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**Staff: Kate Roberts, President & CEO**

May 15, 2020

MPWMD Board Members

Monterey Peninsula Water Management District 5 Harris Court, Building G  
Monterey, CA 93940

**Subject: Reserve water request for affordable housing in the City of Monterey**  
**RE: Agenda Item #13 for May 18, 2020 Board**

Dear MPWMD Board Members,

Founded in 2015, Monterey Bay Economic Partnership (MBEP) consists of over 85 public, private and civic entities located throughout Monterey, San Benito and Santa Cruz counties with a mission to improve the economic health and quality of life in the Monterey Bay region. Our Housing initiative consists of a broad coalition of community members, local employers, and organizations to advocate for and catalyze an increase in housing of all types and income levels near transit, jobs and services in the region.

We endorsed and actively campaigned to support the rezoning of underperforming industrial areas to allow residential housing projects at 2000 and 2600 Garden Road which would create higher density affordable housing in the City of Monterey. Prioritization of water for projects like this is supported in our [Blue Paper](#) recommendations, "A Study on the Impact of Water on Housing Development on the Monterey Peninsula," where we show that multi-family dwellings use less water than single family homes on average.

The housing crisis in our region is well documented, and has been compounded by the coronavirus pandemic. As part of our efforts to help residents and workers in Monterey, whose #1 priority is affordable housing, we support the City's request for less than 8 acre feet of water using the District's water reserve to advance the shovel-ready projects along Garden Road for the production of dire housing opportunities at reasonable rent ceiling.

We agree that additional water should not be taken beyond what has already been allocated from the Carmel River. However, if the cities on the Peninsula have remaining water allocation that they want to use for affordable housing, it should not matter where the water is used, what the meter size is, nor whether there is a change of use (three parts of Condition 2 of the Carmel River Cease and Desist Order 2016-0016), so long as it does not increase water use beyond what has been allocated. By supporting development of potentially more than 90 affordable units,

3180 Imjin Road, Suite 102  
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the Garden Road project will create the greatest community impact on the Peninsula over the next few years given its central location among all jurisdictions regulated by MPWMD. That's 90 or more individuals with access to housing that is affordable on the Peninsula, where average rent is more than \$2100/month, which is 7% higher than the previous year.

As noted by the City, "Developer Brad Slama has committed to deed restricting 100% of the 70 units made possible with Reserve water. Of the two projects, 2600 Garden Road could be a phased construction project, though to postpone full development would certainly have missed opportunities due to economy of scale, as well as disruption to future tenants of the first phase. For 2000 Garden Road, construction options are hinging on this MPWMD decision. This project would be a single building, therefore, phasing is not an option. Without a decision to support this in the near future, the opportunity for an additional 35 affordable units will be missed."<sup>1</sup>

We are in full support of removing any obstacles to redevelopment in an effort to build much needed housing in a sustainable and economically viable manner, as long as they do not exceed the existing water allocation. We urge the Board to revisit staff's recommendation, and encourage the participation and support from its member jurisdictions to stand together and urge the State Water Resources Control Board to revisit the effects of the current Cease and Desist Order (CDO) concerning Condition #2. Together, we can fight for and implement an immediate negotiated settlement pursued by the City of Monterey to coalesce with state-initiated housing emergency policies. It is absolutely imperative that our cities, MPWMD and community advocates band together and do what it takes to implement affordable housing solutions at a time that is most critical for our communities on the Peninsula.

We thank you for your leadership and commitment to support this effort. For questions, please contact Matt Huerta, MBEP's Housing Program Manager, at [mhuerta@mbep.biz](mailto:mhuerta@mbep.biz).

Regards,

A handwritten signature in blue ink, appearing to read 'Kate Roberts', is positioned above the typed name.

Kate Roberts  
President and CEO

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<sup>1</sup> City of Monterey. Hans Uslar. May 15, 2020. Monterey Water District Reserve Response Letter  
3180 Imjin Road, Suite 102  
Marina, CA 93933 831.915.2806