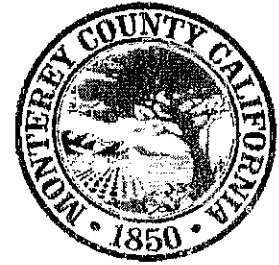


# MONTEREY COUNTY

## THE BOARD OF SUPERVISORS



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May 16, 2019

The Honorable Bill Monning  
California State Senate  
State Capitol, Room 4040  
Sacramento, CA 95814

**Re: SB 189 (Monning) Fort Ord Reuse Authority: member agencies: land use and zoning: dissolution.  
As Amended April 11, 2019 -- Support If Amended**

Dear Senator Monning:

On behalf of the Monterey County Board of Supervisors, I write to you regarding your bill, SB 189. First and foremost, the Board would like to extend its appreciation to you for your tireless efforts to ensure the smooth transition of the Fort Ord Reuse Authority (FORA). We especially appreciate that you and your staff have been so responsive and available to work with us to address the County's concerns.

On May 7, 2019, the Board received a report on SB 189, as amended April 11, 2019, and supports the direction of your legislation. We urge you to take into consideration the Board's concerns as noted below.

- ***Retain Health and Safety Code Section 33492.71.***

The Board voted 4-1 to support amendment of SB 189 as follows: As part of the statutory arrangement that set forth the creation and ultimate dissolution of the Fort Ord Reuse Authority (FORA), Health and Safety Code Section 33492.71 established the property tax distribution formula for the former Fort Ord area such that, upon FORA's dissolution, 38% of the property tax is to be distributed to the County of Monterey. This tax rate distribution is supported by the financial burden associated with significant amount of habitat management lands received (or to be received) by the County. The County-owned habitat lands constitute more than 90% of the total habitat management lands held by the five land holding jurisdictions. These habitat management lands must be managed not only for habitat but also be managed and maintained for open space and recreational uses. Conversely, the County has or will receive only a quarter of the developable land in the former Fort Ord, much of which is likely to remain in open space, as local efforts to preserve open space and habitat is resulting in development within the cities and not the unincorporated areas. Traversing all this area are approximately 123 miles of County roadways that require maintenance. It is our understanding that currently SB 189 eliminates Health and Safety Code Section 33492.71, and would reduce the property tax distribution to the County to 25%.

- ***Extend the Community Facilities District (CFD) beyond June 30, 2022.***

The Board voted 4-1 to support amendment of SB 189 as follows: The CFD provides a critical revenue stream to support the regional recovery efforts since the closing of Fort Ord, a recovery that is taking far longer than was contemplated when FORA was established. While substitute funding mechanisms could be implemented by local jurisdictions and agencies, it is possible if not likely that the CFD will not be able to be fully replaced by June 30, 2022, further challenging the regional recovery. The County believes there are ways to do this without a need to extend the FORA Board beyond its dissolution while still giving local jurisdictions the ability to implement substitute funding mechanisms.

- **Weighted voting.**

The Board voted 4-0, with 1-member abstaining, to support amendment of SB 189 to retain the weighted vote due to the proportion of responsibility the County will be retaining. The County believes that our proportional financial responsibility, should be commensurate with the increased proportion of overall jurisdictional responsibility. Therefore, the County requests that you consider a weighted vote distribution as follows:

3 votes            Monterey County  
2 votes each     City of Seaside and City of Marina  
1 vote each      City of Del Rey Oaks and City of Monterey

- **Prohibit creation of issuance of new debt.**

The Board voted 4-0, with 1-member abstaining, to support amendment of SB 189 as follows: To make explicit that that FORA may not create or issue new debt during the extended period (July 1, 2020 to dissolution). Any debt that the FORA Board issues or creates that would outlast the dissolution of FORA would increase the administrative burden to the County as fiscal successor to FORA and would significantly impact the property tax revenues that would ultimately flow to the County, Successor Agencies and other taxing entities such as schools.

- **Extension period.**

The Board voted 3-2 to support amendment of SB 189 to extend some version of FORA for not fewer than 6 years, and up to 10 years, to allow sufficient time for the region to further recover.

The County has appreciated the productive discussions with your office regarding SB 189, and the Board has directed staff to continue to work with your office to refine SB 189 as described above.

Sincerely,

  
John M. Phillips  
Chair, Board of Supervisors

Cc    Senator Anna Caballero  
      Assemblymember Robert Rivas  
      Assemblymember Mark Stone  
      Michael Houlemard, Executive Officer, Fort Ord Reuse Authority (FORA)  
      Bruce Delgado, Mayor, City of Marina  
      Ian Oglesby, Mayor, City of Seaside  
      Mary Ann Carbone, Mayor, City of Sand City  
      Alison Kerr, Mayor, City of Del Rey Oaks  
      Clyde Roberson, Mayor, City of Monterey  
      Dave Potter, Mayor, City of Carmel-by-the-Sea  
      Bill Peake, Mayor, City of Pacific Grove  
      California State Association of Counties