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Plan shows how to Tetrise hundreds of new homes

By MARY SCHLEY

PUBLIC AND private parking lots, commercial properties with plenty of unused space, hotels, and downtown buildings that could accommodate second stories might be developed to provide more affordable and market-rate housing, city planner Marnie Waffle said during a council workshop Wednesday night.

The plan also includes concepts like a special zone with a minimum housing density to encourage multifamily residences, a trust fund for affordable housing projects, and other ideas that could help the city meet the state's demand to find space for 349 new housing units.

"We took the approach of, OK we're going to do this homework assignment, but at the same time say, 'Hey, state, stop giving us all these mandates,'" explained councilman Bobby Richards, who sits on an ad hoc committee on housing alongside councilwoman Karen Ferlito. "Now we're here to put out what we've come up with, which is 349 possible sites with a 20 percent buffer, and we've done this without changing our zoning."

"Some of these sites could present opportunities if the owner wants to do something with them," Ferlito added. "No one is going to tell these owners they have to do this."

STATISTICS

Waffle said about half of the units in the plan would be priced for lower income levels, with "low income" in this area defined as \$63,700 for a single person to \$91,000 for a family of four. Even though 62 percent of the city's households have above-moderate earnings, roughly half the homeowners and half the renters are "cost burdened" when it comes to paying for housing, and half of those are "severely cost burdened," meaning they spend more than half their gross income on rents, mortgages, and utilities.

"This isn't new information to us," Waffle said. "We all know the cost of housing is expensive in our area, and these data confirm that."

She also noted that the median home price in town rose 59 percent, from \$1,299,387 in 2019 to \$2,070,835 in 2022, while typical rents as of March ranged from \$2,200 for a studio to \$5,459 for a three-bedroom house — rates that are also significantly higher than the average fair market rent identified by the department of Housing and Urban Development.

Unsurprisingly, Carmel is also 87 percent white, and more than 40 percent of its residents are 65 or older. Twelve percent have some sort of disability, and half of those are 65 or older. Just under half the households in town are married couples, and of all the homes in the city, 50 percent of them are vacant.

“We have pretty high second-home ownership in our community.” Waffle said.

WHAT TO DO

To provide more affordable housing and homes that can accommodate people with disabilities, and to increase the town’s diversity in terms of income, ethnicity, age, vocation and other demographics, Waffle and her team suggested sites that could be developed and policy changes that could be made.

Among those is creating an “affordable housing overlay zone” that would set a minimum density — not maximum — of 33 units per acre, which amounts to three apartments in a building on a 4,000-squarefoot lot. “That encourages more density, which gets more affordable housing,” she explained.

Other ideas floated at the May 24 meeting included offering bonus rooms to hotels that add employee housing onsite, encouraging hotel owners to convert their properties to housing, creating pre-approved plans for accessory dwelling units and providing other incentives to property owners to build them, and adopting “objective design standards” for projects downtown.

An affordable housing trust fund could help pay for such projects, though Waffle said where that money would come from and how it would be collected are to be determined. An affordable housing oversight program could keep track of the development opportunities.

Of course, Waffle acknowledged little can happen without a reliable water supply. The longstanding moratorium on new water meters would also have to be lifted.

Planning director Brandon Swanson said that the state officials, when challenged by the cities and counties that are expected to meet this latest round of housing requirements while lacking enough water, simply said they expect new water supplies to come online within the eight-year period in which the new housing should be built.

WHERE TO PUT IT

A company called ECONorthwest identified 17 downtown sites that could be developed for housing, and city staff augmented those with additional properties in order to hit a goal of 419 potential units— 20 percent higher than the state’s prescribed 349, for a buffer.

“Our directive to ECONorthwest was to see what the potential was downtown,” she said. “In addition, there are some sites that we added following the completion of that report,” for a total of 35 locations.

Potential properties include the Sunset Center parking lots, Ulrika Plaza/The Pit, the Vista Lobos parking lot at Torres and Third, the Carmel Realty building at Dolores and Eighth and the Red Cross across the street, the Pin Inn parking lot at Monte Verde and Sixth, the Bruno’s Market lot, a cluster of three garages on Junipero between Fifth and Sixth, the Christian Science Church lots previously proposed for a new church and housing complex that were panned by the city after nearby residents complained, and miscellaneous other city-owned sites.

“We’ve made efforts to reach out to the property owners,” Waffle said, and some have responded with interest.

Other possible spots include a half dozen one-story buildings on Ocean Avenue that could accommodate a second story, the Wells Fargo bank property lot the space next to Girl Boy Girl at Seventh and Mission, The Carmel Foundation, and Carmel Presbyterian Church.

Adding potential hotel conversions and estimated construction of ADUs enable the plan to hit its goal., Waffle said.

“These sites are already zoned for housing,” she said, and can be developed “within the existing character and the existing built environment, and making subtle changes that will produce much needed housing.”

PUNISH ABSENTEE OWNERS?

When the public was given a chance to comment, former Congressman Sam Farr criticized absentee homeowners. “What really ticks me off is all of these houses that are empty,” he said, and suggests fining or imposing fees on people who own houses but don’t live here full-time and don’t rent them out to others.

He also said the city could waive whatever fees it wants to encourage more development of housing.

“It breaks my heart to see communities so unequal, and I think you have a beautiful opportunity to change that,” commented Carol McKibben, who lives near Sunset Center and said she’d welcome multifamily housing in her neighborhood.

Artist and gallery owner Ashley Stoddard said she is “passionate about affordable housing and diversity.” In particular, she said, the artists whose works are showcased here can’t afford to live in the city.

Libby Barnes asked how the city could count ADUs in its housing allocation when there’s no guarantee the people building them will rent them out and not just use them for themselves, and she supported the idea of a “vacancy tax” to attract more fulltime homeowners.

“The city needs to frame affordable housing in a positive way,” she added, describing most efforts across the country as “a PR failure.”

A former resident who is hoping to return, architect and builder Jim Zack, said he’s well acquainted with the challenges of obtaining permits. “The approval process is so burdensome,” he said. “You should look at ways to streamline that.”

The only speaker who was broadly critical of the whole plan was Neal Kruse, who described the state mandate as “tyranny.”

“I don’t like any of this. I come from Carmel where we make up our own mind what happens here,” he said. “Why all this tyranny is OK with everybody is just stunning to me.”

Kruse said he attempted to be openminded, “but this strikes me as all wrong.”

“This is the future of Carmel: ‘Let’s call up the state and see what they want us to do this month,’” he said. “I am not going to sit here and say this is a wonderful thing.”

NEXT STEPS

According to a timeline presented by Waffle, the planning commission and city council will hold a joint meeting next month to review a draft of the housing element and collect public input, and it will be subject to CEQA review.

In July, work will be done to prepare the document for submission to the state, with the council taking action at its July 11 meeting.

In the meantime, Swanson and others asked everyone to take a short survey posted on the homecarmelbythesea.com website that seeks demographic information and perspectives on various housing issues.

After the meeting, Richards commented that although the city is endeavoring to accommodate additional housing in creative and respectful ways, residents should “stand up to Sacramento.”

“We need to maintain local control of our communities,” he said. “Unfunded mandates, be they for housing or hotdog carts, need to be determined within our codes and planning guidelines.”

And State Sen. John Laird, who pledged at a Carmel Chamber of Commerce luncheon May 12 to advocate for cities struggling to meet their mandates, reiterated this week that “while recognizing that there is still an obligation to meet Carmel’s housing allocation, there should be flexibility in meeting it.”

For Laird’s comments in full, please see the letters to the editor on page 26A.

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