

Attachment A

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**Addendum Pursuant to
the California Environmental Quality Act
Article 11, Section 15164**

***East Garrison Development Agreement Amendment and Extension
Planning File No. REF200021***

1. Introduction

Original Approval: On October 4, 2005, the Board of Supervisors of Monterey County certified a Final Subsequent Environmental Impact Report (FSEIR) (Resolution No. 05-264) in connection with approval of:

- The East Garrison Specific Plan (Resolution No. 05-266);
- A 1982 General Plan text amendment (Resolution No. 05-265);
- Zoning Ordinance text and map amendments (Ordinance No. 05000);
- A Combined Development Permit, comprising of a standard subdivision (Vesting Tentative Map) to create parcels for up to 1,400 dwelling units (plus up to 70 second (“carriage”) units, each on the same lot as a residential unit), commercial uses, and public uses, use permit for tree removal, general development plan, use permit to allow development on slopes, and a Design Approval including a pattern book (Resolution No. 05-267);
- Allocation by the County Board of Supervisors of 470 acre-feet annually of potable water (from the FORA allocation of water to the County) to serve the Project (Resolution No. 05-268); and
- A Development Agreement (the “Development Agreement”) (Ordinance No. 05001)

Collectively referred to as “The East Garrison Project” or “Project”

Proposed Amendment to the Original Approval: An amendment to the Development Agreement with UCP East Garrison, LLC (“Development Agreement”) to establish a fee to replace the Fort Ord Reuse Authority (FORA) Community Facilities District (CFD) Special Tax (also known as “the FORA Fee”) in association with the dissolution of FORA, and to extend the Development Agreement for 15-year is proposed. No other changes to Project are being considered.

Purpose of this Addendum: This technical addendum has been prepared pursuant to Article 11, Section 15164 of the California Environmental Quality Act guidelines to make minor clarifications and revisions to the Project analyzed in the SFEIR in association with amendment described above. None of the conditions described in Section 15162 calling for preparation of a subsequent EIR or negative declaration have occurred.

2. Scope of this Addendum

CEQA Requirements: Following Section 15164 of the California Environmental Quality Act (CEQA) Guidelines, this Addendum is prepared to make minor technical changes to the certified FSEIR based on the proposed amendment to the Development Agreement described above. Additionally, as required in Sections 15164(a) and 15164(e) of the CEQA Guidelines, this addendum includes a brief explanation of the decision not to prepare a subsequent EIR pursuant to Section 15162 of the CEQA Guidelines. Section 15162 of the CEQA Guidelines provide for the following:

- (a) When an EIR has been certified for a project, no subsequent EIR shall be prepared for that project unless the lead agency (in this case Monterey County) determines, on the basis of substantial evidence, one or more of the following:
 - (1) Substantial changes are proposed in the project which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
 - (2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
 - (3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified shows any of the following:
 - A. The project will have one or more significant effects not discussed in the previous EIR;
 - B. Significant effect previously examined will be substantially more severe than shown in the previous EIR;
 - C. Mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
 - D. Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

Changes: In this case, an extension to the timeline for implementation of the Project, and associated establishment of a fee to replace FORA impact fees, are the only changes proposed. There are no proposed changes to the Project description and no new information of substantial importance. Changes in circumstances leading to this amendment include:

- Economic conditions (Circa 2007-2010) that significantly affected the housing market and led to loan default by East Garrison Partners, the original applicant/developer, and subsequent acquisition of the loan and property by UCP East Garrison, LLC, the

successor to the East Garrison entitlements (and developer/owner of that portion of the real property which has yet to be developed);

- COVID19 Pandemic (Circa 2020), resulting in market stressors and uncertainties; and
- Dissolution of the Fort Ord Reuse Authority (FORA), June 30, 2020.

Conclusion: Although changes have occurred with respect to the above-mentioned circumstances, the changes do not result in the involvement on new significant environmental effects or a substantial increase in the severity of previously identified environmental effects. Effects are limited to the timing of development and not the nature of environmental impacts. All previously agreed to mitigations for the Project would continue to apply and no new mitigation is needed as a result of this addendum, except for payment of the FORA fee, which is addressed by this amendment to the Development Agreement. This amendment to Development Agreement enables continuation of a fee equivalent to the FORA CFD fee after the dissolution of FORA and termination of the FORA fees, consistent with the environmental analysis and mitigation measures for the East Garrison project. The FORA fee (the FOR A CFD Special Tax) terminates with FORA's dissolution on June 30, 2020. The proposed amendment to the Development Agreement establishes a fee to replace the FORA CFD Special Tax for the same purposes as the FORA Fee. The proposed replacement fee consists of fair share contribution to TAMC's Regional Development Impact Fee for roads in TAMC's Zone 5 (former Fort Ord), the County roadway fee for the Greater Salinas area, and habitat management in the County unincorporated area in the former Fort Ord. The replacement fee is to be paid upon issuance of the remaining building permits for the East Garrison development for which the developer would have paid the FORA Special Tax. Therefore, no subsequent EIR is required pursuant to Section 15162. The determination that no subsequent EIR is required was reached based on review of the analysis in previous FSEIR. In all, none of the changes in circumstances have been found to result in new significant environmental impacts or a substantial increase in the severity of the impacts beyond those previously considered and analyzed in the EIR as described in further detail in subsection 3 below.

3. Analysis and Revisions

The following discussion is intended to be viewed in conjunction with the analysis already contained in the FSEIR, and where different, to replace the analysis with the new and updated information. This discussion is limited to only those items that are affected by the proposed amendment.

Project Description and Phasing (Section 3.2 of the Draft Subsequent EIR):

In general, the EGSP is described to include a mix of residential, commercial, public, and recreational uses. More specifically, the EGSP proposed three neighborhoods, including the Arts District and a Town Center; a Bluff Greenway; multi-use paths and open space areas; and a main entrance. The plan accommodated 1,400 residential units plus up to 70 accessory (carriage house) units, 75,000 sq ft of commercial use, 11,000 sq ft of public use, 100,000 sq ft of artist/cultural/educational space in renovated historic structures, and approximately 50 acres of open space (including approximately 12 acres of improved parks and trails). Other project components included a library, fire station, and a sheriff's field office. The creation,

maintenance, and operation of roads, open space (including parks), and other public amenities associated with the EGSP were to be financed through a combination of Community Services District (CSD) and Homeowners Association (HOA) fees and assessments. (pg. 3-14).

The certified FSEIR described this Project as being constructed in three phases plus a Town Center:

Phase 1 (Completed, excepted as noted below): According to the East Garrison Specific Plan, the first phase included approximately 398 residential units. This phase was anticipated to be completed in 2006. As explained in the Draft Subsequent Environmental Impact Report for East Garrison: “The Phase 1 Neighborhood will extend from Reservation Road, just west of a new Main Entrance, and InterGarrison Road to the south. The Phase 1 Neighborhood will include deed-restricted affordable units, single-family detached and attached residential uses, and multi-family residential uses. Phase 1 will include a community park and neighborhood parks, paths, and bikeways. Construction of the Town Center area will begin during this time, and although development of Town Center buildings will occur throughout all phases of the EGSP project. Rough grading of both the Phase 1 and Phase 2 areas will occur at the beginning of Phase 1. Phase 3 grading will occur during Phase 2 residential construction.” (pg. 3-13 to 3-14).

Phase 2 (Completed, except as noted below): According to the East Garrison Specific Plan, the second phase included approximately 471 residential units. As explained in the Draft Subsequent Environmental Impact Report for East Garrison: “The Phase 2 Neighborhood will be located in an area defined by West Camp Road to the west, InterGarrison hill to the north, and Chapel Hill Road to the east. The Phase 2 Neighborhood will include deed-restricted affordable units, single-family detached and attached residential uses, and multifamily residential uses. This phase will include construction of neighborhood parks, additional development in the Community Park, greenways, and open space areas. Town Center construction will also occur during this phase. Affordable housing will be constructed in all three project phases.” (pg. 3-14)

Phase 3 (Not completed): According to the East Garrison Specific Plan, the third phase included an Arts District, consisting of approximately 442 houses and a group of historical buildings that will be developed into an Arts District providing studio and exhibition space, offices, and housing for local artists. As explained in the Draft Subsequent Environmental Impact Report for East Garrison: “The Phase 3 Arts District will be constructed in the eastern portion of the EGSP site. The Phase 3 Arts District will include deed-restricted affordable residences, single-family detached and attached residential uses, multi-family uses, artist uses, live/work lofts, public uses, open space areas, and bike paths.

Town Center (Not completed): According to the East Garrison Specific Plan, the Town Center was to be built out over the other three phases and included approximately 89 residential units, of which 49 would be live/work artists’ spaces. As explained in the Draft Subsequent Environmental Impact Report for East Garrison: “Approximately 16 acres in the center of the EGSP area would be devoted to a Town Center. The Town Center will be the community’s Town Square, a public space serving as the primary gathering place for residents and visitors and acting as a venue for hosting community events, festivals, and

concerts. The Town Center will include commercial uses such as shops, art galleries, banking and other services, offices, cafes, restaurants, and public and institutional uses. Some housing will be located in the Town Center, either in apartments or condominiums above retail space, or as live/work units. Proposed uses in the Town Center will vary depending on market conditions, but regional scale commercial uses (e.g., full-service grocery stores) are not proposed.” (pg. 3-24).

Timing of development and specific requirements for development were subject to adopted conditions, mitigations, an inclusionary housing agreement, and a Development Agreement.

Analysis:

As of May 2020 (time of preparation of this Addendum), Phases I and II of the East Garrison Development have been substantially developed including construction of housing, infrastructure, parks, open spaces, and construction of a Fire Station associated with these two Phases. Phase III and the Town Center have been graded, roads and infrastructure for these phases have been developed, but no housing units or commercial uses have been constructed. The provision of housing, affordable housing, live/work units, rehabilitation of historic buildings (in the arts district), and jobs and services in proximity to housing (Town Center) were integral factors in review and approval of the development. Despite not yet having been constructed, Phase III and the Town Center are still part of the Project. Reasons for the delay in construction are described in Section 2 of this Addendum under the “Changes” heading. The affordable housing in Phases II and III has not yet been constructed but is subject to Completion Guaranties previously entered by UCP East Garrison and the Successor Agency of the Redevelopment Agency of the County of Monterey. The proposed amendment to the Development Agreement does not change the timing of those Completion Guaranties.

Because the Draft Subsequent EIR and the Final Subsequent EIR did not identify any specific dates or timelines for construction of each Phase, and because the project remains the same as originally considered and analyzed, including payment of FORA CFD fees, no changes or revisions to the certified EIR are needed as a result of this addendum.

4. Conclusion

The proposed amendment and extension to the Development Agreement would not change the project or the environmental impacts analyzed in the certified EIR for the Project. The amendment to the Development Agreement would enable continuation of the development impact fees commensurate to the FORA fees after the dissolution of FORA, consistent with the environmental analysis for the East Garrison project. The extension of the Development Agreement would provide additional time to implement and construct Phase III and the Town Center while also preserving the benefits, provisions, and restrictions established in the Development Agreement. Allowing for additional time to construct improvements in Phases III and in the Town Center does not require any revisions to the analysis in the FSEIR.

Attachment:

1. Draft Subsequent Environmental Impact Report for the East Garrison Development (September 2004) <https://www.co.monterey.ca.us/government/departments-i-z/resource-management-agency-rma/planning/resources-documents/environmental-documents/archived/east-garrison-specific-plan-e>

2. Final Subsequent Environmental Impact Report for the East Garrison Development (June 2005) <https://www.co.monterey.ca.us/home/showdocument?id=24600>