



# Monterey County

## Fort Ord Committee

### Agenda Item #4

Legistar File Number: 16-828

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Receive a status update on current development activity on the East Garrison development project.

#### RECOMMENDATION:

Staff recommends that the Fort Ord Committee receive a status update on current development activity on the East Garrison development project.

#### DISCUSSION:

##### Phase 1 Housing Construction:

- Sale from UCP East Garrison LLC (the master developer) to Benchmark Communities LLC (the affiliate homebuilder) of 260 of the 272 lots for construction of market-rate homes in Phase 1 has been completed. Approval by the Assistant County Administrative Officer of the sale of the remaining 12 market-rate lots (Bluff product) is pending.
- To date (June 13) County RMA-Building Services has issued 236 building permits for market-rate SFRs in Phase 1. 211 houses have received final inspection (including the 12 model units). There are a total of 272 lots in Phase 1 designated for construction of market-rate single family homes.
- Sale of lots for the 60 Townhome units in Phase 1 is pending Board of Supervisors approval of the Advance Funding Agreement required to reimburse the County's costs for monitoring compliance with prevailing wage. When constructed, 19 of these units will be deed-restricted for moderate-income buyers, and the remaining 41 units deed restricted for Workforce 2 buyers.

##### Phase 2 Infrastructure Improvements & Housing Construction:

- Sale from UCP East Garrison LLC (the master developer) to Benchmark Communities LLC (the affiliate homebuilder) of 237 of the 315 lots for construction of market-rate homes in Phase 2 has been completed.
- To date (June 13) County RMA-Building Services has issued 86 building permits for market-rate SFRs in Phase 2. 14 houses have received final inspection. There are a total of 315 lots in Phase 2 designated for construction of market-rate single family homes.
- Sale of lots for the 90 Townhome units in Phase 2 is pending Board of Supervisors approval of the Advance Funding Agreement required to reimburse the County's costs for monitoring compliance with prevailing wage. When constructed, 32 of these units will be deed-restricted for moderate-income buyers, 47 units deed restricted for Workforce 2 buyers, and the remaining 11 units will be sold at market rate.
- Design of the 65-unit low-income rental housing project for Phase 2 (CHISPA) is under

way, and scheduled for implementation in 2017.

- Design of the new fire station continues. The Fire District and Redevelopment Agency have approved the Concept Design, and preparation of Design Development drawings is under way. The project will be jointly funded by the developer and Successor Agency to the Redevelopment Agency tax increment funds. The DDA requires the fire station to be completed prior to issuance of the first building permit in Phase 3. When completed, ownership of the station will be transferred to the Monterey County Regional Fire Protection District.
- A building permit has been issued for construction of the 6-acre Lincoln Park. Work is scheduled to begin next month, and to be completed in 6 to 8 months. When completed, the park will be owned and operated by the East Garrison Community Services District, which is currently managed by RMA-Public Works.

Phase 3 Final Map, Subdivision Agreement, Infrastructure Improvements, Arts-Historic District:

- A demolition permit has been issued for demolition of 22 old non-historic buildings in the Phase 3 Historic District area. Demolition will commence next month, and is scheduled to be complete in four to six months.
- The developer forecasts submittal of the proposed Phase 3 Final Map and infrastructure improvement plans in early-to-mid 2016. Construction of residential units and rehabilitation of historic buildings is scheduled for 2019.
- Elsewhere on this agenda, Staff will present a report to the Fort Ord Committee regarding the funding and process for implementation of the Arts-Historic District.

Successor Agency Tax Increment Funding:

The East Garrison Disposition and Development Agreement (DDA) requires the (now) Successor Agency to use tax revenues generated from the East Garrison project (only) to provide financial assistance to the project as follows, and as needed:

- Up to \$300,000/year for Agency costs relating to the administration of the Fort Ord Redevelopment Project Area (escalated 3%/yr from October 2005). With the adoption of the Dissolution Act, Agency costs will be limited to the East Garrison Project only.
- Up to \$9.5 million, at a rate of \$48,469/unit, (indexed per the ENR Building Cost Index for San Francisco from October 2005) to assist with construction cost of rental affordable housing projects.
- Up to \$5.5 million (indexed per ENR Building Cost Index from October 2005) to assist in costs to design and construct the Mandatory Public Facilities (fire station and library/sheriff field office).
- Up to \$5.0 million (indexed per ENR Building Cost Index from October 2005) to assist in rehabilitating 29 historic buildings.
- While the DDA also allows for “left over” tax revenues to be used for “Other Public Facilities” (day care center, youth center, Community Services Dist office, sports & recreation center); it is unlikely that the Dissolution Act will permit this level of funding.

The Agency’s ability to provide these funds is dependent on agreement by the State Department of Finance that these are enforceable obligations under the Redevelopment Agency Dissolution

Act, and that the Redevelopment Agency had the authority to validly assign the DDA obligations to UCP via the First Implementation Agreement. To date, the DOF has not approved major costs; staff is attempting to resolve the situation in the Agency's favor.

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