

MONTEREY COUNTY RESOURCE MANAGEMENT AGENCY

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MEMORANDUM

Date: April 4, 2019

To: Board of Supervisors – Legislative Committee

From: Melanie Beretti, RMA Property Administration/Special Programs Manager

Subject: Senate Bill 189 (Monning) – Fort Ord Reuse Authority member agencies, land use and zoning, and dissolution

cc:

At the March 19, 2019 meeting of the Board of Supervisors, after consideration, the Board of Supervisors voted 3 to 2 to approve FORA's draft legislative language to implement the FORA Transition Plan. The Board further authorized the CAO to send a letter to convey the Board's position to FORA; the letter was sent on March 20, 2019 to the Chair of the FORA Board. At a Special Meeting on March 21, 2019, the FORA Board of Directors voted 7 to 6 to approve draft legislative language and authorized the Executive Officer to submit the legislative language to the Monterey Bay State Legislative offices.

On January 30, 2019, Senator Bill Monning introduced Senate Bill 189 (SB189) related to FORA's transition. On April 1, 2019, SB189 was amended (Enclosed). SB 189 extends FORA in a limited role until June 30, 2022 and eliminates FORA oversight over jurisdictions' land use plans and projects within the former Fort Ord, a role previously exercised by FORA. The amended SB189 incorporates some language from the FORA legislative language yet has many differences with the FORA language that the Board has previously seen.

Staff is conducting an analysis of SB 189 as amended on April 1, 2019. Upon preliminary review, staff has identified several potential issues of relevance to the County, including but not limited to:

- FORA Board of Directors: The Board become a five-member Board consisting of one member from the County and the cities of Monterey, Del Rey Oaks, Marina, and Seaside, with each member jurisdiction having 1 equal vote. Irrespective of the wide variation in impacts and contribution rates between the five member jurisdictions, no additional voting power is granted to the most impacted or largest contributors.
- FORA Community Facilities District Revenues: The amended bill provides that "Upon dissolution of the authority, all remaining and future community facilities districts revenues shall be transferred to the County of Monterey. The County of Monterey shall disburse those revenue to each underlying land use jurisdiction...". This language is a bit ambiguous,

however, in that it does not clearly provide for the extension of the CFD beyond the dissolution of FORA, so it is not clear what “future revenues” would be anticipated. It also provides differently from the Transition Plan as far as distribution of already collected CFD revenues.

- Property Tax Distributions: The Bill provides that Section 33492.71 of the H & S Code, which sets forth the tax increment distribution within the area of the former Fort Ord, becomes inoperative when FORA dissolves, or when its debt is retired. That means that it appears the anticipated 38% property tax share to the County, after pass-throughs for schools and housing, won’t materialize. Even the current 25% distribution to the County seems to go away. It appears that the County would get its normal distribution for each of the tax rate areas within Fort Ord. That is likely to be well below 25% in most tax rate areas, particularly within cities. It is also unclear how the property tax is treated if FORA leaves behind debt.
- Successor Agency(ies) Role: The County seems likely to be asked to be the successor for certain roles, and the Bill mandates the County to serve as the fiscal successor to FORA. The Bill states FORA “...shall negotiate and secure one or more successor agencies to implement all obligations under the transition plan”, however, it is unclear what happens if FORA is unable to negotiate and secure successor agencies for some or all obligations.
- General Issues: Overall the language of the bill could be “tightened up” for better clarity and intention.

Enclosed

SB 189 (Monning) Text as amended April 1, 2019