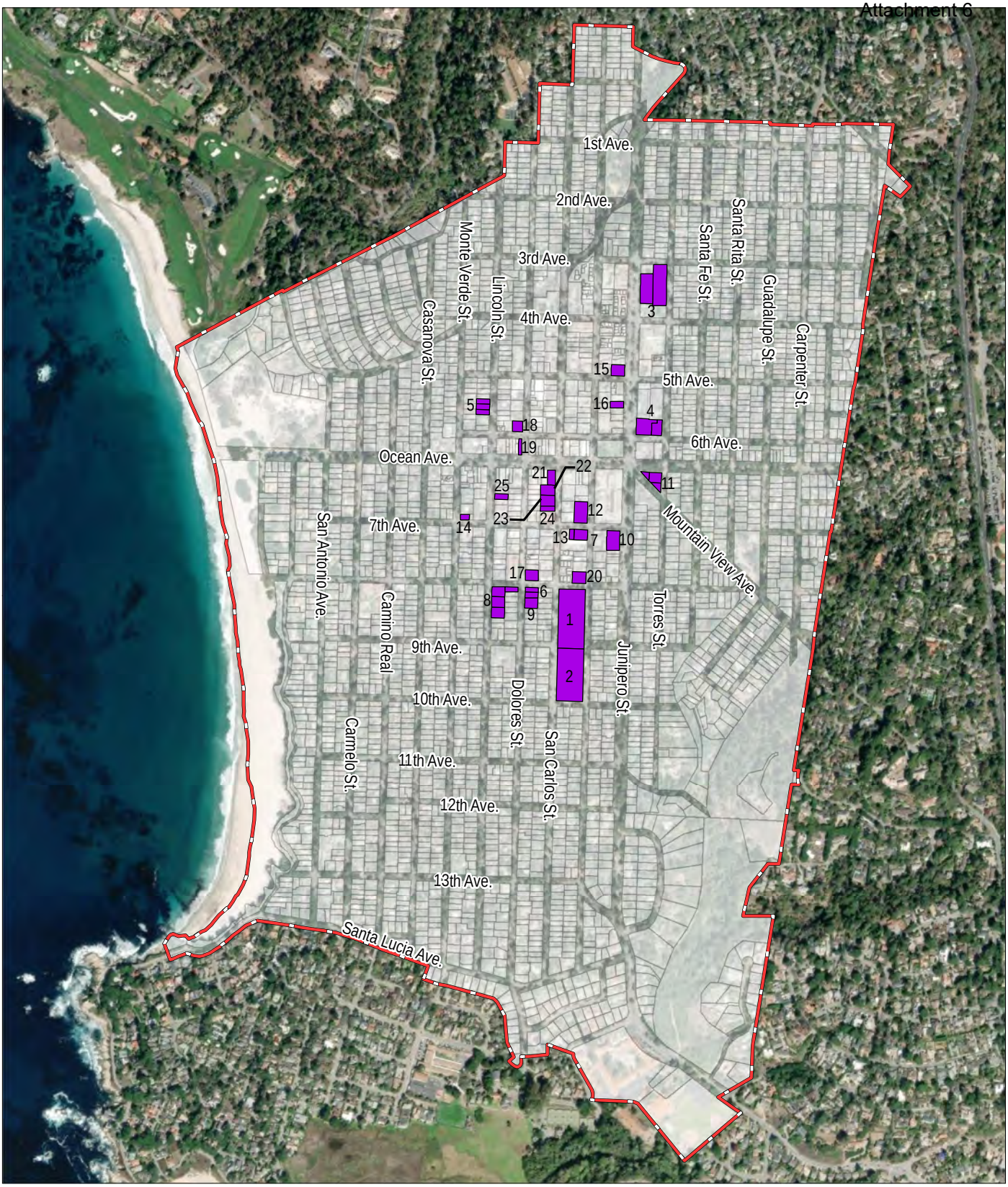
The purpose of the sites inventory is to identify and analyze specific sites that are available and suitable for residential development in order to accommodate Carmel-by-the-Sea's assigned 349 housing units. The City isn't responsible for building the housing but creates the programs and policies to 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.



0 1050 feet

Site Inventory Parcels

City Limit

Source: Monterey County GIS 2023, Google Earth 2023

Figure C-1

Sites Inventory

Carmel Housing & Safety Element Update

E M C

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 8th & 10th 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 8th & 10th 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 & 4th, and E/S Junipero between 3rd & 4th	010104001000 010104004000	R-4	MFR	1.28	44	56	28	11	17	--
4	Bruno's Market Site (#6) NE Corner of Junipero & 6th, and NW Corner of Torres & 6th	010095013000 010095012000	RC	RC	0.53	33	17	--	--	5	12
5	First Church of Christ Parking Lot (#8), Lincoln 2-4 NW of 6th	010212027000 010212004000 010212026000	SB 10	SB 10	0.28	33	9	--	--	--	9
6	Red Cross Site (#10), SE Corner of Dolores & 8th	010144015000 010144016000	SB 10	SB 10	0.18	33	5	--	--	--	5
7	Girl Boy Girl, SW Corner of Mission & 7th (#14)	010142001000	SC	CC	0.18	33	5	--	--	--	5
8	Carmel Foundation Site (#15), NE Corner of Lincoln & 8th	010149012000 010149010000 010149011000 010149001000	A-3	SFR	0.62	33	21	11	10	--	--
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 010085005000 010085003000	R-1	SFR	0.30	20	6	--	2	--	4
Subtotal Primary Underutilized Sites					6.78		228	89	58	30	51
Sites Recycled from 5th 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 8th & Delores	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

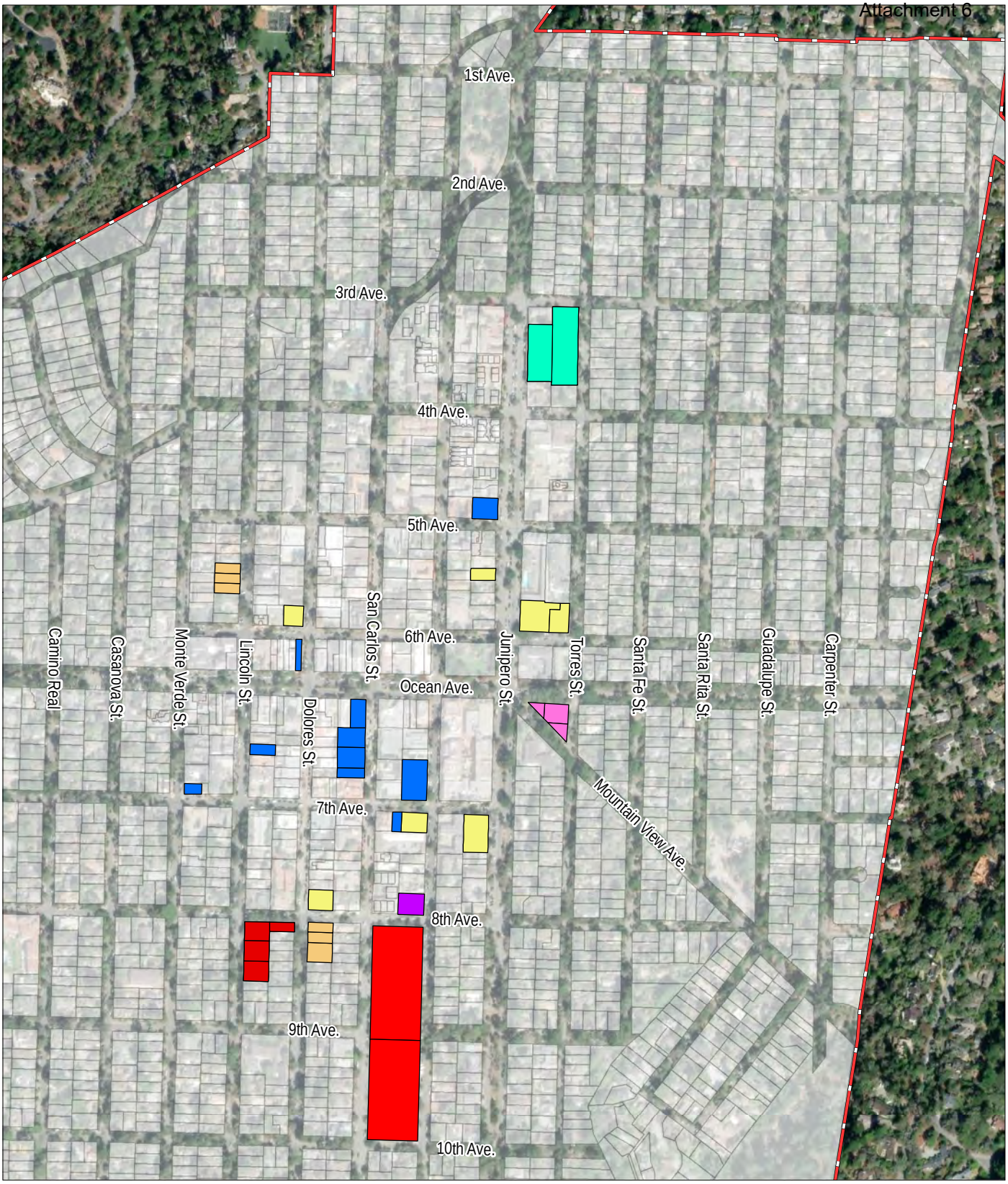
Dry Utilities and Water Capacity

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

Figure C-2

Anticipated Housing Development Types

Carmel Housing & Safety Element Update

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	Finaled: 10/31/2023
010-251-036	McLeod	Finaled: 11/22/2023
010-102-009	Lyons	Finaled: 12/6/2023
010-193-024	Altomare	Finaled: 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
5th 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.

"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

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

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

<table>
<tr><th colspan="2">Site Description</th><th>Site Image & Capacity Calculation</th></tr>
<tr><td>Address</td><td>East Side of San Carlos between 8th and 10th Ave</td><td rowspan="8"> </td></tr>
<tr><td>APN</td><td>010-143-001-000</td></tr>
<tr><td>By-Right with 20% Affordable</td><td>No, not used in previous cycle.</td></tr>
<tr><td>Size of Site</td><td>1.02 acres</td></tr>
<tr><td>Zoning</td><td>A-2</td></tr>
<tr><td>Allowable Density</td><td>Minimum 33 du/ac</td></tr>
<tr><td>Applied RHNA Affordability</td><td>Very low-income: 20 units
Low-income: 10 units
Moderate-income: 3 units</td></tr>
<tr><td>Existing Use</td><td>Non-Vacant; parking lot</td></tr>
<tr><td>Infrastructure Availability</td><td>Yes, no constraints.</td><td rowspan="2">Realistic Capacity utilizing factors =

(1.02 X 33) (.95)(.95) = 28 units
84% of minimum density</td></tr>
<tr><td>Environmental Constraints</td><td>None known</td></tr>
<tr><td>Other Constraints</td><td colspan="2">Shape: None
Access: None
Title Conditions: None
Historic Preservation: None
Easement: None</td></tr>
</table>

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 8th and 10th 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	
Infrastructure Availability	Yes, no constraints.	Realistic Capacity utilizing factors = (1.84 X 33) (.95) (.95) (.95) = 52 units 86% 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-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 3rd and 4th Ave. E side of Junipero between 3rd and 4th 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 X 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 6th 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 X 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 6th Ave Lincoln 3 NW of 6th Ave Lincoln 4 NW of 6th 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 X 33) (.90) (.95) (.95) = 7 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 8th 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	
Infrastructure Availability	Yes, no constraints.	Realistic Capacity utilizing factors = (0.18 X 33) (.90) (.95) (.95) = 4 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-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 7th 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	
Infrastructure Availability	Yes, no constraints.	Realistic Capacity utilizing factors = (0.18 X 33) (.90) (.95) (.95) = 4 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-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, Trevvett 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 8th 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 X 33) (.90) (.95) (.95) = 17 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 8th 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 X 33) (.90) (.95) (.95) = 4 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 7th 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 X 33) (.90) (.95) (.95) = 9 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.	Realistic Capacity = (0.30 X 20) = 6 units Specific Plan Approved 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

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

<table>
<tr><th colspan="2">Site Description</th><th>Site Image & Capacity Calculation</th></tr>
<tr><td>Address</td><td>Northwest corner of Mission Street and 7th Ave</td><td rowspan="8"> </td></tr>
<tr><td>APN</td><td>010-141-003-000</td></tr>
<tr><td>By-Right with 20% Affordable</td><td>No, used in 4th and 5th cycles, but nonvacant and market rate.</td></tr>
<tr><td>Size of Site</td><td>0.37 acre</td></tr>
<tr><td>Zoning</td><td>CC</td></tr>
<tr><td>Allowable Density</td><td>0-22 du/ac**</td></tr>
<tr><td>Applied RHNA Affordability</td><td>Above Moderate-Income: 12 units</td></tr>
<tr><td>Existing Use</td><td>Non-vacant</td></tr>
<tr><td>Infrastructure Availability</td><td>Yes, no constraints.</td><td rowspan="2">Realistic Capacity utilizing factors =

(0.37 X 38) (.90) (.95) (.95) = 9 units
75% of minimum density</td></tr>
<tr><td>Environmental Constraints</td><td>None known</td></tr>
<tr><td>Other Constraints</td><td colspan="2">Shape: None
Access: None
Title Conditions: None
Historic Preservation: None
Easement: None</td></tr>
</table>

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

<table>
<tr><th colspan="2">Site Description</th><th>Site Image & Capacity Calculation</th></tr>
<tr><td>Address</td><td>7th Ave 2 Southwest of Mission Street</td><td rowspan="8"> </td></tr>
<tr><td>APN</td><td>010-142-013-000</td></tr>
<tr><td>By-Right with 20% Affordable</td><td>No, used in 4th and 5th cycles, but nonvacant.</td></tr>
<tr><td>Size of Site</td><td>0.07 acre</td></tr>
<tr><td>Zoning</td><td>SC</td></tr>
<tr><td>Allowable Density</td><td>0-22 du/ac**</td></tr>
<tr><td>Applied RHNA Affordability</td><td>Above Moderate-Income: 2 units</td></tr>
<tr><td>Existing Use</td><td>Non-vacant</td></tr>
<tr><td>Infrastructure Availability</td><td>Yes, no constraints.</td><td rowspan="2">Realistic Capacity utilizing factors =

(0.07 X 33) (.90) (.95) (.95) = 1 unit
50% of minimum density</td></tr>
<tr><td>Environmental Constraints</td><td>None known</td></tr>
<tr><td>Other Constraints</td><td colspan="2">Shape: None
Access: None
Title Conditions: None
Historic Preservation: None
Easement: None</td></tr>
</table>

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 7th Ave	
APN	010-191-004-000	
By-Right with 20% Affordable	No, used in 4th and 5th 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 X 33) (.90) (.95) (.95) = 1 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

<table>
<tr><th colspan="2">Site Description</th><th>Site Image & Capacity Calculation</th></tr>
<tr><td>Address</td><td>Northwest corner of Junipero and 5th Ave</td><td rowspan="8"> </td></tr>
<tr><td>APN</td><td>010-097-007-000</td></tr>
<tr><td>By-Right with 20% Affordable</td><td>No, used in 4th and 5th cycles, but nonvacant.</td></tr>
<tr><td>Size of Site</td><td>0.18 acre</td></tr>
<tr><td>Zoning</td><td>SC</td></tr>
<tr><td>Allowable Density</td><td>0-22 du/ac**</td></tr>
<tr><td>Applied RHNA Affordability</td><td>Above Moderate-Income: 5 units</td></tr>
<tr><td>Existing Use</td><td>Non-vacant; commercial space and parking lot</td></tr>
<tr><td>Infrastructure Availability</td><td>Yes, no constraints.</td><td rowspan="2">Realistic Capacity utilizing factors =

(0.18 X 33) (.90) (.95) (.95) = 4 units
80% of minimum density</td></tr>
<tr><td>Environmental Constraints</td><td>None known</td></tr>
<tr><td>Other Constraints</td><td colspan="2">Shape: None
Access: None
Title Conditions: None
Historic Preservation: None
Easement: None</td></tr>
</table>

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

<table>
<tr><th colspan="2">Site Description</th><th>Site Image & Capacity Calculation</th></tr>
<tr><td>Address</td><td>Southwest of Junipero between 5th and 6th Ave</td><td rowspan="8"> </td></tr>
<tr><td>APN</td><td>010-098-004-000</td></tr>
<tr><td>By-Right with 20% Affordable</td><td>No, used in 4th and 5th cycles, but nonvacant.</td></tr>
<tr><td>Size of Site</td><td>0.11 acre</td></tr>
<tr><td>Zoning</td><td>SC</td></tr>
<tr><td>Allowable Density</td><td>0-22 du/ac**</td></tr>
<tr><td>Applied RHNA Affordability</td><td>Above Moderate-Income: 3 units</td></tr>
<tr><td>Existing Use</td><td>Non-vacant; attached garages</td></tr>
<tr><td>Infrastructure Availability</td><td>Yes, no constraints.</td><td rowspan="2">Realistic Capacity utilizing factors =

(0.11 X 33) (.90) (.95) (.95) = 2 units
66% of minimum density</td></tr>
<tr><td>Environmental Constraints</td><td>None known</td></tr>
<tr><td>Other Constraints</td><td colspan="2">Shape: None
Access: None
Title Conditions: None
Historic Preservation: None
Easement: None</td></tr>
</table>

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 8th Ave	
APN	010-145-008-000	
By-Right with 20% Affordable	No, used in 4th and 5th 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.	Realistic Capacity utilizing factors = (0.19 X 33) (.90) (.95) (.95) = 5 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-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

<table>
<tr><th colspan="2">Site Description</th><th>Site Image & Capacity Calculation</th></tr>
<tr><td>Address</td><td>Northwest corner of Dolores Street and 6th Ave</td><td rowspan="8"> </td></tr>
<tr><td>APN</td><td>010-138-006-000</td></tr>
<tr><td>By-Right with 20% Affordable</td><td>No, used in 4th and 5th cycles, but nonvacant.</td></tr>
<tr><td>Size of Site</td><td>0.13 acre</td></tr>
<tr><td>Zoning</td><td>CC</td></tr>
<tr><td>Allowable Density</td><td>0-22 du/ac**</td></tr>
<tr><td>Applied RHNA Affordability</td><td>Above Moderate-Income: 4 units</td></tr>
<tr><td>Existing Use</td><td>Non-vacant; commercial space</td></tr>
<tr><td>Infrastructure Availability</td><td>Yes, no constraints.</td><td rowspan="2">Realistic Capacity utilizing factors =

(0.13 X 33) (.90) (.95) (.95) = 3 units
75% of minimum density</td></tr>
<tr><td>Environmental Constraints</td><td>None known</td></tr>
<tr><td>Other Constraints</td><td colspan="2">Shape: None
Access: None
Title Conditions: None
Historic Preservation: None
Easement: None</td></tr>
</table>

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

<table>
<tr><th colspan="2">Site Description</th><th>Site Image & Capacity Calculation</th></tr>
<tr><td>Address</td><td>Northwest corner of Ocean and Dolores</td><td rowspan="8"> </td></tr>
<tr><td>APN</td><td>010-139-001-000</td></tr>
<tr><td>By-Right with 20% Affordable</td><td>No, used in 4th and 5th cycles, but nonvacant.</td></tr>
<tr><td>Size of Site</td><td>0.09 acre</td></tr>
<tr><td>Zoning</td><td>CC</td></tr>
<tr><td>Allowable Density</td><td>0-22 du/ac**</td></tr>
<tr><td>Applied RHNA Affordability</td><td>Above Moderate-Income: 2 units</td></tr>
<tr><td>Existing Use</td><td>Non-vacant; retail space</td></tr>
<tr><td>Infrastructure Availability</td><td>Yes, no constraints.</td><td rowspan="2">Realistic Capacity utilizing factors =

(0.09 X 33) (.90) (.95) (.95) = 2 units
100% of minimum density</td></tr>
<tr><td>Environmental Constraints</td><td>None known</td></tr>
<tr><td>Other Constraints</td><td colspan="2">Shape: None
Access: None
Title Conditions: None
Historic Preservation: None
Easement: None</td></tr>
</table>

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 8th Ave	
APN	010-142-006-000	
By-Right with 20% Affordable	No, used in 4th and 5th 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 X 33) (.90) (.95) (.95) = 5 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

<table>
<tr><th colspan="2">Site Description</th><th>Site Image & Capacity Calculation</th></tr>
<tr><td>Address</td><td>San Carlos 2 Southwest of Ocean</td><td rowspan="8"> </td></tr>
<tr><td>APN</td><td>010-146-001-000</td></tr>
<tr><td>By-Right with 20% Affordable</td><td>No, used in 4th and 5th cycles, but nonvacant.</td></tr>
<tr><td>Size of Site</td><td>0.15 acre</td></tr>
<tr><td>Zoning</td><td>CC</td></tr>
<tr><td>Allowable Density</td><td>0-22 du/ac**</td></tr>
<tr><td>Applied RHNA Affordability</td><td>Above Moderate-Income: 4 units</td></tr>
<tr><td>Existing Use</td><td>Non-vacant; commercial</td></tr>
<tr><td>Infrastructure Availability</td><td>Yes, no constraints.</td><td rowspan="2">Realistic Capacity utilizing factors =

(0.15 X 33) (.90) (.95) (.95) = 4 units
100% of minimum density</td></tr>
<tr><td>Environmental Constraints</td><td>None known</td></tr>
<tr><td>Other Constraints</td><td colspan="2">Shape: None
Access: None
Title Conditions: None
Historic Preservation: None
Easement: None</td></tr>
</table>

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 4th and 5th 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.	Realistic Capacity utilizing factors = (0.18 X 33) (.90) (.95) (.95) = 4 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-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 7th Ave	
APN	010-146-003-000	
By-Right with 20% Affordable	No, used in 4th and 5th 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.	Realistic Capacity utilizing factors = (0.18 X 33) (.90) (.95) (.95) = 4 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-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

<table>
<tr><th colspan="2">Site Description</th><th>Site Image & Capacity Calculation</th></tr>
<tr><td>Address</td><td>San Carlos 2 Northwest of 7th Ave</td><td rowspan="8"> </td></tr>
<tr><td>APN</td><td>010-146-004-000</td></tr>
<tr><td>By-Right with 20% Affordable</td><td>No, used in 4th and 5th cycles, but nonvacant.</td></tr>
<tr><td>Size of Site</td><td>0.09 acre</td></tr>
<tr><td>Zoning</td><td>CC</td></tr>
<tr><td>Allowable Density</td><td>0-22 du/ac**</td></tr>
<tr><td>Applied RHNA Affordability</td><td>Above Moderate-Income: 2 units</td></tr>
<tr><td>Existing Use</td><td>Non-vacant</td></tr>
<tr><td>Infrastructure Availability</td><td>Yes, no constraints.</td><td rowspan="2">Realistic Capacity utilizing factors =

(0.09 X 33) (.90) (.95) (.95) = 2 units
100% of max density</td></tr>
<tr><td>Environmental Constraints</td><td>None known</td></tr>
<tr><td>Other Constraints</td><td colspan="2">Shape: None
Access: None
Title Conditions: None
Historic Preservation: None
Easement: None</td></tr>
</table>

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

<table>
<tr><th colspan="2">Site Description</th><th>Site Image & Capacity Calculation</th></tr>
<tr><td>Address</td><td>Lincoln Southeast of Ocean</td><td rowspan="8"> </td></tr>
<tr><td>APN</td><td>010-147-010-000</td></tr>
<tr><td>By-Right with 20% Affordable</td><td>No, used in 4th and 5th cycles, but nonvacant.</td></tr>
<tr><td>Size of Site</td><td>0.09 acre</td></tr>
<tr><td>Zoning</td><td>CC</td></tr>
<tr><td>Allowable Density</td><td>0-22 du/ac**</td></tr>
<tr><td>Applied RHNA Affordability</td><td>Above Moderate-Income: 2 units</td></tr>
<tr><td>Existing Use</td><td>Non-vacant; commercial space</td></tr>
<tr><td>Infrastructure Availability</td><td>Yes, no constraints.</td><td rowspan="2">Realistic Capacity utilizing factors =

(0.09 X 33) (.90) (.95) (.95) = 2 units
100% of minimum density</td></tr>
<tr><td>Environmental Constraints</td><td>None known</td></tr>
<tr><td>Other Constraints</td><td colspan="2">Shape: None
Access: None
Title Conditions: None
Historic Preservation: None
Easement: None</td></tr>
</table>

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 finaled 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																
			Realistic Capacity				Segregation/Integration					Access to Opportunity		Disproportionate Housing Needs	
Site #	Census Tract	APN	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																
			Realistic Capacity				Segregation/Integration					Access to Opportunity		Disproportionate Housing Needs	
Site #	Census Tract	APN	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																
			Realistic Capacity				Segregation/Integration					Access to Opportunity		Disproportionate Housing Needs	
Site #	Census Tract	APN	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]
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

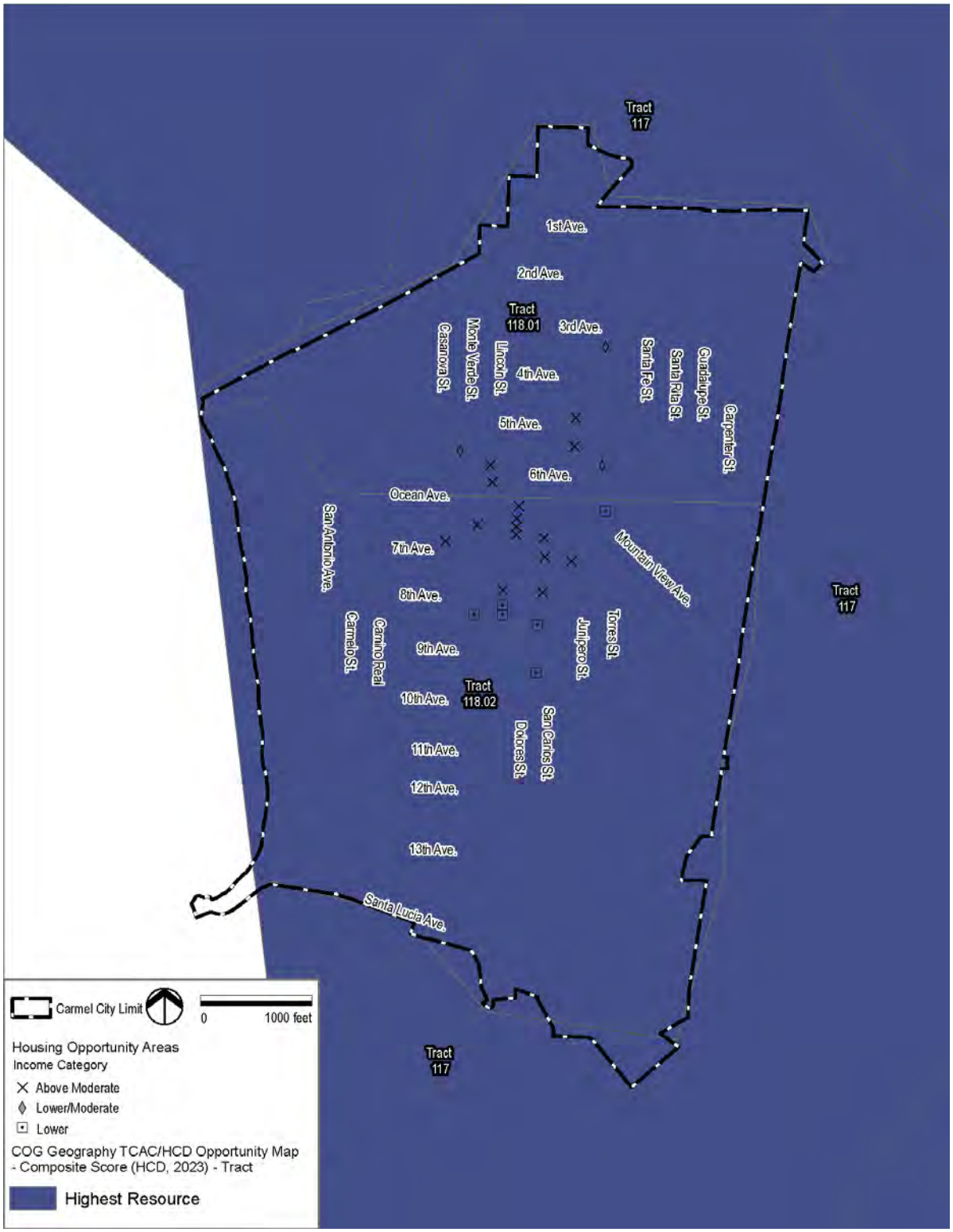
Table C-59 and Figure C-3 show the distribution of housing opportunity units at each income level according to their designated resource area. All anticipated housing opportunity units are planned to be accommodated in highest resource areas with adequate access to economic and educational opportunities, 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.

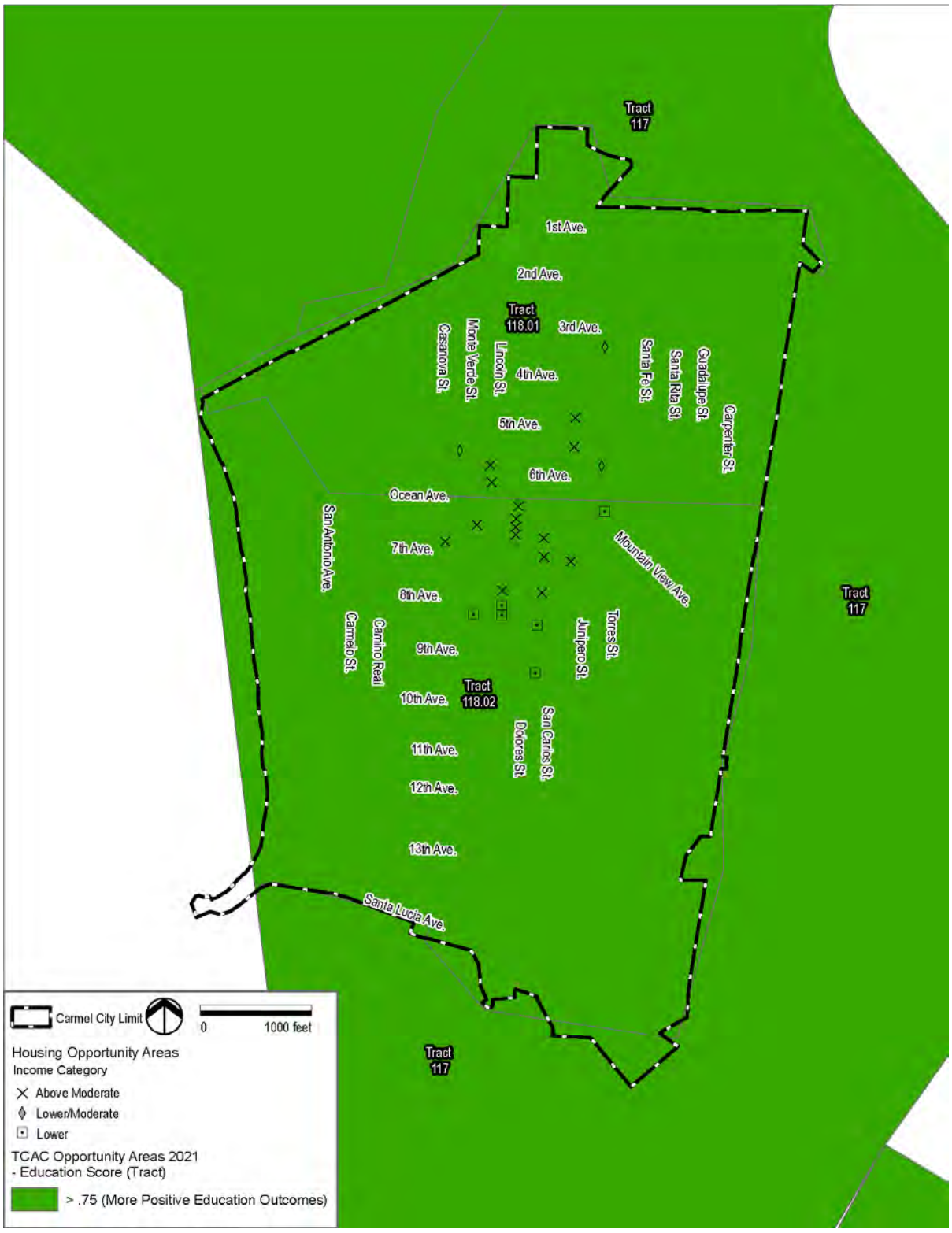
The TCAC/HCD Opportunity Area Education score is based on math proficiency, reading proficiency, high school graduation rates, and the student poverty rate. As shown in Figure C-4, all census tracts across the city received positive scores for the education domain, indicating that households city-wide 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.

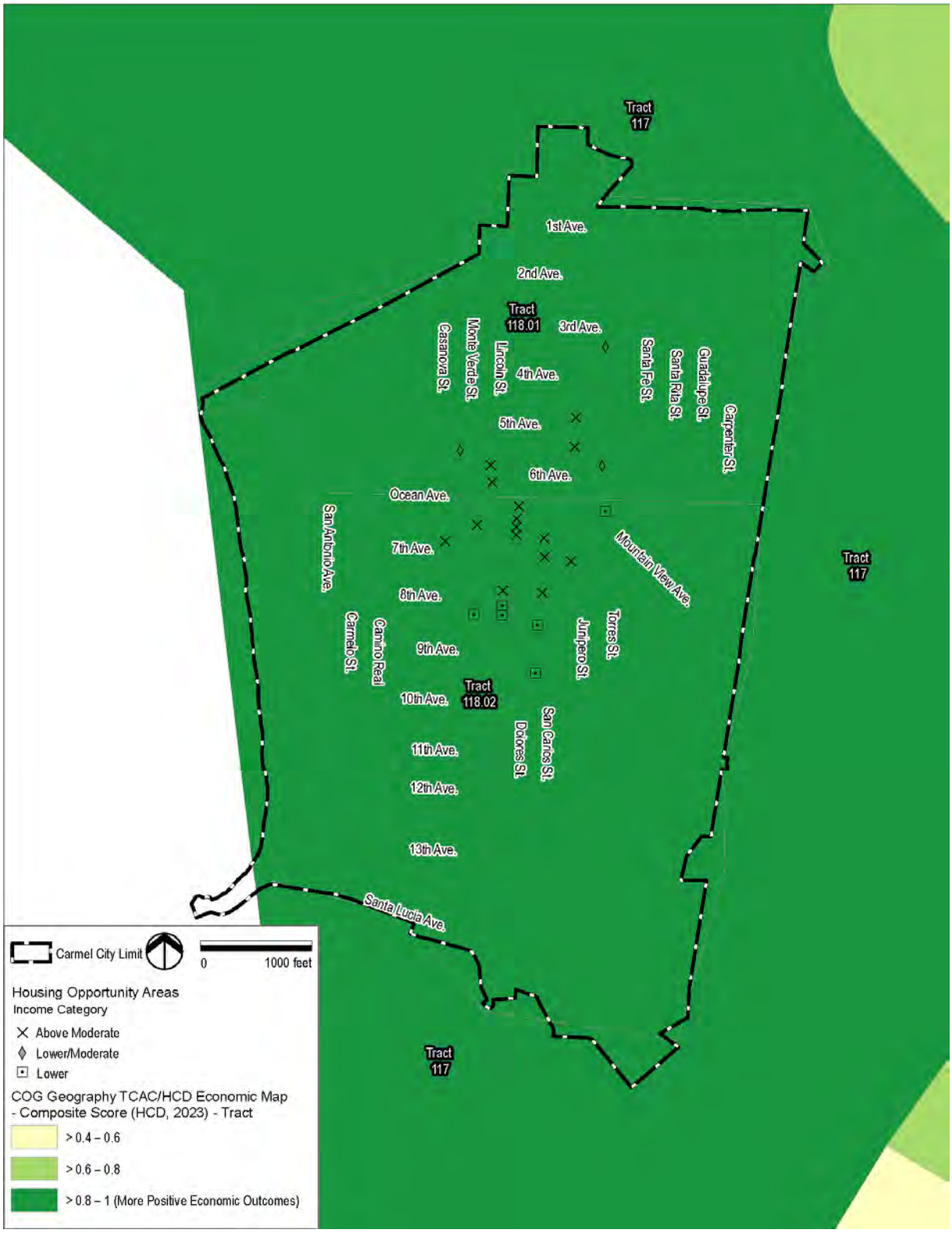
Overall, residents across the city experience similar access to educational opportunities, economic mobility, and low levels of pollution burden. Therefore, the distribution of housing opportunity sites and units at each affordability level will not create a discrepancy in access or perpetuate existing 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



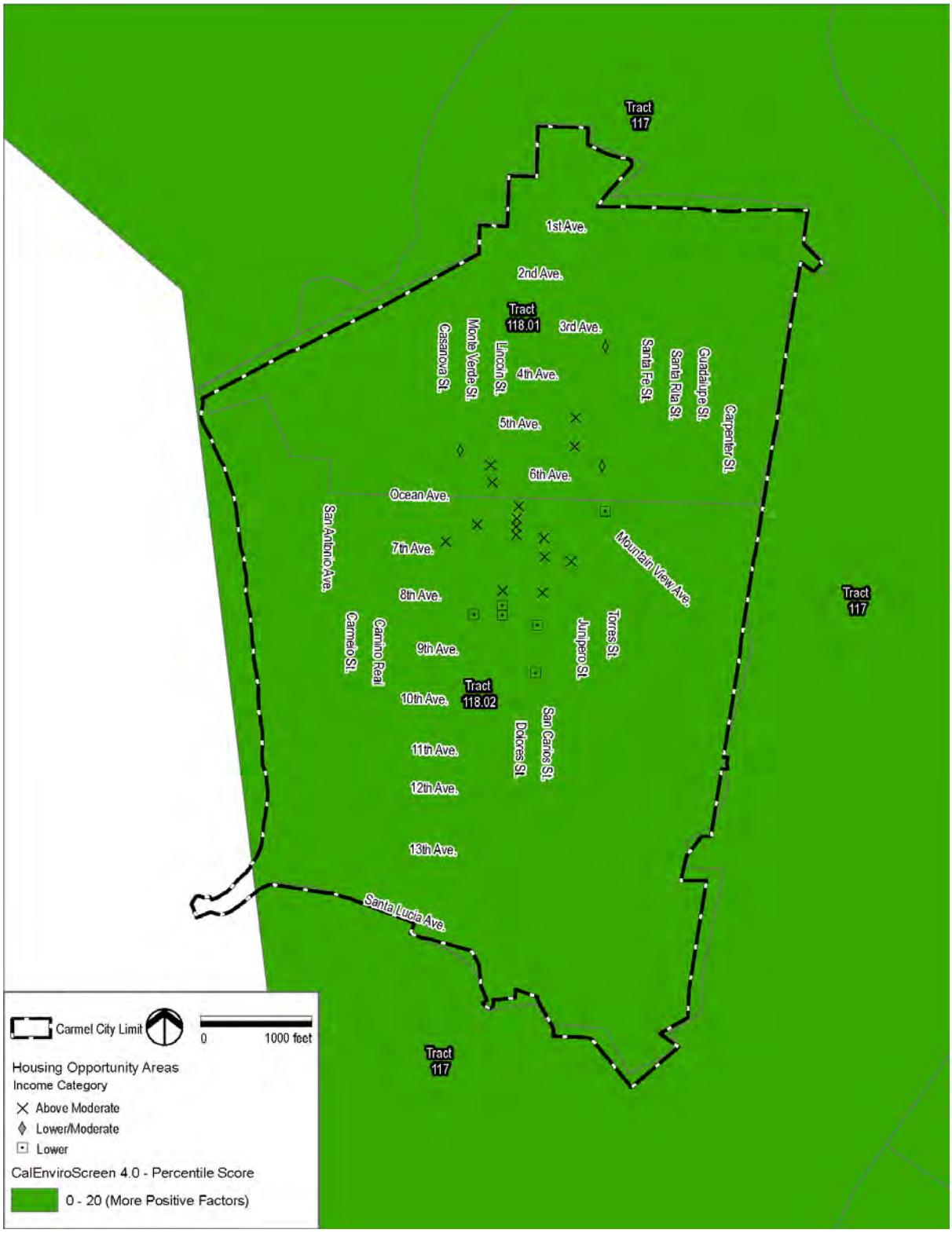
SOURCE: HCD AFFH Data Viewer; City of Carmel-by-the-Sea

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.

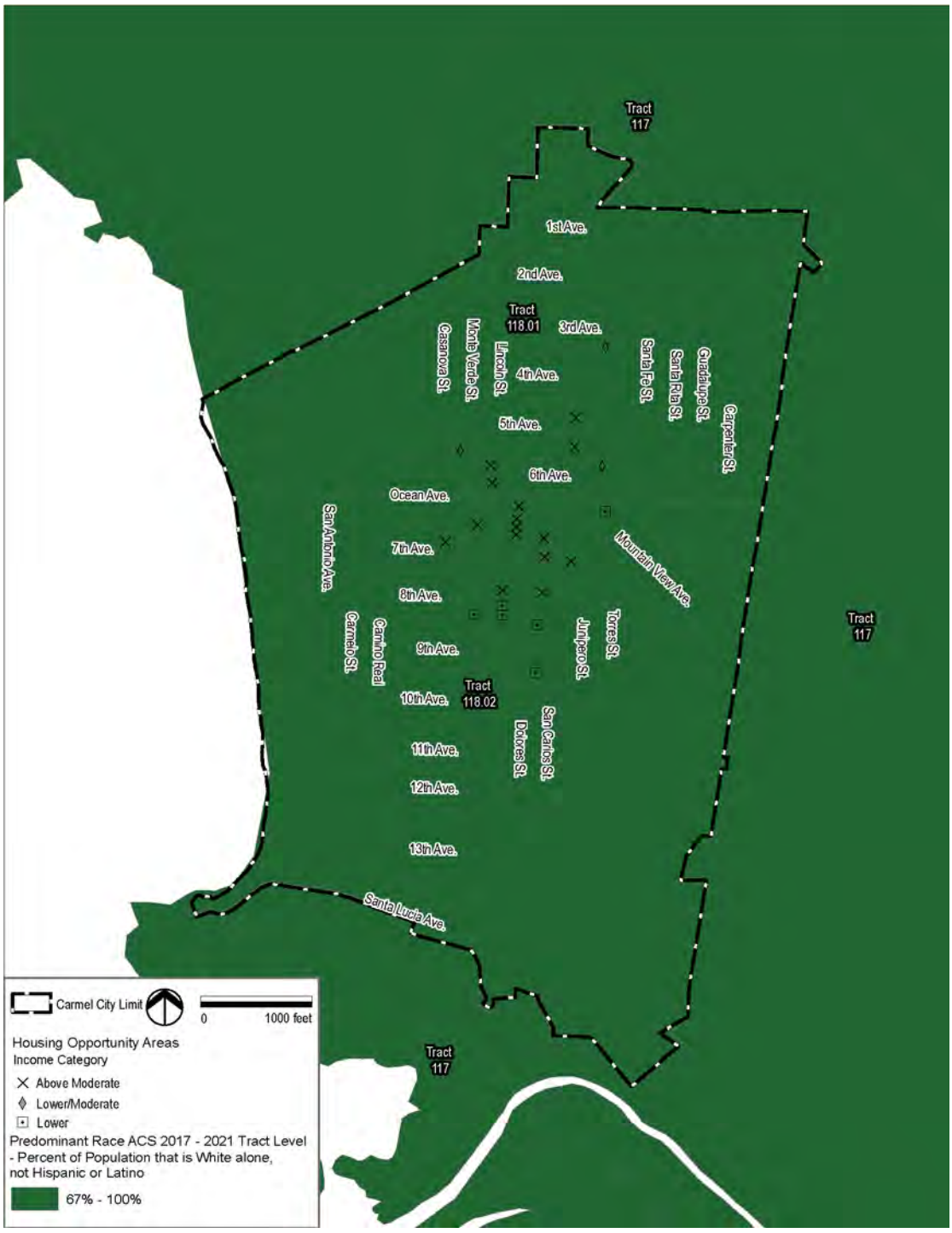
Overall, diversity in Carmel-by-the-Sea is low and only slightly varies according to census tract. As shown in Table C-60, Census Tract 118.01, located north of Ocean Avenue, has a slightly lower proportion of non-Hispanic White residents (86.5 percent), compared to Census Tract 118.02, located south 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

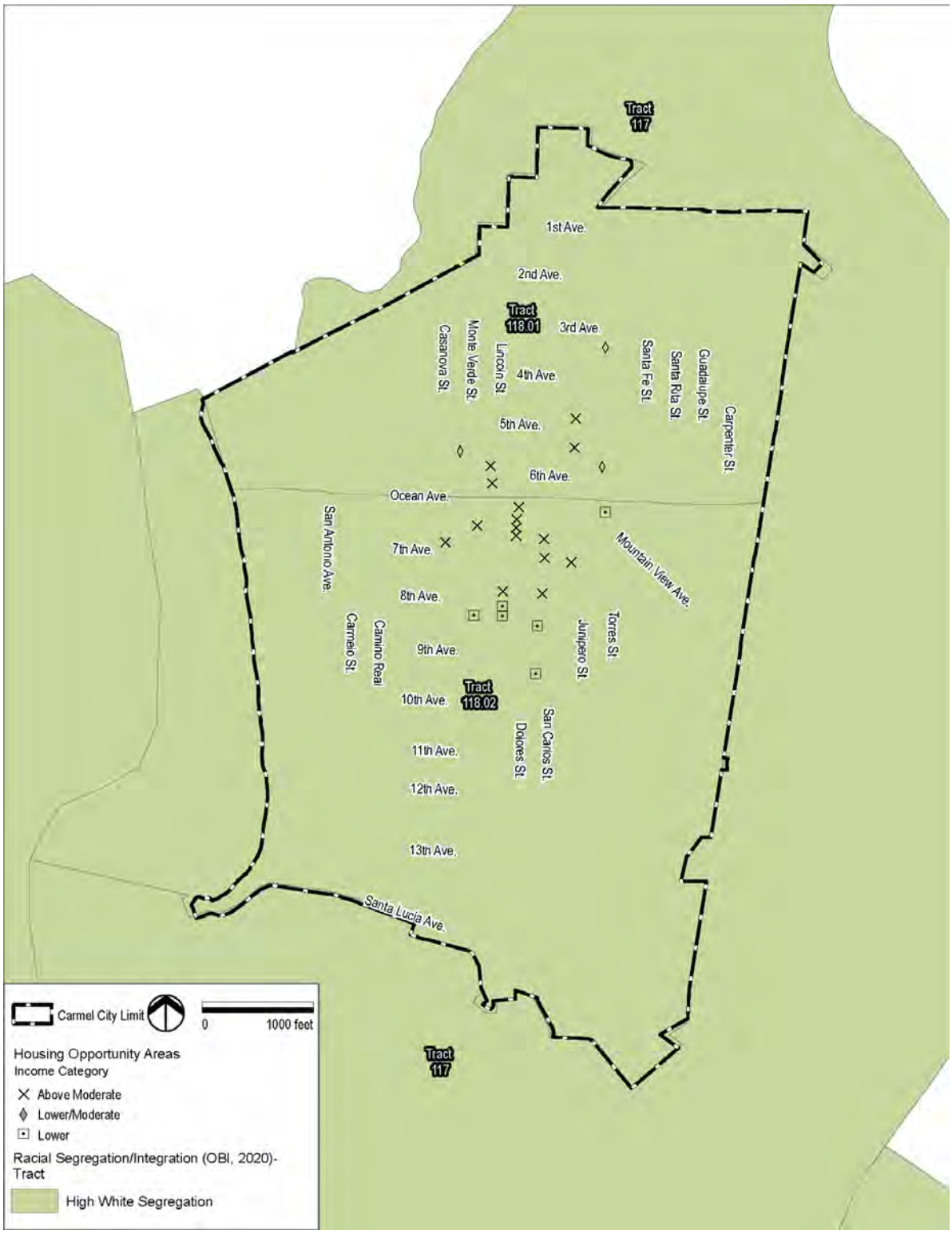
As shown in Table C-60, Census Tract 118.01 is anticipated to accommodate 128 housing opportunity units, of which approximately 33 percent are lower-income. Census Tract 118.02 is anticipated to accommodate 217 housing opportunity units, of which approximately 54 percent are lower-income. This distribution 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.

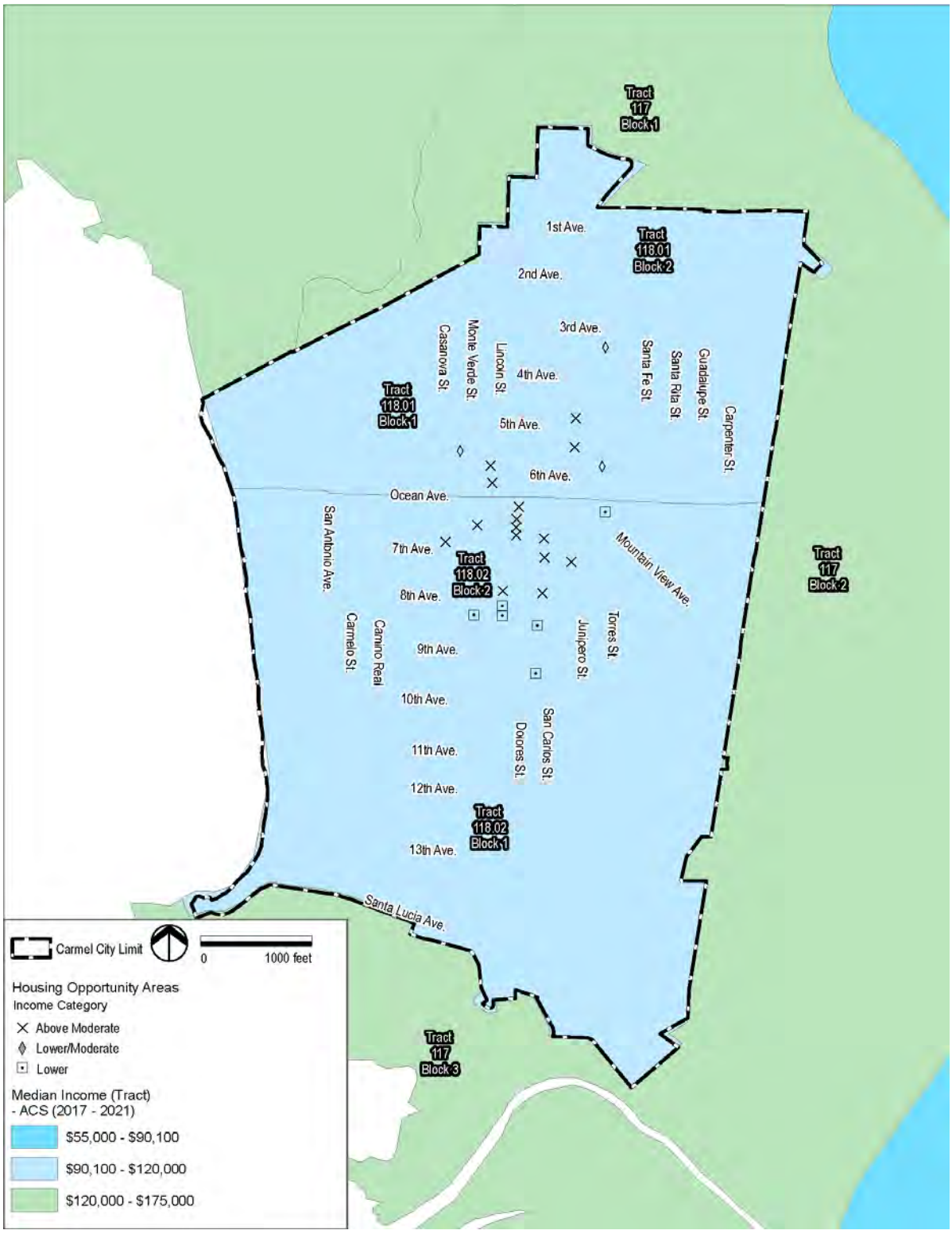
Table C-61 Site Inventory Unit Count by Median Income and Poverty Status, 2021

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

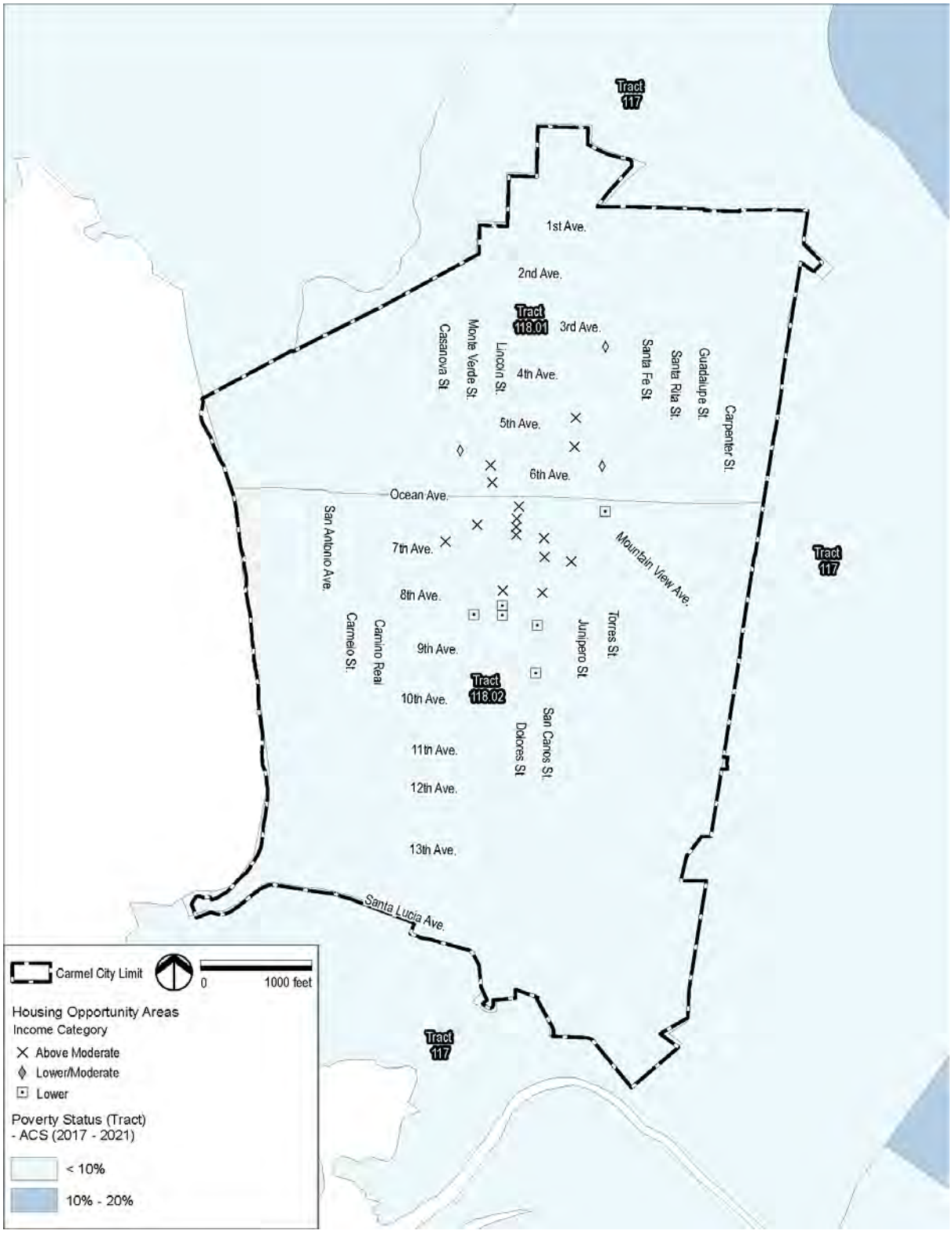
[3] California Revised State Income Limits December 31, 2021.

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 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

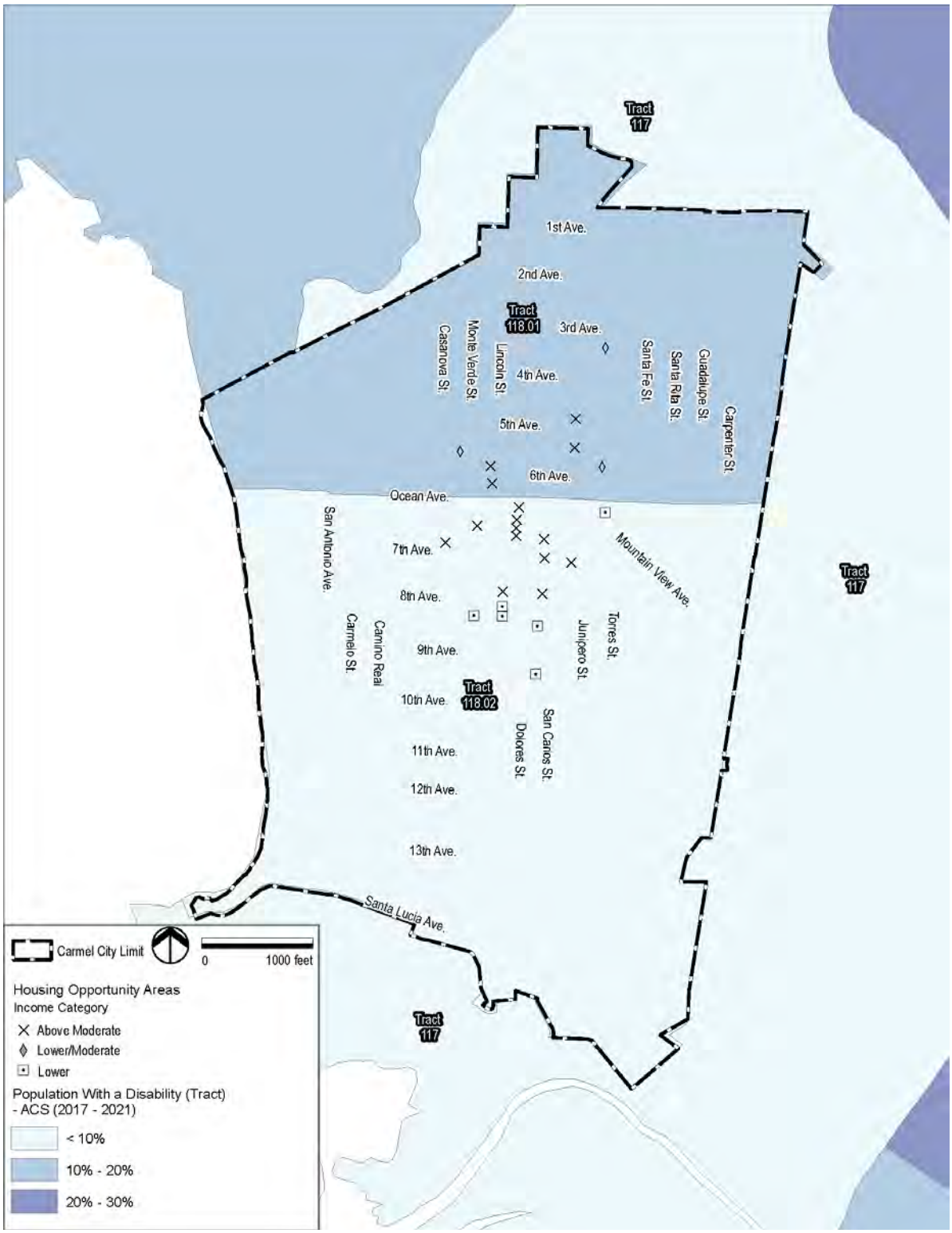
Income Group	Census Tract 118.02 Population with a Disability 7.7%	Percent	Census Tract 118.01 Population with a Disability 17.1%	Percent
Very Low-Income	66	30%	30	23%
Low Income	52	24%	12	9%
Moderate-Income	8	4%	25	20%
Above Moderate-Income	91	42%	61	48%
Total	217	100%	128	100%

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.

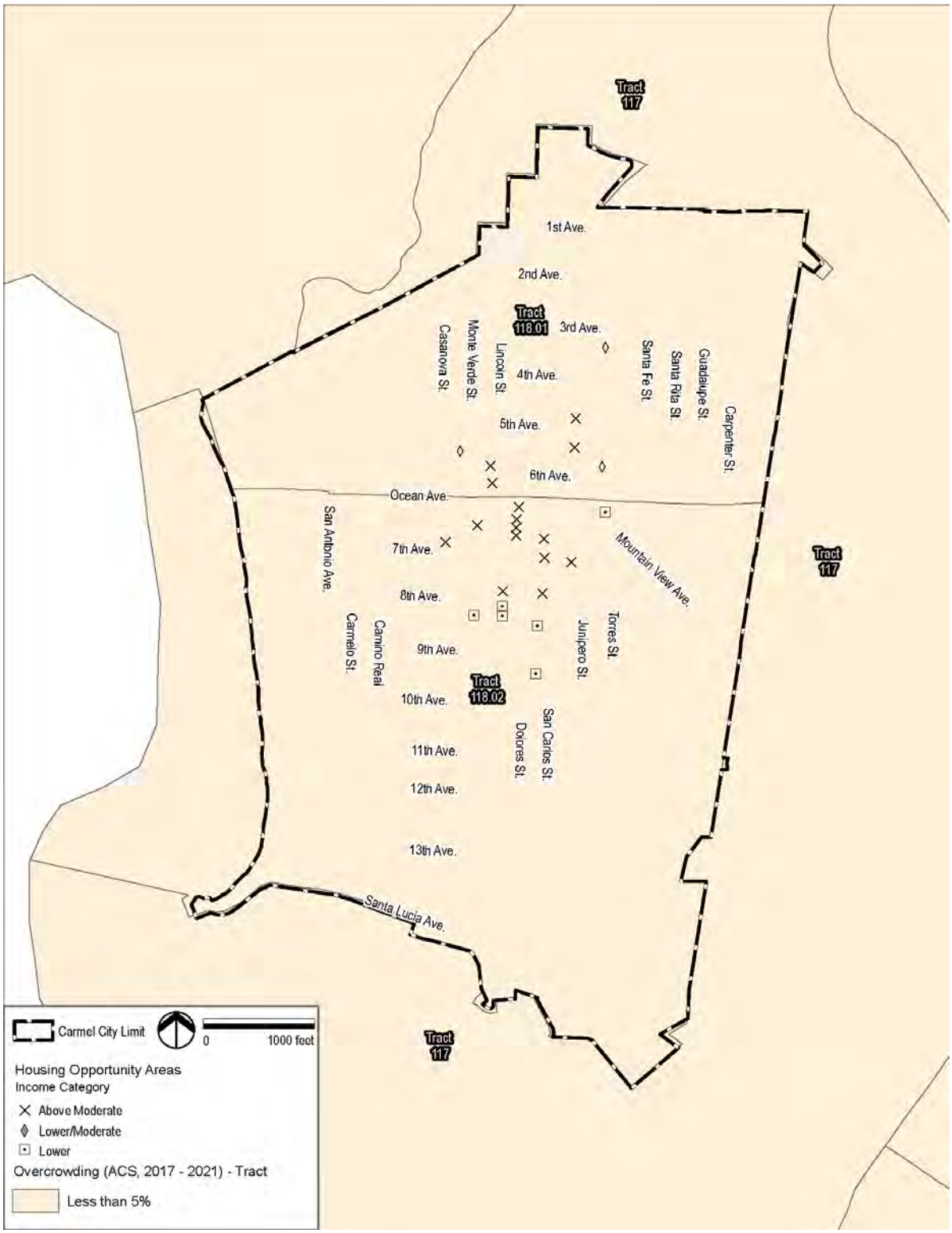
The distribution of housing opportunity units is anticipated to reduce overcrowding by increasing housing supplying throughout the city. A total of 42 lower-income units are anticipated in Census Tract 118.01 to meet the existing need for affordable residential units and mitigate future concentrations. 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.

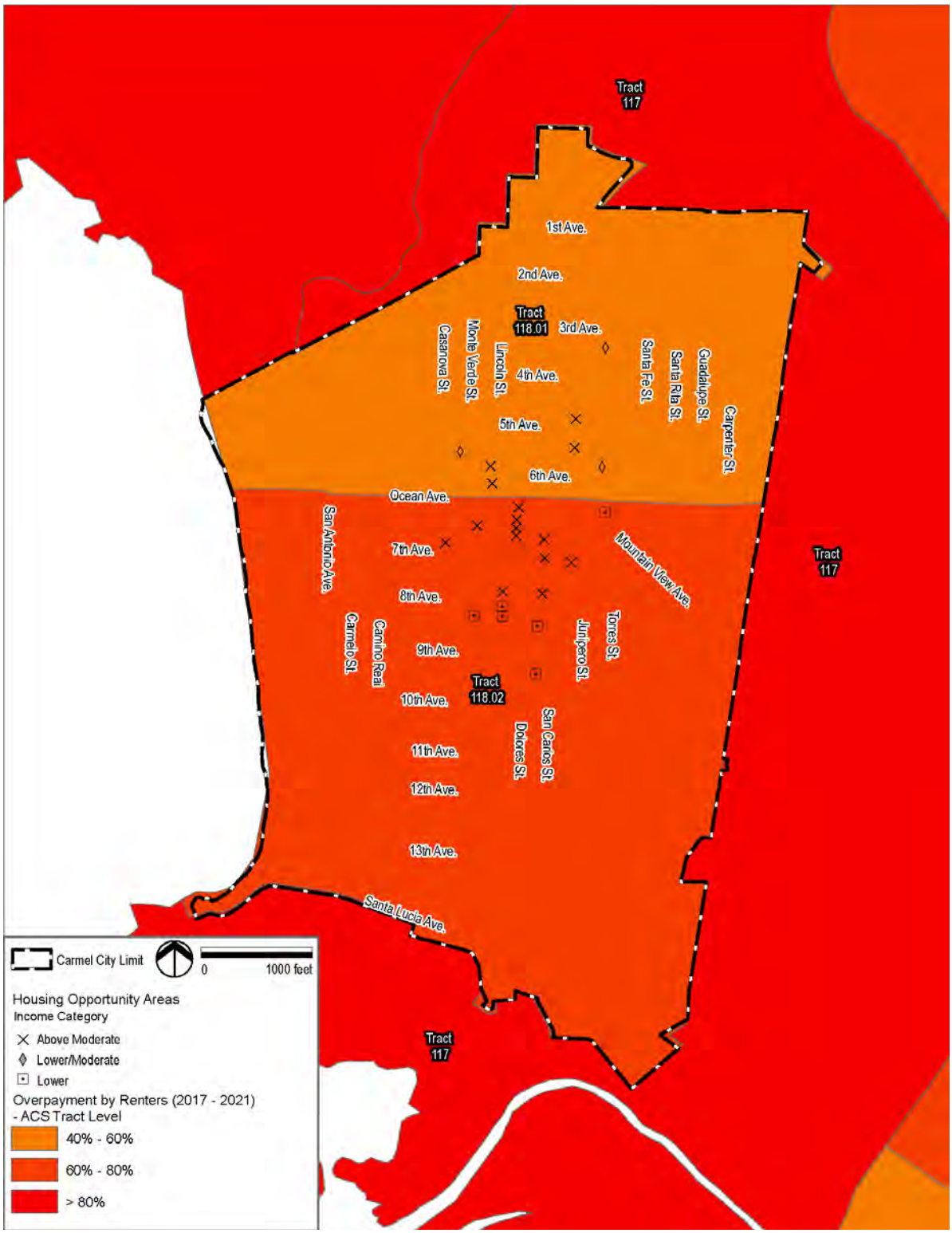
Table C-65 Site Inventory Unit Count by Cost Burdened Renter Households, 2021

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

Source: Monterey County GIS 2023

EMC

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 6th 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.	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. Dissemination of information at City Hall and on the City's website is a passive activity that can effectively educate and inform the public.	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.	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. 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.	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 6th 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 3rd floor mezzanine.	Modify to specify 3rd 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.	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. 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.	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 6th 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.	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. 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. 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.	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 6th 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.	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. No development participated in the density bonus or setback incentive in the commercial or multi-family districts. The City did not pursue a lot merger incentive program for the commercial districts. Density bonus regulations continue to provide the greatest incentive. 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	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.	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. 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.	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 6th 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.	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. A significant percentage of single-family homes continue to remain vacant for part of the year due to second home ownership. 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.	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 6th 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 6th 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 6th Cycle
	• 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	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. During the planning period, the construction of Accessory Dwelling Units (ADUs) provided housing opportunities for extremely low-income households. Group Residential facilities are permitted with the approval of a Use Permit in the R-4 district. Group Residential is defined as *Shared living quarters without separate kitchens or bathrooms for each room or unit, including boarding houses, dormitories, and private residential clubs, but excluding guesthouses*.	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 6th 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 6th 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 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

APPENDIX E

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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)

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)

Carmel Area Wastewater District
3945 Rio Rd.
Carmel, CA 93922
T: (831) 624-1248
Carmel Area WasteWater District (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 ProTem/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://montereypeninsula.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.montereystanddown.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 agendized 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 Development[1]

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 period[2]. 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 heigh 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

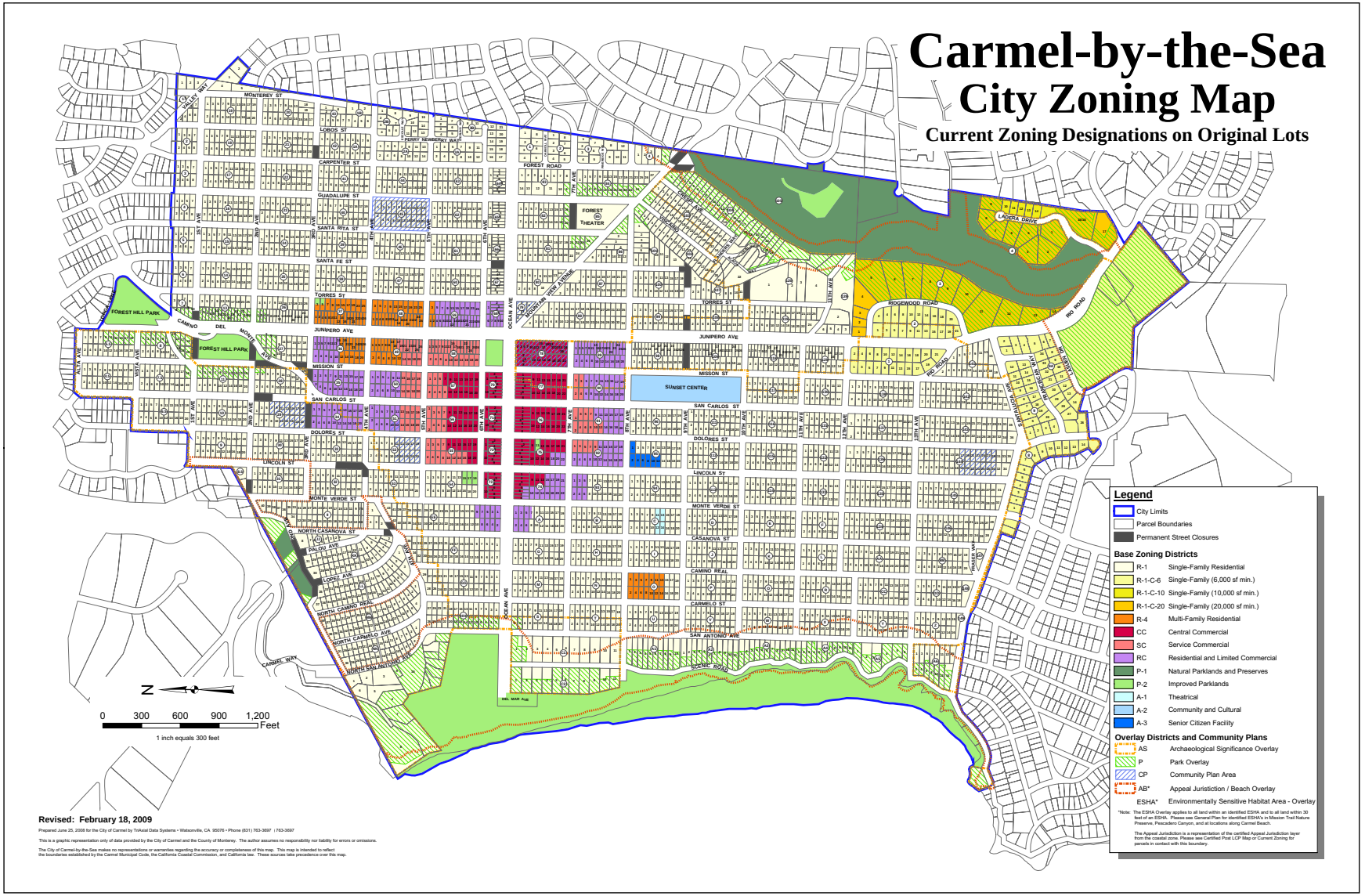
[2] According to Carmel's most recent Annual Progress Report to HCD.

[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

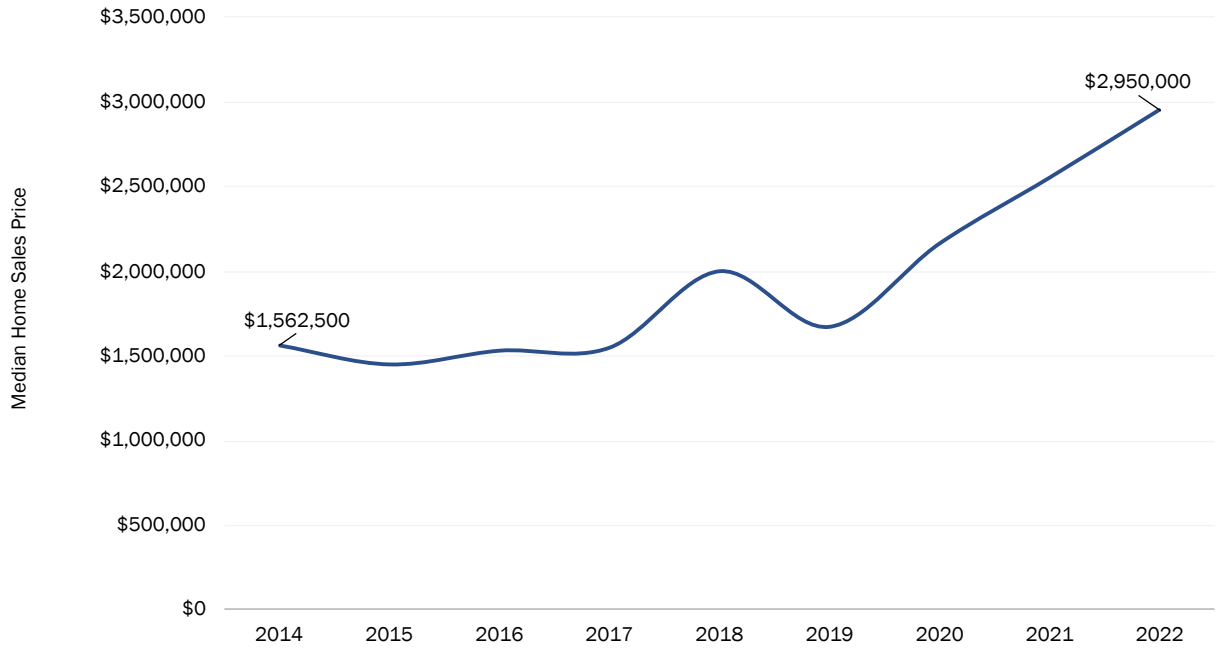
Market Overview

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 Radar[6]



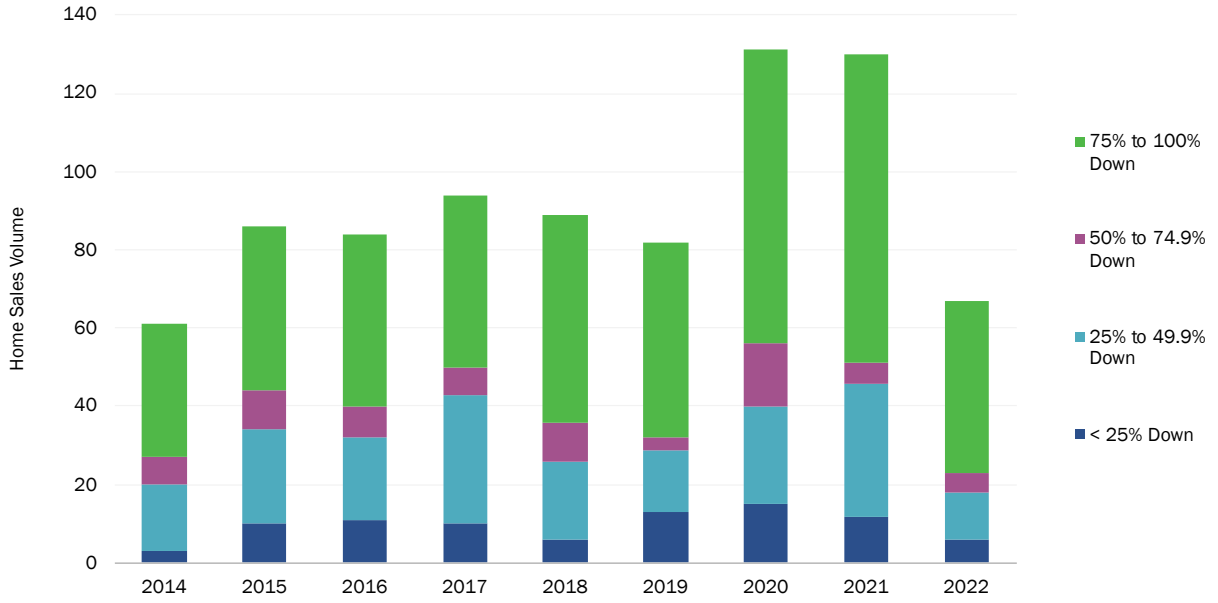
Over this same period, there has been an acceleration of both sales volume and the share of homes that are purchased all cash or with mostly cash. For example, in 2020 and 2021 sales volumes were 50 percent higher than the previous five-year average. Moreover, the percentage of home sales with 75 percent 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 Radar[8]



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 B25004[10]

	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).

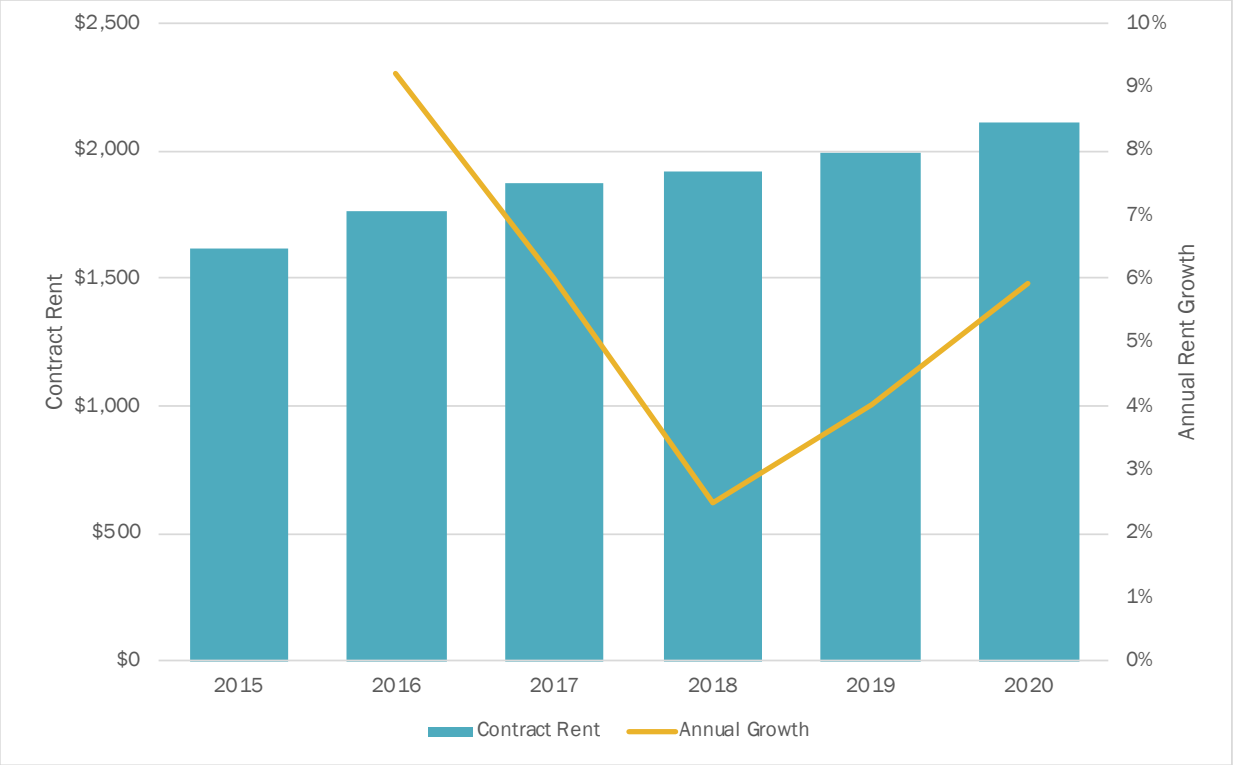
Unit Type	Owner-Occupied	Renter-Occupied	Total
Single-family Detached	993	694	1,687
Single-family Attached	0	19	19
Duplex	0	0	0
Triplex/Quadplex	0	22	22
Small Multifamily (5-19 units)	0	162	162
Large Multifamily (20+ units)	0	0	0
Mobile Homes[12]	0	19	19
Total	**993**	**916**	**1,909**
Tenure Split	*52.0%*	*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

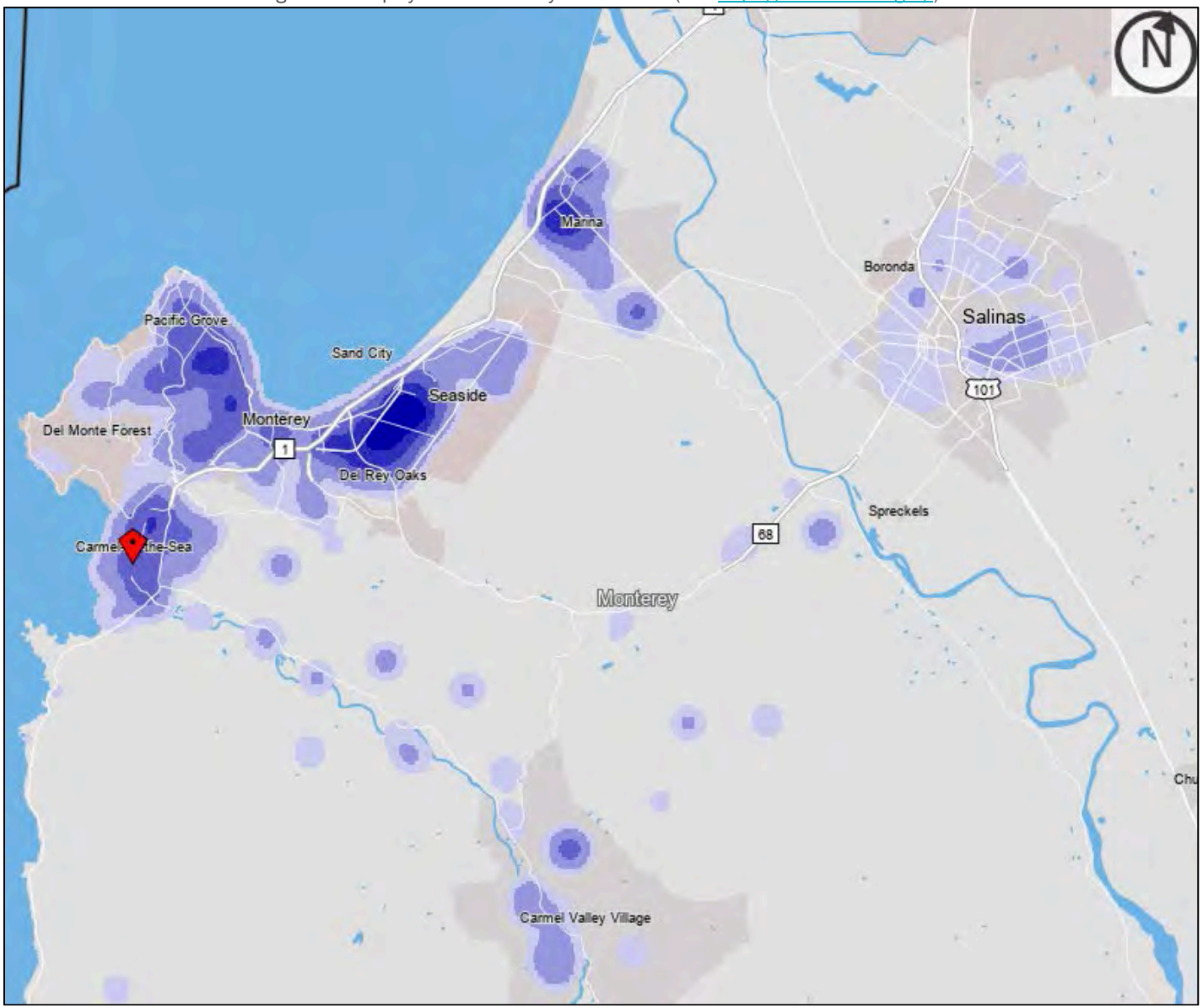
It is hypothesized that Carmel's concentration of jobs in the leisure and hospitality sector creates challenges for local workers who do not have sufficient incomes to afford housing in the community. This imbalance of jobs to housing impacts quality of life including how far workers must travel for 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 of 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-4[16], 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 my 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

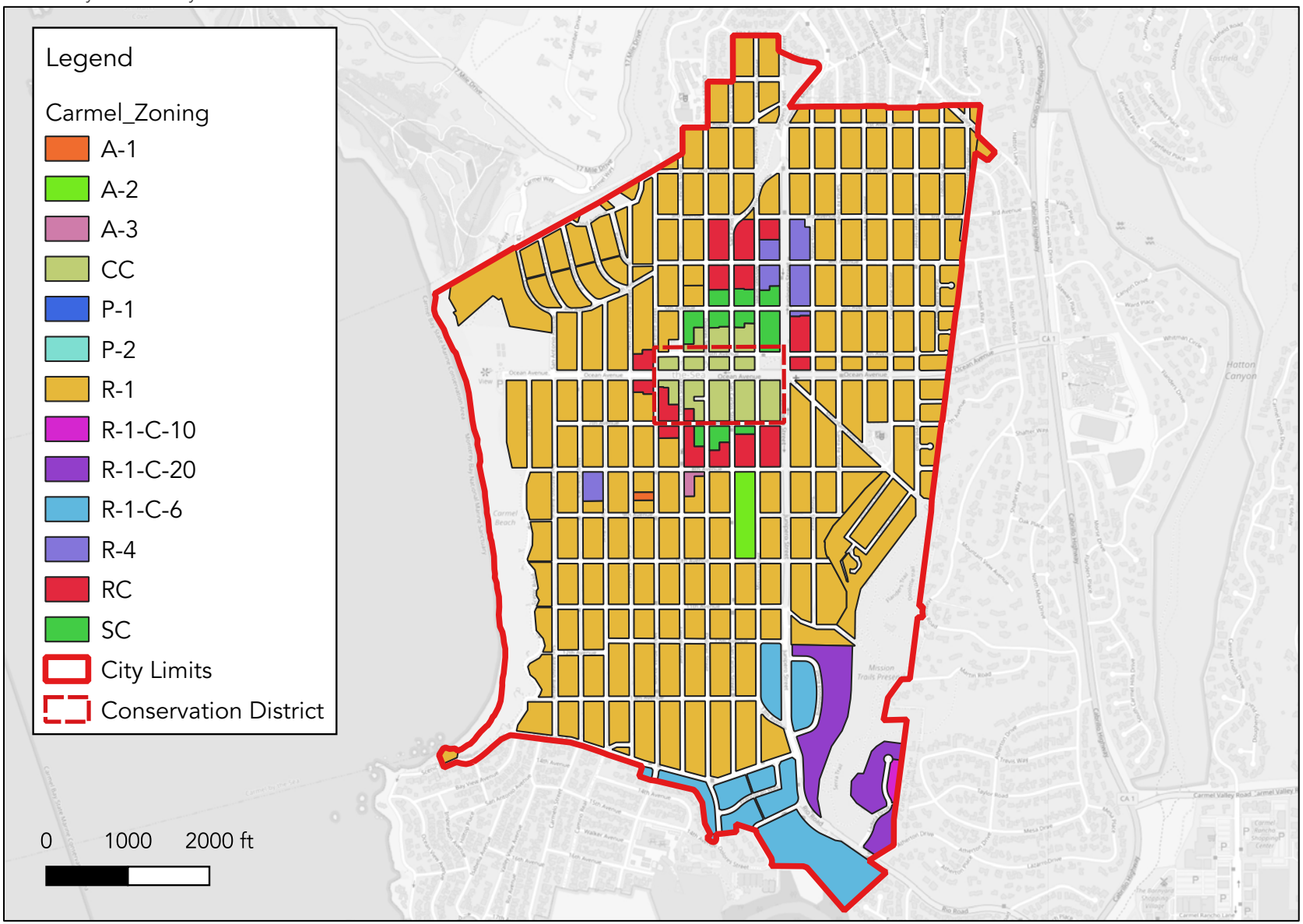
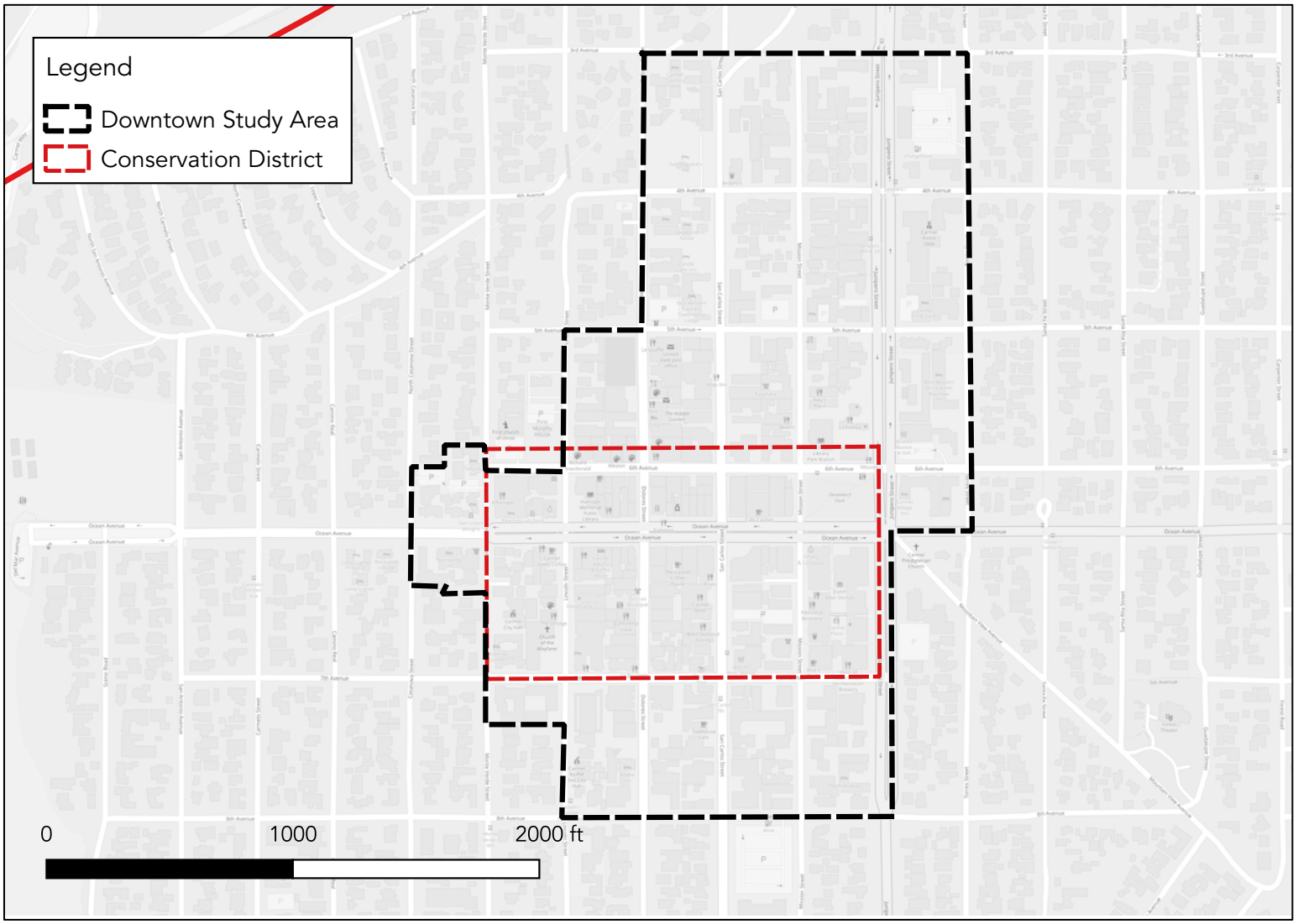


Figure 11: Commercial Core Study Area Definition

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 uint.

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.

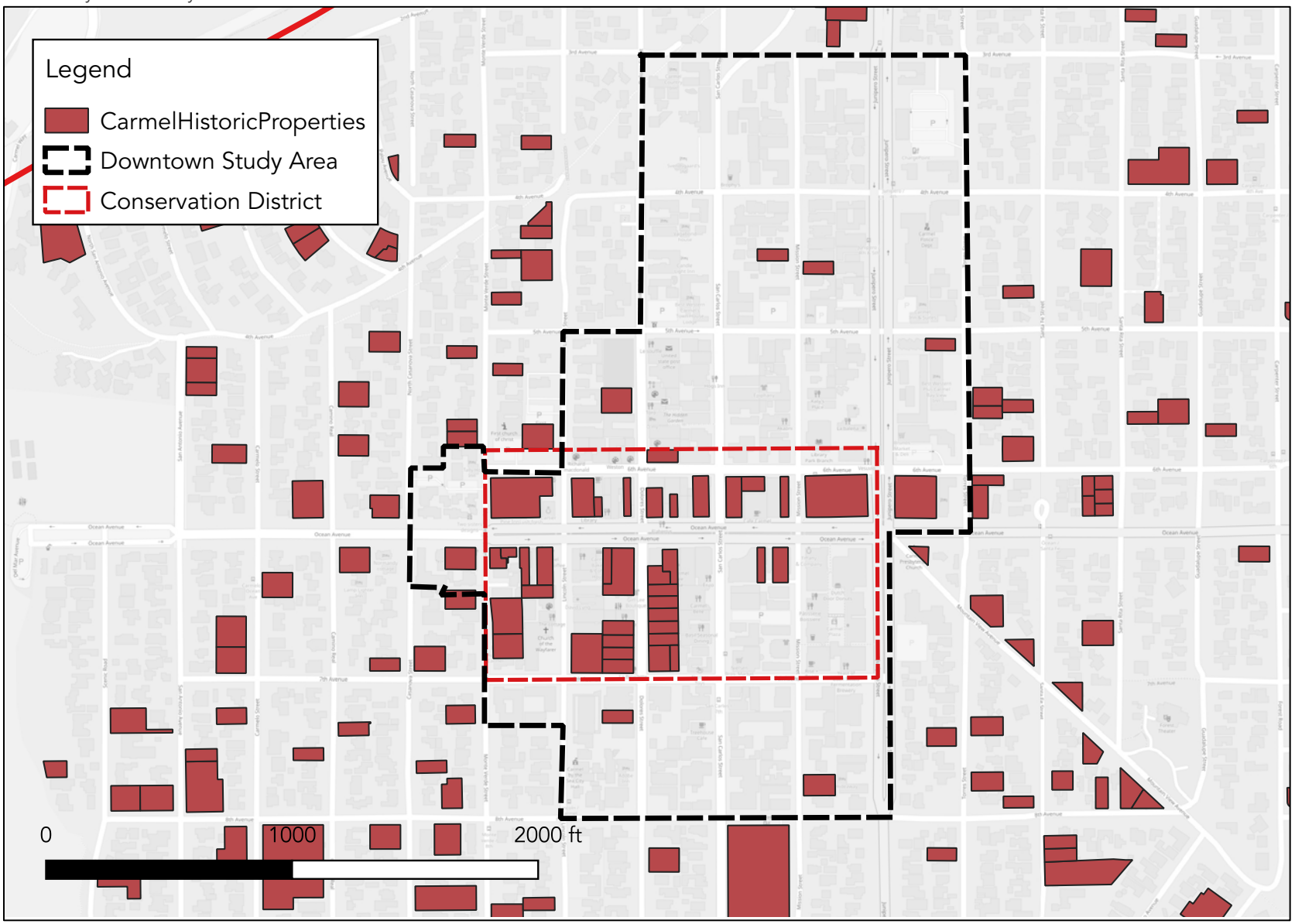


Figure 13: Omitted Properties do to Existing Use

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

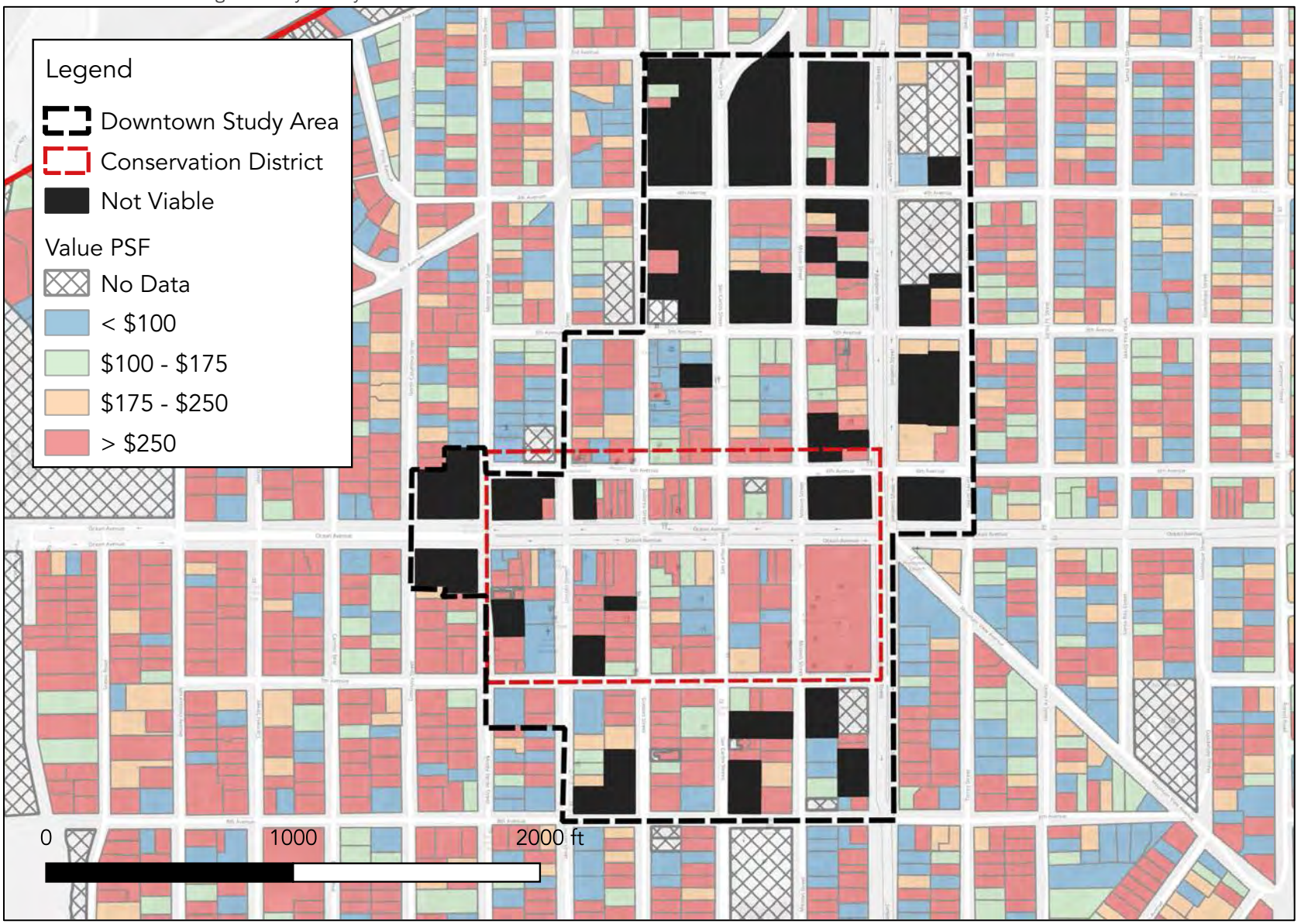


Figure 18: Candidate Site List

Source: ECONorthwest

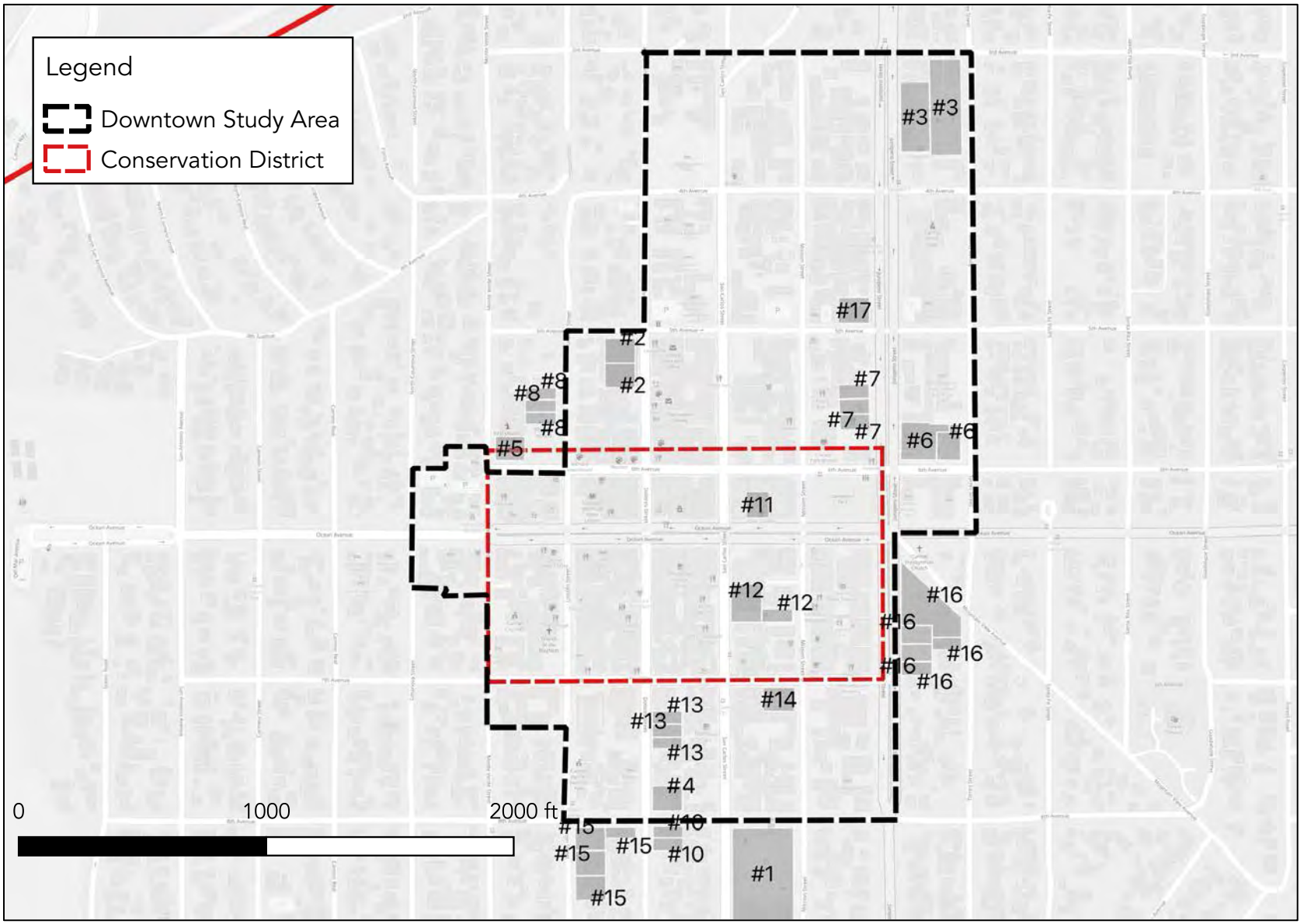


Figure 19: Data Table of Candidate Sites

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 AB1851[24], 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 heigh 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

G

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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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Appendix H
Stakeholder Survey

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.

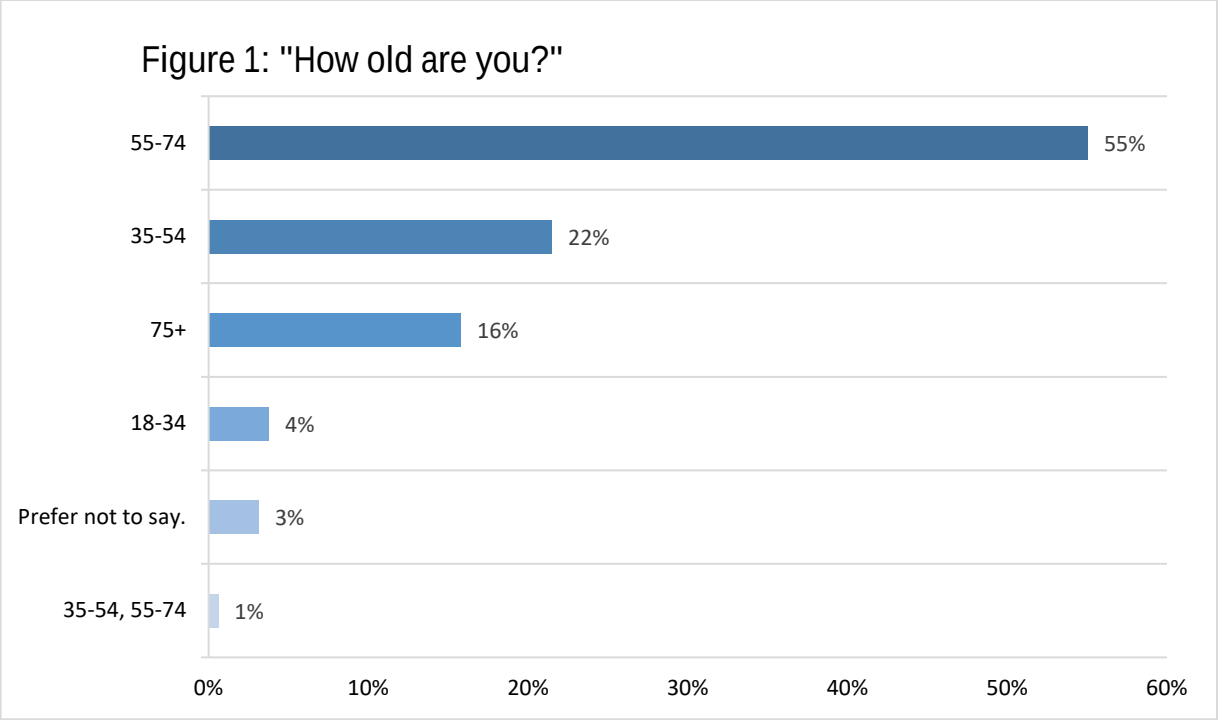
The survey responses discussed below represent responses from an uncontrolled sample size of self-selected community members who are considered to be motivated and interested in the 6th Cycle Housing Element. This can make it difficult to draw conclusions based on the responses received. The following serves as a brief summary of the responses received.

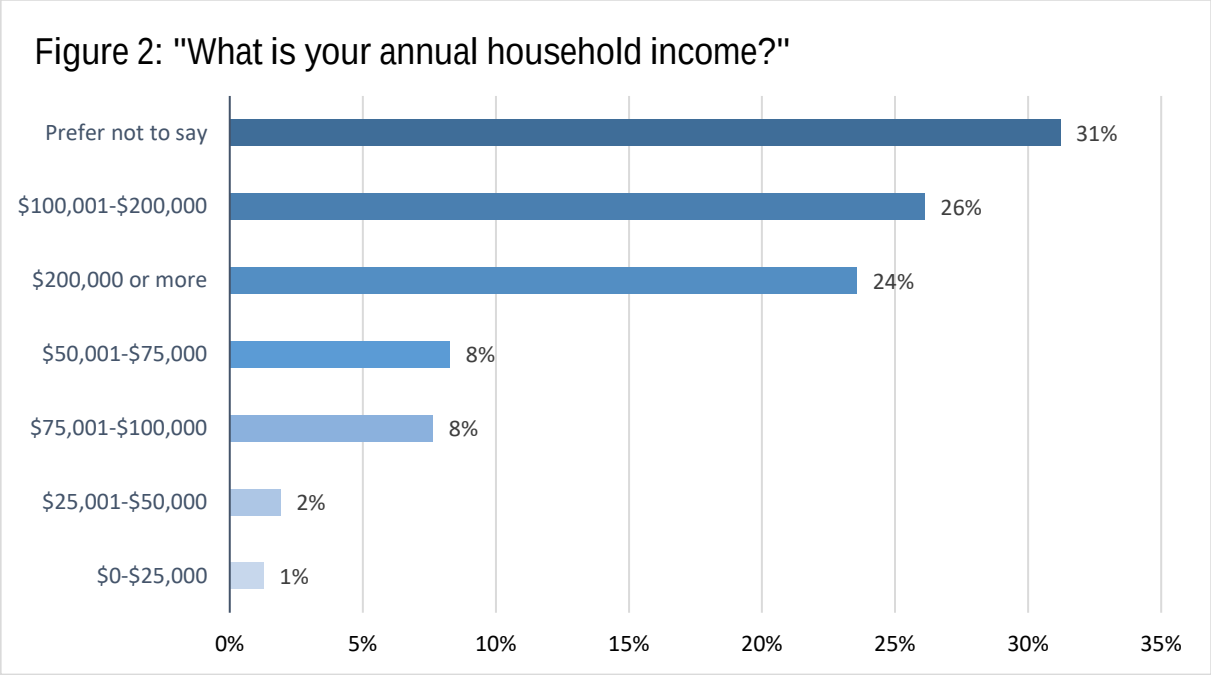
Online Survey Results

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.





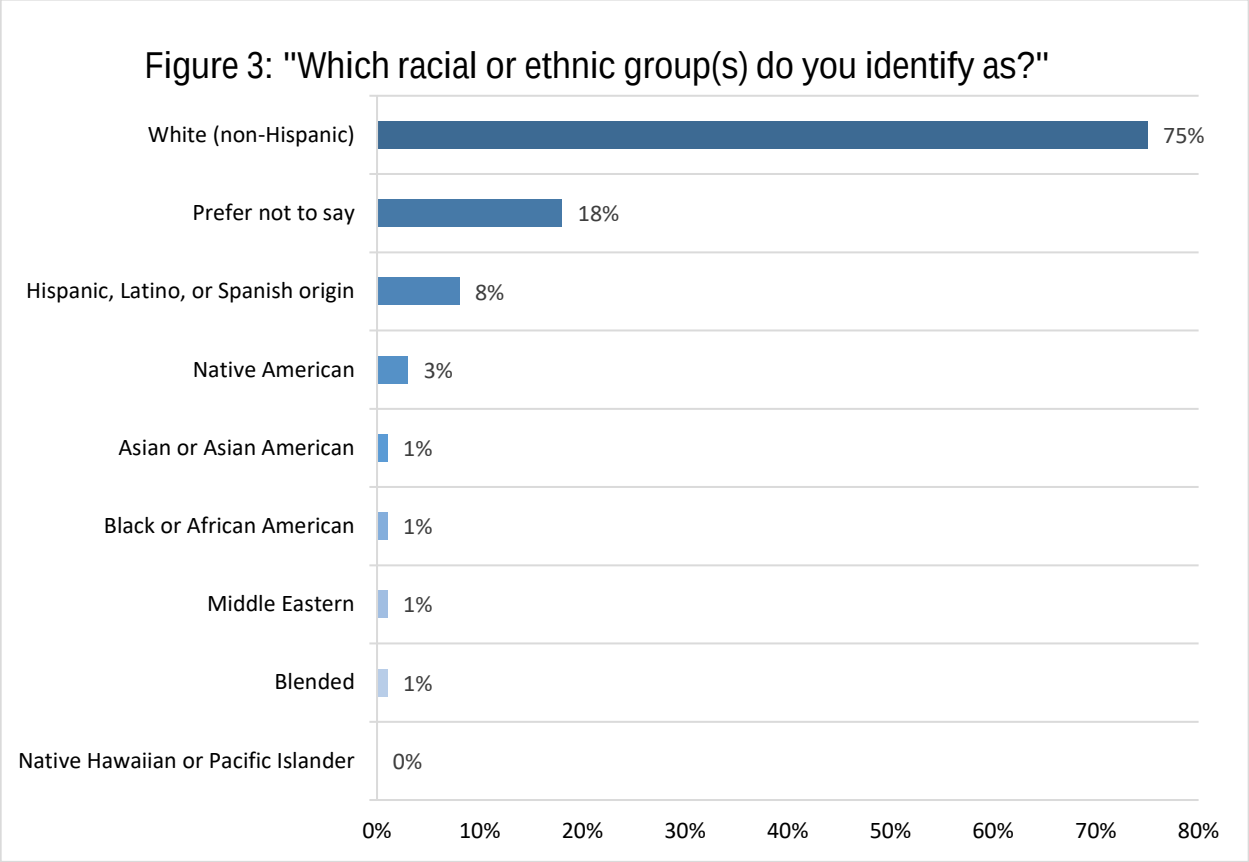


Figure 4 below demonstrates the majority of respondents identified themselves as Carmel residents owning their home (61 percent) compared to 14 percent of survey respondents indicating they rent their homes. Twenty-two percent of respondents identified as working in Carmel-by-the-Sea, 8 percent identified as business owners in Carmel-by-the-Sea, and one respondent identified as being unhoused or lacking permanent housing.

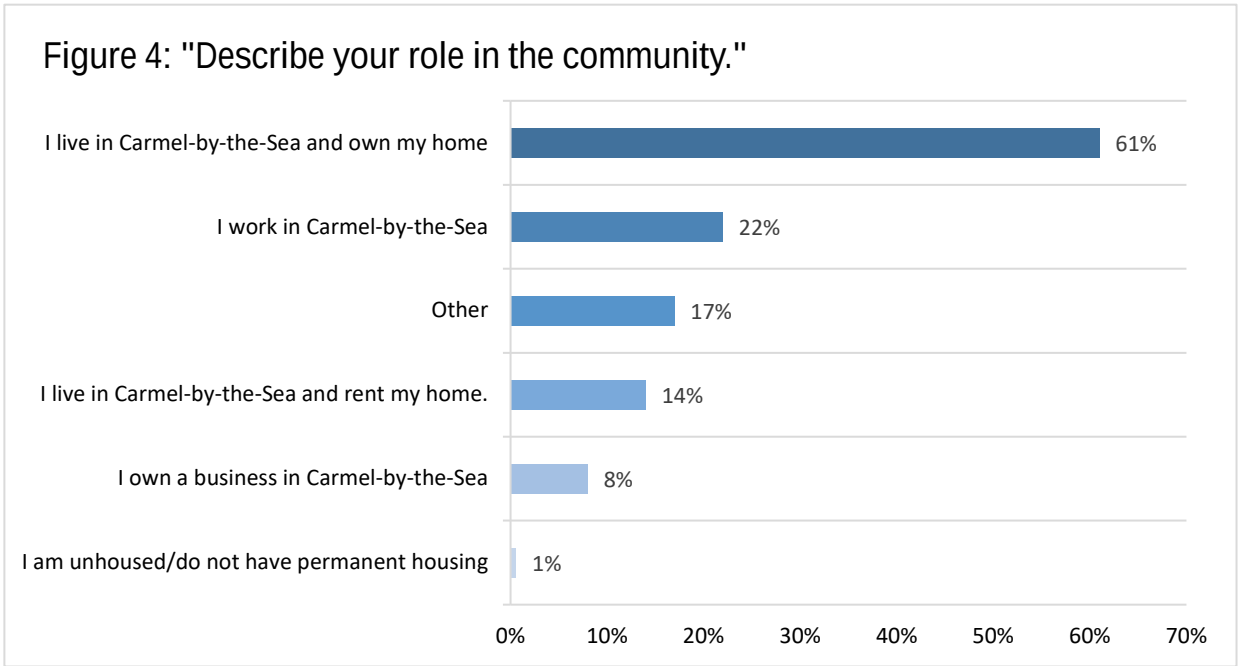


Figure 5 below demonstrates that the majority of survey respondents live in Carmel-by-the-Sea full-time, and **Figure 6** below demonstrates that 68 percent of survey respondents are 55 years or older followed by 16 percent being female-headed households. This demographic data suggests that respondents are likely more established community members in the City.

Figure 5: "If you are a current resident of Carmel-by-the-Sea, do you live here full-time or part-time?"

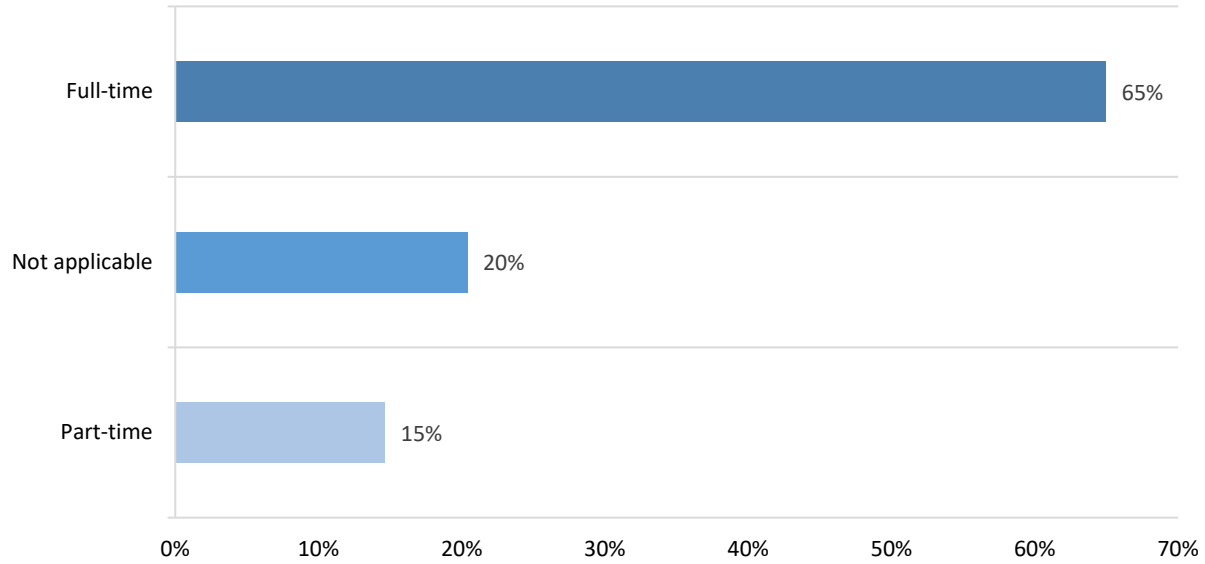
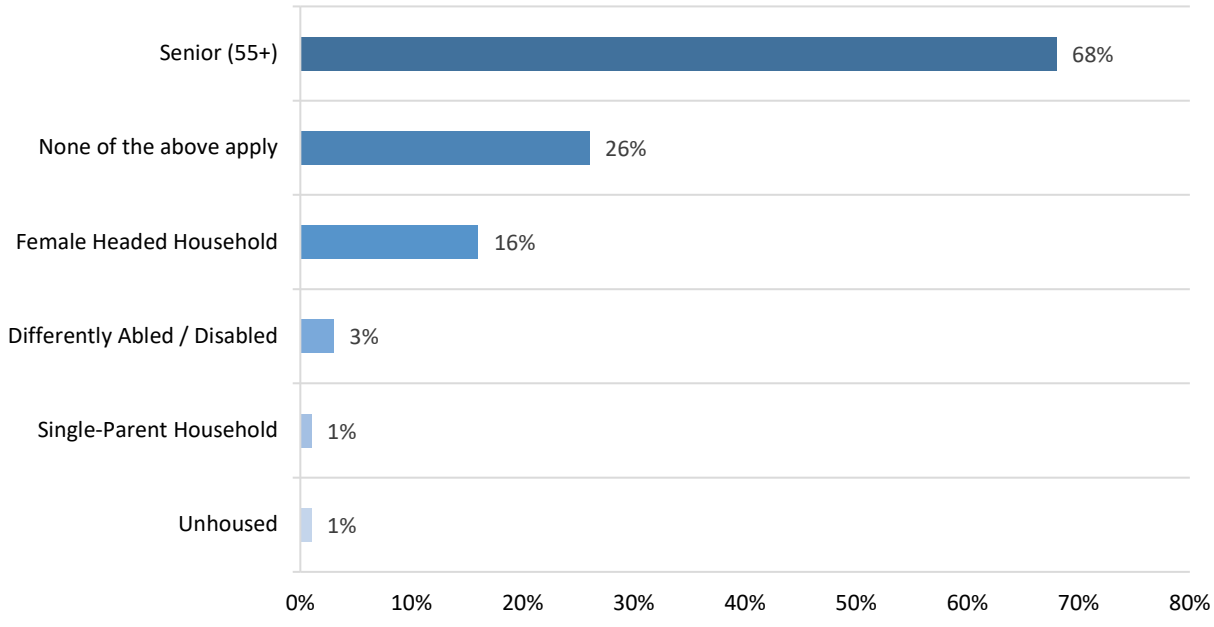


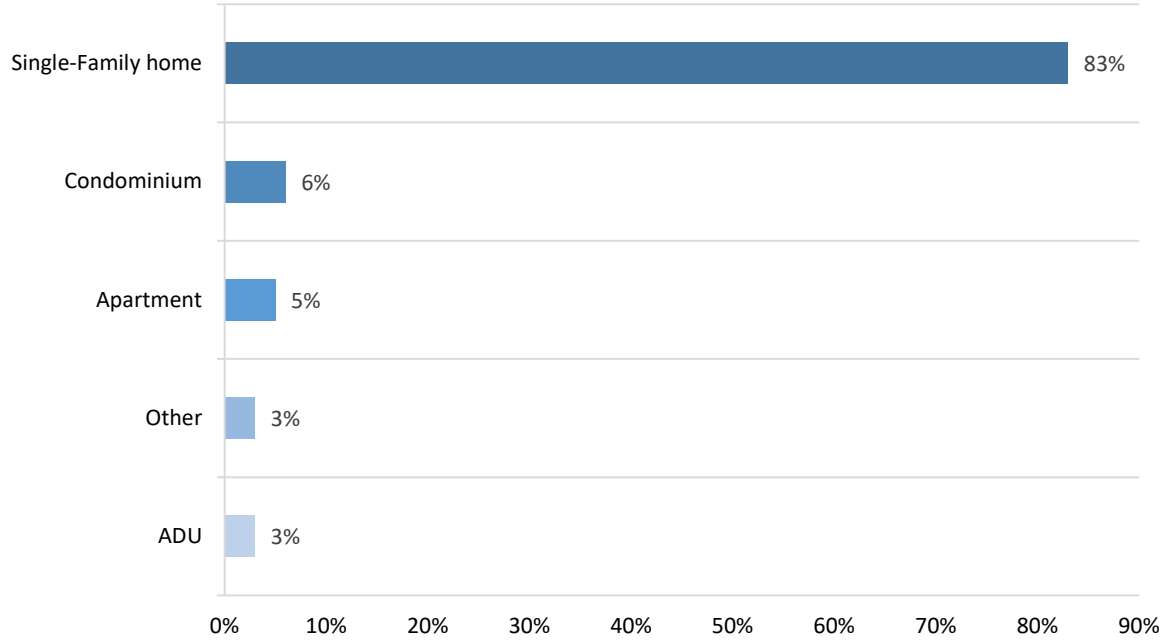
Figure 6: "Do you identify with any of the following?"



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)**.

Figure 7: "In which of these housing types would/do you prefer to live in?"



Note: See Attachment B for a full list of "other" responses received.

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;

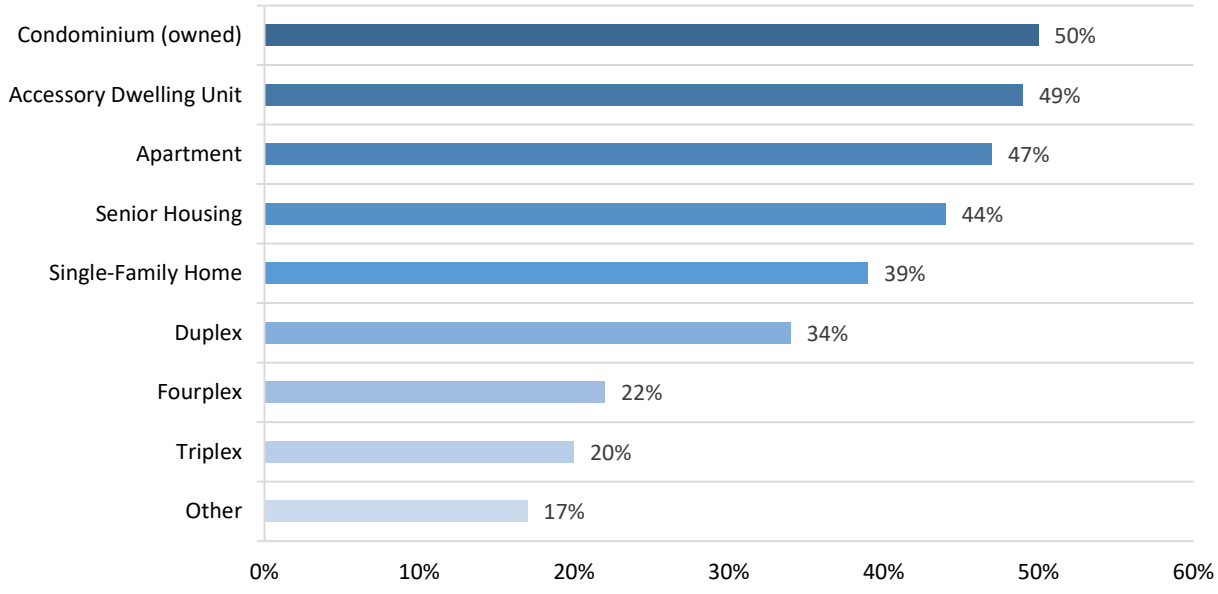
- I am at the stage in my life where I am seeking to maximize my financial solvency through steady accrual of work skills/experience and high willingness to relocate for greater chances of quality employment. I will not seek any living place requiring greater commitment until I have found the community 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?"



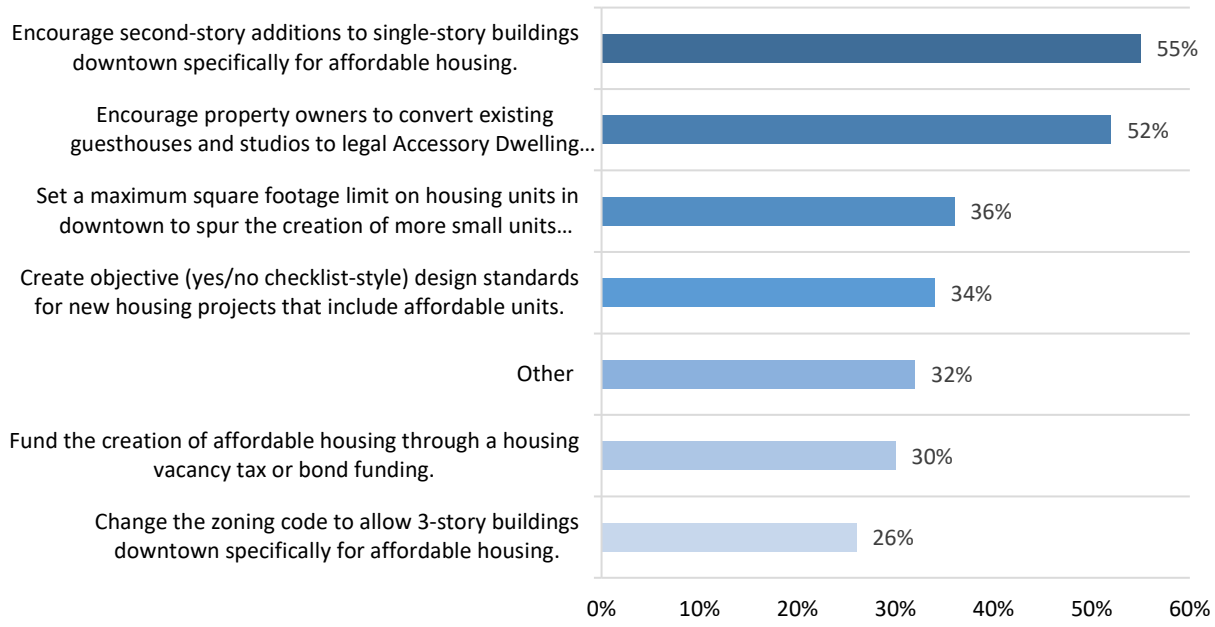
Note: See Attachment B for a full list of "other" responses received.

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.

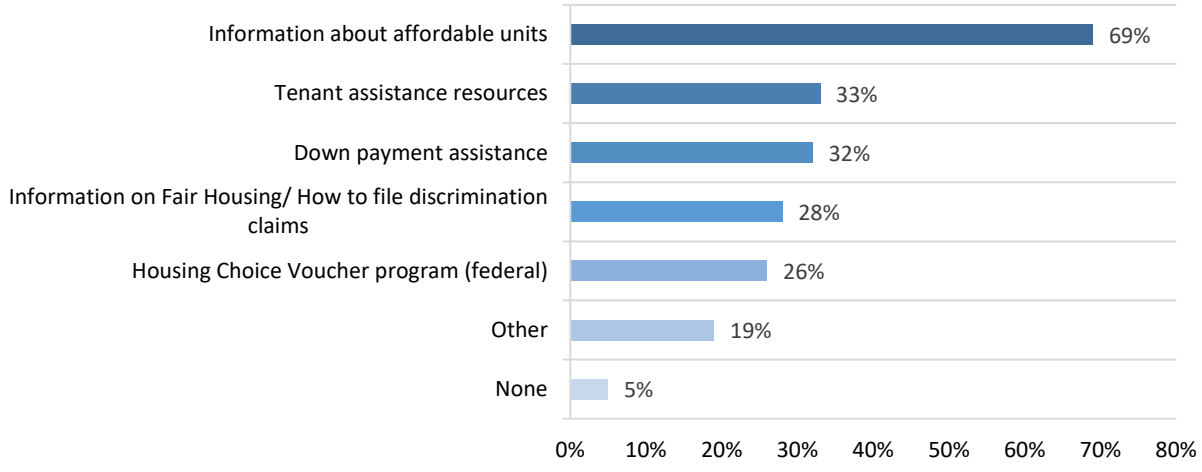
Figure 9: "How can the supply of affordable housing be increased to meet the needs of our community?"



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?"

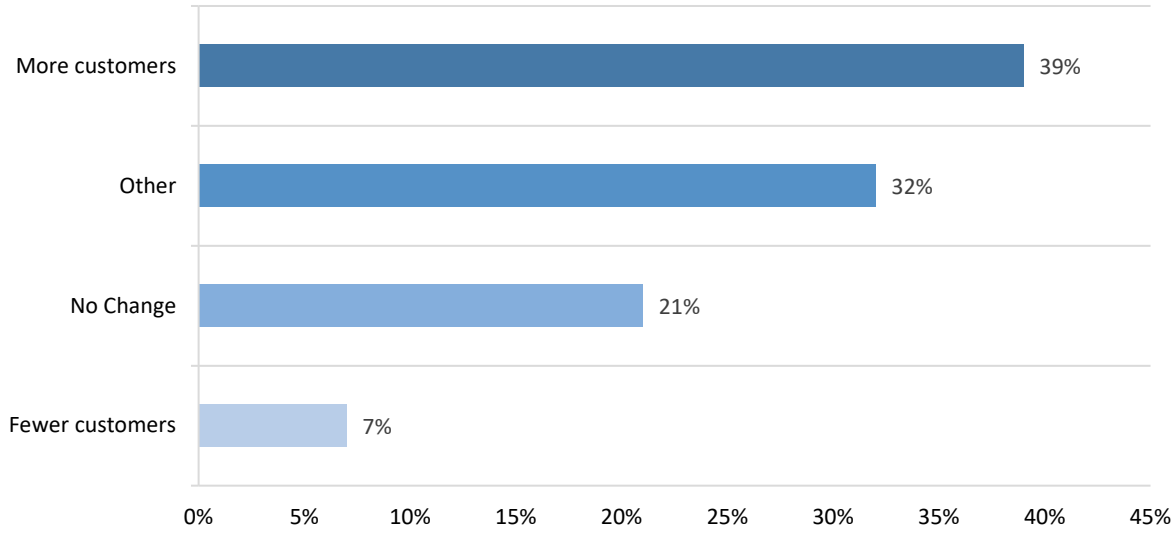


Note: See Attachment B for a full list of the "other" responses received. The "other" responses are the open-ended responses that were received.

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?"

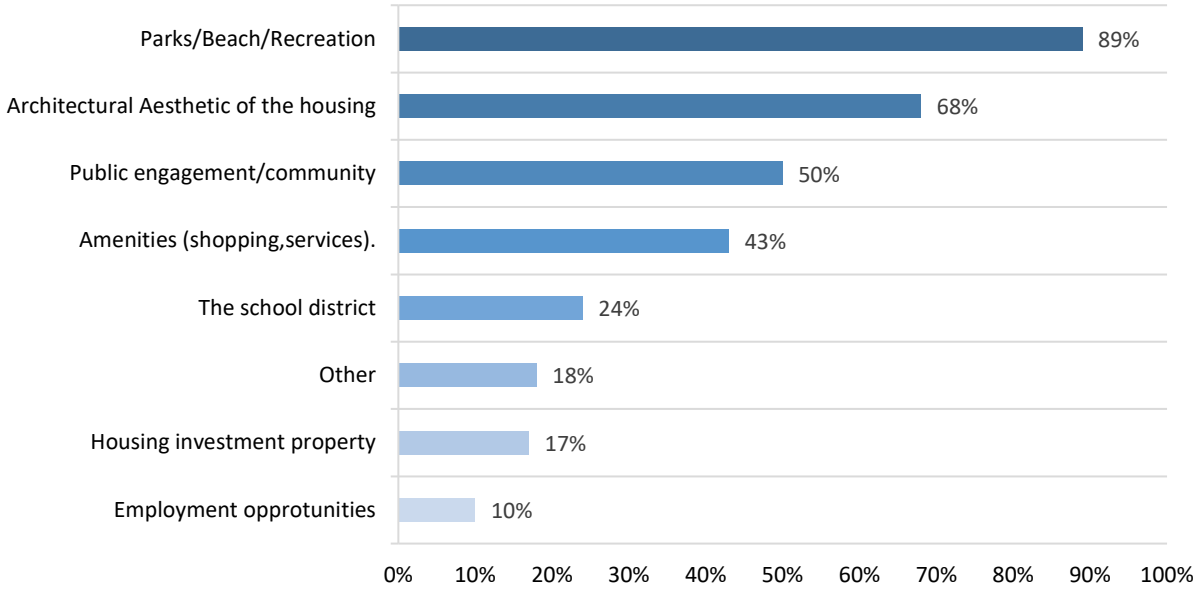


Note: See Attachment B for a full list of the "other" responses received. The "other" responses are the open-ended responses that were received.

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.

Figure 12: "What are the most appealing elements about life 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.

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 A

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 therefor 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 arrondisement 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. ly 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 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 buisness 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 / restsurants. 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 liked 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 it. 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 QofL 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.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
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November 1, 2023

Brandon Swanson, Planning Director
Community Planning and Building Department
City of Carmel
P.O Box CC
Carmel-by-the-Sea, CA 93921

Dear Brandon Swanson:

RE: City of Carmel-by-the-Sea's 6th Cycle (2023-2031) Draft Housing Element

Thank you for submitting the City of Carmel-by-the-Sea's draft housing element received for review on August 3, 2023, along with revisions that were received on October 17, 2023. Our review was facilitated by a conversation on October 10, 2023 with Marnie Waffle and Katherine Wallace. In addition, the California Department of Housing and Community Development (HCD) considered comments from David Kellogg and Brian Wilke, pursuant to Government Code section 65585, subdivision (c). Pursuant to Government Code section 65585, HCD is reporting the results of its review.

The draft element addresses many statutory requirements; however, revisions will be necessary to substantially comply with State Housing Element Law (Gov. Code, § 65580 et seq). The enclosed Appendix describes the revisions needed to comply with State Housing Element Law.

Public participation in the development, adoption, and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate. Please be aware, any revisions to the element must be posted on the local government's website and to email a link to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting to HCD.

For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), if a local government fails to adopt a compliant housing element within 120 days of the statutory deadline (December 15, 2023), then any rezoning to make prior identified sites available or accommodate the regional housing needs allocation (RHNA) shall be completed no later than one year from the statutory deadline pursuant to Government

Code sections 65583, subdivision (c) and 65583.2, subdivision (c). Please be aware, if the City fails to adopt a compliant housing element within one year from the statutory deadline, the element cannot be found in substantial compliance until all necessary rezones are completed.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant, the Affordable Housing and Sustainable Communities program, and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City will meet housing element requirements for these and other funding sources.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: https://www.opr.ca.gov/planning/general-plan/guidelines.html.

HCD appreciates the cooperation and effort the City's housing element team provided during the housing element update and review. We are committed to assisting the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Pierce Abrahamson, of our staff, at pierce.abrahamson@hcd.ca.gov.

Sincerely,

Paul McDougall
Senior Program Manager

Enclosure

APPENDIX
CITY OF CARMEL

The following changes are necessary to bring the City's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on HCD's website at https://www.hcd.ca.gov/planning-and-community-development/hcd-memos. Among other resources, the housing element section contains HCD's latest technical assistance tool, *Building Blocks for Effective Housing Elements (Building Blocks),* available at https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks and includes the Government Code addressing State Housing Element Law and other resources.

A. Housing Needs, Resources, and Constraints

1. *Affirmatively further[ing] fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2…shall include an assessment of fair housing in the jurisdiction (Gov. Code, § 65583, subd. (c)(10)(A)).*

   Fair Housing Enforcement and Outreach: While the element describes the City as having not been found in violation of fair housing laws, it should also describe how the City proactively complies with existing fair housing laws and regulations. For additional information, please see pages 28-30 on HCD's Affirmatively Furthering Fair Housing (AFFH) Guidance Memo at https://www.hcd.ca.gov/community-development/affh/docs/AFFH_Document_Final_4-27-2021.pdf.

   Integration and Segregation: The element reports some data on income at the regional (City compared to Region) and local level (areas within the City compared to each other) but should also analyze the data for patterns and trends over time, particularly at the regional level. An analysis should address trends over time, coincidences with other components of the assessment of fair housing and incorporate local data and knowledge and other relevant factors. Examples of local data and knowledge include service providers, nonprofit developers, local foundations and city officials. Other relevant factors include zoning and land use; state and federal investments including transportation; lack of applying for state and federal resources and demographics and market conditions.

   Disparities in Access to Opportunity: While the element reports data on disparities in access to education, economic, and environmental opportunities, it should also address disparities in access to transportation opportunities, including accessibility and combined transportation and housing costs experienced by protected groups. Please refer to page 35 of the AFFH guidebook (link: https://www.hcd.ca.gov/community-development/affh/docs/AFFH_Document_Final_4-27-2021.pdf).

Disproportionate Housing Needs (Substandard Housing Conditions): While the element included some data regarding housing conditions, it must also identify any concentrations of substandard housing units or concentrations of older units in need of rehabilitation at the local level.

Identified Sites and AFFH: While the element provides some analysis regarding how sites affirmatively further fair housing, it should quantify the number of units by income category and location such as the northern and southern portions of the City. Then, the element should evaluate the impacts of identified sites on existing patterns, including addressing any isolation of the regional housing need allocation (RHNA) by income group, lack of identified sites by income groups in any areas of the City and whether the identification of sites improves or exacerbates existing patterns of socio-economic characteristics.

Contributing Factors to Fair Housing Issues: Upon a complete analysis of AFFH, the element should re-assess and prioritize contributing factors to fair housing issues.

2. *Analyze any special housing needs such as elderly; persons with disabilities, including a developmental disability; large families; farmworkers; families with female heads of households; and families and persons in need of emergency shelter. (Gov. Code, § 65583, subd. (a)(7).)*

   Special Needs Households: The element reports data and includes a generic discussion of housing challenges faced by special needs households. However, the element must analyze the housing needs of special needs households for each special need group including seniors, farmworkers, large households, persons with disabilities including developmental disabilities and persons experiencing homelessness. An analysis should address household characteristics, trends, local knowledge such as service providers, existing resources and strategies and the magnitude of the gap in addressing those housing needs.

   In addition, for farmworkers, the analysis may utilize past farmworker housing studies and other studies generally applicable to their special housing needs. For example, the element could utilize a recent study conducted by the University of California at Merced that is available at https://clc.ucmerced.edu/sites/clc.ucmerced.edu/files/page/documents/fwhs_report_2.2.2383.pdf. Based on the outcomes of the analysis, the element should add or modify programs to address this special housing need in the region.

3. *An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)*

   Progress in Meeting the RHNA: Table C-2 (p. C-2) currently has a placeholder for "Units permitted between June 30, 2023 and December 31, 2023". While jurisdictions in the AMBAG region may credit units permitted, entitled, approved, or built (pipeline) since June 30, 2023, the element must demonstrate the affordability and availability of pipeline units in the planning period. Affordability should be demonstrated based on anticipated or actual rents, sales prices, or other mechanisms ensuring affordability

(e.g., deed restrictions). Availability or likelihood of pipeline units being built in the planning period should address status, remaining steps, and any known barriers to development in the planning period, including other relevant factors such as the likelihood of an application or entitlement discontinuing toward development.

Realistic Capacity: The element must calculate the realistic residential capacity on identified sites and, generally, account for land use controls, site improvements and typically built densities and affordability. However, the element may utilize minimum densities. The element appears to utilize minimum densities based on Program 3.1.G (Housing Priority Overlay Zoning). However, Program 3.1.G should be revised to clearly commit to establishing minimum densities and apply for all identified sites utilizing minimum densities. For example, several sites appear to utilize minimum densities but are not proposed with the overlay zone. Otherwise, the element provides a list of sites of approved projects from the 5th cycle planning period with relevant information such as total units built, density calculations, and affordability. However, the average density of completed developments is lower than 33 du/ac, and none of the projects included units affordable to lower- and moderate-income households. As a result, the element should either provide additional supporting information that accounts for land use controls and site improvements (e.g., heights, floor area ratio (FAR), lot coverages, parking, interior courtyard) or rescale assumptions to better align with recent trends.

In addition, given the City is utilizing an overlay and several sites appear with zoning that allow 100 percent nonresidential uses, the calculations of residential capacity should account for the likelihood that sites will utilize the overlay and include a residential component. For example, to demonstrate the likelihood of utilizing the overlay, the element could discuss interest from property owners or developers. To demonstrate the likelihood of a residential component, the element could examine all development in the relevant zones and how often a residential component occurs.

Suitability of Nonvacant Sites: The element identifies nonvacant sites to accommodate the RHNA and includes a site-by-site description. However, in many cases, the element only briefly mentions existing conditions such as what could be built, structure type and the improvement to land value tier. In addition, except for sites where owner interest in residential development in the planning period is expressed, the element should evaluate the extent existing uses impede additional development. For example, the evaluation should address (a) any existing leases or other contracts or conditions that would perpetuate the existing use or prevent redevelopment of the site for additional residential development; (b) existing regulatory framework, including incentives and potential barriers such as heights, FARs and interior courtyard requirements; (c) existing versus allowable floor area; (d) indicators of turnover such as vacancy, for sale or frequent changes in use; (3) the viability of the existing use and impacts of relocation or continuing the use and (4) any other relevant factors that may preclude or promote redevelopment.

In addition, for your information, the element relies on nonvacant sites to accommodate 50 percent or more of the housing needs for lower-income households, which triggers requirements to make findings based on substantial evidence that the existing use is not an impediment and will likely discontinue in the planning period. Absent findings (e.g.,

adoption resolution) based on substantial evidence, the existing uses will be presumed to impede additional residential development and will not be utilized toward demonstrating adequate sites to accommodate the RHNA.

City-Owned Sites: The element identifies City-Owned sites to accommodate the RHNA but also appears to indicate that redevelopment may not be likely. Specifically, the element mentions for Sites 1 (Sunrise Center North) and 2 (Sunrise Center South) that the City is only interested if the parking needs can be met and for Site 4 (City Public Works) the element discusses the City's interest if housing is feasible. The element should address the status of each of the City-Owned sites, necessary steps for entitlement and issuing building permits and any known barriers to development in the planning period. For example, the element should discuss the potential for meeting the parking needs of Sites 1 and 2 and the feasibility of Site 4. Based on the outcomes of this analysis, the element should either remove the sites or add or modify programs (See Finding B2 below)

Alternative Adequate Sites: The element may utilize a variety of methods to identify adequate sites and utilizes two methods (Hospitality Employee Housing and Overnight Visitor Accommodation). While the element lists several properties that could utilize the incentive programs, it should also discuss the potential for utilizing the program, recent development trends, interest or other relevant factors supporting assumptions or rescale assumptions in the planning period. For example, the element may utilize a method similar to accessory dwelling units (ADU) based on past trends. Furthermore, the element should list potential receiving sites for the transfer of development rights and analyze their suitability for development or redevelopment in the planning period. Finally, the element should include a program to evaluate the effectiveness of these programs, including progress aligned with assumptions in the inventory, and, if development is not occurring as assumed, take alternative action by a specified date to maintain adequate sites, including but not limited to additional incentives and rezoning additional sites with appropriate zoning.

Zoning for Lower-Income Households: The element must demonstrate adopted densities appropriate to accommodate housing for lower income households. For communities with densities that meet specific standards (at least 20 units per acre for Carmel), no analysis is required (Default Density). (Gov. Code, § 65583.2, subd. (c)(3).) Otherwise, an analysis must demonstrate appropriate densities based on factors such as market demand, financial feasibility, and development experience within identified zones. To address this requirement, the element should clearly identify which zones and allowable densities are being utilized to accommodate the lower-income RHNA. If utilizing existing zoning, the element should either meet the Default Density standard or demonstrate the appropriate densities based on the factors noted above. If utilizing planned zoning, (e.g., City-owned sites, Housing Priority Overlay, SB 10), the element must include a program(s) rezoning sites to meet all by-right requirements pursuant to Government Code section 65583.2, subdivisions (h) and (i). This rezoning should not be limited to senior housing (e.g., Site 10 – Carmel Foundation).

In addition, please be aware, that the recent California appellate decision in Martinez v. City of Clovis found that while overlays can be used in a rezone, when the base zone allows residential development, both the base zone and the overlay zone must comply

with the minimum density requirements of Government Code section 65583.2, subdivision (h). The City may need to adjust its rezoning strategy if the underlying zoning for sites that will be rezoned allows minimum densities less than 20 dwelling units per acre. *Martinez v. City of Clovis (2023) 90 Cal.App.5th 193, 307 Cal.Rptr.3d 64.*

Environmental Constraints: While the element discusses environmental constraints, it should also address any other conditions that could preclude development in the planning period. Examples of other conditions include shape, access, contamination, relocation, title conditions, historic preservation and easements.

Infrastructure: The element describes infrastructure limitations in the City. However, it must also demonstrate sufficient total dry utility capacity (existing and planned) to accommodate the City's RHNA for the planning period. (Gov. Code, § 65583.2, subd. (b).)

In addition, while the element includes Programs 1.2.A (Water Distribution Prioritization for Affordable Housing) and 1.2.B (Address Infrastructure Constraints) to maintain and augment the existing water supply, the program should be revised to include discrete timelines for implementation throughout the planning period.

Electronic Sites Inventory: For your information, pursuant to Government Code section 65583.3, the City must submit an electronic sites inventory with its adopted housing element. The City must utilize standards, forms, and definitions adopted by HCD. Please see HCD's housing element webpage at https://www.hcd.ca.gov/community-development/housing-element/index.shtml#element for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance.

Zoning for a Variety of Housing Types:

- *Emergency Shelters*: While the element provides general information on emergency shelters, it must also describe how it complies with the requirements of Assembly Bill 2339 (2022). Among other changes, this amendment to Government Code section 65583, subdivision (a)(4) expands the definition of "emergency shelters," specifying the type of zoning designations that must be identified to allow emergency shelters as a permitted use without a conditional use or discretionary permit and demonstrate the appropriateness of sites to accommodate emergency shelters, including analyzing proximity to transportation and services. The element must add a program committing to compliance with these requirements within one year of adoption.

- *Employee Housing*: The element indicates the City does not have agriculturally designated land and therefore is not required to identify any zones to provide farmworker housing. The Employee Housing Act (Health and Safety Code § 17000 et seq.), specifically, sections 17021.5 and 17021.6. Section 17021.5 requires 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. Section 17021.6 requires employee housing consisting of no more than 12 units or 36 beds to be permitted in the same manner as other agricultural uses in the same zone.

The element must either demonstrate consistency with these requirements or include programs to amend zoning as appropriate. For additional information and sample analysis, see the Building Blocks at https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/farmworkers.

- *Permanent Supportive Housing*: Supportive housing shall be a use by-right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses pursuant to Government Code section 65651. The element must demonstrate compliance with this requirement and include programs as appropriate.

4. *An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures... (Gov. Code, § 65583, subd. (a)(5).)*

   Land Use Controls: The element must identify and analyze all relevant land use controls impacts as potential constraints on a variety of housing types (e.g., multifamily rental housing). The analysis must also evaluate the cumulative impacts of land use controls on the cost and supply of housing, feasibility, and ability to achieve minimum. The analysis should specifically address heights, FARs, lot coverage and other standards such as interior courtyards and based on the outcomes of a complete analysis, the element should include programs to address or remove the identified constraints.

   Fees and Exaction: While the element describes required fees for single-family and multifamily housing development, it must analyze their impact as potential constraints on housing supply and affordability. Specifically, the element must analyze the total per unit fee cost for multifamily housing units being higher than that of total fees for single family homes as a constraint and should include programs to reduce fees for multifamily housing. For additional information and a sample analysis, see the Building Blocks at https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/fees-and-exactions.

   Local Processing and Permit Procedures: The element describes some typical permitting tracks under the City's processes, including design review and conditional use permits (CUP) but should also analyze the impacts on housing cost, timing and approval certainty. The analysis should specifically address approval findings for typical development that are consistent with zoning, Forest and Beach Commission hearing and story pole requirements. The element should include programs to address or remove the identified constraints.

   In addition, while the element discusses compliance with the Permit Streamlining Act, it should also discuss intersections with the California Environmental Quality Act and timing requirements, including streamlining determinations and add or modify programs as appropriate.

Constraints on Housing for Persons with Disabilities:

- *Reasonable Accommodation*: While the element lists the required findings to approve a reasonable accommodation request, it should analyze the finding that approving the accommodation "will not result in a significant and unavoidable negative impact on adjacent uses or structures." The element must analyze how this is applied and include a program to remove subjectivity, as appropriate. In addition, the element should analyze any appeals processes, including the final decision-making body and parties who can request an appeal hearing of a reasonable accommodation request.

- *Conditional Use Permit:* While the element commits to removing use permits for certain types of housing, the element must also fully describe the CUP approval findings for potential constraints on the development of licensed residential care facilities of seven or more persons.

B. Housing Programs

1. *Include a program which sets forth a schedule of actions during the planning period, each with a timeline for implementation, which may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element... (Gov. Code, § 65583, subd. (c).)*

   To achieve a beneficial impact during the planning period, programs should include, where appropriate, specific commitment toward housing outcomes and discrete timing (e.g., at least annually). Programs should be revised as follows:

   - *Program 3.1A (Mixed Use Affordable Housing)*: This Program commits to meeting with developers and soliciting input and feedback on the City's design guidelines and approval process. However, the Program should commit to taking actions resulting from the feedback provided by the development community. For example, the Program could commit to revising the guidelines/approval process if any constraints are identified as part of the feedback received. This Program should also be modified to include a timeline or frequency for those actions.

   - *Program 3.1F (Expedited Processing Procedures)*: This Program commits to developing a policy that will shorten processing times by 50 percent for affordable housing projects by offering expedited review procedures for residential projects that will clarify and refine permit processing procedures for affordable housing to shorten processing procedures. However, the Program doesn't describe specific actions to substantiate the quantified objective. This Program should consist of specific commitments, including but not limited to, the removal of the story pole requirement and the Forest and Beach Commission hearing requirement for affordable projects that would allow the City to reasonably achieve a 50 percent reduction in processing times.

- *Program 3.3D (Single-Room Occupancy (SRO) Units)*: While the element now commits to codifying SROs as a housing type, it should provide an implementation timeframe for this action.

2. *Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning, and to comply with the requirements of Government Code section 65584.09. Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. (*Gov. Code, § *65583, subd. (c)(1).)*

   As noted in Finding A3, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis; the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types. In addition, the element should be revised as follows:

   Shortfall of Sites to Accommodate the Lower-Income RHNA: As noted in Finding A3, if rezoning is necessary, including appropriate densities, to accommodate the lower-income RHNA, programs should specifically commit to acreage, allowable densities and anticipated units. In addition, the program should specifically commit to rezoning that meets all by-right requirements pursuant to Government Code section 65583.2, subdivisions (h) and (i). Examples of by-right requirements include permitting all multifamily (not limited to senior housing) developments without discretionary action in which at least 20 percent of the units are affordable to lower-income households, 16 units per site, minimum densities and residential only performance standards. Based on the information in the element, these by-right and other program requirements should at least apply to City-Owned sites, some Housing Priority Overlay sites and SB 10 sites and Site 10 (Carmel Foundation).

   - *Minimum Densities*: As noted in Finding A3, the element appears to be utilizing minimum densities to calculate residential capacity on identified sites. If so, Program 3.1.G (Housing Priority Overlay Zone) should specifically commit to establish minimum densities. Currently, the Program appears to commit to minimum densities as part of a menu of incentives. Further, the Program or another program should commit to establishing minimum densities aligned with assumptions in the inventory for all relevant zones.

   - *City-Owned Sites*: In addition to meeting various requirements described above, Program 1.1.B (Underutilized Sites) should commit to numerical objectives consistent with assumptions in the sites inventory and a specific commitment to a

schedule of actions to facilitate development in the planning period, including alternative actions completed by a specified date (e.g., by 2028) if the sites will likely not develop in the planning period. Actions should include discrete timing for outreach with developers, issuing requests for proposals, incentives, assisting with funding and entitlement and issuing building permits.

3. *Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities. The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities. (Gov. Code, § 65583, subd. (c)(3).)*

   As noted in Finding A4, the element requires a complete analysis of potential governmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs and address and remove or mitigate any identified constraints.

4. *Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, disability, and other characteristics... (Gov. Code, § 65583, subd. (c)(5).)*

   As noted in Finding A1, the element must be revised to add or modify goals and actions based on the outcomes of a complete analysis. Goals and actions must specifically respond to the analysis and to the identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends. Actions must have specific commitment, metrics, and milestones as appropriate and must address housing mobility enhancement, new housing choices and affordability in high-opportunity areas, place-based strategies for community preservation and revitalization, and displacement protection.

   In addition, promoting housing mobility removes barriers to higher opportunity areas and strategically enhances access to housing choices and affordability to promote more inclusive neighborhoods, cities and regions. Among other factors, the City is wholly the highest resource community in contrast to the rest of the region. As a result, the element should include significant and robust actions with numerical targets (not limited to the RHNA) to promote housing mobility and increase housing choices and affordability throughout the City. Examples include promoting more housing choices and affordability in lower density areas, religious institutional sites and enhancing ADUs and junior accessory dwelling units (JADU) and home sharing strategies.

Comment Reference	HCD Section	HCD Comment	HCD Examples	Tracking Note for HCD
A	**Housing Needs, Resources, and Constraints**			
A.1	*Affirmatively further[ing] fair housing in accordance with Chapter 15 (commencing withSection 8899.50) of Division 1 of Title 2...shall include an assessment of fair housing inthe jurisdiction. (Gov. Code, § 65583, subd. (c)(10)(A).)*			
A.1.1		Fair Housing Enforcement and Outreach: While the element describes the City as having not been found in violation of fair housing laws, it should also describe how the City proactively complies with existing fair housing laws and regulations.	For additional information, please see pages 28-30 on HCD's Affirmatively Furthering Fair Housing (AFFH) Guidance Memo at https://www.hcd.ca.gov/community-development/affh/docs/AFFH_Document_Final_4-27-2021.pdf.	Edits to address this comment were made in Appendix A. Appendix A, subsection A.7, heading "Compliance with State Fair Housing Law" has been updated to state how the City complies with the laws listed (P. A-87 to A-88).
A.1.2		Integration and Segregation: The element reports some data on income at the regional (City compared to Region) and local level (areas within the City compared to each other) but should also analyze the data for patterns and trends over time, particularly at the regional level. An analysis should address trends over time, coincidences with other components of the assessment of fair housing and incorporate local data and knowledge and other relevant factors.	Examples of local data and knowledge include service providers, nonprofit developers, local foundations and city officials. Other relevant factors include zoning and land use; state and federal investments including transportation; lack of applying for state and federal resources and demographics and market conditions.	Edits to address this comment were made in Appendix A. Revisions to integration and segregation related to income and racial characteristics are addressed on pages A-14 to A-33. Integration and segregation related to special needs groups is located on pages A-45 to A-60. Our analysis ties these trends at the regional and local levels to disparities in access to opportunity on pages A-60 to A-68.
A.1.3		Disparities in Access to Opportunity: While the element reports data on disparities in access to education, economic, and environmental opportunities, it should also address disparities in access to transportation opportunities, including accessibility and combined transportation and housing costs experienced by protected groups.	Please refer to page 35 of the AFFH guidebook (link: https://www.hcd.ca.gov/community-development/affh/docs/AFFH_Document_Final_4-27-2021.pdf).	Edits to address this comment have been made in Appendix A. Appendix A has been revised to provide further analysis on transit disparities (P. A-67, and housing and transportation costs for special needs group (P. A-41 to A-56).
A.1.4		Disproportionate Housing Needs (Substandard Housing Conditions): While the element included some data regarding housing conditions, it must also identify any concentrations of substandard housing units or concentrations of older units in need of rehabilitation at the local level.		Edits to address this comment have been made in Appendix A. Appendix A has been revised to provide further analysis of substandard housing and/or concentrations of units in need of rehabilitation (P. A-79 to A-80).
A.1.5		Identified Sites and AFFH: While the element provides some analysis regarding how sites affirmatively further fair housing, it should quantify the number of units by income category and location such as the northern and southern portions of the City. Then, the element should evaluate the impacts of identified sites on existing patterns, including addressing any isolation of the regional housing need allocation (RHNA) by income group, lack of identified sites by income groups in any areas of the City and whether the identification of sites improves or exacerbates existing patterns of socio-economic characteristics.		Edits to address this comment have been made in Appendix C, Section C.6. A full AFFH analysis of sites has been added to this appendix (P. C-75 to C-101).
A.1.6		Contributing Factors to Fair Housing Issues: Upon a complete analysis of AFFH, the element should re-assess and prioritize contributing factors to fair housing issues.		Edits to address contributing factors have been made in Chapter 2 and Appendix A. Chapter 2 (P. 2-3) and Appendix A (P. A-90 to A-93) were updated to include revised contributing factors.
A.2	*Analyze any special housing needs such as elderly; persons with disabilities, including a developmental disability; large families; farmworkers; families with female heads of households; and families and persons in need of emergency shelte*			
A.2.1		Special Needs Households : The element reports data and includes a generic discussion of housing challenges faced by special needs households. However, the element must analyze the housing needs of special needs households for each special need group including seniors, farmworkers, large households, persons with disabilities including developmental disabilities and persons experiencing homelessness. An analysis should address household characteristics, trends, local knowledge such as service providers, existing resources and strategies and the magnitude of the gap in addressing those housing needs. In addition, for farmworkers, the analysis may utilize past farmworker housing studies and other studies generally applicable to their special housing needs.	For example, the element could utilize a recent study conducted by the University of California at Merced that is available at https://clc.ucmerced.edu/sites/clc.ucmerced.edu/files/page/documents/fwhs_report_2.2. 2383.pdf. Based on the outcomes of the analysis, the element should add or modify programs to address this special housing need in the region.	Edits to address this comment were made in Appendix A. Appendix A has been revised to include further analysis of special needs households as guided by the HCD comment (P. A-41 to A-59).

A.3	*An inventory of land suitable and available for residential development, including vacantsites and sites having realistic and demonstrated potential for redevelopment during theplanning period to meet the locality's housing need for a de*		
A.3.1	Progress in Meeting the RHNA: Table C-2 (p. C-2) currently has a placeholder for "Units permitted between June 30, 2023 and December 31, 2023 ". While jurisdictions in the AMBAG region may credit units permitted, entitled, approved, or built (pipeline) since June 30, 2023, the element must demonstrate the affordability and availability of pipeline units in the planning period. Affordability should be demonstrated based on anticipated or actual rents, sales prices, or other mechanisms ensuring affordability (e.g., deed restrictions). Availability or likelihood of pipeline units being built in the planning period should address status, remaining steps, and any known barriers to development in the planning period, including other relevant factors such as the likelihood of an application or entitlement discontinuing toward development.		Edits to address this comment were made in Appendix C. Appendix C has been revised to update Table C-2, to include updated numbers for units permitted between June 30, 2023 and December 31, 2023 based on pipeline projects (P. C-2).
A.3.2	Realistic Capacity: The element must calculate the realistic residential capacity on identified sites and, generally, account for land use controls, site improvements and typically built densities and affordability. However, the element may utilize minimum densities. The element appears to utilize minimum densities based on Program 3.1.G (Housing Priority Overlay Zoning). However, Program 3.1.G should be revised to clearly commit to establishing minimum densities and apply for all identified sites utilizing minimum densities. In addition, given the City is utilizing an overlay and several sites appear with zoning that allow 100 percent nonresidential uses, the calculations of residential capacity should account for the likelihood that sites will utilize the overlay and include a residential component.	For example, several sites appear to utilize minimum densities but are not proposed with the overlay zone. Otherwise, the element provides a list of sites of approved projects from the 5th cycle planning period with relevant information such as total units built, density calculations, and affordability. However, the average density of completed developments is lower than 33 du/ac, and none of the projects included units affordable to lower- and moderate-income households. As a result, the element should either provide additional supporting information that accounts for land use controls and site improvements (e.g., heights, floor area ratio (FAR), lot coverages, parking, interior courtyard) or rescale assumptions to better align with recent trends. For example, to demonstrate the likelihood of utilizing the overlay, the element could discuss interest from property owners or developers. To demonstrate the likelihood of a residential component, the element could examine all development in the relevant zones and how often a residential component occurs.	Edits to address this comment were made in Appendix C and Chapter 2. Apendix C has been revised to include a clear realistic capacity analysis for each individual site. This analysis includes accounting for adjustment factors such as land use controls, site improvements, typical densities, and affordability (P. C-14; P. C-20 to C-71). City staff are no longer utilizing a Housing Priority Overlay Zone. Instead, the City has committed to **establishing** a minimum density of 33 du/ac for the **base zoning** of all Commercial Zoning Districts (SC, RC, and CC) and the Multi-Family Residential (R-4) Zoning District. Without establishing a minimum density, the Commercial Districts permit 0-22 du/ac and the Multi-Family Residential district permits a maximum of 33 du/ac unless enabling a maximum of 44 du/ac with affordable units (P. C-8). Chapter 2 has been revised to update Program 3.1.G, which has been revised to eliminate the Housing Priority Overlay Zone, and instead establishes implementation procedures and monitoring for the establishment of a minimum density of 33 du/ac to the base zoning for Commercial Districts and the Multi-Family Residential District (P. 2-21). This intention is rooted in enabling the construction of more residential units, rather than enabling larger units at a lower yield. Appendix C has been further updated to include a list of pipeline projects that utilize a minimum density of 33 du/ac in the Commercial District (P. C-16 to C-17). As well as, a list of projects that developed during the 5th Cycle, utilizing similar densities in the Commercial District (P. C-11 to C-13). These projects include

A.3.3	Suitability of Nonvacant Sites: The element identifies nonvacant sites to accommodate the RHNA and includes a site-by-site description. However, in many cases, the element only briefly mentions existing conditions such as what could be built, structure type and the improvement to land value tier. In addition, except for sites where owner interest in residential development in the planning period is expressed, the element should evaluate the extent existing uses impede additional development. In addition, for your information, the element relies on nonvacant sites to accommodate 50 percent or more of the housing needs for lower-income households, which triggers requirements to make findings based on substantial evidence that the existing use is not an impediment and will likely discontinue in the planning period. Absent findings (e.g., adoption resolution) based on substantial evidence, the existing uses will be presumed to impede additional residential development and will not be utilized toward demonstrating adequate sites to accommodate the RHNA.	For example, the evaluation should address (a) any existing leases or other contracts or conditions that would perpetuate the existing use or prevent redevelopment of the site for additional residential development; (b) existing regulatory framework, including incentives and potential barriers such as heights, FARs and interior courtyard requirements; (c) existing versus allowable floor area; (d) indicators of turnover such as vacancy, for sale or frequent changes in use; (3) the viability of the existing use and impacts of relocation or continuing the use and (4) any other relevant factors that may preclude or promote redevelopment.	Edits to address this comment have been made in Appendix C. Appendix C has been revised to include a section addressing nonvacant sites to accommodate 50 percent or more of the housing needs for lower-income households (P. C-10 to C-14). Additionally, a section has been added to provide context for projects that were completed during the 5th cycle and recent development trends in the Commercial District (P. C-11 to C-13). The majority of the City's sites are located in the Commercial District, where underutilized sites are most likely to develop in the eight-year planning cycle. The City's Municipal Code requires that all newly constructed second story floor area, including area in new buildings, remodeled buildings and replacement, rebuilt of reconstructed buildings, shall be occupied by residential dwellings only and shall not be used for any commercial use (CMC 17.14.050F). This requirement has not been an impediment to commercial development, and instead has resulted in the addition of several residential second story units. Many sites included in the Sites Inventory include property owner development intentions for second story residential additions.
A.3.4	City-Owned Sites: The element identifies City-Owned sites to accommodate the RHNA but also appears to indicate that redevelopment may not be likely. Specifically, the element mentions for Sites 1 (Sunrise Center North) and 2 (Sunrise Center South) that the City is only interested if the parking needs can be met and for Site 4 (City Public Works) the element discusses the City's interest if housing is feasible. The element should address the status of each of the City-Owned sites, necessary steps for entitlement and issuing building permits and any known barriers to development in the planning period.	For example, the element should discuss the potential for meeting the parking needs of Sites 1 and 2 and the feasibility of Site 4. Based on the outcomes of this analysis, the element should either remove the sites or add or modify programs (See Finding B2 below)	Edits related to this comment were made in Appendix C and Chapter 2. Appendix C has been revised to clearly state the City's interest and development intentions for Sites #1 and #2 (Sunset Center North and South Parking Lots). This includes the City's intentions to develop housing over podium parking. Anticipated funding for the development of podium parking has also been clarified in the individual sites analyses. Chapter 2 has been revised to update Program 1.1.B to give clear committments in regard to the Surplus Land Act process (P. 2-6). The analysis for Site #3 (Vista Lobos) has been updated to include more specific details regarding the City's intention for development, including the use of the City's Bonus Density to enable a higher density of 44 du/ac for affordable units.
A.3.5	Alternative Adequate Sites: The element may utilize a variety of methods to identify adequate sites and utilizes two methods (Hospitality Employee Housing and Overnight Visitor Accommodation). While the element lists several properties that could utilize the incentive programs, it should also discuss the potential for utilizing the program, recent development trends, interest or other relevant factors supporting assumptions or rescale assumptions in the planning period. Furthermore, the element should list potential receiving sites for the transfer of development rights and analyze their suitability for development or redevelopment in the planning period. Finally, the element should include a program to evaluate the effectiveness of these programs, including progress aligned with assumptions in the inventory, and, if development is not occurring as assumed, take alternative action by a specified date to maintain adequate sites, including but not limited to additional incentives and rezoning additional sites with appropriate zoning.	For example, the element may utilize a method similar to accessory dwelling units (ADU) based on past trends.	Edits to address this comment have been made in Appendix C and Chapter 2. Appendix C has been revised to clarify the City's intentions for the use of Overnight Visitor Accommodation sites to a) encourage lower income housing for employees by incentivizing the development of a single unit upon receiving building permits for remodel/repair of these sites; and b) to encourage the transfer of development rights for multi-family rental residence at Overnight Visitor Accommodation sites that meet eligibility criteria (P. C-72 to C-74). Chapter 2 has been updated to revise Program 1.3.B and Program 1.3.D to include clear mid-cycle objectives and actions should the program not receive interest (P. 2-8 and P. 2-10).

A.3.6	Zoning for Lower-Income Households: The element must demonstrate adopted densities appropriate to accommodate housing for lower income households. For communities with densities that meet specific standards (at least 20 units per acre for Carmel), no analysis is required (Default Density). (Gov. Code, § 65583.2, subd. (c)(3).) Otherwise, an analysis must demonstrate appropriate densities based on factors such as market demand, financial feasibility, and development experience within identified zones. To address this requirement, the element should clearly identify which zones and allowable densities are being utilized to accommodate the lower-income RHNA. If utilizing existing zoning, the element should either meet the Default Density standard or demonstrate the appropriate densities based on the factors noted above. If utilizing planned zoning, (e.g., City-owned sites, Housing Priority Overlay, SB 10), the element must include a program(s) rezoning sites to meet all by-right requirements pursuant to Government Code section 65583.2, subdivisions (h) and (i). This rezoning should not be limited to senior housing (e.g., Site 10 – Carmel Foundation). In addition, please be aware, that the recent California appellate decision in Martinez v. City of Clovis found that while overlays can be used in a rezone, when the base zone allows residential development, both the base zone and the overlay zone must comply with the minimum density requirements of Government Code section 65583.2, subdivision (h). The City may need to adjust its rezoning strategy if the underlying zoning for sites that will be rezoned allows minimum densities less than 20 dwelling units per acre. Martinez v. City of Clovis (2023) 90 Cal.App.5th 193, 307 Cal.Rptr.3d 64.		Edits to address this comment have been made in Appendix C and Chapter 2. Please note: Site number have changed since the prior draft. Appendix C has been revised to include a section clarifying which zones are intended to accommodate lower-income housing, as well as their default densities (P. C-8). Also included, is clarifying information regarding which strategies are being utilized to accommodate lower-income housing including, Surplus Land Act, SB 10, and utlizing a newly established minimum density. No sites are intended to be rezoned, with the exception of Sites #5 (First Church of Christ Parking Lot), #6 (American Red Cross), and #10 (American Legion). These sites are intended to utilize SB 10. Full details are provided in Appendix C. Chapter 2 has also been revised to update Program 1.3.I, which establishes and monitors the regulatory process to enable SB 10 for these sites (P. 2-12 to 2-13). Chapter 2 has been revised to update Program 3.1.G, as previously noted (P. 2-21).
A.3.7	Environmental Constraints: While the element discusses environmental constraints, it should also address any other conditions that could preclude development in the planning period.	Examples of other conditions include shape, access, contamination, relocation, title conditions, historic preservation and easements.	Edit to address this comment have been made in Appendix C. Appendix C has been revised to list environmental constraints as they apply for each invidual site (P. C-21 to C-71).
A.3.8	Infrastructure: The element describes infrastructure limitations in the City. However, it must also demonstrate sufficient total dry utility capacity (existing and planned) to accommodate the City's RHNA for the planning period. (Gov. Code, § 65583.2, subd. (b).) In addition, while the element includes Programs 1.2.A (Water Distribution Prioritization for Affordable Housing) and 1.2.B (Address Infrastructure Constraints) to maintain and augment the existing water supply, the program should be revised to include discrete timelines for implementation throughout the planning period.		Edits to address this comment have been made in Appendix B, Appendix C, and Chapter 2. Appendix B, section titled, "Water Supply," is also included in the housing element to describe the City's water supply status and efforts to provide sufficient water for new residential development. (P. B-1 to B-3) Appendix C has been revised to include a section addressing dry utility capacity for the Sites Inventory, as well as detailing infrastructure capacity for each individual site (P. C-14). Chapter 2, Programs 1.2.A and 1.2.B, are also included to address priority water services for affordable developments and the City's commitment to improving infrastructure (P. 2-6 and 2-7).
A.3.9	Electronic Sites Inventory: For your information, pursuant to Government Code section 65583.3, the City must submit an electronic sites inventory with its adopted housing element. The City must utilize standards, forms, and definitions adopted by HCD. Please see HCD's housing element webpage at https://www.hcd.ca.gov/community- development/housing-element/index.shtml#element for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical		

A.3.10	Zoning for a Variety of Housing Types: • Emergency Shelters: While the element provides general information on emergency shelters, it must also describe how it complies with the requirements of Assembly Bill 2339 (2022). Among other changes, this amendment to Government Code section 65583, subdivision (a)(4) expands the definition of "emergency shelters," specifying the type of zoning designations that must be identified to allow emergency shelters as a permitted use without a conditional use or discretionary permit and demonstrate the appropriateness of sites to accommodate emergency shelters, including analyzing proximity to transportation and services. The element must add a program committing to compliance with these requirements within one year of adoption. • Employee Housing: The element indicates the City does not have agriculturally designated land and therefore is not required to identify any zones to provide farmworker housing. The Employee Housing Act (Health and Safety Code § 17000 et seq.), specifically, sections 17021.5 and 17021.6. Section 17021.5 requires 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. Section 17021.6 requires employee housing consisting of no more than 12 units or 36 beds to be permitted in the same manner as other agricultural uses in the same zone. The element must either demonstrate consistency with these requirements or include programs to amend zoning as appropriate. For additional information and sample analysis, see the Building Blocks at https://www.hcd.ca.gov/planning- and-community-development/housing-elements/building-blocks/farmworkers.		Edits to address this comment have been made in Appendix A, Appendix B, and Chapter 2. Appendix A has been revised to address employee housing and farmworker housing (P. A-56 and A-57) and a new program (1.3.F) was added to Chapter 2 (P. 2-11). Appendix B has been revised to address transitional/supportive housing requirements (P. B-23 and B-24). Additionally, Appendix B has been revised to address the suitability of emergency shelters in the City (P. B-24 and B-25), and references Program 1.3.J (P. 2-13), which establishes an amendment to the Municipal Code to define emergency shelters and clarifies they are permitted by-right in the CC, SC, and RC zones, which allow residential uses. Chapter 2 has been revised to include Program 1.3.F, which establishes an amendment to the Municipal Code to meet State requirements for employee housing (P. 2-11 and 2-12). Additionally, Program 3.3.A has been added, which establishes an amendment to the Municipal Code to meet State requireemnts for transitional/supportive housing (P. 2-22). Program 1.3.J has been added to Chapter 2 to address emergency shelter requirements in compliance with AB 2339 Statutes of 2022 (P. 2-13).
A.4	*An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for perso*		
A.4.1	Land Use Controls: The element must identify and analyze all relevant land use controls impacts as potential constraints on a variety of housing types (e.g., multifamily rental housing). The analysis must also evaluate the cumulative impacts of land use controls on the cost and supply of housing, feasibility, and ability to achieve minimum. The analysis should specifically address heights, FARs, lot coverage and other standards such as interior courtyards and based on the outcomes of a complete analysis, the element should include programs to address or remove the identified constraints.		Edits to addres this comment have been made in Appendix B. Appendix B has been updated to evaluate the cumulative impacts of land use controls on the cost of housing, feasibility, and ability to acheive minimum densities. The analysis addresses FAR, density, height, lot coverage, interior courtyards and intra-block walkways (P. B-11 to B-19).
A.4.2	Fees and Exaction: While the element describes required fees for single-family and multifamily housing development, it must analyze their impact as potential constraints on housing supply and affordability. Specifically, the element must analyze the total per unit fee cost for multifamily housing units being higher than that of total fees for single family homes as a constraint and should include programs to reduce fees for multifamily housing.	For additional information and a sample analysis, see the Building Blocks at https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/fees-and-exactions.	Edits to address this comment have been made in Appendix B. Appendix B has been updated to include a clear analysis of the potential constraints that fees for single-family and multi-family developments may pose on housing supply and affordability. A per unit analysis was added for multifamily housing (P. B-43 to B-45).

	A.4.3	Local Processing and Permit Procedures: The element describes some typical permitting tracks under the City's processes, including design review and conditional use permits (CUP) but should also analyze the impacts on housing cost, timing and approval certainty. The analysis should specifically address approval findings for typical development that are consistent with zoning, Forest and Beach Commission hearing and story pole requirements. The element should include programs to address or remove the identified constraints. In addition, while the element discusses compliance with the Permit Streamlining Act, it should also discuss intersections with the California Environmental Quality Act and timing requirements, including streamlining determinations and add or modify programs as appropriate.		Edits to address this comment have been made in Appendix B. Appendix B has been updated to clearly state the approval findings for typical development that are consistent with zoning (Pages B-34-36); and the application process, approval findings, and hearings related to the Forest and Beach Commission (P. B-35 to B-37) Additionally, Appendix B has been updated to clarify the Local Coastal Program's required development process, which requires the use of story poles to determine the potential obstruction of signficant coastal views by proposed development (P. B-53). Lastly, Appendix B has been updated to discuss intersections with CEQA and processing timing requirements. (Page B-48-49)
	A.4.4	Constraints on Housing for Persons with Disabilities: • Reasonable Accommodation: While the element lists the required findings to approve a reasonable accommodation request, it should analyze the finding that approving the accommodation "will not result in a significant and unavoidable negative impact on adjacent uses or structures." The element must analyze how this is applied and include a program to remove subjectivity, as appropriate. In addition, the element should analyze any appeals processes, including the final decision-making body and parties who can request an appeal hearing of a reasonable accommodation request. • Conditional Use Permit: While the element commits to removing use permits for certain types of housing, the element must also fully describe the CUP approval findings for potential constraints on the development of licensed residential care facilities of seven or more persons.		Edits to address this comment have been made in Appendix B and Chapter 2. Appendix B has been updated to include the reviewing authority and appeals process for requests for reasonable accommodation (P. B-26 and B-27). Appendix B has also been updated to describe the CUP findings process for Residential Care Facilities (P. B-28 and B-29). Chapter 2 has been revised to include Program 3.2.A to amend the City's Municipal Code language (P. 2-22). Program 1.4.A has also been revised to propose the elimination of CUP for multi-family housing and community care facilities (P. 2-13 and 2-14).
B	**Housing Programs**			
B.1	*Include a program which sets forth a schedule of actions during the planning period, each with a timeline for implementation, which may recognize that certain programs are ongoing, such that there will be*	To achieve a beneficial impact during the planning period, programs should include, where appropriate, specific commitment toward housing outcomes and discrete timing (e.g., at least annually). Programs should be revised as follows:		Edits to address this comment have been made in Chapter 2. Chapter 2 has been updated with discrete timelines and quantified objectives. Table 2-1, Quantified Objectives, has also been updated to reflect revised program objectives (P. 2-3).
	B.1.1	Program 3.1A (Mixed Use Affordable Housing): This Program commits to meeting with developers and soliciting input and feedback on the City's design guidelines and approval process. However, the Program should commit to taking actions resulting from the feedback provided by the development community. For example, the Program could commit to revising the guidelines/approval process if any constraints are identified as part of the feedback received. This Program should also be modified to include a timeline or frequency for those actions.		Edits to address this comment have been made in Chapter 2. Chapter 2 has been revised to update Program 3.1.A (P. 2-18 and 2-19).

	B.1.2	Program 3.1F (Expedited Processing Procedures): This Program commits to developing a policy that will shorten processing times by 50 percent for affordable housing projects by offering expedited review procedures for residential projects that will clarify and refine permit processing procedures for affordable housing to shorten processing procedures. However, the Program doesn't describe specific actions to substantiate the quantified objective. This Program should consist of specific commitments, including but not limited to, the removal of the story pole requirement and the Forest and Beach Commission hearing requirement for affordable projects that would allow the City to reasonably achieve a 50 percent reduction in processing times.		Edits to address this comment were made in Appendix B and Chapter 2. Appendix B has been updated to clearly state Coastal Act requirements to provide a visual analysis for new developments within the coastal zone to determine if significant coastal views are at risk of obstruction (P. B-53). Chapter 2 was updated to include specific actions to substantiate the quanitified objective for Program 3.1.F (P. 2-21). Story pole requirements are not addressed in this program, as they are required through the Coastal Act.
	B.1.3	Program 3.3.D (Single-Room Occupancy (SRO) Units): While the element now commits to codifying SROs as a housing type, it should provide an implementation timeframe for this action.		Edits to address this comment were made in Chapter 2. Chapter 2 was updated to revise Program 3.3.D to provide a clear implementation timeframe for the codifying of SROs in the Municipal Code (P. 2-24).
B.2	*Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for*	As noted in Finding A3, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis; the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types. In addition, the element should be revised as follows:		Edits to address this comment were made in Appendix C and Chapter 2. As previously noted, Appendix C has been updated to clarify the zoning districts and densities utilized to encourage a variety of housing types (P. C-8 and C-14). Chapter 2 includes several programs to amend the Municipal Code to accommodate the development of housing to meet the City's RHNA goals.
	B.2.1	Shortfall of Sites to Accommodate the Lower-Income RHNA: As noted in Finding A3, if rezoning is necessary, including appropriate densities, to accommodate the lower-income RHNA, programs should specifically commit to acreage, allowable densities and anticipated units. In addition, the program should specifically commit to rezoning that meets all by-right requirements pursuant to Government Code section 65583.2, subdivisions (h) and (i). Examples of by-right requirements include permitting all multifamily (not limited to senior housing) developments without discretionary action in which at least 20 percent of the units are affordable to lower-income households, 16 units per site, minimum densities and residential only performance standards. Based on the information in the element, these by-right and other program requirements should at least apply to City-Owned sites, some Housing Priority Overlay sites and SB 10 sites and Site 10 (Carmel Foundation).		Edits to address this comment were made in Appendix C and Chapter 2. As previously noted, no sites are intended to be rezoned, with the exception of three (3) sites intended to utilize SB 10 to maximize residential development potential. Please refer to row 19 in this spreadsheet for more details regarding SB 10 intentions for these sites. Details of revisions in Chapter 2 pertaining to the SB 10 sites are also included.
	B.2.2	Minimum Densities: As noted in Finding A3, the element appears to be utilizing minimum densities to calculate residential capacity on identified sites. If so, Program 3.1.G (Housing Priority Overlay Zone) should specifically commit to establish minimum densities. Currently, the Program appears to commit to minimum densities as part of a menu of incentives. Further, the Program or another program should commit to establishing minimum densities aligned with assumptions in the inventory for all relevant zones.		Edits to address this comment were made in Appendix C and Chapter 2. As previously stated, Appendix C has been revised to include a realistic capacity analysis for each individual site. Minimum densities were used for Commercial and Multi-Family Residential zoned sites. Chapter 2 has been revised to update Program 3.1.G (P. 2-21). The program has been revised to eliminate the Housing Priority Overlay Zone, and instead establishes implementation procedures and monitoring for the establishment of a minimum density of 33 du/ac for the base zoning for Commercial Districts and the Multi-Family Residential District.

B.2.3	City-Owned Sites: In addition to meeting various requirements described above, Program 1.1.B (City-Owned Sites) should commit to numerical objectives consistent with assumptions in the sites inventory and a specific commitment to a schedule of actions to facilitate development in the planning period, including alternative actions completed by a specified date (e.g., by 2028) if the sites will likely not develop in the planning period. Actions should include discrete timing for outreach with developers, issuing requests for proposals, incentives, assisting with funding and entitlement and issuing building permits.		Edits to address this comment were made in Chapter 2. Chapter 2 has been revised to update Program 1.1.B, to include quantified objectives that are consistent with assumptions presented in the Sites Inventory and a specific committment to a schedule of actions to facilitate development in the planning period (P. 2-4). Details for each City-owned site have been included in Appendix C (P. C-21 to C-28) and reference Program 1.1.B.
B.3	*Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for person*		
B.3.1	As noted in Finding A4, the element requires a complete analysis of potential governmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs and address and remove or mitigate any identified constraints.		Refer to finding A4, column E for revisions made to address this comment.
B.4	*Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, d*		
B.4.1	As noted in Finding A1, the element must be revised to add or modify goals and actions based on the outcomes of a complete analysis. Goals and actions must specifically respond to the analysis and to the identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends. Actions must have specific commitment, metrics, and milestones as appropriate and must address housing mobility enhancement, new housing choices and affordability in high-opportunity areas, place-based strategies for community preservation and revitalization, and displacement protection. In addition, promoting housing mobility removes barriers to higher opportunity areas and strategically enhances access to housing choices and affordability to promote more inclusive neighborhoods, cities and regions. Among other factors, the City is wholly the highest resource community in contrast to the rest of the region. As a result, the element should include significant and robust actions with numerical targets (not limited to the RHNA) to promote housing mobility and increase housing choices and affordability throughout the City.	Examples include promoting more housing choices and affordability in lower density areas, religious institutional sites and enhancing ADUs and junior accessory dwelling units (JADU) and home sharing strategies.	Edits to address this comment were made in Appendix A. A "Housing Mobility Enhancement" section was added to Appendix A (P. A-67 to A-68).

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT
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www.hcd.ca.gov

March 20, 2024

Brandon Swanson, Planning Director
Community Planning and Building Department
City of Carmel
P.O Box CC
Carmel-by-the-Sea, CA 93921

Dear Brandon Swanson:

RE: City of Carmel's 6th Cycle (2023-2031) Revised Draft Housing Element

Thank you for submitting the City of Carmel's (City) revised draft housing element that was received for review on January 24, 2024 along with revisions on March 8, 2024. The review was facilitated by a conversation on February 7, 2024 with Marnie Waffle. Pursuant to Government Code section 65585, the California Department of Housing and Community Development (HCD) is reporting the results of its review. In addition, HCD considered public comments from Victoria Beach, Richard Pepe, and Brian Wilke, pursuant to Government Code section 65585, subdivision (c).

The revised draft element addresses many statutory requirements; however, revisions will be necessary to substantially comply with State Housing Element Law (Gov. Code, § 65580 et seq). The revisions needed to comply with State Housing Element Law.

1. *An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)*

   *Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services… facilitate and encourage the development of a variety of types of housing…(*Gov. Code, § *65583, subd. (c)(1).)*

   Progress toward the Regional Housing Need Allocation (RHNA): The element now incorporates pipeline units, affordability metrics, and development barriers. However, the revised element now has data inconsistencies across Tables C-2 through C-4. For example, Table C-3 states that ten Low Income (LI) ADUs are projected alongside seven pipeline units, while Table C-4 lists seven LI ADUs and zero LI units. Similar inconsistencies exist across all three tables. Revisions

are necessary to correct these potential inconsistencies while ensuring that no units, including ADUs, are double-counted across site categories. Please note that depending on the data verification results, housing opportunities or sites for very low-income (VLI) households may need to be identified and evaluated to accommodate the VLI RHNA. Based on the outcomes of this analysis, the element should add or modify programs, as appropriate.

Electronic Sites Inventory: For your information, pursuant to Government Code section 65583.3, the City must submit an electronic sites inventory with its adopted housing element. The City must utilize standards, forms, and definitions adopted by HCD. Please see HCD's housing element webpage at https://www.hcd.ca.gov/community-development/housing-element/index.shtml#element for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance.

Zoning for a Variety of Housing Types (Employee Housing): The element indicates the City does not have agriculturally designated land and therefore, is not required to identify any zones to provide farmworker housing. However, the Employee Housing Act (Health and Safety Code § 17000 et seq.) is not limited to farmworkers. Specifically, Section 17021.5 requires 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. The element must either demonstrate consistency with this requirement or include a program action to amend zoning, as appropriate.

2. *An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures... (Gov. Code, § 65583, subd. (a)(5).)*

   Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities. The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities. (Gov. Code, § 65583, subd. (c)(3).)

   Land Use Controls: The element has been revised to incorporate some analysis of land use control impacts as potential constraints on a variety of housing types. However, the analysis must address the cumulative impacts of all relevant land use controls on the cost and supply of housing, feasibility, and ability to achieve minimum densities. Specifically, the analysis should still address open space and interior courtyard requirements for impacts on housing supply (number of units)

and costs and the ability to achieve maximum densities. The element may use sample or recent projects to demonstrate cumulative impact of land use controls. Lastly, the element should add or modify programs to address identified constraints.

Housing for Persons with Disabilities (Reasonable Accommodation): The element now describes the City's reasonable accommodation procedure but should clarify whether the definition of aggrieved parties allows a third-party to request an appeal hearing and, if so, evaluate the impacts on housing for persons with disabilities and add or modify programs to address identified constraints. For example, a program could be added to allow only the applicant or potential beneficiary of the reasonable accommodation request to request an appeal hearing.

3. *Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, disability, and other characteristics... (Gov. Code, § 65583, subd. (c)(5).)*

   Housing mobility removes barriers to higher opportunity areas and strategically enhances access to housing choices and affordability to promote more inclusive neighborhoods, cities, and regions. Among other factors, the City is wholly the highest resource community in contrast to the rest of the region. As a result, the element should include significant and robust actions with numerical targets (not limited to the RHNA) to promote housing mobility and increase housing choices and affordability throughout the City. While the element has been revised to include Program 3.2B (and associated programs) that outline several actions and strategies to promote housing mobility, it should be modified to enhance housing mobility strategies. Program 3.2B includes a list of housing mobility actions the City will pursue such as encouraging missing middle zoning under the condition that the City produce 187 housing opportunities (the City's lower-income RHNA) affordable to lower income households by 2027. However, actions to affirmatively further fair housing (AFFH) should not be limited by the RHNA. The City should commit to employing the outlined midcycle alternative actions as primary program actions to remove barriers to higher opportunities areas irrespective of RHNA progress.

The element will meet the statutory requirements of State Housing Element Law once it has been revised, adopted, submitted, and reviewed by HCD to comply with the above requirements pursuant to Government Code section 65585.

Public participation in the development, adoption, and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly

available and considering and incorporating comments where appropriate. Please be aware, any revisions to the element must be posted on the local government's website and to email a link to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting to HCD.

For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), if a local government fails to adopt a compliant housing element within 120 days of the statutory deadline (December 15, 2023), then any rezoning to make prior identified sites available or accommodate the RHNA shall be completed no later than one year from the statutory deadline pursuant to Government Code sections 65583, subdivision (c) and 65583.2, subdivision (c). Please be aware, if the City fails to adopt a compliant housing element within one year from the statutory deadline, the element cannot be found in substantial compliance until all necessary rezones are completed.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant, the Affordable Housing and Sustainable Communities program, and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City will meet housing element requirements for these and other funding sources.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: https://www.opr.ca.gov/planning/general-plan/guidelines.html.

HCD appreciates the cooperation and effort the City's housing element team provided during the housing element update and review. We are committed to assisting the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Pierce Abrahamson, of our staff, at pierce.abrahamson@hcd.ca.gov.

Sincerely,

Paul McDougall
Senior Program Manager

City of Carmel HE Preliminary Review Matrix

Received 03/20/2024

Prior Review: 01/24/2024

Prior HCD Finding	Page #	Prelim Review	Notes	Revisions Tracking Note
Sites Inventory, Analysis and Adequate Sites				
Progress in Meeting the RHNA: The element now incorporates pipeline units, affordability metrics, and development barriers. However, the revised element now has data inconsistencies across Tables C-2 through C-4. For example, Table C-3 states that ten Low Income (LI) AADUs are projected alongside seven pipeline units, while Table C-4 lists seven LI ADUs and zero LI units. Similar inconsistencies exist across all three tables. Revisions are necessary to correct these potential inconsistencies while ensuring that no units, including ADUs, are double-counted across site categories. Please note that depending on the data verification results, housing opportunities or sites for very low-income (VLI) households may need to be identified and evaluated to accommodate the VLI RHNA. Based on outcomes of this analysis, the element should add or modify programs, as appropriate.	C-3, C-8		Table C-2 math subtraction corrected. Table C-3 additional text to explain the status of ADUs was added. Units were not doubled counted.	Edits to address this comment were made on page C-3, Table C-2 and on page C-8, Table C-3.
Zoning for a Variety of Housing Types				

Employee Housing: The element indicates the City does not have agriculturally designated land and therefore is not required to identify any zones to provide farmworker housing. However, the Employee Housing Act (Health and Safety Code § 17000 et seq.) is not limited to farmworkers. Specifically, Section 17021.5 requires 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. The element must either demonstrate consistency with these requirements or include programs to amend zoning as appropriate.	2-15, 2-16			Edits to address this comment were made on pages 2-15 and 2-16 to Program 1.3.F to correctly cite compliance with Section 17021.5 of the Employee Housing Act.

Governmental Constraints				
Land Use Controls: The element has been revised to incorporate some analysis of land use control impacts as potential constraints on a variety of housing types. However, the analysis must address the cumulative impacts of all relevant land use controls on the cost and supply of housing, feasibility, and ability to achieve minimum densities. Specifically, the analysis should still address open space and interior courtyard requirements for impacts on housing supply (number of units) and costs and the ability to achieve maximum densities. The element may use sample or recent projects to demonstrate cumulative impact of land use controls. Lastly, the element should add or modify programs to address identified constraints.	B-25		Analyze impacts of open space and courtyard land-use controls (using recent projects)	Edits to address this comment were made on page B-25.

Constraints on Housing for Persons with Disabilities				
Reasonable Accommodation: The element now describes the City's reasonable accommodation procedure but should clarify whether the definition of aggrieved parties allows a third-party to request an appeal hearing and , if so, evaluate the impacts on housing for persons with disabilities and add or modify programs to address identified constraints. For example, a program could be added to allow only the applicant or potential beneficiary of the reasonable accommodation request to request an appeal hearing.	B-36, 2-34			Edits to address this comment were made on pages B-36 and 2-34.

AFFH Programs				
Housing mobility removes barriers to higher opportunity areas and strategically enhances access to housing choices and affordability to promote more inclusive neighborhoods, cities and regions. Among other factors, the City is wholly the highest resource community in contrast to the rest of the region. As a result, the element should include significant and robust actions with numerical targets (not limited to the RHNA) to promote housing mobility and increase housing choices and affordability throughout the City. While the element has been revised to include Program 3.2.B (and associated programs) that outline several actions and strategies to promote housing mobility, it should be modified to enhance housing mobility strategies. Program 3.2.B includes a list of housing mobility actions the City will pursue such as encouraging missing middle zoning under the condition that the City produce 187 housing opportunities (the City's lower-income RHNA) affordable to lower income households by 2027. However, actions to affirmatively further fair housing (AFFH) should not be limited by the RHNA. The City should commit to	2-34 – 2-36			Edits to address this comment were made on pages 2-26 & 2-34 through 2-36.

employing the outlined midcycle alternative actions as primary program actions to remove barriers to higher opportunities areas irrespective of RHNA progress.				
Other Revisions				

Other (HCD use only)			
Public comments		FYI	
Document availability		FYI	
Rezone timing			
Resolution Received?		FYI	
50% nonvacant resolution		FYI	

Electronic sites inventory		FYI	
AB 2339		FYI	
Overlay		FYI	
Modification Authority		FYI	

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April 5, 2024

Brandon Swanson, Director
Community Planning and Building Department
City of Carmel-by-the-Sea
P.O. Box CC
Carmel, CA 93921

Dear Brandon Swanson:

RE: Carmel-by-the-Sea's 6th Cycle (2023-2031) Revised Draft Housing Element

Thank you for submitting the City of Carmel-by-the-Sea's (City) revised draft housing element update received for review on April 5, 2024. Pursuant to Government Code section 65585, the California Department of Housing and Community Development (HCD) is reporting the results of its review.

The revised draft element meets the statutory requirements described in HCD's March 20, 2024 review. The housing element will substantially comply with State Housing Element Law (Gov. Code, § 65580 et seq) when it is adopted, submitted to, and approved by HCD, in accordance with Government Code section 65585.

For your information, if the housing element relies upon nonvacant sites to accommodate more than 50 percent of the regional housing needs allocation (RHNA) for lower-income households, the housing element must demonstrate that the existing use is not an impediment to additional residential development in the planning period (Gov. Code, § 65583.2, subd. (g)(2).). This can be demonstrated by providing substantial evidence that the existing use is likely to be discontinued during the planning period (Gov. Code, § 65583.2, subd. (g)(2).). Absent findings (e.g., adoption resolution) based on substantial evidence, the existing uses will be presumed to impede additional residential development and will not be utilized toward demonstrating adequate sites to accommodate the RHNA. The City must make these findings as part of its adoption resolution. Please see HCD's Guidance memo (p. 27) for additional information: https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sites_inventory_memo_final06102020.pdf.

For your information, pursuant to Government Code section 65583.3, the City must submit an electronic sites inventory with its adopted housing element. The City must utilize standards, forms, and definitions adopted by HCD. Please see HCD's housing element webpage at https://www.hcd.ca.gov/planning-and-community-development/housing-elements for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance.

Public participation in the development, adoption, and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City must continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available while considering and incorporating comments where appropriate. Please be aware, any revisions to the element must be posted on the local government's website and to email a link to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting to HCD.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant, the Affordable Housing and Sustainable Communities programs, and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City will meet housing element requirements for these and other funding sources.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: https://www.opr.ca.gov/planning/general-plan/guidelines.html.

HCD appreciates the hard work and dedication the City's housing element team provided in the preparation of the City's housing element and looks forward to receiving the City's adopted housing element. If you have any questions or need additional technical assistance, please contact Jose Ayala, of our staff, at Jose.Ayala@hcd.ca.gov.

Sincerely,

Paul McDougall
Senior Program Manager

CITY OF CARMEL-BY-THE-SEA
PLANNING COMMISSION
Staff Report

April 8, 2024
CORRESPONDENCE

TO:	Chair LePage and Planning Commissioners
SUBMITTED BY:	Leah R. Young, Administrative Coordinator
APPROVED BY:	Brandon Swanson, Director of Community Planning and Building
SUBJECT:	PUBLIC CORRESPONDENCE: Public Hearings and/or other items appearing on the Agenda

Application: **APN:**
Block: **Lot:**
Location:
Applicant: **Property Owner:**

Executive Summary:

Recommendation:

Background and Project Description:

Staff Analysis:

Other Project Components:

Attachment 1: 6th Cycle 2023-2031 Housing Element - Letter dated 04-07-2024 from K. Hall
Attachment 2: 6th Cycle 2023-2031 Housing Element - Petition dated 04-08-2024 from M. Noakes
Attachment 3: 6th Cycle 2023-2031 Housing Element - Email dated 04-08-2024 from J. Ardaiz

April 7, 2024

Dear mayor, council, staff, and public,

Several residents have submitted changes for the housing element report, but I have not seen their comments reflected in the document to the state. Now it appears that the April 8 meeting is simply intended to approve the contents without concern for or reflection on any comments from the public. These concerns are in part as follows:

The three sites mentioned (Vista Lobos, N & S lots of Sunset Center) are not reasonably subject to redevelopment, for reasons elucidated in prior letters. We need these locations for parking. Additionally, it is not practical to think that underground parking will be cost effective for any developer.

Alternative sites suggested, Mission school and Flanders Mansion lands, have not been seriously addressed. Is it possibly because Karen Ferlito was a founder and is still closely associated with Land Watch, which promotes only urban development, despite each of the above two alternatives being within walking distance of the downtown?

Victoria Beach presented alternatives based on Church land, and Rich Pepe said he could manage 12 units, apparently as yet uncounted.

The wording in the proposal regarding the three properties mentioned in the second paragraph above is disconcerting, as it is promised that they will be acted upon within 5 years. Please reconsider the proposed property development sites.

Sincerely,

Karyl Hall, resident

Danger, Carmel by the Sea Residents!

To: Carmel by the Sea Residents

Attachment 2

Please review, consider, sign, and submit this petition to protect the city's parking lots from affordable housing structures with dozens of units on each one. Sending the mailing along (after signing) to other concerned, local inhabitants will allow them to assist, too.

Why is this important?

Dear Carmel by the Sea Residents,

As you likely are aware, there is palpable distress regarding the potential sale or lease of three parking lots (Sunset Center South and North, Vista Lobos Property) to developers who will build low-income apartments on them to satisfy California's new housing mandates. The idea is in contrast to the storybook/eclectic character of the village so carefully advanced over the years.

Those in the Southwest and Northeast quadrants would be disproportionately affected, and newcomers could be, in a sense, quarantined and stigmatized. Mandatory disclosure for real estate transactions will adversely affect property values, as well.

There are better solutions for addressing the edict. The community is chock-full of clever and thoughtful individuals who have yet been given an opportunity to take part in such a transformative decision.

Interestingly, during the council meeting held on March 5, a majority of the members directed city staff to add language in the report to the state that would eliminate any chance The Department of Housing and Community Development could infer the lots are available for construction. For some reason that is yet to be explained, the order was not followed. In turn, the current draft up for approval on April 8, implies they (the lots) are (available).

The remedy is simple but urgent. By completing this petition, you are requesting the mayor, mayor pro tem, councilmembers, and its associated staff to make certain the recipients of the proposal are aware the three parking lots (Sunset Center South and North, Vista Lobos Property) are in government and commercial use and NOT to be had for buildout. Nor will they be made so in the future in fulfilling California's housing mandates.

Hopefully, many of you decide to participate, as this action is more efficient and agreeable than holding a referendum to overturn approval of a misleading and carelessly written document that is largely unsupported by the public.

Sincerely,

Carmel by the Sea Neighbors

Email.

Signed by 252 people:

Name	Zip code
Michael Noakes	93744
Michael Noakes	93728

Attachment 2

Name	Zip code
JEANNE MCWALTERS	94118
Michael McWalters	94118
Christy Hollenbeck	93921
Pamela Wagner	93921
Marion Keyworth	93921
daniel parker logan	93921
gary coughlan	34110
Scott Workman	92091
Kristi Reimers	93921
Gina Sinotte	93922
Courtney Kramer	93921
Nicholas Lamb	93923
Julie Escalante	93305
LIZETTE FIALLO	95030
Jose Osornio	93924
Erika Merrifield	93924
Jack Logan	93921
Brenda Nunes	95356
Heather Dotto	93921
John Dotto	93921
Austin Cooper	93921
Arnoldo Garcia	93940
Bashar Alsneeh	93921
LeRoy Ernst	93923
Brianna Freeman	96150
Janell Webber	93921
Orlando Fiallo	93923
Christopher Powell	93950
Catherine T	93921
Claire Anderson	93924

Attachment 2

Name	Zip code
Teresa Hallin	95060
Alyssa Ross	93921
Andi Carr	92921
Noel Carr	93953
Jana Gill	93921
Jeanne Mcculloch	93921
James Ardaiz	93711
Dominic Giuntoli	93933
Lee Cox	93921
Donald A. Woo	95125
Cathy Ettel	93921
Maria Boisvert	95125
Kristie Ornelas	93921
Charles Najarian	93921
Dorothy Cole	93921
Chad Calnon	93921
Anna Szabados	93921
sarah ashby	93923
Brian Sours	93921
Paula Zilka Colbert	93924
Lindamarie Rosier	93921
Lorenzo Mariani	95204
Michael F. Maurutto	93921
Katlyn Leal	93921
Barbara Hardy	93921
Arlene Ichien	93921
Jim Stevenson	93921
Brandon Smith	93921
Colleen Dalton	93923
Carol Stevenson	93921
Channing Patton	93924

Attachment 2

Name	Zip code
Ron Leidig	93921
Patti Leidig	93921
RYAN Elliott	93908
Rina Mariani	95204
Sabrina Mariani	95204
Henry Gauthier	93921
Larry Mariani	95207
Stacy Steele	93921
Alex Mariani	95204
Elizabeth Madill	93955
Evan Madill	95236
Cindy Hunter	93921
Grace Lanning	93924
Carey Madill	93955
Cody Rose	95336
Michelle Lewis Valderrama	95336
Fabian Diaz	95236
Tex Aldama	95220
Brian Doty	95219
Jeff Castillo	95219
Ron Aghazarian	93923
Cary Ostrie	93921
Bryan Diaz	95377
Jill Ostrie	93921
Anthony Harper	95219
Steve lang	93921
cristina mariani	95204
Summit Pal	95210
Gordana Simunovic	90069
Denise Aghazarian	94528
Linda Yellich	93921

Attachment 2

Name	Zip code
Carolyn White	93921
Nick Swanson	95207
Natalie Hirigoyen	93921
Giorgina Swanson	95204
Arianna Rishwain	95219
Chad Reed	95240
Elizabeth Maurutto	93921
Chase Aurand	93065
Tyce Ochs	93292
Diana McCallister	92660
Jeremy Keller	94044
Jesse Gadd	95928
Scott Lewis	95926
Joseph Cohn	93921
Luke Earle	95926
Jenna Rodriguez	93921
Aimee Hyatt	93923
jeffrey case	93921
William and Nancy Lewis	93921
Anne Herzog	94507
Jack Galante	93924
Diane Cohn	93921
James Muth	93921
Terese Vasilovich	93953
Jane Clemons	75248
Sheila Gholson	94306
Brenda Pegram Twohig	93921
Mark Garibaldi	93921
Donald Reimann	93953
Sal Cala	94953
Sue Lewis	93921

Attachment 2

Name	Zip code
JAYME CASE	93921
Charlotte Flanagan	93921
Kelsey Muth	93921
Chris Hardy	93921
Jeanne LeVett	93921
Joe Martello	93953
Rebecca Barrymore	93950
Sandra Berris	93921
Jose Landazuri	93921
Camille Brinks	93921
Rick Walker	93921
Vivienne Talbott	93923
Greg Cole	93921
Caroline Madill	93955
Daniel Lamb	93924
Brian Berris	93921
Minnie Cappel	93921
Mary Ann Schultz	93923
Dennis Gerber	93921
Rhonda S	93921
Adrianna Brushert	93923
Bruce Gauthier	95712
Dominic Lauber	32503
Juan Gardea	93923
Michele Altman	93940
Vicky Hoagland	84117
Bill Shellooe	93921
Carol Crandall	93921
Kelly Ellman	93921
Peter Brickey	93923
Pat Hazdovac	93921

Attachment 2

Name	Zip code
Pamela Klaumann	93923
Alicia Meheen	93923
Brian D. Leidig	93923
Niels & Jan Reimers	93921
Gail Williams	95020
Shatha Abosada	93921
Judith and Bill King	93924
Judy Refuerzo	93921
Mary LaBrucherie	93921
Timothy LaBrucherie	93921
Pamela Coates	93921
Doug Coates	93921
Margie Williams	93921
Deidre Powell	93950
James Giancola	93923
Mary Jane Sligar	93921
Jane Diamond	93921
Carole Fredericksen	94921
Thomas Zellerbach	93921
Amy W. Zellerbach	93921
Kevin Dougherty	93921
Val Giancola	93923
Jillian Dougherty	95825
Garrett Sari	94501
Julie Dougherty	95204-3638
Linda Floyd	93922
Cynthia Weick	93921
Patty Ross	94921
Aysha Taff	93923

Attachment 2

Name	Zip code
Diane Godwin	93923
Jerry Floyd	93922
carol kahn	93921
Cheryl Lipshutz	93921
Roseann Skrovan	93923
Paula Stein	93921
Valerie Suhl	93923
Jennifer Commander	93921
Andrea Bertone	93923
Greg Daniels	93921
Sandra Bonifas	93921
Lou Hutchinson	93923
Burton Bluestone	93921
Erica Hutchinson	93923
Gary Hutchinson	93923
Brendan Hutchinson	93923
Donald Poladian	93921
Lloyd Ligier	93921
Brian Weick	93921
Margaret Case	93923
Catherine Mccauley	93921
Sara Myer	93921
Larry Holmes	93923
Ken Myer	93921
Tamara Workman	93921
Patrick Terry	93921
Wayne Moon	93921
Frank Cardinale	93921
James Kietzke	93921
Jennifer Cesario	93923
Mike Lipscomb	93923

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Name	Zip code
Brandi Faia	93921
Mark Mammel	93923
Mattie Zedlitz	93923
Denise Foderaro	93923
Tony Seton	93953
Stephen Diamond	93921
Katrina Edwards	92675
Rebecca Kendall	93923
Bruce Fairbanks	93921
cecilia chazen	93921
Lawrence Chazen	93921
Jill Hotvet	93921
Jill Hackett	93923
Fiona McDonough	93923
Kimberly Ratto	93923
Gleidy Wetzel	93923
Matt Wetzel	93923
melanie billig	93921
Joan Zaslow	93923
Jamelle Angelelo	93923
Char Carter	93940
Joshua Gordis	93940
Jenn K	93923
Meliisa Johnson	93923
Sharon Larson	93923
Jan Praisner	93953
Alfred Montna	93921
Eric Ewers	93921
Dr Kenneth R Pelletier	93923
Willa Voldseth	93923
Suzanne Oneal	93823
Alix Bosch	93923

Name	Zip code
Anthony Elite	94114
DS Miller	93953
Fila Evanson	93923
Kathrin Nikolussi	93921

---------- Forwarded message ---------
From: **James Ardaiz** <REDACTED>
Date: Mon, Apr 8, 2024 at 1:06 PM
Subject: Proposed Mitigated negative Declaration re Housing Element
To: Cityclerk@ci.Carmel.ca.us <Cityclerk@ci.carmel.ca.us>

The proposed Mitigated Negative Declaration (MND)fails to address significant environmental impacts with respect to the proposed Housing Element. Specifically, it fails to address the impact of 731 new residents on parking for said residents or the impact on parking for current residents. It states there is no scenic impact but fails to address the scenic view easement from Third and Torres recognized in current Carmel Ordinances. It fails to address the impact on neighborhoods surrounding significant proposed residential sites including current city owned sites. It fails to address the loss of public parking on city owned sites and provides no approved or viable solution to loss of parking on those sites including that there is no approved alternative facility to address parking loss. It fails to address loss of view to current residents. It assumes current city owned sites can be utilized for development without any indication said sites are subject to the Surplus Land Act. It fails to consider street congestion. A MND is not supported by this document. James Ardaiz. <REDACTED>
<REDACTED> <REDACTED>
Sent from my iPhone

CITY OF CARMEL-BY-THE-SEA
PLANNING COMMISSION
Staff Report

April 8, 2024
CORRESPONDENCE

TO:	Chair LePage and Planning Commissioners
SUBMITTED BY:	Leah R. Young, Administrative Coordinator
APPROVED BY:	Brandon Swanson, Director of Community Planning and Building
SUBJECT:	PUBLIC CORRESPONDENCE: Additional items not associated with Public Hearings and/or other items appearing on the Agenda

Application: **APN:**
Block: **Lot:**
Location:
Applicant: **Property Owner:**

Executive Summary:

Recommendation:

Background and Project Description:

Staff Analysis:

Other Project Components: