



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: RES 24-118

June 25, 2024

Introduced: 6/7/2024

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Resolution

PLN030204-AMD2 - UCP EAST GARRISON, LLC

Public hearing to consider:

- a. An Addendum, together with the previously certified Final Subsequent Environmental Impact Report ("FSEIR") (SCH#2003081086) for the East Garrison Specific Plan Project (Resolution No. 05-264) pursuant to CEQA Guidelines Section 15164;
- b. Adopting a resolution amending the East Garrison Specific Plan, including Appendix A - East Garrison Pattern Book (Resolution No. 05-266);
- c. Adopting a resolution to:
 1. Amend the Combined Development Permit (Board of Supervisor's Resolution 05-267) to allow the redistribution of allowed development resulting in the East Garrison Final Phase consisting of: a mixed-use Town Center building with 30,000 square feet of commercial space on the first floor and 66 affordable rental apartment units above, 61 Residential Medium units, 79 Residential High units, and 119 Live/Work Rowhouses;
 2. Approve a Vesting Tentative Map for the East Garrison Final Phase to allow the re-subdivision of 20.25 acres consisting of Phase 1 Final Map Parcels T1.1 - T1.8, Phase 2 Final Map Parcels M2.10 and M2.11, and Phase 3 Final Map Parcels M3.1 - M3.6, resulting in 140 single family residential parcels, 119 Live/Work parcels, two Town Center parcels, approximately 2.85 acres in Open Space parcels, and approximately 3.35 acres in right of way parcels; and
 3. Adopt a Mitigation Monitoring and Reporting Plan; and
- d. Adopting a resolution authorizing the Chair of the Board of Supervisors to:
 1. Consent and agree to the First Amendment to the Amended and Restated First Implementation Agreement between the Successor Agency to the Redevelopment Agency of the County of Monterey and UCP East Garrison, LLC amending the Disposition and Development Agreement; and
 2. Acknowledge that the Successor Agency to the Redevelopment Agency of the County of Monterey is approving a First Amendment to the Completion Guaranty provided by Casa Acquisition Corp. for the East Garrison Phase Three very low- and low-income rental affordable housing units, extending the completion date by four years guaranteeing a new completion date for Phase Three affordable units by no later than March 31, 2030 and increasing the surety bond by \$2,625,000 for a total amount of \$20,125,000.

PROJECT INFORMATION:

Planning File Number: PLN030204-AMD2

Owner: UCP East Garrison, LLC

Project Location: Two miles east of the City of Marina and 5.5 miles southwest of the City of Salinas along Reservation Road. The properties are located south of the intersection of Reservation Road and East Garrison Drive, Marina, Fort Ord Master Plan, East Garrison Specific

Plan area.

APN: Multiple

Agent: Anthony Lombardo, Anthony Lombardo & Associates

Plan Area: Fort Ord Master Plan, East Garrison Specific Plan area

Flagged and Staked: No

CEQA Action: Consider an Addendum, together with the previously certified Final Subsequent Environmental Impact Report (“FSEIR”) (SCH#2003081086) for the East Garrison Specific Plan Project (Resolution No. 05-264) pursuant to CEQA Guidelines Section 15164.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Consider an Addendum, together with the Final Subsequent Environmental Impact Report (“FSEIR”) (SCH#2003081086) for the East Garrison Specific Plan Project (Resolution No. 05-264) pursuant to CEQA Guidelines Section 15164;
- b. Adopt a resolution amending the East Garrison Specific Plan, including Appendix A - East Garrison Pattern Book (Resolution No. 05-266);
- c. Adopt a resolution to:
 1. Amend the Combined Development Permit (Board of Supervisor’s Resolution 05-267) to allow the redistribution of allowed development resulting in the East Garrison Final Phase consisting of: a mixed-use Town Center building with 30,000 square feet of commercial space on the first floor and 66 affordable rental apartment units above, 61 Residential Medium units, 79 Residential High units, and 119 Live/Work Rowhouses;
 2. Approve a Vesting Tentative Map for the East Garrison Final Phase to allow the re-subdivision of 20.25 acres consisting of Phase 1 Final Map Parcels T1.1 - T1.8, Phase 2 Final Map Parcels M2.10 and M2.11, and Phase 3 Final Map Parcels M3.1 - M3.6, resulting in 140 single family residential parcels, 119 Live/Work parcels, two Town Center parcels, approximately 2.85 acres in Open Space parcels, and approximately 3.35 acres in right of way parcels; and
 3. Adopt a Mitigation Monitoring and Reporting Plan; and
- d. Adopt a resolution authorizing the Chair of the Board of Supervisors to:
 1. Consent and agree to the First Amendment to the Amended and Restated First Implementation Agreement between the Successor Agency to the Redevelopment Agency of the County of Monterey and UCP East Garrison, LLC amending the Disposition and Development Agreement; and
 2. Acknowledge that the Successor Agency to the Redevelopment Agency of the County of Monterey is approving a First Amendment to the Completion Guaranty provided by Casa Acquisition Corp. for the East Garrison Phase Three very low and low-income rental affordable housing units, extending the completion date by four years guaranteeing a new completion date for Phase Three affordable units by no later than March 31, 2030 and increasing the surety bond by \$2,625,000 for a total amount of \$20,125,000.

SUMMARY:

The East Garrison Specific Plan (“EGSP”), Combined Development Permit, Vesting Tentative Map, Disposition and Development Agreement, and Amendments to the 1982 General Plan were approved by the Board of Supervisors in 2005 (“Previously Approved Project” or “Approved Project”). A brief summary of the history and approvals is provided below. The final maps for Phase 1, Phase 2 and Phase 3 were approved by the Board of Supervisors and filed with the County Recorder’s Office in 2007, 2015 and 2017, respectively. Buildout of Phases 1 and 2 are nearly completed while Phase 3 is at approximately 70% completion.

The applicant proposes to amend the East Garrison Specific Plan, East Garrison Pattern Book, Disposition and Development Agreement, and Combined Development Permit, and a new Vesting Tentative Map to allow the redistribution of the allowed uses and density and reconfigure the remaining commercial and residential development (“Proposed Project”). The Proposed Project would increase the total number of single-family detached units by 139 units. In addition, the Proposed Project decreases the total number of townhouses by 77 units and the Live/Work Rowhouse units by 78 units. The Proposed Project results in an overall reduction of 16 units compared to the Previously Approved Project under full buildout of the East Garrison Community. In addition, the Proposed Project reduces the maximum amount of commercial development from 75,000 square feet (“sf”) to 30,000 sf. A summary of the amendment is also provided below. A detailed discussion of the Proposed Project is included as **Attachment A** to this Staff Report.

California Government Code Section 65453(a) requires specific plans to be prepared, adopted and amended in the same manner as a general plan, except that a specific plan may be amended as often as deemed necessary by the legislative body. Pursuant to Government Code Section 65354, the planning commission shall make a written recommendation on an amendment of a general plan and send said recommendation to the legislative body. Pursuant to Monterey County Code (“MCC”) section 21.76.030.A and B, the decision-making body for a principal land use shall be the decision-making body for the Combined Development Permit, and the Planning Commission shall act as the recommending body to the Board of Supervisors when said Board is the Appropriate Authority for the Combined Development Permit.

The Planning Commission considered the Proposed Project at the April 10, 2024 Planning Commission Hearing (see **Attachment F**). The Planning Commission and members of the public raised concerns related to proposed changes to building heights, housing affordability, and parking, most notably the lack of dedicated off-street parking spaces for the affordable housing to be developed by CHISPA at the Town Center. The Planning Commission ultimately recommended that the Board of Supervisors approve the project with a vote of 9 to 0, with 1 member absent, but recommended that the Proposed Project be conditioned to include dedicated off-street parking for the proposed 66-unit affordable rental apartments to be developed by CHISPA (see **Attachment A** for further discussion).

In accordance with state law, the East Garrison Specific Plan amendment has been scheduled for a public hearing before the Board of Supervisors for consideration and review. A draft Board of Supervisors resolution to amend the East Garrison Specific Plan and Pattern Book is provided and attached as **Attachment B**. A separate draft Board of Supervisors resolution to amend the Combined

Development Permit and consider the Addendum together with the Final Subsequent Environmental Impact Report (FSEIR) for the Proposed Project is provided and attached as **Attachment C**.

East Garrison Specific Plan - Previously Approved Project

The Monterey County Board of Supervisors approved the East Garrison Specific Plan and Combined Development Permit Project (PLN030204) on October 4, 2005. The Approved Project included 1) amendments to the 1982 Monterey County General Plan (Policies 26.1.9 and A-1); 2) amendments to Monterey County Code Title 21 (Section 21.08.060); 3) adoption of the East Garrison Specific Plan; 4) approval of a Combined Development Permit; 5) adoption of a Mitigation Monitoring and Reporting Plan; 6) allocation of 470 acre-feet per year (“AFY”) of water from the County’s 560 AFY water allotment (also referred to as “FORA water allocation”) for the former Fort Ord; and, 7) a Development Agreement. The Combined Development Permit consisted of a Vesting Tentative Subdivision Map for the subdivision of the 244-acre project site; a Use Permit for tree removal; a General Development Plan; a Use Permit to allow development on slopes over thirty percent (30%); and a Design Approval.

The Previously Approved Project included up to 1,400 residential units (consisting of 780 single-family detached units, 227 townhouses, 280 condominium/loft/apartment units, and 113 live/work units) plus up to 70 carriage units (dependent on water availability). In addition, the Previously Approved Project also included up to 75,000 sf of commercial space, and 11,000 sf of institutional uses. The maximum height under the Previously Approved Project was four (4) stories and 50-feet, associated with the Residential High 2 (“RH-2”) buildings. The Previously Approved Project included up to 100,000 sf of artist studio/public use space in 23 renovated historic buildings and approximately 50 acres of open space, parks, and natural areas.

On October 4, 2005, the Board of Supervisors took the following actions:

- Certified and adopted the Final Subsequent Environmental Impact Report, including project-specific mitigation measures and a Statement of Overriding Considerations (Resolution No. 05-264);
- Approved General Plan text amendments (Resolution No. 05-265);
- Approved Zoning Ordinance text and map amendments (Ordinance No. 05000);
- Adopted the East Garrison Specific Plan (Resolution No. 05-266);
- Approved the Combined Development Permit (Resolution No. 05-267);
- Adopted Enacting Ordinance to approve a Development Agreement (Ordinance No. 05001); and
- Consented and agreed to a Disposition and Development Agreement (Resolution No. 05-273).

Additional information, including reports and documents, associated with the East Garrison Specific Plan Project can be found at the County of Monterey Housing and Community Development Department (HCD)-Planning’s East Garrison webpage at the following address:

www.countyofmonterey.gov/government/departments-a-h/housing-community-development/planning-services/library-current-major-projects/east-garrison

The Board of Supervisors subsequently amended the Combined Development Permit (PLN030204-AMD1) on February 11, 2020 (Resolution No. 20-037) and adopted an addendum to the EGSP FSEIR, to amend Condition of Approval No. 184 (related to specificity of funding allocation for fees collected by Monterey Bay Air Resources District to mitigate Reactive Organic Gas and Nitrogen Oxide air quality impacts from the Approved Project), and approve an agreement between the County of Monterey and Monterey Bay Air Resources District.

On June 16, 2020, the Board of Supervisors considered an addendum to the EGSP FSEIR and adopted Ordinance No. 5333 approving the First Amendment to the Development Agreement to extend the agreement for 15 years and establish fees on remaining building permits for the Approved Project to replace Fort Ord Reuse Authority's ("FORA") Community Facilities District fees for the Developer's fair share funding of habitat management, and regional and County roadway improvements.

Successor Agency Agreements

On October 4, 2005, East Garrison Partners, LLC ("EGP") and the Redevelopment Agency of the County of Monterey, with the consent and agreement of the County of Monterey (Board of Supervisors Resolution No. 05-273), entered into a Disposition and Development Agreement ("DDA"). The DDA provides, among other things, for the construction of affordable rental housing units in each phase of the EGSP. On September 8, 2009, UCP East Garrison, LLC ("Developer") acquired the fee title to the East Garrison project that was subject to the DDA, and consequently, as successor-in-interest to EGP, assumed certain rights, interests and requirements under the DDA. The Redevelopment Agency of the County of Monterey has been succeeded by the Successor Agency to the Redevelopment Agency of the County of Monterey ("Agency"). On August 30, 2016, the Developer and Agency, with consent and agreement of the County, approved an Amended and Restated First Implementation Agreement to the Disposition and Development Agreement ("First Implementation Agreement").

Additionally, on June 27, 2019, the Agency approved, with the acknowledgement of the County of Monterey, a Completion Guaranty for the Phase Three very low- and low-income affordable housing units (rental apartments) guaranteeing a completion date by not later than March 31, 2025 and providing a surety performance bond in the amount of \$17,500,000.

Various affordable housing implementing agreements were identified in the DDA or subsequently determined to be needed by the Agency, and such agreements have been executed and amended as needed by the Agency, Developer and other relevant parties. The Proposed Project necessitates amendments to the affordable housing agreements listed below, which require subsequent Agency approval.

- Inclusionary Housing Agreement for Moderate Income Inclusionary Units (June 20, 2007) and the First Amendment (February 8, 2022);
- East Garrison Phase 1 Workforce II Housing Letter Agreement (March 9, 2016);
- Designation of Workforce II Housing Agreement for Phase 1 (December 12, 2017) and the First Amendment (June 26, 2018) and Second Amendment (February 12, 2019); and
- Workforce Housing Agreement for the East Garrison Phase 2 and 3 (March 11, 2016).

These agreements can be found at the County of Monterey HCD-Planning's East Garrison webpage at the following address:

www.countyofmonterey.gov/government/departments-a-h/housing-community-development/planning-services/library-current-major-projects/east-garrison.

Proposed Amendments

The Proposed Project (PLN030204-AMD2) consists of the Final Phase of the EGSP and includes amendments to the East Garrison Specific Plan and Combined Development Permit. The Proposed Project also includes a Vesting Tentative Map to facilitate construction of up to 325 residential units, consisting of up to 259 residential for-sale units (consisting of 140 market rate single-family units and 119 live/work artist "rowhouses" which includes 33-units affordable to moderate-income households, 70 units affordable to Workforce II households, and 16 market-rate units) and 66 affordable rental apartments, as well as up to 30,000 sf of commercial/institutional/retail uses (including a community courtyard), a one-acre Town Center Park, and a 4,000 sf library/sheriff's office. The Proposed Project would result in the development of approximately 20.25 acres.

Overall, implementation of the Proposed Project would decrease the amount of development associated with buildout of the EGSP. More specifically, the Proposed Project would reduce the extent of residential development (by 16 total units) and commercial uses (reduce the maximum allowable commercial square footage from 75,000 sf to 30,000 sf). In summary, the amendment to the EGSP would:

- Revise unit counts and descriptions;
- Change the total acreage of residential and non-residential land use categories;
- Modify Figure 3.6, Land Use Plan map;
- Modify the development phases, including revised descriptions and graphics on as-built, current, and future development phases;
- Revise permitted land uses, building height limits, and signage restrictions;
- Modify the proposed network of streets, bicycle systems plan, and parking network;
- Update utility information; and
- Revise the proposed open space component of the Town Center.

The Draft Amended EGSP is attached as **Attachment B, Exhibit 1** and can be accessed at the following web address:

www.countyofmonterey.gov/home/showpublisheddocument/130062/638465439411530000

The Proposed Project also includes modifications to the East Garrison Pattern Book. Changes to the EGSP Pattern Book include the removal of the "Artist Lofts" unit type, addition of new "Live/Work Rowhouses" unit type, replacement of "Live/Work Townhouse" lot type with "Live/Work Rowhouse" lot type, and addition of new "Hamlet" lot type. Other changes include, changes to previously defined unit and lot types (including "Townhouse lots" and "Town Center"), changes to materials, introduction of new architectural styles, and modifications to building designs. The Draft Amended Pattern Book is attached as **Attachment B, Exhibit 2** and can be accessed at the following web address:

www.countyofmonterey.gov/home/showpublisheddocument/130060/638465439401400000

The Proposed Project would subdivide the existing lots to facilitate individual sale and/or lease of each of the proposed residential and live/work units and the remaining non-residential space under the Final Phase of development. The Proposed Project would also abandon some of the existing utility easements that were previously recorded as part of the Previously Approved Project and dedicate new utility easements as part of the Proposed Project to serve the new lots. A detailed breakdown of the subdivision of the existing lots is provided in **Attachment A**.

The Proposed Project would require an amendment to the East Garrison DDA via the First Implementation Agreement **Attachment H, Exhibit 1**. A draft Board of Supervisors resolution to consent and agree to amending the East Garrison DDA is provided as **Attachment H**. These changes include amendments to the following:

- Reduction in Tax Increment Liabilities under the DDA
- Phasing Map (Attachment No. 1(B) to the DDA) to designate the remaining Final Phase development area;
- Product Size and Types (Exhibit 1 to Attachment No. 9 to the DDA) to reflect updates to modified product types, maximum unit size, and unit counts for the Final Phase.
- Financial Terms revising Second and Final Reporting Dates related to profit participation (Attachment No. 4, § 3.g to the DDA)
- Schedule of Performance (Attachment No. 5 to the DDA) to memorialize the phased timing for completion of the Final Phase development;
- Workforce II Housing (Attachment No. 3, §§ A&B and Attachment No. 9, § 5 to the DDA) to allow the developer to satisfy all remaining Workforce II Housing obligations in the Final Phase;
- Town Center (Attachment No. 4, § G(2); Attachment No. 9, § 6) to establish Town Center construction milestones to be linked to timing triggers associated to issuance of building permits for certain number of Final Phase market rate units;
- Town Center Park (Town Square) specifying it shall include a play structure and establishing construction milestones linked to timing triggers associated to issuance of building permits for certain number of Final Phase market rate units; and
- Public Facilities terms modifying the payment timing for the remaining Developer's Contribution (Attachment 9, § 8(i) to the DDA) for mandatory public facilities.

The Original Phase Three Affordable Apartment Developer, Artspace, Inc., has continued to be unable to secure timely financing and the Developer wishes to designate Community Housing Improvement Systems and Planning Association, Inc., ("CHISPA"), who developed the Phase 2 Affordable Rental Apartment Project at East Garrison, as the Phase Three Affordable Apartment Developer. Therefore, additional time is needed to complete the Phase Three Affordable Apartment Project and the Developer, via Casa Acquisition, Inc., has provided a First Amendment to the Completion Guaranty for Phase Three to increase the surety performance bond from an original amount of \$17,500,000 to a new amount of \$20,125,000 (an increase of 15%) and to extend the timeline for completion of the Phase Three apartments from March 31, 2025 to March 31, 2030 (see **Attachment H, Exhibit 2**, the First Amendment to the Completion Guaranty for Phase Three). A Memorandum of Agreement between the Developer and CHISPA to be approved by the Agency is included as **Attachment H, Exhibit 3**.

Additionally, the Proposed Project would require amendments to certain affordable housing provisions contained in the DDA. These changes include amendments to the following:

- Amendment to the Inclusionary Housing Agreement for Moderate Income Inclusionary will be needed to implement the Proposed Project to identify the new location of the units and allow for a reduced minimum unit size from 1,300 sf to 1,000 sf. This requirement is incorporated as a Condition of Approval; and
- Amendment to the various Workforce II Housing agreements will be needed to implement the Proposed Project to allow the 70 remaining workforce units to be sold in the Final Phase. This requirement is incorporated as a Condition of Approval.

CEQA:

Following Section 15164 of the California Environmental Quality Act (CEQA) Guidelines, an Addendum was prepared to make minor technical changes to the certified FSEIR based on the proposed amendments to the East Garrison Specific Plan and Combined Development Permit, and the Vesting Tentative Map. The Proposed Project described above does not include substantial changes to the Previously Approved Project, so no major revisions to the previous EIR are required. The amendment does not allow any new development that was not previously approved under the previous EIR. See **Attachments D** and **E** as well as the discussion contained in **Attachment A** for additional information.

DISCUSSION:

Detailed discussion is provided in **Attachment A**.

OTHER AGENCY INVOLVEMENT:

The following agencies have reviewed the project, have comments, and/or have recommended conditions:

- Water Resources Agency
- Environmental Health Bureau
- Public Works, Facilities, & Parks Department
- Monterey County Sheriff's Office
- Monterey County Regional Fire District

The proposed project was reviewed by the Monterey County Planning Commission on April 10, 2024. The Monterey County Planning Commission recommended approval of the project by a vote of 9-0 (one absent) (**Attachment F**), but expressed concerns relative to parking availability, housing affordability, building height, and Town Square timing. Staff has addressed these concerns in the recommended findings and conditions.

Separately but concurrent with the Board of Supervisors' consideration of these actions, the Agency will consider whether to approve the First Amendment to the Amended and Restated First Implementation Agreement, approve the First Amendment to the Completion Guaranty for Phase Three, and approve the designation of CHISPA as the Phase Three Affordable Housing Developer and terms of the MOA between the Developer and CHISPA.

FINANCING SECTION:

Funding for consultant services provided by Denise Duffy & Associates for the preparation of Addendum No. 3 to the FSEIR and draft staff reports for the Planning Commission and Board of Supervisors was provided by the applicant. Staff time utilized for review, processing and finalizing the addendum and staff reports is included in the FY2023-24 Adopted Budget and the FY2024-25 Adopted Budget for HCD Appropriation Unit HCD008, Unit 8549-Fund 182 and is reimbursable by the developer.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES

The action to approve the Proposed Project and associated agreements supports the Board of Supervisors' Strategic Initiative for Economic Development, Health and Human Services, and Infrastructure and Public Safety by facilitating the construction of the remaining public facilities, affordable and market-rate housing, and parks and open space at East Garrison.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

Prepared by: Anna Ginette Quenga, AICP, Principal Planner, x5175

Reviewed by: Melanie Beretti, AICP, Acting Chief of Planning, x5285

Approved by: Craig W. Spencer, HCD Director, x5233 CS

The following attachments are on file with the Clerk of the Board:

- Attachment A - Discussion
- Attachment B - Draft Resolution to Amend East Garrison Specific Plan
 - Exhibit 1 - Draft Amended East Garrison Specific Plan
 - Exhibit 2 - Draft Revised East Garrison Specific Plan Appendix A: Pattern Book
- Attachment C - Draft Resolution to Amend Combined Development Permit (PLN030204-AMD2)
 - Exhibit 1 - Draft Conditions of Approval/Mitigation Monitoring & Reporting Program
 - Exhibit 2 - Vesting Tentative Map
- Attachment D - Addendum No. 3 to the Final Subsequent EIR
- Attachment E - Final Subsequent EIR (SCH#2003081086) for the East Garrison Specific Plan Project
- Attachment F - Planning Commission Resolution 24-015, dated April 10, 2024
- Attachment G - Shared Parking Analysis
- Attachment H - Draft Resolution Consenting, Agreeing and Acknowledging the following Successor Agency Agreements:
 - Exhibit 1 - First Amendment to the First Implementation Agreement to the Amended and Restate First Implementation Agreement between

the Successor Agency of the County of Monterey and UCP East
Garrison, LLC amending the Disposition and Development
Agreement

Exhibit 2 - First Amendment to the Completion Guaranty for Phase 3

Exhibit 3 - MOA between CHISPA and Developer for Phase 3