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Policy Advisory Committee Members

City of Carmel-by-the-Sea
David Potter

City of Del Rey Oaks
Patricia Lintell

City of Monterey
Tyler Williamson

City of Pacific Grove
Bill Peake

City of Sand City
Mary Ann Carbone

City of Seaside
Ian Oglesby

County of Monterey
Mary Adams

Monterey Peninsula Airport District
Mary Ann Leffel

MPWMD Contacts:
General Manager, David J. Stoldt

Water Demand Manager, Stephanie Locke

Executive Assistant, Arlene Tavani

AGENDA
Policy Advisory Committee (TAC)
Of the Monterey Peninsula Water Management District

August 4, 2020, 1 PM

Pursuant to Governor Newsom's Executive Orders N-29-20 and N-33-20, and to do all we can to help slow the spread of COVID-19 (coronavirus), meetings of the Monterey Peninsula Water Management District Board of Directors and committees will be conducted with virtual (electronic) participation only using WebEx.

Join the meeting at:

<https://mpwmd.webex.com/mpwmd/onstage/g.php?MTID=e96ee8ceb89b623e2e47877177e3ddb9a>

Or access the meeting at mpwmd.webex.com.

Meeting number: 126 430 3175

Meeting password: PolicyCmte

Participate by phone: 877-668-4493

For detailed instructions on connecting to the WebEx meeting see page 3 of this agenda.

Call to Order

Comments from Public

The public may comment on any item within the District's jurisdiction. Please limit your comments to three minutes in length.

Review of Committee Charge by General Manager Stoldt

Discussion Items – *Public comment will be received on all Discussion Items. Please limit your comments to three minutes in length.*

1. Water for Near-Term Housing Needs and Next Steps Forward to State Agencies
The committee will discuss efforts to free up saved water for housing needs in the next three to four years, between now and when the CDO is lifted.

Adjourn

Staff reports regarding these agenda items will be available for public review on August 1, 2020, on the agency website <https://www.mpwmd.net/who-we-are/committees/advisory-committees/technical-advisory-committee/>. After staff reports have been distributed, if additional documents are produced by the District and provided to the Committee regarding any item on the agenda, they will be made available on the District's website prior to the meeting.

Documents distributed at the meeting will be made available upon request and posted to the District's website within five days following the meeting.

Upon request, MPWMD will make a reasonable effort to provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. MPWMD will also make a reasonable effort to provide translation services upon request. Submit requests by noon on August 3, 2020. Requests should be submitted to Arlene Tavani at 831-658-5652 or email arlene@mpwmd.net.

See next page of agenda for instructions on connecting to WebEx meeting

Instructions for Connecting to the WebEx Meeting

Note: If you have not used WebEx previously, when you begin connecting to the meeting you may be asked to download the app. If you do not have a computer, you can participate by phone.

Begin: Within 10 minutes of the meeting start time from your computer click on this link <https://mpwmd.webex.com/mpwmd/onstage/g.php?MTID=e96ee8ceb89b623e2e47877177e3ddb9a>, or paste the link into your browser, or go to: mpwmd.webex.com.

Under “Join a Meeting” enter the meeting number 126 430 3175, hit the enter key and when prompted enter the meeting password PolicyCmte, click “Next” and see the dropdown menu at the bottom of the screen “Use computer for audio” and select the method you will use to hear the meeting – see below.

1) Audio and video connection from computer with WebEx app – view participants/materials on your screen

Click on the “Use computer for audio” drop down list

Click “Join Meeting”

Once in the meeting, mute your microphone.

Turn your microphone on when it is your turn to speak.

2) View material on your computer screen and listen to audio on your phone

From the “Use computer for Audio” drop down list select “Call In”

Click on “Join Meeting” / You will see a toll-free telephone number, access code, and attendee ID # -- enter these numbers on your phone.

Mute the microphone on your computer.

Disable computer speakers using the Settings menu.

Join by phone only (no computer) dial 1-877-668-4493 and use the meeting number above.

Present Comments at the Meeting

- 1) The Chair will call the meeting to order.
- 2) Receipt of Public Comment – the Chair will ask for comments from the public on all items. Limit your comment to 3 minutes.
 - (a) Computer Audio Connection: Select the “raised hand” icon. When you are called on to speak, please identify yourself.
 - (b) Phone audio connection: Press *9. Wait for the clerk to unmute your phone and then identify yourself and provide your comment. Press *9 to end the call.
- 3) For Action and Discussion Items the Chair will receive a presentation from staff and the Directors may ask questions. Following the question and answer period, the Chair will ask for comments from the public.

Submit Written Comments

If you are unable to participate via telephone or computer to present oral comments, you may also submit your comments by e-mailing them to comments@mpwmd.net with one of the following subject lines "PUBLIC COMMENT ITEM #" (insert the item number relevant to your comment) or "PUBLIC COMMENT – ORAL COMMUNICATIONS". **Comments must be received by 9 am on Tuesday, August 4, 2020.** Comments submitted by the deadline will be provided to the committee members prior to the meeting and will be compiled as part of the record.

POLICY ADVISORY COMMITTEE

1. WATER FOR NEAR TERM WATER NEEDS AND NEXT STEPS FORWARD TO STATE AGENCIES

Meeting Date:	August 4, 2020	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A N/A
Prepared By:	Stephanie Locke	Cost Estimate:	N/A

General Counsel Review: N/A

CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines section 15378

SUMMARY: In February 2020, the District requested that each of the jurisdictions submit responses to the District about potential near-term housing water needs in the Cal-Am system for the next 3-4 years (if water was made available). One of the primary cautions the District advised was that the jurisdictions should focus on metered properties, given the moratorium on setting new meters. Based on discussions with the jurisdictions, that may need to be revisited in this process. Five of seven jurisdictions submitted responses to the District. The individual responses are attached as Exhibits and are summarized below:

Carmel-by-the-Sea	10 Acre-Feet (AF)
Del Rey Oaks	No response
Monterey	16-23 AF
Pacific Grove	31 AF
Sand City	10 AF
Seaside	21 AF
Unincorporated County	No response

This effort produces a need of 88-95 AF, but it does not include several jurisdictions (as discussed below) that may also merit inclusion. As a result, the District will likely need to recommend an alternative allocation strategy. The Technical Advisory Committee (TAC) meeting of July 2, 2020 will be an opportunity to receive this information and to discuss the District’s proposal for moving forward.

RECOMENDATION: It is the staff recommendation that a request is made for 75 AF of relief from the CDO, and if granted, allocations be made as shown in Table 6, with 5 AF held back to replenish the District Reserve used for the two Garden Road developments, to be reallocated as needed and determined at the discretion of the Board.

BACKGROUND AND DISCUSSION:

Initial Feedback: In February 2020, District staff provided the following information to the Technical Advisory Committee (TAC). The purpose of the Technical Advisory Committee is to review, discuss and if necessary, vote on potential agenda items related to the technical aspects associated with the operation of the District. Recent calls for water for housing, and the impact of a lack of water has on the ability to meet local housing needs, prompted the action.

The desalination component of the Monterey Peninsula Water Supply Project is expected to require 30 months to construct and start-up following issuance of a permit from the California Coastal Commission (CCC). The hearing on the appeal for a Coastal Development Permit is scheduled for August 12-14, 2020. Additionally, it is unclear whether the State Water Board will lift the Cease and Desist Order (CDO) immediately upon operations or require the project to demonstrate a year of operations first. Hence, it could be 3 or 4 years before the CDO is lifted, and there is always the specter of additional delays.

In order for local jurisdictions to meet their desire for housing starts in the interim period, the District is considering measures to make water available to the jurisdictions. As a predicate to this, the District requested information from each jurisdiction as to their immediate short-term water needs for housing starts. The TAC members were asked to:

1. Determine the realistic number of units that can be permitted and built in the next 4-year period;
2. Determine the amount of water needed using the District's factors for each type of unit;
3. Determine the total amount of water needed for housing during interim 4-year period.
4. Send a letter to the District stating that if the District can make an allocation of water supply available, the jurisdiction would like XX acre-feet for use on housing during the next 4-year period. The request should include an attachment with the breakdown of anticipated units and water required.

The District was specific that this request should only include water needed for housing projects that could be under construction within 3-4 years (between now and the lifting of the CDO) if water becomes available. Initially, it was thought that any water allocated for housing needs would be subject to the water meter moratorium, which excludes vacant parcels, however, as stated earlier, at this time this aspect might also be included in a request to the State, if it remains a significant barrier to meeting local housing needs. The District must also weigh the needs of jurisdictions with access to an Entitlement, or that may have access to an existing allocation. The deadline for submittal was May 1, 2020.

The initial responses of the TAC member entities are discussed below.

City of Carmel-by-the-Sea: The City's initial response was that no housing projects had been identified that had a near-term need for water that had not taken advantage of the Malpasos Entitlement. However, subsequent email between District and City staff resulted in an amended request for between 5-10 AF for the next 3-4 years, primarily for Accessory Dwelling Units (ADUs) and mixed-use development. The City has 2.5 AF remaining in its Allocation.

City of Del Rey Oaks: The City of Del Rey Oaks did not respond to this request. The City presently has one vacant residential lot and potential for development of at least one open space area that was previously a golf driving range. Other developable areas are not within Cal-Am's service area, rather are on the former Fort Ord, which is Marina Coast Water District's service area. Del Rey Oaks has no water in its Allocation.

City of Monterey: The City of Monterey has requested 16 to 23 AF for its near-term needs for housing. It has only 2.5 AF in its Allocation at this time. Two apartment projects were approved to receive water from the District Reserve Allocation at the May District Board meeting. The City is actively seeking developers for several City-owned sites and has a small amount of water credit available for future development.

City of Pacific Grove: The City of Pacific Grove requested approximately 31 AF of water. The City currently has 37.5 AF remaining in its Entitlement and 0.079 AF in its Allocation.

City of Sand City: The City of Sand City requested 10 AF. There are 198 AF in the Sand City Entitlement from the desalination project and 23 AF of water in its Allocation.

City of Seaside: Seaside requested 21AF, mentioning the Campus Town and Ascent projects as near-term needs. The Campus Town project will not be served by Cal-Am, which would reduce the amount requested by the City. Staff is aware that the Ascent project will need approximately 12 AF. The City has 34.7 AF remaining in its Allocation. Also available in the City of Seaside is the privately-held DBO Entitlement of 12 AF, however that Entitlement can only be used at the discretion of its owner and is not a publicly available source.

Unincorporated Monterey County in the MPWMD: Monterey County did not respond to the request for near-term water needs for housing. The County presently has 12.8 AF in its Allocation, and recently benefited from the Malpasos Water Entitlement. In addition, there are several small pockets of water still available in the former Water West system (3.3 AF), the Pebble Beach recycled water project Entitlements (277 AF), Quail Meadows (0.68 AF), and Malpasos Water Company (63 AF).

Naval Postgraduate School: The District did not ask for, and the Naval Postgraduate School (NPS) did not submit, a request for water for housing, but it should be considered during this process. The District is willing to set aside 3 AF for NPS as a placeholder.

Presidio of Monterey: The District did not ask for, and the Presidio of Monterey (POM) did not submit, a request for water for housing. However, the Board will be considering an appeal by the POM to reinstate expired water credits that were earmarked to offset construction of 264 dorm

rooms (5.3 AF). Other uses planned by the POM include at least one dining hall and a large general instruction facility. The District is willing to set aside 6 AF for POM as a placeholder.

Carmel/Monterey Peninsula/Pacific Grove Unified School Districts: Staff met with MPUSD Superintendent P.K. Diffenbaugh last July to review possible locations for teacher housing. Two of the locations were not in areas served by Cal-Am. One location, which is served by Cal-Am, is the current location of an elementary school. Specific water needs were not identified, but teacher housing should be considered in this project. The District is willing to set aside 4 AF for the school districts as a placeholder.

Responses received by the District from the cities of Carmel, Monterey, Pacific Grove, Sand City, and Seaside are provided in the exhibits. Responses were not received from Del Rey Oaks and Monterey County.

The initial responses can be summarized as follows:

Table 1.

Jurisdiction	Request (AF)	Percent
Carmel-by-the-Sea	10	11%
Del Rey Oaks	No Response	0%
Monterey	20 (avg)	22%
Pacific Grove	31	33%
Sand City	10	11%
Seaside	21	23%
Unincorporated County	No Response	0%
NPS	N/A	0%
POM	N/A	0%
School Districts	N/A	0%
Total	92	100%

Evaluation of Initial Responses: The District believes certain entities have over-reached and others are under-represented. As stated above, if we include the needs of the non-responders and the three under-represented entities, the totals could look much more like the following:

Table 2.

Jurisdiction	Request (AF)	Percent
Carmel-by-the-Sea	10	9%
Del Rey Oaks	3	3%
Monterey	20 (avg)	18%
Pacific Grove	31	27%
Sand City	10	9%

Seaside	21	19%
Unincorporated County	5	4%
NPS	3	3%
POM	6	5%
School Districts	4	3%
Total	113	100%

The District believes that 113 AF is too great a number to request the State Water Resources Control Board (SWRCB) provide relief for. It is more likely that an amount on the order of 75 AF is more reasonable – it is approximately 2% of the savings in annual production for customer service since the CDO, base on the most recent 5-year average as it compares to the value in 2009.

If the District is willing to request relief for 75 AF, then a method for allocating that to individual jurisdictions must be developed. A few alternative examples are developed below.

Weighting by Initial Response (adjusted): Based on the requests, above, and if we include the needs of the non-responders and the three under-represented entities, the totals could look much more like the following:

Table 3.

Jurisdiction	Allocation (AF)	Percent
Carmel-by-the-Sea	7	9%
Del Rey Oaks	2	3%
Monterey	14	18%
Pacific Grove	20	27%
Sand City	7	9%
Seaside	14	19%
Unincorporated County	3	4%
NPS	2	3%
POM	4	5%
School Districts	2	3%
Total	75	100%

Weighting by Population: An alternative approach might be to weight allocation of water by relative population in 2020.¹ The values below represent Monterey Peninsula population with Cal-Am connections. Doing so would result in the following:

¹ Association of Monterey Bay Area Governments. 2018. “2018 Regional Growth Forecast.” Table 8, page 32

Table 4.

Jurisdiction	Population	Percent	Allocation (AF)
Carmel-by-the-Sea	3,833	4%	3
Del Rey Oaks	1,949	2%	1
Monterey	28,726	31%	21
Pacific Grove	15,349	17%	11
Sand City	544	1%	1
Seaside	34,301	37%	25
Unincorporated County ²	7,182	8%	5
NPS			2
POM			4
School Districts			2
Total	91,884	100%	75

Weighting by RHNA Value: One alternate approach to allocating by jurisdiction would be to compare the Regional Housing Needs Allocation (RHNA) values³ for each entity and the relative proportion of each. Unincorporated County has been estimated:

Table 5.

Jurisdiction	RHNA Goal	Percent	Allocation (AF)
Carmel-by-the-Sea	31	2%	1.5
Del Rey Oaks	27	2%	1.5
Monterey	650	47%	31
Pacific Grove	115	8%	5
Sand City	55	4%	3
Seaside	393	28%	19
Unincorporated County	125	9%	6
NPS			2
POM			4
School Districts			2
Total	1,396	100%	75

It is noted that under this weighting mechanism, the City of Monterey would have more allotment than requested. Therefore, some of the Monterey allocation can be reassigned to the smaller entities as shown in Table 6.

² Uses Cal-Am service area population reported in SWRCB June 2014 – September 2019 Urban Water Supplier Monthly Reports (Raw Dataset), minus urban areas, escalated at 5%.

³ Association of Monterey Bay Area Governments. ND. “Regional Housing Needs Allocation Plan: 2014-2023.”

Table 6.

Jurisdiction	RHNA Goal	Allocation (AF)
Carmel-by-the-Sea	31	3
Del Rey Oaks	27	3
Monterey	650	20
Pacific Grove	115	5
Sand City	55	4
Seaside	393	19
Unincorporated County	125	6
NPS		2
POM		5
School Districts		3
District Reserve		5
Total	1,396	75

EXHIBITS:

- 1-A** Response from City of Carmel
- 1-B** Response from City of Monterey
- 1-C** Response from City of Pacific Grove
- 1-D** Response from City of Sand City
- 1-E** Response from City of Seaside

From: [Marnie R. Waffle, AICP](#)
To: [Stephanie Locke](#)
Subject: Re: Near Term Water Needs Analysis Deadline Approaches...May 1
Date: Monday, May 11, 2020 4:24:37 PM

As I'm sure you know, we don't have any shovel ready projects that are being held up. No affordable housing projects on the horizon that I am aware of. Just potential ADUs and some vacant single family lots. I would like to make sure there is enough to satisfy the RHNA so affordable housing can be accommodated (in the event someone expresses interest in building it). I'm comfortable with 10 AF.

- Marnie
(831) 428-3500 mobile

Marnie R. Waffle, AICP

Acting Community Planning & Building Director
CITY OF CARMEL-BY-THE-SEA
Community Planning & Building Department
P.O. Box CC | Carmel-by-the-Sea, CA 93921
Main: (831) 620-2010 Direct: (831) 620-2057

PLEASE NOTE: Due to the issuance of a shelter in place order by the Monterey County Health Officer, the Community Planning & Building Department is currently CLOSED. We apologize for any inconvenience. Staff will be working remotely to receive and review electronic application submittals as well as respond to emails.

If you have a general Planning question, please email planning@ci.carmel.ca.us. For Building questions, please email building@ci.carmel.ca.us. To request a building inspection, please go on-line to: <https://ci.carmel.ca.us/post/electronic-inspection-scheduling> or call the inspection line at (831) 620-2065.

Thank you for your patience and understanding as we adapt to the changing conditions in our community.

On Mon, May 11, 2020 at 4:14 PM Stephanie Locke <locke@mpwmd.net> wrote:

Hi Marnie,

We aren't looking for buildout, just how much water Carmel could use for housing projects that will actually get built in the next 3-4 years. An interim between now and when the CDO is lifted and water is available. Any chance I could get you to respond with a more reasonable number for just the next couple of years? Keep in mind that persons who bought Malpaso and people with existing uses (credits) won't need any (or very little). Also, projects like the church properties should not be included because they would require water meters that aren't available. Now, if the church wanted to do apartments, that kind of project might be able to move forward...

I'm guessing Carmel's needs are more in the 5-10 AF range for that short term.

Steph

From: Marnie R. Waffle, AICP <mwaffle@ci.carmel.ca.us>
Sent: Monday, May 11, 2020 3:09 PM
To: Stephanie Locke <locke@mpwmd.net>
Subject: Re: Near Term Water Needs Analysis Deadline Approaches...May 1

Hi Stephanie,

Carmel estimates our buildout water needs at 288 acre feet. While some property owners purchased water from Malpaso and have moved forward with renovations, additions and new construction, others remain limited based on current water restrictions. With recent changes in state legislation regarding Accessory Dwelling Units (ADUs), the City anticipates that it will become increasingly difficult for property owners to construct an ADU due to current water restrictions. An additional water allocation to facilitate ADUs would be beneficial for increasing the supply of this type of housing unit. Additionally, Carmel must continue working towards meeting our Regional Housing Needs Allocation (RHNA) of 31 units which will be dependent upon an adequate supply of water. I hope this helps to inform the discussion with the Water Demand Committee. Thank you for the (extended) opportunity to provide input.

Best regards,

- Marnie

(831) 428-3500 mobile

Marnie R. Waffle, AICP

Acting Community Planning & Building Director

CITY OF CARMEL-BY-THE-SEA

Community Planning & Building Department

P.O. Box CC | Carmel-by-the-Sea, CA 93921

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Thank you for your patience and understanding as we adapt to the changing conditions in our community.

On Thu, May 7, 2020 at 2:47 PM Stephanie Locke <locke@mpwmd.net> wrote:

Dear TAC Members:

The deadline has passed for you to submit your immediate near-term water needs for housing for your jurisdiction. If you received this email, I have not heard from you or your jurisdiction.

Monterey and Pacific Grove submitted their requests. Water for immediate needs will be discussed at the June Water Demand Committee meeting. Your input is needed ASAP or we will not be able to consider your jurisdiction's water needs.

I appreciate your attention to this matter. Please let me know if you have questions.

Kind regards,

Stephanie

Stephanie Locke

Water Demand Manager

Monterey Peninsula Water Management District

831-658-5601

From: Stephanie Locke

Sent: Friday, April 24, 2020 4:48 PM

To: Aaron Blair (aaron@sandcityca.org) <aaron@sandcityca.org>; Anastazia Aziz <aaziz@ci.pg.ca.us>; Holm, Carl P. x5103 <HolmCP@co.monterey.ca.us>; Dino Pick <citymanager@delreyoaks.org>; Kimberly Cole (cole@monterey.org) <cole@monterey.org>; Kurt Overmeyer <kovermeyer@ci.seaside.ca.us>; Lisa Harris <harrislm@co.monterey.ca.us>; Marnie R. Waffle, AICP <mwaffle@ci.carmel.ca.us>

Cc: Dave Stoldt <dstoldt@mpwmd.net>

Subject: Near Term Water Needs Analysis Deadline Approaches...May 1

Hello MPWMD TAC members:

The May 1, 2020, deadline to provide your immediate near-term water needs for the next 3-4 years approaches. MPWMD has been working with Monterey, and Pacific Grove has recently asked for additional time to complete the response. How are you doing? Please update me with the timing of your response to help schedule review by staff and our Water Demand Committee.

As you may recall, following the February 13, 2020, Technical Advisory Committee non-meeting, I sent emails to each of you requesting the following:

Please review Item 2 from the TAC packet and take action by providing the District with the near term (shovel-ready in the next 3-4 years) water needs for housing within your jurisdiction. This exercise is specific to Cal-Am water needed that is presently not available in your Jurisdiction through an Allocation or Entitlement. Keep in mind that water needed for projects that include demolitions or that occur within existing square-footage will be reduced by the water credit resulting from the change in use.

The second page of the staff report includes the following water factors to use to determine the amount of water needed:

Water Factors for Housing

Type of Unit	Factor (Acre-Feet)
Single Family House (Urban)	0.20 AF
Single Family House (Rural)	0.30 AF
Multi-Family	0.12 AF
Accessory Dwelling Unit (ADU)	0.07 AF

Notes:

“Urban” means traditional 2 ½ to 3 bathroom home

“Rural” means unincorporated county estate with landscaping

“Multi-Family” means a mixture of 1- or 2-bathroom units combined in one or more buildings

These factors are a simple guide for estimating need. Water Permits will be based on fixture unit count of actual project plans reviewed by the District.

Let me know if you have any questions.

Stay well,

Stephanie

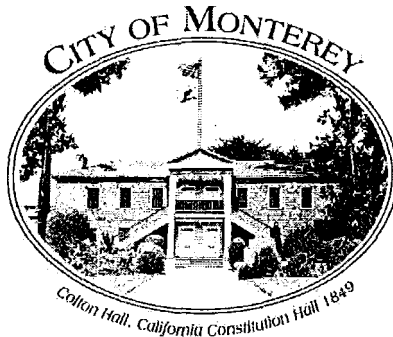
Stephanie Locke, Water Demand Manager

Monterey Peninsula Water Management District

5 Harris Ct., Bldg. G (Ryan Ranch)

Monterey, CA 93940

831-658-5601



April 30, 2020

Mr. Dave Stoldt, General Manager
 Monterey Peninsula Water Management District
 5 Harris Court, Building G
 Monterey, CA 93940

Subject: Near term water needs for housing for the city of Monterey

Dear Mr. Stoldt,

The City of Monterey values this opportunity to share with you our near-term projects with needs for Cal-Am water that is presently not available through an Allocation or Entitlement. In fact, the City does not presently have any significant water to allocate to any project. My understanding is that the City of Monterey is one of only three jurisdictions with such a predicament, including Monterey County and Carmel-by-the-Sea.

The City of Monterey has six near term, shovel-ready housing projects, which we hope that you will consider as potentially beneficial for the wider region (see tables 1 & 2). Monterey is centrally located among all jurisdictions regulated by the Monterey Peninsula Water District. Housing created within our city boundaries will likely have the ripple effect of benefiting surrounding jurisdictions by providing housing for regional employees and families near easily accessible highways, multi-modal trails, and transit stops.

Tables 1 and 2: The difference between having and not having water available for six shovel-ready projects in Monterey for 2020-2021.

TOTAL HOUSING UNITS	
303	Possible only if water is available.
92	Maximum without water being available (58 units at 2600 Garden Road & 34 units at 2000 Garden Road).
211	Lost opportunity for housing units without water.

AFFORDABLE HOUSING UNITS	
200	Possible only if water is available.
19	Maximum without water being available.
181	Lost opportunity for affordable housing units without water.

Shovel ready projects in Monterey

Monterey City Council continues to prioritize creation of housing, particularly affordable housing, which was evidenced with adoption of two recent zoning Overlays: one along Garden Road, and another within the eastern region of downtown. Three developers have stepped forward with proposals for six projects that would total more than 300 housing units, all with a commitment to construct the buildings as soon as possible (see table 3).

Both zoning Overlays include a unit cap; approximately 400 units along Garden Road, and 200 in East Downtown. Housing proposals are reviewed on a first-come, first-served basis.

Table 3: Description of the top six Monterey shovel-ready projects

Units	Address	Units with Water Ask	Water Credit	?9 taJ, Neea	Affordable Units	Shovel Ready
93	2600 Garden Road	35	6.9600	-4.2000	50%	6 months
36	650 East Franklin	35	0.1371	4.1829	100%	6 months
65	2000 Garden Road	31	4.0800	3.7200	60%	8 months
28	590 Del Monte	28	0.0840	3.2760	100%	12 nionths
18	828 Lighthouse	16	0.2128	- 1.9472	100%	18 months
63	2560 Garden Road	48	1.8800	5.68	50%	18 months
Total 303 units	6 project sites	Water needed for 145 units	13.35 acre feet of water available to offset need	23.01 OR 7.43* acre feet needed	Average 77%	Average 11 months

* The amount needed is decreased because builders have committed to incorporating grey-water systems to use for toilets and washing machines.

The number of units possible for construction without additional water allocation is significantly lower than the total number because only two of the six projects would go forward with diminished numbers without being able to construct units reliant on additional water. Out of the total number of potential housing units, 211, that could be constructed with this request for 7.43 acre feet of water; 181 units, or 86% of the total number of units, would be dedicated to affordable housing.

Builders have committed to dedicating as affordable some if not all of the units enabled with additional water allocation. This affordable housing dedication is stacked and in addition to the required 20% of affordable housing required through our inclusionary ordinance. This group of builders have also committed to using grey water systems to maximize the water that may be made available. This represents a savings of 15.58 acre feet of water, or a value that is in excess of 300%. For every drop of water that the District might be willing to allocate, that water is matched twofold in the creation of housing units for our region.

Unique owner and builder situation in Monterey

Property owners within the City of Monterey are often long-term owners with resilient financial situations that make them uniquely positioned in this post-COVID reality to follow through with their commitment to construct this housing in a timely manner. Builders engaged in the early design review process for these six project sites have unique leverage based on longevity with local construction and diversified interests in the field of construction, which further strengthens the likelihood that this construction is truly shovel-ready.

RHNA numbers impossible to meet without added water

Following adoption of the City's General Plan Housing Element in 2016, the Association of Monterey Bay Area Governments (AMBAG) allocated our city's "fair share" of the region's projected housing needs by household income level. This distribution is commonly referred to as the Regional Housing Needs Allocation (RHNA). The intent of the RHNA is to ensure that local jurisdictions address not only the needs of their immediate areas but also fill the housing needs for the entire region.

In order to meet the RHNA goal to ensure that our city provides an opportunity for a mix of affordable housing to all economic segments of its population, the City's General Plan Housing Element includes programs and actions to be taken.

Housing production in the City of Monterey remains significantly below targets. The primary constraint to housing development is water supply. In 2019, the City approved 105 new dwelling units. Of these units, twelve units are deed restricted per the City's Inclusionary Housing Ordinance and 93 units are market rate units. In 2019, the City approved final inspections for six new accessory dwelling units and three single-family homes.

Without ameliorating the City's water supply deficiency, even with a one-time allocation, housing production in the city of Monterey will not meet State goals (see table 4).

Table 4: RHNA numbers for 2023 Monterey Goal

City qt Monterey -			
Income Group	Total RHNA	Finalized Building Permits	Remaining RHNA Goal
Very Low	157	19	138
Low	102	0	102
Moderate	119	2	117
Above Moderate	272	66	206
Total	650	87	563

Water wait list update

City staff has thoroughly researched and reviewed projects currently on our water wait list. Most of the requests have been for sites that do not have a water meter, making them not eligible for the requested list, as a condition of the current cease and desist order. There is one multifamily request, the Strangio site, which has not been included with this list because the ratio of water requested for the 5 unit project did not justify initial prioritization for the 0.4 acre feet of water, but this project is included with a list of longer-term projects anticipated for Monterey.

Longer Term Projects in the City of Monterey

A total of 270 additional housing units are currently at some stage of planning, which would require an additional 28.29 acre feet of water, if none of these projects were to be designed for grey-water use. This longer-term project list includes the Strangio apartments, as well as four City-owned sites anticipated to be constructed with 100% affordable units.

The City of Monterey appreciates the opportunity to provide this list of shovel-ready projects for the Monterey Peninsula Water District to consider with potential future allocation. While an allocation of less than 8 acre wouldn't be the missing link to enable the city to meet the 2023 RHNA goals, it would get us more than halfway there and cut our need in half.

Please consider our city's unique opportunity to capitalize on the readiness of local property owners and builders to provide an incredible wealth of new housing options for folks in our region to have access to a better quality of life. The City would maximize all water made available, and could commit that 86% of the units made available with water allocation would be deed restricted as affordable into the future.

Sincerely,

A handwritten signature in black ink, appearing to be the initials 'HLS' with a long horizontal flourish extending to the right.

City Manager

- c City of Monterey Council Members
Brad Slama, Developer and property owner
Dean Rodatos, Developer and property owner
Nader Agha, Developer and property owner
Laith Agha, Developer and property owner



CITY OF PACIFIC GROVE

Community Development Department

300 Forest Avenue, Pacific Grove, CA 93950

T : 831.648.3190 • F : 831.648.3184 • www.cityofpacificgrove.org/cdd

Stephanie Locke, Water Demand Manager
Monterey Peninsula Water Management District
5 Harris Ct. Building G
Monterey, CA 93940
Email: locke@mpwmd.net

April 30, 2020

Re: Water Needed for Housing Request

Ms. Locke,

The City of Pacific Grove (City) respectfully requests the Monterey Peninsula Water Management District (MPWMD) extend the response date to May 2021 in order for the City to estimate its near-term water needs for housing projects. The District's information request was made prior to the COVID-19 shelter in place order took effect. Pacific Grove has been operating at a reduced capacity, with staff working remotely, since the March 17, 2020 COVID-10 order. This restriction was then superseded by the more restrictive April 3, 2020 County shelter in place order. City staff has been focused on COVID-19 and operational issues which took precedence over the MPWMD request. It is also important for the City Council to provide additional comment and direction. Given the reasons listed above; this item has not yet been brought before Council.

In addition, the City's near term water demand estimate would be better informed when the upcoming Regional Housing Needs Assessment (RHNA) numbers are known, or can be approximated. This data will be assigned to the City in the upcoming Housing Element cycle and these numbers help inform the target number of affordable units the City is expected to achieve. Also, the City has recently contracted with Baird + Driskell using SB2 grant funds to assist the City with its housing needs, including evaluating housing policies, needs and estimating new units. They anticipate having data that will be vetted by Council by May 2021 which will allow the City to provide more meaningful information to MPWMD.

Moreover, the City requests to be considered fairly and equitably in concert with other jurisdictions and receive its fair share of water if there is excess water allocation available. The City respectfully requests MPWMD refrain from directing the City's water allocation to specific land uses, or mandate use of any existing allocation, be it either entitlement or non-entitlement, to specific land uses. The City retains land use jurisdiction and authority over land use applications. MPWMD's request that water demand solely be used for housing and any inference that additional water, or existing entitlement water, may be available only for housing needs, means that MPWMD is directing land uses within the City of Pacific Grove. This usurps the City's land use planning authority.

If for any reason MPWMD cannot delay its request that the City approximate the number of units that may receive near-term entitlement approvals, the City's current rough estimate, based on the approved 2015-2023 Housing Element and identification of additional potential sites results in approximately 110 multi-family (13.2 AF), 50



CITY OF PACIFIC GROVE

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ADUs (3.5 AF), and 70 Single-family units (14 AF). The rough estimate total water demand approximates 30.7 AF based on MPWMD water factors for housing. The City estimates an increase in ADU numbers beyond the Housing Element estimate, based on recent experience showing increased applications for building permits for these unit types over the past two years and also based on the State amnesty program affecting illegal units.

The City is not aware of existing water credits for the subject properties, nor does it have the capacity at this point to examine each potential site to the level of detail necessary to determine existing on-site water credits.

The City looks forward to continue to work with you on this matter to facilitate housing for our residents to meet State mandates and ameliorate the Statewide housing crisis.

Sincerely,

/s/

Anastazia Aziz, AICP, Director
Community Development Department

c.c. Ben Harvey, City Manager

From: [Anastazia Aziz](#)
To: [Stephanie Locke](#)
Cc: [City Manager](#)
Subject: Re: Water Availability
Date: Tuesday, May 5, 2020 8:50:14 AM

Hello and thank you for your email. The estimate does not consider the City's entitlement because the City respectfully requests to be considered fairly and equitably in concert with other jurisdictions and receive its fair share of water if there is excess water allocation available. The City also requests MPWMD refrain from directing the City's water allocation to specific land uses, or mandate use of any existing allocation, be it either entitlement or non-entitlement, to specific land uses.

Appendix B in the Housing Element has both lists and maps for consideration. As stated in the City's April 30 letter the City contracted with a housing consultant and anticipates having updated data by May 2021.

<https://pacificgrovelibrary.org/sites/default/files/general-documents/general-plan/finalpghe2015-2023.pdf>

Thank you.

Anastazia Aziz, AICP | Director

City of Pacific Grove | Community Development Department
300 Forest Ave, 2nd Floor Pacific Grove, CA 93950
T: 831-648-3192 Main Reception: 831-648-3190

www.cityofpacificgrove.org

Planning website: <https://www.cityofpacificgrove.org/living/community-economic-development/planning>

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On Thu, Apr 30, 2020 at 4:14 PM Stephanie Locke <locke@mpwmd.net> wrote:

Hi Anastazia,

Thank your for the information. In terms of the numbers you submitted for the housing element, are those on vacant lots or are they redevelopment of existing connections? Do you have a map of where that development would occur? There would still be a moratorium on new connections. Also, does the water demand estimate consider the PG Entitlement? How does the City's entitlement fit in to your numbers?

Thanks,

Stephanie

From: Anastazia Aziz <aaziz@cityofpacificgrove.org>
Sent: Thursday, April 30, 2020 3:57 PM
To: Stephanie Locke <locke@mpwmd.net>
Cc: City Manager <bharvey@cityofpacificgrove.org>
Subject: Water Availability

Hi Stephanie, thanks for getting back to me about an extension. The City recently signed a contract with Baird + Driskell using SB2 grant funds to evaluate the City's housing policies, needs and projected near term units. They anticipate having data that will be vetted by Council by May 2021. An extension to May 2021 will allow the City to provide more meaningful information.

In the meantime, attached is the City's response to the MPWMD request. Pacific Grove is estimating water needs for housing based on the City's approved Housing Element that goes through to 2023.

Additionally, the City respectfully requests to be considered fairly and equitably for any new additional water that may become available.

Thank you and please don't hesitate to call if you have any questions.

Anastazia Aziz, AICP | Director

City of Pacific Grove | Community Development Department

300 Forest Ave, 2nd Floor Pacific Grove, CA 93950

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www.cityofpacificgrove.org

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From: aaron@sandcityca.org
To: [Stephanie Locke](#)
Subject: Re: Near Term Water Needs Analysis Deadline Approaches...May 1
Date: Monday, May 11, 2020 2:25:37 PM

Stephanie,

We are aware that we have an Entitlement. If we did need an additional Cal-Am allocation, it would be for the following projects that are in the works, and projected to be under construction within 3-4 years.

Independent Phase 2: 50-60 units
West End Mixed use project: 12-16 units
Projected ADUs: 5-6 units

The Collections at Monterey Bay hotel resort updated project hopefully will be approved by Coastal by then too, and we have a couple other commercial projects.

Thank you!

Aaron

On 2020-05-08 16:00, Stephanie Locke wrote:

> Hi Aaron,
>
> Thanks for the email. We are requesting the amount of water needed
> for housing projects that would be under construction within 3-4 years
> if water is available. Since you have an Entitlement, you may not
> have an immediate need for an additional Cal-Am allocation, and that's
> what we need to know. We're only talking about the time between now
> and the lifting of the CDO when there will be abundant water available
> for construction. If the District is able to release interim water,
> it would be subject to the meter moratorium.
>
> Please see the email from February 13 that had residential factors to
> help determine the amount of water that might be needed.
>
> Let me know if you have further questions.
>
> Thanks,
>
> Stephanie
>
> FROM: Aaron Blair <Aaron@SandCityCA.org>
> SENT: Friday, May 8, 2020 2:53 PM
> TO: Stephanie Locke <locke@mpwmd.net>
> SUBJECT: RE: Near Term Water Needs Analysis Deadline Approaches...May
> 1
>
> Dear Ms. Locke,
>
> The current and planned legislative State mandates for thousands of
> additional housing units and accessory dwelling units (ADUs)

> throughout our region will likely have the effect of increasing
> housing density. The changes required by the new state laws will
> necessarily increase water demand.
>
> Additionally, the City of Sand City is uniquely positioned regionally
> to serve not only as a hub for transit solutions, but as a hub for
> smart growth housing developments as seen with the approved South of
> Tioga project on ten acres. This project alone has been projected to
> add at least 800-900 residents to our City, and includes a hotel with
> 216 rooms, two multi-family residential developments that will provide
> 356 residential units which includes 52 affordable units.
>
> We look forward to participating in future discussions and decisions
> regarding Water Supply and Demand needs that affect Sand City.
>
> Please feel free to call me with any questions,
>
> Sincerely,
>
> Aaron
>
> AARON BLAIR
>
> City Manager
>
> City of Sand City, CA
>
> 1 Pendergrass Way
>
> Sand City, CA 93955
>
> Ph. 831.394.3054
>
> @SANDCITYCA
>
> FROM: Stephanie Locke <locke@mpwmd.net>
> SENT: Thursday, May 7, 2020 2:47 PM
> TO: Aaron Blair (aaron@sandcityca.org) <aaron@sandcityca.org>; Holm,
> Carl P. x5103 <HolmCP@co.monterey.ca.us>; Dino Pick
> <citymanager@delreyoaks.org>; Kurt Overmeyer
> <kovermeyer@ci.seaside.ca.us>; Lisa Harris
> <harrislm@co.monterey.ca.us>; Marnie R. Waffle, AICP
> <mwaffle@ci.carmel.ca.us>
> CC: Dave Stoldt <dstoldt@mpwmd.net>
> SUBJECT: RE: Near Term Water Needs Analysis Deadline Approaches...May
> 1
> IMPORTANCE: High
>
> Dear TAC Members:
>
> The deadline has passed for you to submit your immediate near-term
> water needs for housing for your jurisdiction. If you received this
> email, I have not heard from you or your jurisdiction.
>
> Monterey and Pacific Grove submitted their requests. Water for
> immediate needs will be discussed at the June Water Demand Committee
> meeting. Your input is needed ASAP or we will not be able to consider

> your jurisdiction's water needs.
>
> I appreciate your attention to this matter. Please let me know if you
> have questions.
>
> Kind regards,
>
> Stephanie
>
> Stephanie Locke
>
> Water Demand Manager
>
> Monterey Peninsula Water Management District
>
> 831-658-5601
>
> FROM: Stephanie Locke
> SENT: Friday, April 24, 2020 4:48 PM
> TO: Aaron Blair (aaron@sandcityca.org) <aaron@sandcityca.org>;
> Anastazia Aziz <aaziz@ci.pg.ca.us>; Holm, Carl P. x5103
> <HolmCP@co.monterey.ca.us>; Dino Pick <citymanager@delreyoaks.org>;
> Kimberly Cole (cole@monterey.org) <cole@monterey.org>; Kurt Overmeyer
> <kovermeyer@ci.seaside.ca.us>; Lisa Harris
> <harrislm@co.monterey.ca.us>; Marnie R. Waffle, AICP
> <mwaffle@ci.carmel.ca.us>
> CC: Dave Stoldt <dstoldt@mpwmd.net>
> SUBJECT: Near Term Water Needs Analysis Deadline Approaches...May 1
>
> Hello MPWMD TAC members:
>
> The May 1, 2020, deadline to provide your immediate near-term water
> needs for the next 3-4 years approaches. MPWMD has been working with
> Monterey, and Pacific Grove has recently asked for additional time to
> complete the response. How are you doing? Please update me with the
> timing of your response to help schedule review by staff and our Water
> Demand Committee.
>
> As you may recall, following the February 13, 2020, Technical Advisory
> Committee non-meeting, I sent emails to each of you requesting the
> following:
>
> Please review Item 2 from the TAC packet and take action by providing
> the District with the near term (shovel-ready in the next 3-4 years)
> water needs for housing within your jurisdiction. This exercise is
> specific to Cal-Am water needed that is presently not available in
> your Jurisdiction through an Allocation or Entitlement. Keep in mind
> that water needed for projects that include demolitions or that occur
> within existing square-footage will be reduced by the water credit
> resulting from the change in use.
>
> The second page of the staff report includes the following water
> factors to use to determine the amount of water needed:
>
> WATER FACTORS FOR HOUSING
>
> Type of Unit

>
> Factor (Acre-Feet)
>
> Single Family House (Urban)
>
> 0.20 AF
>
> Single Family House (Rural)
>
> 0.30 AF
>
> Multi-Family
>
> 0.12 AF
>
> Accessory Dwelling Unit (ADU)
>
> 0.07 AF
>
> Notes:
>
> "Urban" means traditional 2 ½ to 3 bathroom home
>
> "Rural" means unincorporated county estate with landscaping
>
> "Multi-Family" means a mixture of 1- or 2-bathroom units combined in
> one or more buildings
>
> These factors are a simple guide for estimating need. Water Permits
> will be based on fixture unit count of actual project plans reviewed
> by the District.
>
> Let me know if you have any questions.
>
> Stay well,
>
> Stephanie
>
> Stephanie Locke, Water Demand Manager
>
> Monterey Peninsula Water Management District
>
> 5 Harris Ct., Bldg. G (Ryan Ranch)
>
> Monterey, CA 93940
>
> 831-658-5601



May 20, 2020

Stephanie Locke
MPWMD
5 Harris Ct., Building G
Monterey, CA 93940

RE: 3-4 Year Potential Water Demand

Dear Ms. Locke,

The City of Seaside staff has analyzed the potential for development of housing units in shovel ready areas over the next 3-4 years. In order to arrive at the numbers below, staff considered the City's current demand for Accessory Dwelling Units and the areas available in the West Broadway Urban Village that could be redeveloped for housing over the next 3-4 years. As the West Broadway Urban Village has an existing Specific Plan and Certified Environmental Impact Report, this area has been considered shovel ready as it is exempt from additional CEQA analysis. The table below represents staff's estimate of the maximum development that could take place in the MPWMD areas of the city over the upcoming 3-4 years.

3-4 Year Residential Water Demand Seaside

	Water Factors	Units	Water need
Single Family (Urban)	0.2		
Single Family (Rural)	0.3		
Multi-Family	0.12	125	15
Accessory Dwelling Units	0.07	80	5.6
Total Water Need			20.6

The City expects that many of these potential units in the Multi-Family category will be built as part of the Campus Town and Ascent development projects required affordable housing, and the City is interested in prioritizing water for below market and/or mixed market housing projects. While the City has some water available for these projects, additional supply will be required to achieve this goal.

Please contact Kurt Overmeyer, Economic Development Director at kovermeyer@ci.seaside.ca.us if you have questions regarding the City of Seaside's projected water demand for housing. We look forward to working with MPWMD to ensure that additional housing is constructed in Seaside.

Sincerely,

A handwritten signature in blue ink, appearing to read "Craig Malin", is written over a blue circular stamp.

Craig Malin
City Manager