



April 13, 2021

Mr. Erik Ekdahl
Deputy Director
Division of Water Rights
California State Water Resources Control Board
P.O. Box 100
Sacramento, CA 95812

Via Email Erik.Ekdahl@waterboards.ca.gov

Subject: Letter of Support for the Monterey Peninsula Water Management District Request for Relief from Condition 2 of WR 2009-0060 and WR 2016-0016 Cease and Desist Order (CDO) for Health and Safety Needs Related to Housing

Dear Mr. Ekdahl:

The City of Monterey requests that the State Water Resources Control Board support the Monterey Peninsula Water Management District request for relief from Condition 2 of WR 2009-0060 and WR 2016-0016 Cease and Desist Order (CDO) for health and safety needs related to housing.

Housing production in the City of Monterey is basically at a standstill due to the Cease and Desist Order (CDO). Last year, the City only produced 13 accessory dwelling units. These units could only be developed when the main home's water credits were reduced such as bathroom removed. Housing production in the City is woefully inadequate to meet demand, prevent homelessness and meet State and regional housing goals for the City.

There are at least 441 units in the pipeline readying for construction including: 289 units on Garden Road and 152 100%-affordable housing units on City owned parcels. In addition to the 289 units proposed on Garden Road, the District's request from relief would allow up to 400 units. The City would need approximately 25 acre feet of water to construct the 400 housing units. Without relief from Condition 2, development of these projects is uncertain.

The City of Monterey has long experienced high housing cost and a lack of access to affordable housing, which significantly impacts low and moderate income members of our community. In 2019, the City completed two reports that documented the lack of access to affordable housing,

the Regional Analysis of Impediments to Fair Housing Access (Regional AI) and the Vulnerable Communities Needs Analysis. The Regional AI concluded that low income and moderate income households have limited opportunities for affordable housing in both the rental and homeownership markets. The Vulnerable Communities Needs Assessment also concluded that the lack of available affordable housing has a significant impact on vulnerable communities, such as low and moderate income youth, families with children, seniors, veterans, people with disabilities, victims of domestic violence.

The lack of access to affordable housing is continuing and becoming an increasing challenge for our community. According to the California Association of Realtors' 2020 Housing Affordability Update, the median price for a single family home in Monterey County is \$830,000, and an average family would need to earn \$149,600 a year to afford the monthly housing payment of \$3,740. Conversely, the 2020 low income level for a family of four in Monterey County is \$77,500, and the moderate income level for a family of four is \$97,900. Clearly, the median housing price far exceeds what is affordable for low and moderate income families in Monterey County.

The inability of Monterey to produce new housing units exacerbates the existing housing crisis. Although the demand for housing is increasing, the lack of available water means that Monterey is unable to increase the supply of housing to meet the new demand. This fundamental imbalance results in increasing prices for both rental and ownership housing as the community competes for the limited supply of available housing. Without an increase in available water for housing, it is anticipated that housing costs will continue to rise, further limiting access to affordable housing for our low and moderate income community members.

To further clarify, our request is that the overall legal limit remains intact, but the Condition 2 prohibition on an increase in use at a particular site be waived for housing. Any increase in use would come from the built up savings due to conservation activities over time. Stated differently, assuming legally authorized supplies exceed current demand, the community has built up a buffer of savings, a small amount of which would be annually allocated or repurposed for housing uses. There is no intent to get authorization for an increased withdrawal from the River beyond the legal limit.

The City supports the Monterey Peninsula Water District request for relief from Condition 2 due to the health and safety needs related to housing.

Sincerely,



Mayor Clyde Roberson

CC: Senator John Laird, California Senate District 17
Assemblymember Mark Stone, 29th California Assembly District
Monterey City Council
Supervisor Mary Adams, Monterey County District 5

Board and General Manager of the Monterey Peninsula Water Management District
City Manager and City Council of Cities of Carmel by the Sea, Pacific Grove, Sand City,
and Del Rey Oaks