

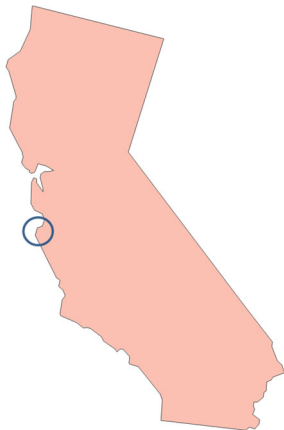
EXHIBIT 7-C

Allocation of Water for Monterey Peninsula Housing

A Call for Cooperation Between State Agencies



The Monterey Peninsula includes 6 cities and unincorporated County:



- Carmel-by-the-Sea
- Del Rey Oaks
- Monterey
- Pacific Grove
- Sand City
- Seaside
- Carmel Valley

The Monterey Peninsula's RHNA (Regional Housing Needs Allocation) for the current cycle is 1,271 new units, 740 of which are moderate, low, or very-low income units.

As an example, just one of these cities has identified 13 ready-to-go projects, ranging in size from 13 to 93 units, for a total of 573 total housing units. These projects would yield 381 affordable housing units. A limited waiver of the State Water Board's Cease and Desist Order's (CDO) Condition 2 would allow some of these projects to move forward without violation of the CDO's Effective Diversion Limit.

Such relief would meet the co-equal high-priority objectives of two State agencies. A powerful "WIN-WIN" for the environment, housing, and economic vitality.