



County of Monterey

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

Board Report

File #: 17-0912, **Version:** 1

Receive a status update on the East Garrison project.

RECOMMENDATION:

It is recommended that the Fort Ord Committee receive a status update on the East Garrison project

SUMMARY:

- Union Community Partners, LLC (UCP) recently completed a merger with Century Communities; the Successor Agency is reviewing the merger for approval pursuant to the Development and Disposition Agreement (DDA).
- As of August 17, 2017, a total of 513 units of the planned 1,400 homes at East Garrison have been completed and certified for occupancy
- Fire station construction underway May 2017
- East Garrison Community Service District election was on August 19, 2017 to determine if EGCSO should have a directly-elected board of directors, or if the County Board of Supervisors should continue to act as the EGCSO Board of Directors. Final results not yet available.

DISCUSSION:

Lot Sales and Market Rate Housing Construction

- Phase 1 -
 - Lot Sales
 - All 273 single-family residence (SFR) lots and all lots for 60 Townhome units have been sold by UCP to its affiliate Benchmark Communities.
 - Future - Lot sales for 49 live-work units, and 40 Town Center lofts.
 - House Construction - As of August 17, 2017, 238 of 273 SFR units have been constructed and have been issued certificates of occupancy; 12 further units have been permitted and are under construction.
 - Townhome Construction - 16 of the 60 multi-family Townhome units have been completed.
- Phase 2
 - Lot Sales - All 315 SFR lots and all lots for 113 Townhome units have been sold by UCP to Benchmark Communities
 - House Construction - As of August 17, 2017, 188 of 315 units have been constructed and have been issued certificates of occupancy;
- Phase 3
 - Lot Sales - Not started. Anticipated late 2018/early 2019, upon completion of infrastructure improvements.
 - Home Construction - Not started. To include 192 single-family homes and 150 condominiums. Anticipated 2019, upon sale of lots.

Affordable Housing

- Low and Very-Low Income - 196 of the 1,400 total units will be low/very-low income units
 - Jointly funded by the developer and the Successor Agency tax increment funds, per the terms of

the DDA

- Phase 1 (MidPen) - 65-unit low and very-low rental apartments complete and being occupied
- Phase 2 (CHISPA) - Design review complete for 65-unit low and very-low rental apartment building. Fund-seeking underway, but there are few fund assistance programs available for this project at this time. Target for construction 2019, pending funding.
- Phase 3 (ArtSpace) - Not started. To include 66-unit low-income rental apartment complex.
- Moderate Income - 84 of the 1,400 total units will be moderate-income units
 - Phase 1 - 4 of the 19 Moderate income units (Townhomes) have been completed; County is working with developer to define process for coordination to identify qualified buyers for the deed restricted units.
 - Phase 2 - Not started. To include 55 Moderate income units (Townhomes)
 - Phase 3 - Not started. To include 10 moderate income units (Townhomes)
- Workforce 2 - 140 of the 1,400 total units will be Workforce 2 (WF2) units
 - Phase 1 - 4 of the 47 units have been designated and purchased by WF2 income qualified buyers
 - Phase 2 - 3 of the 47 units have been designated and purchased by WF2 income qualified buyers
 - Phase 3 - Not started. To include 46 WF2 units.

Public Facilities

Public facilities at East Garrison are to be jointly funded by the developer and the Successor Agency tax increment funds, per the terms described in the DDA.

- Fire Station (Mandatory) - Construction of the new fire station began in May 2017, and is scheduled to be complete in the Spring of 2018. Once complete, ownership will be transferred to the Monterey County Regional Fire District.
- Library (Mandatory) - Not yet started. Will include provision for a Sheriff Department field office. Discussion of timing underway.

Neighborhood “Pocket” Parks

- Lincoln Park - Construction of this 6.8-acre public park, a portion of which also serves as a stormwater retention facility, is complete, and is to be owned and maintained by the East Garrison Community Services District (EGCSD). See below for EGCSD details.
- Open Space - A total of 29.4 acres of open space (including drainage ponds) is planned at East Garrison, and will ultimately be owned and maintained by the EGCSD
 - Phase 1 - 6.8 acres of open space and drainage ponds have been established, and has been owned and operated by the EGCSD since 2011
 - Phase 2 - a 6.2-acre open space and drainage pond parcel is being established and is anticipated to be transferred to the EGCSD in late 2018/early 2019
 - Phase 3 - Not started. A 16.4-acre bluff open space area is anticipated to be constructed with Phase 3 and to be transferred to the EGCSD in late 2018/early 2019
- Neighborhood “Pocket” Parks - Six neighborhood parks plus the 1-acre Town Center park are planned at the development, to be owned and maintained by the East Garrison Homeowners Association
 - Phase 1 - 2 of 2 neighborhood parks complete.
 - Phase 2 - 2 of 2 neighborhood parks are nearing construction and anticipated complete in 2017.
 - Phase 3 - Not started. To include 2 neighborhood parks and Town Center Park
 - County and developer continue discussions regarding use of neighborhood parks

Infrastructure Improvements and Subdivision Maps

- Staff review of the proposed Phase 3 Grading Plan, Final Subdivision Map, and Infrastructure Improvement Plans is complete. The Pre-Grading Permit was issued August 24, 2017, and grading is scheduled to begin in September. Consideration of the Phase 3 Final Map and Subdivision Improvement Agreement by the Board of Supervisors is tentatively planned for October 2017, pending the following:
 - The Board of Directors of the Successor Agency will consider approval of a “Corrective Deed” to perfect the current parcel boundaries and authorize the Chair to sign Final Subdivision Map Owner’s Certificate. This item is anticipated to come to the Board October 2017.
 - Condition of Approval #151 - Avigation Easement to the City of Marina (must be accepted and recorded by City prior to Board of Supervisors approval of Phase 3 Final Map). Pending completion of negotiations with City of Marina, this item is anticipated to come to the Board of Directors of the Successor Agency and the Board of Directors of the East Garrison Community Service District in October 2017.
 - Condition of Approval #235 - Stormwater and Erosion Control Indemnification Agreement.
 - Condition of Approval #112/116 - MCWD Water, Sewer, and Recycled Water Infrastructure Agreement. Pending East Garrison Public Finance Authority Counsel review, agreement to be revised and re-approved by the Marina Coast Water District (MCWD) Board of Director. Upon re-approval by MCWD, item will be presented to the Board of the East Garrison Public Finance Authority in October 2017.
- Grading permit for Phase 3 issued August 24, 2017. Site grading to begin September 2017, and infrastructure improvements to begin upon Board approval of Phase 3 Final Map and Subdivision Improvement Agreement. Infrastructure improvements will include improvements on County roads:
 - Reconstruction and opening of Watkins Gate Road between Barloy Canyon and Reservation Road
 - Installation of new traffic signal at the intersection of Watkins Gate Road and Reservation Road

Town Center

- Town Center - Not started. Will include 5 buildings totaling 35,000 sf of retail commercial space, a one-acre park, and the new Library/Sheriff Field Office. Discussion of timing underway.

Arts/Historic District

- Not started. To include the reuse and conversion of 23 historic World War II-era buildings and surrounding property that comprise the Historic District into a maximum of 100,000 sf of affordable art studio space.
- A detailed update of the Arts/Historic District project will be presented as part of the East Garrison Monthly Update report to the Fort Ord Committee on October 26, 2017.

Other Items

- UCP merger with Century Communities
 - Union Community Partners, LLC (UCP) recently completed a merger with Century Communities; the Successor Agency is reviewing the merger for consideration and approval pursuant to the Development and Disposition Agreement (DDA).

East Garrison Community Service District

- East Garrison Community Service District Election

- August 29, 2017 an election will be held to determine whether the EGCSO should have a directly-elected board of directors, or if the County Board of Supervisors should continue to act as the EGCSO Board of Directors. Certified results of the election will be available the week of September 5.
- Amendment #1 to Temporary Maintenance Agreement with UCP
 - An amendment to the 2013 Temporary Maintenance Agreement is on the September 12, 2017 EGCSO consent agenda for consideration and approval by the Board of Directors
- Lincoln Park and associated Drainage Improvements
 - Acceptance of ownership of Lincoln Park is on the September 12, 2017 EGCSO consent agenda for consideration and approval by the EGCSO Board of Directors
 - The developer has scheduled a dedication and opening ceremony for September 22, 2017.

OTHER AGENCY INVOLVEMENT:

The following agencies continue to participate in review of the East Garrison project:

- RMA-Land Use & Community Development Division (Planning, County Surveyor & Development Services, Environmental Services, Parks, Building Services)
- RMA-Public Works & Facilities Division (Traffic Engineering, Road & Bridge Engineering)
- Water Resources Agency
- Health Department/Environmental Health Bureau
- Monterey County Sheriff's Office
- Monterey County Agricultural Commissioner
- Monterey County Regional Fire District
- Marina Coast Water District
- Fort Ord Reuse Authority
- California Department of Fish & Wildlife

FINANCING:

The East Garrison Disposition and Development Agreement (DDA) obligates the (now) Successor Agency to use tax revenues ("tax increment") generated from the East Garrison project to provide financial assistance for DDA administration, affordable housing, public facilities, and historic building rehabilitation. On February 1, 2017, the Agency submitted the to the State Department of Finance the Recognized Obligation Payment Schedule (ROPS) for FY2017-2018 (July 1, 2017 to June 30, 2018), which included funding for Successor Agency wind-down as well as East Garrison administration costs and funding for the Fire Station construction. On March 13, 2017 the Department of Finance (DOF) approved the ROPS for FY2017-18 which included funding for: \$300,000 for East Garrison administrative costs; \$248,137 for Successor Agency administrative wind-down costs; and \$2,250,000 for East Garrison facilities (fire station). The fire station construction start was delayed by a few months in the prior FY2016-17, so staff is preparing to submit an Amended ROPS for FY2017-18 period "B" (January 1, 2018 to June 30, 2018) accordingly. The Oversight Board to the Successor Agency is scheduled to consider the Amended ROPS on September 14, 2017. The Amended ROPS is due to the DOF on October 1, 2017.

A hearing for the Successor Agency's lawsuit against the DOF took place in April 2017. The judge ruled in favor of the DOF, and the Successor Agency is preparing to file an appeal.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The East Garrison Project achieves the following Board FY15-16 Strategic Initiatives:

- Strategic Initiative for Economic Development, “Through collaboration, strengthen economic development to ensure a diversified and healthy economy”, by “Creating better paying jobs... (and) adding to the economic vitality of the County.”
- Strategic Initiative for Infrastructure, “Plan and develop a sustainable, physical infrastructure that improves the quality of life for County residents and supports economic development results”, by “Improving the conditions of ...roads...”, and by “Providing for adequate...infrastructure.”

Check the related Board of Supervisors Strategic Initiatives:

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

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