



CITY OF CARMEL-BY-THE-SEA

Water Allocation Update

City Council Meeting

May 5, 2025



Background

- City water management plan adopted by Resolution 87-14 (1987)
- Carmel Municipal Code Chapter 17.50, Water Management Program
- Process for distributing limited water resources
- Establish land use categories that will receive water allocations
- Planning Commission makes recommendation based on General Plan and Local Coastal Program policies
- CMC 17.50 requires at least 10 percent of available water resources be set aside for affordable housing



2025 Water Allocation

- MPWMD Ordinance 197 allocated 14 acre feet of water to Carmel-by-the-Sea
- Water is estimated to be available end of 2025/early 2026
- Allocation is placed in unallocated reserves until the city council assigns it to a land use category by resolution
- Last resolution adopted in 2013

EXHIBIT "A"

TOTAL AVAILABLE WATER RESOURCE	3.32 af
<u>Category #1: Low & Very Low Income Housing</u>	.507 af
This category includes residential housing units that meet the affordable housing standards for low-income and/or very low-income households as estimated by the municipal code.	
<u>Category #2: Single Family Residential</u>	0.0 af
<u>Category #3: Multi-Family Residential</u>	0.0 af
This category includes permanent and non-transient multi-family housing in all commercial and R-4 Districts, including new apartments and condominiums, conversions of commercial space to residential dwellings, and the housing component of mixed-use projects.	
<u>Category #4: Commercial</u>	0.684 af
This category includes construction of new commercial floor space and conversion of existing space to uses with a greater demand for water. This category also includes the commercial component of mixed-use projects.	
<u>Category #5: Municipal</u>	.224 af
This category includes all forms of municipal projects including expansion or renovation of existing facilities, construction of new facilities and changes in use.	
<u>Category #6: Unallocated Reserve</u>	1.69 af
This category is unallocated and is to be held as uncommitted until assigned to a defined category through adoption of a new Allocation Resolution by the City Council.	
<u>Category #7: Mallery/Pescadero Water Transfer Reserve</u>	.106 af
This category includes the remaining balance from .960 acre-feet of water originally set aside through a transfer of development rights for four vacant lots in Pescadero Canyon owned in 1998 by Tim Mallery but dedicated as permanent open-space. This water may be used for residential, multi-family residential, commercial or public use development as determined by Mallery provided that the project complies with all zoning and provided that the is located with the City limits.	
<u>Category #9: Forest Cottages Pre-commitment</u>	.109 af
This category is for water pre-committed to the Forest Cottages Specific Plan for the creation of two low-income housing units. If this project is denied by the City Council or Coastal Commission or the project is not under construction by 13 February 2014 or is otherwise abandoned, the water shall return to Category #1.	



2013 Water Allocation Balance

2013 Water Allocation Balances per Resolution 2013-43		
Category #1	Low & Very Low-Income Housing	0.507 af
Category #2	Single Family Residential	0.000 af
Category #3	Multi-Family Residential	0.000 af
Category #4	Commercial	0.684 af
Category #5	Municipal	0.224 af
Category #6	Unallocated Reserve	1.690 af
Category #7	Mallery/Pescadero Water Transfer Reserve	0.106 af
Category #8	Not Defined	0.000 af
Category #9	Forest Cottages Pre-Commitment	0.109 af
Total Water Allocation		3.320 af



2025 Water Allocation Balance

Water Allocation Balances post-Resolution 2013-43		
Category #1	Low & Very Low-Income Housing	0.616 af
Category #2	Single Family Residential	0.000 af
Category #3	Multi-Family Residential	0.000 af
Category #4	Commercial	0.000 af
Category #5	Municipal	0.224 af
Category #6	Unallocated Reserve	15.690 af
Category #7	Mallery/Pescadero Water Transfer Reserve	0.106 af
Category #8	Not Defined	0.000 af
Category #9	Forest Cottages Pre-Commitment	0.000 af
Total Water Allocation		16.636 af



General Plan/Local Coastal Program

The City's share of District water resources is internally allocated to land use categories based on policies in the Local Coastal Program and secondarily in the Conservation, Land Use, and Housing Elements of the General Plan. These policies affirm the City's commitment to lots of record, and residential use (new homes, apartments, and remodeling) as the largest allocation for new development. In particular, existing subdivided lots of record zoned for housing should always be considered "first in line" for limited water resources. New subdivisions of land should be limited until existing subdivided lots have a secure water supply to serve full build-out and additional water allocation units have been obtained from the District. As documented above, visitor serving uses throughout the City have been well accommodated with prior water allocations to achieve consistency with the Coastal Act. Augmenting scarce water supplies to serve planned growth continues to be a City policy. (LUP)



Housing Element

Goal H1: Facilitate Housing Construction

Policy 1.1: Ensure adequate sites are available to meet the City's projected housing growth needs

Program 1.2.A: Water Distribution Prioritization for Affordable Housing

Work cooperatively with MPWMD to establish a procedure to prioritize water allocation for housing developments that include affordable units for lower-income households (December 2026). From its own modest water allocation of approximately 1.6-acre feet, the City will grant water allocation priority to those projects that assist the City in meeting its share of the regional housing need for lower- and moderate-income households. A city policy to clearly reflect water allocation priority and incentives for Extremely Low, Very Low, Low, and Moderate-Income households will be adopted (December 2026). Timeframe: Adopt policy by June 2025.



Regional Housing Needs Allocation

- Plan for 349 new housing units by 2031
- Estimated water needs is 40 acre feet
- Current water allocation is 14 acre feet, approximately 121 housing units
- Water allocation cannot be sold
- Properties receiving water must have an existing water meter



Option 1

- Keep the 14 acre feet in unallocated reserves
 - Transfer 1.4 acre feet to Category #1 Low and Very Low Income Housing to remain in compliance with the water management program

Or

- Transfer slightly less, 1.0476 acre feet

Staff would return at a future meeting with a resolution documenting the transfer.



Option 2

- Direct staff to agendize a discussion with the Planning Commission on how to allocate the 14 acre feet and bring their recommendation back to the City Council

Water Allocation Balances post-Resolution 2013-43		
Category #1	Low & Very Low-Income Housing	0.616 af
Category #2	Single Family Residential	0.000 af
Category #3	Multi-Family Residential	0.000 af
Category #4	Commercial	0.000 af
Category #5	Municipal	0.224 af
Category #6	Unallocated Reserve	15.690 af
Category #7	Mallery/Pescadero Water Transfer Reserve	0.106 af
Category #8	Not Defined	0.000 af
Category #9	Forest Cottages Pre-Commitment	0.000 af
Total Water Allocation		16.636 af



Post Allocation Process

- The Community Planning & Building Director administers the water management program
- Projects that may result in an increase in water usage are not able to be processed by the Department
- Exception: affordable housing projects
- The Community Planning & Building Department is responsible for maintaining a record of the remaining balance of water in each allocation category.
- The Planning Commission is responsible for review the water management plan annually.