



November 24, 2019

<sent via email>

Dear Mayor Potter and Carmel City Councilmembers:

LandWatch members in Carmel recently advised us of a loophole in Carmel's commercial zoning ordinance that allows 38 residential units, including many long-term rentals, in the downtown commercial zone to be converted to short-term rentals (STR). I understand the City is considering granting the 38 STR permits "in perpetuity" to run with the property. This would be a terrible mistake.

Instead, LandWatch urges the City to take the following actions to preserve its long-term housing stock and reduce its greenhouse gas emissions:

- Immediately adopt an urgency ordinance putting a moratorium on any new STR conversions in Carmel's commercial district and other districts.
- Establish a time limit of 5-10 years on the already issued STR permits. This would allow the owners to amortize their investments (if any). After that period of time, the 38 units would revert back to long-term rentals to replenish what has been temporarily lost.
- Until these permits expire, require a minimum length of stay of 30 days on all STR units to avoid competition with hotels. A 30-day minimum would also differentiate a STR from a true hotel for purposes of the hotel room cap.
- Adopt other recommendations in [LandWatch's Policy on Short-Term Rentals, Vacation Rentals and Second Homes](#) (see link).

Consider the very significant issues the City faces in entitling 38 STR at the expense of long-term rentals.

First, Monterey County suffers from an acute shortage of affordable housing, and the City's action will only worsen this shortage. LandWatch and other housing advocates spent years fighting to get 24 affordable rental units approved in Pebble Beach. By allowing 38 apartments/condos in downtown Carmel to be converted to STR's, the City has effectively wiped out 38 potential rental units for workers and others and more than negated the Pebble Beach units.

Second, the proposed STR ordinance is inconsistent with state housing policy and legal requirements to address the City's housing supply, particularly affordable housing. The City already lacks adequate housing for its workforce. Consider that roughly 2000 people commute into Carmel each day to work in its restaurants, hotels, and visitor-serving businesses (see U.S.

Census data below). By favoring STR over long-term rentals, the City ignores its responsibility to house its workers.

Third, transportation accounts for about 40% of California's greenhouse gas emissions, and Carmel's actions would reinforce a self-destructive trend: "[Emissions from transportation are going up, not down](#). If California cannot change that, it will not be able to meet its climate goals." And if Carmel cannot change that, what hope does that offer the rest of California? [As climate scientists and housing advocates have noted](#), *housing policy is climate policy*.

Fourth, Carmel has a cap on hotel rooms. Allowing 38 (and counting) STR units that can be rented by the day has effectively created a new 38-room hotel that not only violates the cap, but also unfairly competes with existing hotels.

Other cities on the Monterey Peninsula recognize the significant problems that STR pose to meeting affordable housing and climate mitigation goals. Pacific Grove recently banned STR through most of the city. In recent years, demand for housing has increased, as local working families have competed with tourists for short-term and vacation rentals and those owning second homes. Consequently, prices have increased, making it extremely challenging for working families to find homes to buy or rent. This is especially true in Carmel. Among LandWatch's five basic principles of sound land use, the first addresses housing: *provide affordable housing for local working families, located within mixed-income neighborhoods*.

Please support LandWatch's request for an urgency ordinance to immediately ban any further conversions and then a permanent ordinance to remedy the damage that has already been done to the City's housing stock and climate goals. Thank you.

Regards,

Michael DeLapa

Start Base Map Selection Results

**Inflow/Outflow Analysis**  
enter your own subtitle

Display Settings

Labor Market Segment Filter **All Workers**

Year **2017**

Map Controls

Color Key

Flow Overlay

Selection Outline

Identify  Zoom to Selection

Clear Overlays  Animate Overlays

Report/Map Outputs

Detailed Report

Export Geometry

Print Chart/Map

Legends

Note: Overlay arrows do not indicate directionality of worker flow between home and employment locations.

- Employed and Live in Selection Area
- Employed in Selection Area, Live Outside
- Live in Selection Area, Employed Outside

Analysis Selection

Analysis Settings

[Change Settings](#)



Inflow/Outflow Job Counts in 2017

- 1,953 - Employed in Selection Area, Live Outside
- 620 - Live in Selection Area, Employed Outside
- 54 - Employed and Live in Selection Area

Inflow/Outflow Job Counts (Private Primary Jobs)

	2017	
	Count	Share
Employed in the Selection Area	2,007	100.0%
Employed in the Selection Area but Living Outside	1,953	97.3%
Employed and Living in the Selection Area	54	2.7%
Living in the Selection Area	674	100.0%
Living in the Selection Area but Employed Outside	620	92.0%
Living and Employed in the Selection Area	54	8.0%

[Reset Highlighting](#)