



FORT ORD REUSE AUTHORITY

920 2nd Avenue, Suite A, Marina, CA 93933

Phone: (831) 883-3672 | Fax: (831) 883-3675 | www.fora.org

JOINT ADMINISTRATIVE COMMITTEE/ WATER AND WASTEWATER OVERSIGHT COMMITTEE MEETING

8:15 a.m. Wednesday, July 2, 2014

920 2nd Avenue, Suite A, Marina CA 93933 (FORA Conference Room)

AGENDA

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE**
4. **APPROVAL OF MEETING MINUTES**
 - a. June 18, 2014 Administrative Committee Minutes ACTION
5. **PUBLIC COMMENT PERIOD**

Individuals wishing to address the Committee on matters within its jurisdiction, but not on this agenda, may do so during this period for up to three minutes. Comments on specific agenda items are heard under that item.
6. **JUNE 20, 2014 BOARD MEETING FOLLOW-UP** INFORMATION/ACTION
7. **JULY 11, 2014 BOARD MEETING AGENDA REVIEW** INFORMATION/ACTION
8. **BUSINESS ITEMS**
 - a. Consistency Determination: Consider Certification, in whole or in part, of the City of Seaside Zoning Code amendments related to the 2013 Zoning Code update as Consistent with the 1997 Fort Ord Reuse Plan
 - i. Review Consistency Determination Materials INFORMATION
 - ii. Provide Board Recommendation ACTION
 - b. Review Habitat Conservation Plan Schedule INFORMATION
 - c. Regional Urban Design Guidelines Update INFORMATION
 - d. FY 2014/15 Marina Coast Water District (MCWD) Ord Community Water/Wastewater Budget
 - i. Review Revised Budget and Policy Issues Memorandum INFORMATION/ACTION
 - ii. Provide Board Recommendation ACTION
 - iii. Water Augmentation Presentation INFORMATION
 - f. Initiate FY 2014/15 WWOC Work Program ACTION
9. **ITEMS FROM MEMBERS**
10. **ADJOURNMENT**

Next Administrative Committee Meeting: July 16, 2014

For information regarding items on this agenda or to request disability related modifications and/or accommodations please contact the Deputy Clerk 48 hours prior to the meeting.

Agendas are available on the FORA website at www.fora.org.



FORT ORD REUSE AUTHORITY

ADMINISTRATIVE COMMITTEE REGULAR MEETING MINUTES

8:15 a.m., Wednesday, June 18, 2014 | FORA Conference Room
920 2nd Avenue, Suite A, Marina CA 93933

1. CALL TO ORDER

Co-chair Dawson called the meeting to order at 8:15 a.m. The following were present:

Dan Dawson, City of Del Rey Oaks*
Carl Holm, County of Monterey*
Elizabeth Caraker, City of Monterey*
John Dunn, City of Seaside*
Diana Ingersoll, City of Seaside
Vicki Nakamura, MPC
Patrick Breen, MCWD
Kelly Cadiente, MCWD
Brian Lee, MCWD
Lyle Shurtleff, BRAC

Mike Zeller, TAMC
Doug Yount, ADE
Tim O'Halloran, City of Seaside
Bob Schaffer
Chuck Lande, Marina Heights
Wendy Elliott, MCP
Sean Kranyak, MPP
Brian Boudreau, Monterey Downs
Philip Molnar, Monterey Herald

FORA Staff:
Steve Endsley
Jim Arnold
Crissy Maras
Stan Cook
Josh Metz

*voting members

2. PLEDGE OF ALLEGIANCE

Assistant Executive Officer Steve Endsley led the Pledge of Allegiance.

3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

None.

4. APPROVAL OF MEETING MINUTES

a. June 4, 2014 Joint Administrative Committee minutes

MOTION: Elizabeth Caraker moved, seconded by Diana Ingersoll, to approve the minutes of the June 4, 2014 Administrative Committee meeting.

MOTION PASSED: unanimous

5. PUBLIC COMMENT PERIOD

None.

John Dunn entered at 8:20 a.m. (*replacing Seaside alternate Diana Ingersoll*)

6. JUNE 13, 2014 BOARD MEETING FOLLOW UP

Mr. Endsley provided an overview of Board deliberations and actions from the Board meeting.

7. BUSINESS ITEMS

a. FY 2014/15 Marina Coast Water District Ord Community Water/Wastewater Budget

i. Review Identified Policy Issues

Mr. Endsley discussed the policy issues document provided by FORA staff and emphasized the need to separate the ongoing policy issues from specific objections regarding the FY 2104/15 Marina Coast Water District (MCWD) Budget. FORA staff received comments from the Committee for incorporation into the document and staff agreed to return a revised version to the next Administrative Committee meeting.

ii. Provide Board Budget Recommendation

MCWD Interim General Manager Brian Lee discussed the FORA MCWD budget approval process. He noted that MCWD had not received any substantive objections to their budget, which their Board planned to consider for approval the following day. However, the District would remain committed to working with FORA for resolution of outstanding policy questions. Resolution of the identified policy items would span multiple fiscal years, prompting MCWD to move forward with their annual budget approval independent of the ongoing policy discussions. He emphasized that the MCWD annual budget was not a fixed document and could be adjusted throughout the year, as needed.

Staff suggested the July 2, 2014 Administrative Committee meeting be a joint meeting with the Water and Wastewater Oversight Committee. The Committee agreed and unanimously determined to withhold a MCWD budget recommendation until reviewing the revised policy issues document at the next meeting.

b. Habitat Conservation Plan Joint Powers Authority (JPA) Agreement

Grants and Contracts Coordinator Crissy Maras explained that a copy of the JPA Agreement was provided in the Committee packet, noting that the University of California (UC) Regents had already approved the document. FORA staff requested all jurisdictions approve the document by August 31, 2014. Committee members and several members of the public requested distribution of the staff report that accompanied the UC Regents item, for use as a template in their own jurisdiction. Staff stated they could obtain the report from UC Santa Cruz.

Members of the Committee and public expressed hesitation with approving the JPA document prior to release of the Habitat Conservation Plan and suggested that the items be adopted together as one package. Questions were raised regarding the Habitat Conservation Plan schedule and staff agreed to return to the next Committee meeting with a project update and timeline.

c. Regional Urban Design Guidelines Task Force (RUDG) Update

Associate Planner Josh Metz stated that in preparation for respondent presentations at the end of the week, the RUDG Task Force would meet the following day to review the respondent evaluation criteria. He noted that one respondent had withdrawn, leaving two remaining teams.

8. ITEMS FROM MEMBERS

None.

9. ADJOURNMENT

Co-Chair Dawson adjourned the meeting at 10:01 a.m.

-START-

**DRAFT
BOARD PACKET**



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REGULAR MEETING FORT ORD REUSE AUTHORITY BOARD OF DIRECTORS

Friday, July 11, 2014 at 2:00 p.m.

910 2nd Avenue, Marina, CA 93933 (Carpenters Union Hall)

AGENDA

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. CLOSED SESSION

- a. Conference with Legal Counsel - Existing Litigation, Gov Code 54956.9(a) – **2 Cases**
 - i. Keep Fort Ord Wild v. Fort Ord Reuse Authority (FORA), Case Number: M114961
 - ii. The City of Marina v. Fort Ord Reuse Authority, Case Number: M11856

4. ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION

5. ROLL CALL

6. ACKNOWLEDGEMENTS, ANNOUNCEMENTS, AND CORRESPONDENCE

7. CONSENT AGENDA

ACTION

- a. Approve May 16, 2014 Board Meeting Minutes
- b. Approve May 30, 2014 Board Meeting Minutes
- c. Approve June 13, 2014 Board Meeting Minutes
- d. Approve June 20, 2014 Board Meeting Minutes
- e. Approve Memorandum of Agreement between the County of Monterey, UCP East Garrison, LLC, and FORA Regarding Parker Flats Habitat Management

8. BUSINESS ITEMS

- a. Marina-Salinas Multimodal Corridor Plan
 - i. TAMC Presentation INFORMATION
 - ii. Consider Supporting Recommended Corridor Alignment ACTION
- b. Approve Preston Park FY 2014-15 Annual Budget ACTION
- c. Consistency Determination: Consider Certification, in whole or in part, of the City of Seaside Zoning Code text amendments related to the 2013 Zoning Code update as Consistent with the 1997 Fort Ord Reuse Plan
 - i. Noticed Public Hearing
 - ii. Board Determination of Consistency ACTION
- d. Adopt Salary Schedule for Economic Development Specialist Position ACTION
- e. Quarterly Environmental Services Cooperative Agreement (ESCA) Update INFORMATION
- f. Marina Coast Water District Augmentation Alternatives Presentation INFORMATION

- g. Regional Urban Design Guidelines
 - i. Receive Report from Regional Urban Design Guidelines Task Force INFORMATION
 - ii. Select Consultant ACTION
- h. Regional Trails Planning Update INFORMATION

9. PUBLIC COMMENT PERIOD

Members of the public wishing to address the Board of Directors on matters within their jurisdiction, but not on this agenda, may do so at this time for up to three minutes. Comments on agenda items are heard under the item.

10. EXECUTIVE OFFICER'S REPORT

- a. Outstanding Receivables INFORMATION
- b. Habitat Conservation Plan Update INFORMATION
- c. Administrative Committee INFORMATION
- d. Veterans Issues Advisory Committee INFORMATION
- e. Approved FY 2014/15 Fort Ord Reuse Authority Capital Improvement Program INFORMATION
- f. Regional Urban Design Guidelines Task Force INFORMATION
- g. Post Reassessment Advisory Committee INFORMATION
- h. Travel Report INFORMATION
- i. Public Correspondence to the Board INFORMATION

11. ITEMS FROM MEMBERS

12. ADJOURNMENT

NEXT REGULAR BOARD MEETING: August 8, 2014

Persons seeking disability related accommodations should contact FORA 48 hrs prior to the meeting. This meeting is recorded by Access Monterey Peninsula and televised Sundays at 9 a.m. and 1 p.m. on Marina/Peninsula Chanel 25. The video and meeting materials are available online at www.fora.org.

Placeholder for Item 7e

**Approve Memorandum of Agreement between the
County of Monterey, UCP East Garrison, LLC, and
FORA Regarding Parker Flats Habitat Management**

This item will be included in the final Board packet.

FORT ORD REUSE AUTHORITY BOARD REPORT		
BUSINESS ITEMS		
Subject:	Marina-Salinas Multimodal Corridor Plan	
Meeting Date:	July 11, 2014	INFORMATION/ACTION
Agenda Number:	8a	

RECOMMENDATION:

- i. Receive a Transportation Agency for Monterey County (TAMC) Marina to Salinas multimodal corridor plan presentation.
- ii. Consider supporting the TAMC recommended corridor alignment.

BACKGROUND/DISCUSSION:

The 1997 Fort Ord Base Reuse Plan provided for a multimodal corridor along Imjin Parkway to Blanco Road serving to and from the Salinas area to the TAMC/Monterey Salinas Transit (MST) intermodal center planned at 8th Street and 1st Avenue in Marina. Long range planning for transit service resulted in an alternative Intergarrison/Reservation/Davis Roads corridor to increase habitat protection and fulfill transit service needs between the Salinas area and Peninsula cities and campuses.

A series of stakeholder meetings were conducted to advance adjustments and refinements to the proposed multimodal corridor plan line. Stakeholders included TAMC, MST, the Fort Ord Reuse Authority (FORA), City of Marina, Monterey County, California State University Monterey Bay CSUMB), and the University of California Monterey Bay Education, Science and Technology Center. The stakeholders entered into a Memorandum of Agreement (MOA) outlining the new multimodal alignment plan line in February 2010. Since all stakeholders had signed the MOA, the FORA Board designated the new alignment and rescinded the original alignment on December 10, 2010.

Since that time, several stakeholders, including CSUMB, requested that the alignment be re-evaluated. TAMC prepared the analysis, utilizing grant funds, local match and a \$15,000 FORA contribution. After a series of stakeholder meetings and community workshops, TAMC has determined a preferred multimodal corridor route and a conceptual plan that will be used as a guiding document for development and roadway designs. TAMC has requested that the FORA Board receive their multimodal corridor plan presentation and support the recommended corridor alignment.

FISCAL IMPACT:

Reviewed by FORA Controller _____

Staff time for this item is included in the approved FORA budget.

COORDINATION:

Administrative Committee, TAMC

Prepared by _____
Crissy Maras

Approved by _____
Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

BUSINESS ITEMS

Subject: Approve Preston Park FY 2014/15 Annual Budget	
Meeting Date: July 11, 2014	ACTION
Agenda Number: 8b	

NOTICE: Rent increase revenue estimated to be \$16,000.00 less and go into effect October 2014 with changes in supporting documents provided in final board packet.

RECOMMENDATION(S):

Approve FY 2014/2015 Preston Park Housing Operating (**Attachment B**) and Capital (**Attachment C**) Budgets including a 2.4% rent increase.

BACKGROUND/DISCUSSION:

The staff has reviewed the Alliance Management Budget Memorandum (**Attachment A**) on the Preston Park FY 2014/15 Operating Budget and Capital Improvement Program (CIP) Assessment and recommends approval of the Housing Operating and Capital Replacement Program Budgets and the rent increase. In the coming year we anticipate an increase in the amount and cost of maintenance and small repairs (**Attachment C**). Additionally, previously approved projects have been rescheduled in order to perform urgent repairs. These will be scheduled to limit impact on the residents of the units.

The proposed 2.4 % increase has been derived from applying the Consumer Price Index to the current and prospective Preston Park unit rents. The overall budget sustains the formulas for setting annual market rents approved by the Board in June 2010. The adopted formulae are: 1) **Move-ins** - establishing market rents on an on-going basis according to a market survey, and 2) **Existing tenants** - increase rent once a year by the lesser of 3% or the Consumer Price Index. The financial impacts of the rent increase are displayed by unit type in (**Attachment E**) and the Revenue Summary (**Attachment F**) displays the budget impacts of the rental proposal.

In prior Preston Park Board reports, lengthy items such as the Market Survey (**Attachment D**) and Standard Operating Budgets were presented with only summary pages of the full reports. Consistent with that history, only the summary pages of those attachments are included in the packet. The full documents are available on the FORA website using the links provided below.

Attachment B: <http://fora.org/Board/2014/Packet/Additional/062014Item5e-AttachB.pdf>

Attachment D: <http://fora.org/Board/2014/Packet/Additional/062014Item5e-AttachD.pdf>

FISCAL IMPACT:

Reviewed by FORA Controller _____

Staff time for this item is included in the approved FORA budget.

COORDINATION:

FORA Staff, Alliance Staff, Administrative Committee, Executive Committee.

Prepared by _____ Reviewed by _____
Robert J. Norris, Jr. D. Steven Endsley

Approved by _____
Michael A. Houlemard, Jr.

June 16, 2014



Mr. Michael Houlemard, Jr.
Fort Ord Reuse Authority
920 Second Street, Suite A
Marina, California 93933

Re: Preston Park FY 2014/15 Proposed Budget

Dear Mr. Houlemard:

It has been a pleasure to continue to work with residents and the Fort Ord Reuse Authority over the last year. With the combination of wonderful residents and effective staff, a number of positive changes have been seen in Preston Park:

- 1) **Exterior Building Upgrades:** Re-roofing of the buildings has been completed and final clean up and gutter repairs are underway. Garage motion sensor lights are being installed as gutters are repaired/replaced on each court. Termite treatment has taken place at a number of locations in the community and includes a three year warranty from the date of service. Staff members are planning the replacement of all windows in the community as well as steel front and back doors. This project is anticipated to be underway in July.
- 2) **Code Compliance/Safety Improvements:** The electrical sub-panel in each home was serviced, and grounding rods were replaced at each meter panel site throughout the community. All required attic repairs were completed. Each oven flue vent was re-sealed, and notable issues reported for repair in the coming year. One time use Fire Extinguishers were installed in each home within Preston Park. A Property Assessment took place from which a plan of action was developed to address exterior building as well as interior unit issues.
- 3) **Concrete Grinding:** Concrete grinding was performed throughout the community. Three sites on Brown Court were located indicated to require tree root removal and re-pouring of concrete or asphalt.
- 4) **Tree Trimming:** The community has performed the first phase of tree trimming and is obtaining bids for the larger phase to begin in July.
- 5) **Units of Long Term Residents:** Several long-term residents have seen upgrades in their flooring, paint, and appliances with little intrusion or inconvenience. These services are extended to long-term residents upon notification or inspection indicating replacement is necessary.
- 6) **Green Initiatives:** The community continues to implement water and energy saving programs inspired by Alliance's own Focus Green Initiative. Devices designated as water or energy saving are purchased and installed as replacement fixtures as needed. PG&E has been working with residents in the Below Market and Section 8 programs to weatherize their homes at no cost to the resident or the community. Planned landscaping changes will reduce the amount of water usage in the common areas of the community, and will continue to evolve into larger cost savings as we work in conjunction with Paul Lord at Marina Coast Water. The community participates in an appliance buy-back program where used and/or broken appliances are purchased from the community and recycled.

vs 6.16.14

Alliance looks to continue to provide the residents at Preston Park a comfortable and quality living experience. Continued capital improvements throughout the community will allow this property to remain a desirable neighborhood for renters, as well as a continued source of affordable housing for the general populace of Marina.

Revenues

The primary source of revenue is rents, Section 8 voucher payments from the Housing Authority of the County of Monterey, and associated charges to residents such as late fees. The community experienced a delayed 1.7% rental increase in February 2013. An increase of 2.4% took place in September 2013. Previous to the February 2013 increase, the community had not seen a rental increase since August 2010.

The proposed budget reflects projected revenues according to the approved formula indicating that the annual increase in market rents for in-place tenants shall be capped at the lesser of three percent (3%) or the Department of Labor's Consumer Price Index for San Francisco-Oakland-San Jose, All Items, for All Urban Consumers (referred to as CPI-U) Average percentage for the previous year (February to February) be applied to the next fiscal year, provided that the increased rent for in-place residents does not exceed the market rent charged to move-in residents. The proposed Budget Option 1 assumes the maximum rent increase for in-place residents of two point four percent (2.4%) resulting in an anticipated 3.5% increase in Total Income (\$198,159) over the FY 2013/14 Estimated Actuals. The proposed Budget Option 2 assumes no increase in the FY 2014/15 rent schedule for in-place residents, however still results in a 2.5% increase in Total income (\$141,049) due to new move-in rent values. Both budgets capture revenue from the addition of Pet Rent and Month to Month Fees for new move-ins. Please see **Attachment F** for a summary of Revenue Income under the two options.

In Place Residents – Market Rent

The rents proposed in Budget Option 1 are as follows:

In-Place Market Rate Rents			
Unit Size	Current Rent Range FY13/14	Proposed FY14/15 Rent	Change 8/1/14
Section 8 – Two BR	\$1,029 - \$1,198	\$1,054 - \$1,227	\$25 - \$29
Section 8 – Three BR	\$1,423 - \$1,562	\$1,457 - \$1,599	\$34 - \$37
Two Bedroom	\$1,208 - \$1,715	\$1,236 - \$1,756	\$29 - \$41
Three Bedroom	\$1,499 - \$2,010	\$1,535 - \$2,058	\$36 - \$48
Luxury – Two BR*	\$1,800 - \$2,200	\$1,843 - \$2,253	\$43 - \$53
Luxury – Three BR*	\$1,947	\$1,994	\$47

* Note: Three 2-Bedroom homes and one 3-Bedroom home have additional features that warrant higher than average rental rates.

Fair Market Rents (FMR) for Monterey County on a County-wide basis as published in October 2013 by the Monterey County Housing Authority (MCHA) are as follows:

Unit Bedroom Size	Fair Market Rent
Two Bedroom	\$1,234
Three Bedroom	\$1,800

The two bedroom average in-place market rent at Preston Park is \$1,459 which represents a difference of \$225 from the FMR table above. The general cause of the difference in two-bedroom rents relates to the unique amenities and space available in the two-bedroom apartments at the community as compared to the general marketplace. Conversely, the majority of in-place market renters in Preston Park three bedroom homes are below the MCHA Fair Market Rent for a home of this size. The average in-place rent for the three bedroom units at Preston Park is \$1,754, which represents a difference of \$46 from the FMR table above.

Please refer to **Attachment E** for detailed information regarding Preston Park rental rates, including utility estimates, as compared to other communities that pay for Water, Sewer, and Trash service.

Affordable Rents

Affordable rental rates are derived from median income schedules published by governmental agencies. Rental rates at Preston Park are based upon 50% and 60% of the median income for Monterey County. The U.S. Department of Housing and Urban Development calculates the maximum household income by family size in Monterey County, generally once a year. As of the date of this memo new rental rates have not been released.

An increase is not proposed at this time.

In-Place Affordable Rate Rents	
Unit Size	Current Rent Range FY13/14
Two Bedroom VL - L	\$677 - \$832
Three Bedroom VL - L	\$756 - \$928

Maximum Household Income Limits for 2014 as published in January 2014.

Income Category	Two Person	Three Person	Four Person	Five Person	Six Person	Seven Person	Eight Person
50% VL	\$28,800	\$32,400	\$35,950	\$38,850	\$41,750	\$44,600	\$47,500
60% L	\$34,560	\$38,880	\$43,140	\$46,620	\$50,100	\$53,520	\$57,000

Current Market Rent Conditions

The market rent for new move-ins is calculated by comparable market rent levels in the competitive market throughout the year. Additionally, the comparables as outlined in the attached Market Survey dated 5.13.14 (**Attachment D**) are smaller in square footage than units at Preston Park, and many do not offer the specialized features including in-home laundry vs 6.16.14

room, gated back yard with patio, direct access garage, generous storage space, dogs and cats accepted with pet deposit (Breed restrictions apply, max 2 animals per home). Please refer to **Attachment D** for detailed information.

Per the approved rent formula in 2010, the market rents for new move-ins are fluid throughout the year and change according to market conditions. Should a rental increase be approved, market rents for incoming residents would be as follows:

Unit Size	Current Rent Range for Incoming Market Rate Residents
Two Bedroom	\$1,650 - \$1,775
Luxury - Two BR	\$1,850 - \$2,275*
Three Bedroom	\$2,035 - \$2,060
Luxury - Three BR	\$2,275*

* Note: Three 2-Bedroom homes and one 3-Bedroom home have additional features that warrant higher than average rental rates.

Budget Summary

Expenses as outlined in **Attachment B** include Operating Expense projections and relevant changes from the FY 2013/14 budget. Operating expenses typically include expenditures for routine maintenance of the property, redecorating expenses as they apply to unit turns, and expenditures relating to the daily operations of the Leasing Office. Non-Routine expenses are included as they pertain directly to the daily function of the community, however are not typically able to be forecasted (i.e. large plumbing leaks requiring vendor service, unit specific rehabilitation projects). Annual Inspection materials are included with the Non-Routine expenses as they are a one-time yearly expense. Overall, total operating expenses proposed for FY 2014/15 are 10.1% higher than the estimated actual expenses for FY 2013/14 (\$153,667). Alliance seeks to maximize cost savings, e.g. lower utilities expenses through installation of water/energy saving devices, while contending with inescapable cost increases such as fuel for maintenance vehicles.

Note the large increase in Non-Routine expenses (\$115,668) over 2013/2014 Estimated Actuals. This increase is largely due to projects (such as bathtub replacements) that are necessary to complete over the course of the next several years. **Without a rental increase, the property will experience a deficit of \$19,461.**

Capital Expenses

Expenses categorized as Capital expenses directly impact the long term value of the community, including roof replacements, exterior painting, large-scale landscaping improvements, and interior upgrades including appliances and carpeting/vinyl. Capital projects that are currently pending completion as approved in the 2013/14 FY include:

- 1) Exterior Unit Windows - \$1,240,000
- 2) Exterior Unit Doors - \$200,000

The following Capital projects were delayed to the 2014/2015 FY due to timing:

- 1) Exterior Building/Flashing Repairs - \$500,000
- 2) Exterior Paint - \$200,000
- 3) Seal Coat Streets - \$155,787

2014/2015 FY Capital Improvement Program

Recommended Capital Projects to be managed through the Construction Department (excluding continuing projects or completions of projects from 2013/14):

- 1) Dry Rot Repairs - \$40,000
- 2) Landscape/Irrigation Upgrades - \$100,000
- 3) Leasing Office/Signage - \$90,000
- 4) Playgrounds - \$65,000

Capital Reserves Fund

Expenditures for the 2014/15 fiscal period are projected to equal \$1,453,804. This amount reflects an increase of \$200,000 attributed to the total expense projected for the Building/Flashing Repairs (initially evaluated at \$800K; current value of \$1M), and splits the total value of that expenses and the \$400K expense related to painting of the community over a 2 year period. In accordance with the 2014 reevaluation of the Replacement Reserves Study conducted in April 2008, Alliance recommends a minimum reserve withholding of \$2,179 per unit per year during the 2014/15 fiscal period. **Please refer to Attachment C.** This withholding amount would ensure that the asset holds adequate reserves to perform necessary replacements and repairs to protect the useful life of the buildings and account for possible unforeseen cost increases as projects get underway. These funds will also allow for future projects, such as parking improvements which are not currently included in the capital plan, to be incorporated at a later date without resulting in a substantial increase in withholding amounts in future years.

Budget Option 1 (Maximum rent increase of 2.4% for in-place residents) offers an opportunity to increase the property's replacement reserve account through revenue generation, thus allowing for many of the critical Capital Improvement projects throughout the community to take place over time. (**Attachment C**)

Budget Option 2 (No rent increase for in-place residents) outlines community needs to continue daily operations, but may compromise long-term capital projects due to restricted funds available to complete such projects. (**Attachment C**)

We will continue to look for new ways to improve our services over the coming year and remain committed to meeting the objectives set by FOR A.

Please feel free to contact me should you have additional questions or concerns at (415) 336-3811. Approval of the final budget prior to June 20, 2014, would be helpful in order to implement rental increases by August 1, 2014.

Regards,

Jill Hammond
Regional Manager

Cc: Jonathan Garcia, FOR A
Ivana Bednarik, FOR A
Robert Norris, FOR A
Brad Cribbins, Chief Operating Officer, Alliance Communities, Inc.
Annette Thurman, Vice President of Operations, Alliance Communities, Inc.

Attachments:

- FY 2014/15 Budget Revenue Summary
- Unit Matrix
- May 2014 Market Survey
- Capital Improvement Plan/Reserve Withholding
- Budget Option 1 - Rental Increase

**PRESTON PARK
2015 STANDARD BUDGET
CONSOLIDATION & SIGN-OFF**

Description	2015 Total	2014 Projected	Variance	Variance %
Physical Occupancy	97.87 %	97.89 %		
Economic Occupancy	93.50 %	94.25 %		
Gross Market Potential	\$6,298,571	\$6,038,519	\$260,052	4.3%
Market Gain/Loss to Lease	(\$209,691)	(\$153,411)	(\$56,280)	-36.7%
Affordable Housing	\$0	\$0	\$0	0.0%
Non-Revenue Apartments	(\$64,266)	(\$68,070)	\$3,804	5.6%
Rental Concessions	\$0	\$0	\$0	0.0%
Delinquent Rent	\$0	\$0	\$0	0.0%
Vacancy Loss	(\$134,232)	(\$127,385)	(\$6,847)	-5.4%
Prepaid/Previous Paid Rent	\$0	\$0	\$0	0.0%
Other Months' Rent/Delinquency Recovery	\$0	\$1,110	(\$1,110)	-100.0%
Bad Debt Expense	(\$1,218)	\$0	(\$1,218)	-100.0%
Other Resident Income	\$44,398	\$40,287	\$4,111	10.2%
Miscellaneous Income	\$6,200	\$10,554	(\$4,354)	-41.3%
Corp Apartment Income	\$0	\$0	\$0	0.0%
Retail Income	\$0	\$0	\$0	0.0%
TOTAL INCOME	\$5,939,763	\$5,741,604	\$198,158	3.5%
PAYROLL	\$541,800	\$525,709	(\$16,091)	-3.1%
LANDSCAPING	\$69,800	\$73,968	\$4,168	5.6%
UTILITIES	\$104,309	\$98,813	(\$5,496)	-5.6%
REDECORATING	\$86,843	\$83,478	(\$3,365)	-4.0%
MAINTENANCE	\$104,812	\$103,214	(\$1,598)	-1.5%
MARKETING	\$15,475	\$15,449	(\$26)	-0.2%
ADMINISTRATIVE	\$92,088	\$91,881	(\$207)	-0.2%
RETAIL EXPENSE	\$0	\$0	\$0	0.0%
PROFESSIONAL SERVICES	\$148,594	\$142,718	(\$5,876)	-4.1%
INSURANCE	\$207,012	\$197,507	(\$9,505)	-4.8%
AD-VALOREM TAXES	\$107,472	\$107,469	(\$3)	0.0%
NON ROUTINE MAINTENANCE	\$194,225	\$78,557	(\$115,668)	-147.2%
TOTAL OPERATING EXP	\$1,672,429	\$1,518,762	(\$153,667)	-10.1%
NET OPERATING INCOME	\$4,267,333	\$4,222,842	\$44,491	1.1%
DEBT SERVICE	\$0	\$0	\$0	0.0%
DEPRECIATION	\$417,696	\$417,425	(\$271)	-0.1%
AMORTIZATION	\$0	\$0	\$0	0.0%
PARTNERSHIP	\$8,000	\$0	(\$8,000)	-100.0%
EXTRAORDINARY COST	\$0	\$0	\$0	0.0%
NET INCOME	\$3,841,637	\$3,805,417	\$36,220	1.0%
CAPITAL EXPENDITURES	\$1,453,804	\$3,825,287	\$2,371,483	62.0%
MORTGAGE PRINCIPAL	\$0	\$0	\$0	0.0%
TAX ESCROW	\$0	\$0	\$0	0.0%
INSURANCE ESCROW	\$0	\$0	\$0	0.0%
INTEREST ESCROW	\$0	\$0	\$0	0.0%
REPLACEMENT RESERVE	\$771,467	\$734,976	(\$36,491)	-5.0%
REPLACEMENT RESERVE REIMBURSEMENT	(\$1,453,804)	(\$3,825,287)	(\$2,371,483)	-62.0%
WIP	\$0	\$0	\$0	0.0%
OWNER DISTRIBUTIONS	\$3,487,866	\$3,487,866	(\$0)	0.0%
DEPRECIATION AND AMORTIZATION	(\$417,696)	(\$417,425)	\$271	0.1%
NET CASH FLOW	\$0	\$0	\$0	19.4%

**Attachment B to Item 8b
FORA Board Meeting, 7/11/14**

ALLIANCE
RESIDENTIAL COMPANY

Approvals

Owner _____ Date _____

Asset Manager _____ Date _____

COO _____ Date _____

VP _____ Date _____

Regional Manager _____ Date _____

Business Manager _____ Date _____

Alliance Residential, LLC makes no guarantee, warranty or representation whatsoever in connection with the accuracy of this Operating Budget as it is intended as a good faith estimate only.

PRESTON PARK
2015 STANDARD BUDGET
CONSOLIDATION & SIGN-OFF



Description	2015 Total	2014 Projected	Variance	Variance %
Physical Occupancy	97.87 %	97.89 %		
Economic Occupancy	94.39 %	94.25 %		
Gross Market Potential	\$6,178,925	\$6,038,519	\$140,406	2.3%
Market Gain/Loss to Lease	(\$151,048)	(\$153,411)	\$2,363	1.5%
Affordable Housing	\$0	\$0	\$0	0.0%
Non-Revenue Apartments	(\$62,948)	(\$68,070)	\$5,122	7.5%
Rental Concessions	\$0	\$0	\$0	0.0%
Delinquent Rent	\$0	\$0	\$0	0.0%
Vacancy Loss	(\$131,667)	(\$127,385)	(\$4,282)	-3.4%
Prepaid/Previous Paid Rent	\$0	\$0	\$0	0.0%
Other Months' Rent/Delinquency Recovery	\$0	\$1,110	(\$1,110)	-100.0%
Bad Debt Expense	(\$1,206)	\$0	(\$1,206)	-100.0%
Other Resident Income	\$44,398	\$40,287	\$4,111	10.2%
Miscellaneous Income	\$6,200	\$10,554	(\$4,354)	-41.3%
Corp Apartment Income	\$0	\$0	\$0	0.0%
Retail Income	\$0	\$0	\$0	0.0%
TOTAL INCOME	\$5,882,653	\$5,741,604	\$141,049	2.5%
PAYROLL	\$541,800	\$525,709	(\$16,091)	-3.1%
LANDSCAPING	\$69,800	\$73,968	\$4,168	5.6%
UTILITIES	\$104,309	\$98,813	(\$5,496)	-5.6%
REDECORATING	\$86,843	\$83,478	(\$3,365)	-4.0%
MAINTENANCE	\$104,812	\$103,214	(\$1,598)	-1.5%
MARKETING	\$15,475	\$15,449	(\$26)	-0.2%
ADMINISTRATIVE	\$92,088	\$91,881	(\$207)	-0.2%
RETAIL EXPENSE	\$0	\$0	\$0	0.0%
PROFESSIONAL SERVICES	\$147,166	\$142,718	(\$4,448)	-3.1%
INSURANCE	\$207,012	\$197,507	(\$9,505)	-4.8%
AD-VALOREM TAXES	\$107,472	\$107,469	(\$3)	0.0%
NON ROUTINE MAINTENANCE	\$194,225	\$78,557	(\$115,668)	-147.2%
TOTAL OPERATING EXP	\$1,671,002	\$1,518,762	(\$152,239)	-10.0%
NET OPERATING INCOME	\$4,211,652	\$4,222,842	(\$11,190)	-0.3%
DEBT SERVICE	\$0	\$0	\$0	0.0%
DEPRECIATION	\$417,696	\$417,425	(\$271)	-0.1%
AMORTIZATION	\$0	\$0	\$0	0.0%
PARTNERSHIP	\$8,000	\$0	(\$8,000)	-100.0%
EXTRAORDINARY COST	\$0	\$0	\$0	0.0%
NET INCOME	\$3,785,956	\$3,805,417	(\$19,461)	-0.5%
CAPITAL EXPENDITURES	\$1,453,804	\$3,825,287	\$2,371,483	62.0%
MORTGAGE PRINCIPAL	\$0	\$0	\$0	0.0%
TAX ESCROW	\$0	\$0	\$0	0.0%
INSURANCE ESCROW	\$0	\$0	\$0	0.0%
INTEREST ESCROW	\$0	\$0	\$0	0.0%
REPLACEMENT RESERVE	\$715,786	\$734,976	\$19,190	2.6%
REPLACEMENT RESERVE REIMBURSEMENT	(\$1,453,804)	(\$3,825,287)	(\$2,371,483)	-62.0%
WIP	\$0	\$0	\$0	0.0%
OWNER DISTRIBUTIONS	\$3,487,866	\$3,487,866	(\$0)	0.0%
DEPRECIATION AND AMORTIZATION	(\$417,696)	(\$417,425)	\$271	0.1%
NET CASH FLOW	(\$0)	\$0	(\$1)	-211.6%

Approvals

Owner _____ Date _____

Asset Manager _____ Date _____

COO _____ Date _____

VP _____ Date _____

Regional Manager _____ Date _____

Business Manager _____ Date _____

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**Attachment C to Item 8b
FORA Board Meeting, 7/11/14**

**CAPITAL EXPENDITURES - 2014/2015 Preston Park Budget
PRESTON PARK - REVISED PHYSICAL NEEDS ASSESSMENT (7 Year Look Forward - Alliance Residential Recommendation)**

Updated: 6/16/2014

Project	Detail	Committed Projects	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021
1410									
Property Assessment		\$ 74,600		\$ 200,000					\$ 50,000
Site Lighting Repair / Replacement /Install	*Exterior site upgrades								
Roof	*Replacement	\$ 1,827,297					\$ 10,000	\$ 10,000	\$ 10,000
Exterior Paint	*Full Paint (split over 2 yrs)		\$ 200,000	\$ 200,000					
Exterior Unit Windows	*Replacement	\$ 1,240,000					\$ 5,000	\$ 5,000	\$ 5,000
Exterior Unit Doors	*Replacement	\$ 200,000					\$ 2,500	\$ 2,500	\$ 2,500
Building Exterior	*Dryrot Repairs		\$ 40,000		\$ 2,000	\$ 2,000	\$ 40,000		\$ 2,000
Fence Repairs/Slat Replacement	Replacement						\$ 50,000		
Resident Business Center	FF&E						\$ 12,000		
Landscape/ Irrigation	*Replacement / Upgrades	\$ 100,000					\$ 150,000		
Leasing Office / Signage	*Upgrades: Wheelchair Access	\$ 90,000							
Playgrounds	*Replacement/Upgrades	\$ 65,000			\$ 65,000		\$ 150,000		
Fire Extinguishers	Add Fire Extinguishers to each home	\$ 13,000					\$ 13,000		
Termite Remediation	Termite remediation	\$ 50,000							
Building Fascia/Flashing Repairs	Repairs to exterior walls (split over 2 yrs)		\$ 500,000	\$ 500,000					
Heater Vent Cleaning/Repairs	Cleaning/Repairing Heater vents			\$ 145,000					
1415									
New Office Computers	Replace existing old computers					\$ 2,600			
1416									
One Maintenance Truck	Needed for hauling etc...					\$ 15,000			\$ 15,000
1420									
Seal Coat Streets			\$ 155,787						\$ 155,787
1425									
Dishwasher	replacement (assume 10 year life) Represents 76 units	\$ 12,160	\$ 24,700	\$ 24,700	\$ 24,700	\$ 24,700	\$ 24,700	\$ 24,700	\$ 24,700
Refrigerators	replacement (assume 15 year life) Represents 24 units	\$ 16,800	\$ 12,120	\$ 12,120	\$ 12,120	\$ 12,120	\$ 12,120	\$ 12,120	\$ 12,120
Range/Rangehood	replacement (assume 15 year life) Represents 54 units	\$ 18,360	\$ 27,900	\$ 27,900	\$ 27,900	\$ 27,900	\$ 27,900	\$ 27,900	\$ 27,900
Garbage Disposal	replacement (assume 10 year life) Represents 44 units	\$ 3,000	\$ 3,300	\$ 3,300	\$ 3,300	\$ 3,300	\$ 3,300	\$ 3,300	\$ 3,300
Hot Water Heaters	replacement (assume 15 year life) Represents 14 units	\$ 18,000	\$ 6,650	\$ 6,650	\$ 6,650	\$ 6,650	\$ 6,650	\$ 6,650	\$ 6,650
Carpet	replacement (assume 5 year life) Represents 48 homes	\$ 56,532	\$ 80,400	\$ 80,400	\$ 80,400	\$ 80,400	\$ 80,400	\$ 80,400	\$ 80,400
Vinyl	replacement (assume 10 year life) Represents 48 homes	\$ 73,100	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000	\$ 66,000
HVAC Furnace	replacement (assume 20 year life) Represents 6 units	\$ 26,400	\$ 16,800	\$ 16,800	\$ 16,800	\$ 16,800	\$ 16,800	\$ 16,800	\$ 16,800
1430									
Applicable Contruction Management Expenses	Miscellaneous (see * items)	\$ 196,038	\$ 65,147	\$ 54,000	\$ -	\$ -	\$ 18,000	\$ -	\$ 9,347
Capital Expenses (uninflated)		\$ 3,825,287	\$ 1,453,804	\$ 1,336,870	\$ 304,870	\$ 257,470	\$ 688,370	\$ 255,370	\$ 487,504
Inflation Factor		0.00%	0.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Capital Expenses (Inflated)		\$ 3,825,287	\$ 1,453,804	\$ 1,370,292	\$ 312,492	\$ 263,907	\$ 705,579	\$ 261,754	\$ 499,692
Total Projected Replacement Reserve Funds		\$ 734,975	\$ 715,786	\$ 715,786	\$ 715,786	\$ 715,786	\$ 715,786	\$ 715,786	\$ 715,786
Replacement Reserve Fund Balance on 3/1/14		\$ 4,569,609							
Remainder of Projected Replacement Reserve Additions 3/1/14-6/30/14		\$ 243,462							
Remainder of Projected Capital Expenses 3/1/14-6/30/14		\$ 3,377,297							
Anticipated Replacement Reserve Fund Balance 7/1/14		\$ 1,435,774							
Holdbacks and Reserve Summary with no Rental Increase									
Replacement Reserve Fund AFTER Annual Addition, BEFORE Annual Expenses			\$ 2,151,560	\$ 1,413,543	\$ 759,037	\$ 1,162,332	\$ 1,614,212	\$ 1,624,419	\$ 2,078,451
Replacement Reserve Fund AFTER Annual Addition, AFTER Annual Expenses			\$ 697,756	\$ 43,251	\$ 446,546	\$ 898,425	\$ 908,633	\$ 1,362,665	\$ 1,578,759
			\$/Unit/Year (Average)						
Replacement Reserve Capability with NO RENT INCREASE		\$ 715,786	\$ 2,021.99						
Physical Needs Over the Term:		\$ 4,867,520	\$ 1,964.29						
Replacement Reserve Capability with PROPOSED INCREASE		\$ 771,467	\$ 2,179.29						
Holdbacks and Reserve Summary with Proposed Increase									
Replacement Reserve Fund AFTER Annual Addition, BEFORE Annual Expenses			\$ 2,207,243	\$ 1,524,907	\$ 926,084	\$ 1,385,061	\$ 1,892,623	\$ 1,958,512	\$ 2,468,227
Replacement Reserve Fund AFTER Annual Addition, AFTER Annual Expenses			\$ 753,438	\$ 154,615	\$ 613,592	\$ 1,121,154	\$ 1,187,044	\$ 1,696,758	\$ 1,968,535

COMMUNITY DESCRIPTION	
Street address	682 Wahl Court
City, State, Zip Code	Marina, CA 93933
Telephone	(831) 384-0119
Construction type	Mixed use
Year built	1987
Owner	Fort Ord Reuse Authority
Management	Alliance Residential Company
Total units	354
Physical occupancy	98%

COMMUNITY RATINGS	
Location	B
Visibility	C
Curb appeal	B
Condition	B
Interiors	C
Amenities	D

PAYER OF UTILITIES	
Gas	Resident
Electric	Resident
Water	Res/Meter
Sewer	Resident
Trash	Resident
Cable TV	N A
Internet	Resident
Pest control	Community
Valet trash	N A

FEES, DEPOSITS, AND LEASE TERMS	
Application fee	\$44
Lease terms	MTM and 6 months
Short term premium	N/A
Refundable security deposit	Equal to one months' rent
Administrative fee	\$0
Non refundable pet deposit	N/A
Pet deposit	\$250 covers up to 2 pets
Pet rent	\$0

CONCESSIONS
No concessions. Community is partially Below Market Rent and Section 8.

COMMENTS
50% complete replacing roofs. All units have an attached garage, in-home laundry room, and gated backyard. \$25 fee for end units.

APARTMENT AMENITIES			
Accent color walls	No	Paneled doors	No
Air conditioning	No	Patio/Balcony	Yes
Appliance color	White	Refrigerator	Frost-Free
Cable TV	No	Roman tubs	No
Ceiling	No	Security system	No
Ceiling fans	No	Self cleaning oven	No
Computer desk	No	Separate shower	No
Crown molding	No	Upgraded counters	No
Fireplace	No	Upgraded flooring	Plush Cpt
Icemaker	No	Upgraded lighting	No
Kitchen pantry	Yes	Vaulted ceiling	No
Linen closets	Yes	Washer/Dryer	No
Microwave	No	W/D connection	Full size
Outside storage	No	Window coverings	1" mini

COMMUNITY AMENITIES			
Access gates	No	Free DVD/movie library	No
Addl rentable storage	No	Laundry room	No
Attached garages	Yes	Movie theater	No
Barbecue grills	No	Parking structure	No
Basketball court	Yes	Pet park	No
Billiard	No	Playground	Yes
Business center	No	Pools	No
Club house	Yes	Racquetball	No
Concierge services	No	Reserved parking	No
Conference room	No	Sauna/Jacuzzi	No
Covered parking	No	Tennis court	No
Detached garages	No	Volleyball	No
Elevators	No	Water features	No
Fitness center	No	WiFi	No

FLOORPLANS AND RENTS

Floorplan Type	Unit Description	# of Units	% of Units	Square Feet	Rent per Unit				Concessions		Effective Net Rents	
					Low	High	Average	Avg PSF	Mos Free	Term	Average	Avg PSF
2X1		10	3%	1,150	\$1,610	\$1,610	\$1,610	\$1.40	0.00	0.00	\$1,610	\$1.40
2X1		2	1%	1,150	\$1,700	\$1,700	\$1,700	\$1.48	0.00	0.00	\$1,700	\$1.48
2X1.5		79	22%	1,278	\$1,665	\$1,690	\$1,677	\$1.31	0.00	0.00	\$1,677	\$1.31
2X1.5	1 car attached Renovated	2	1%	1,278	\$2,200	\$2,200	\$2,200	\$1.72	0.00	0.00	\$2,200	\$1.72
2X1.5		1	0%	1,278	\$1,700	\$1,715	\$1,708	\$1.34	0.00	0.00	\$1,708	\$1.34
2X1.5	1 car attached Renovated	135	38%	1,323	\$1,690	\$1,715	\$1,702	\$1.29	0.00	0.00	\$1,702	\$1.29
3X2.5		124	35%	1,572	\$1,985	\$2,010	\$1,997	\$1.27	0.00	0.00	\$1,997	\$1.27
3X2.5	1 car attached Renovated	1	0%	1,572	\$2,150	\$2,150	\$2,150	\$1.37	0.00	0.00	\$2,150	\$1.37
Total / Weighted Average		354	100%	1,395	\$1,790	\$1,814	\$1,801	\$1.29	0.00	0.00	\$1,801	\$1.29

Attachment E - Unit Matrix

Attachment E to Item 8b
FORA Board Meeting, 7/11/14

									Market Survey Data				
Bedrooms	Bathrooms	Square footage	Average Rent per unit	Total Utilities	Total Rent including utilities	Total Rent per square foot BEFORE rent increase	Total Rent per square foot after 2.4% increase	Total Rent per square foot AFTER rent increase	Sunbay Suites rent per square foot (650 sq ft)	Marina Square rent per square foot (1000 sq ft)	Marina del Sol rent per square foot (736 sq ft)	Shadow Market rent per square foot (850 sq ft/ 1700 sq ft)	Abrams Park rent per square foot not including utilities (1000 sq ft)
2	1	1150	\$1,521.00	\$122.70	\$1,644	\$1.43	\$1,676.70	\$1.46	\$1.88	\$1.36	\$1.77	\$1.59	\$1.50
2	1.5	1278	\$1,443.81	\$122.70	\$1,567	\$1.23	\$1,599.51	\$1.25	N/A	N/A	N/A	N/A	N/A
2	1.5	1323	\$1,447.34	\$122.70	\$1,570	\$1.19	\$1,603.04	\$1.21	N/A	N/A	N/A	N/A	N/A
3	2.5	1572	\$1,754.00	\$122.70	\$1,877	\$1.19	\$1,918.20	\$1.22	N/A	N/A	N/A	\$1.09	N/A

In addition to the rental amounts paid by in-place residents, Preston Park residents pay for Water, Sewer, and Trash services that the majority of the comparables in the market place pay on behalf of the household.

Utility costs as listed reflect the average household in Marina, whereas actual bills suggest utility costs of \$85 per month and \$96 per month respectively for 2 and 3 bedroom homes in Preston Park.

Square footage listed for Preston Park units includes interior space only. Each home has an attached garage that provides roughly 400 square feet of additional storage space.

Preston Park Budget Memo - Revenue Summary

**Attachment F to Item 8b
FORA Board Meeting, 7/11/14**

Budget Option 1 – 2.4% Rent Increase

Revenue	Approved Budget FY 2013/2014	Estimated Actuals FY 2013/ 2014	Proposed FY 2014/ 2015		Variance of Approved Budget From 2013/2014 Estimated Actuals	%	Comments		Variance of Proposed Budget from FY 2013/2014 Estimated Actuals	%	Comments		2014/2015 Proposed Budget vs. 2013/2014 Approved Budget	%
GROSS MARKET POTENTIAL	\$5,816,930	\$6,038,519	\$6,298,571	I	\$221,589	3.7%	The community continues to outperform expectations as new move-in rents increase.	I	\$260,052	4.3%	Large increase due mostly to 2.4% rental increase.	I	\$481,641	8.3%
MARKET GAIN/LOSS TO LEASE	\$16,124	(\$153,411)	(\$209,691)	D	(\$169,535)	110.5%		D	(\$56,280)	36.7%		D	(\$225,815)	-1400.5%
NON-REVENUE APARTMENTS	(\$56,187)	(\$68,070)	(\$64,266)	D	(\$11,883)	17.5%	Decrease in this category as several large maintenance issues arose requiring residents to move within the community.	I	\$3,804	-5.6%	Shared office/community center expense with Abrams Park. Reduction due to major repair units coming back online.	D	(\$8,079)	14.4%
VACANCY LOSS	(\$114,328)	(\$127,385)	(\$134,232)	D	(\$13,057)	10.3%	Decrease in income as homes were vacant for longer periods than expected.	D	(\$6,847)	5.4%	Projecting slightly higher turn times as major repair items are uncovered.	D	(\$19,904)	17.4%
BAD DEBT EXPENSE	(\$1,750)	\$0	(\$1,218)	I	\$1,750	0.0%	Increase due to higher average collection of owed rent and damages.	D	(\$1,218)	0.0%	Decrease in income projected in anticipation of average collection rate of rent and damages.	I	\$532	-30.4%
OTHER RESIDENT INCOME	\$36,750	\$40,287	\$44,398	I	\$3,537	8.8%	Collection of Cleaning/Damage Fees increased vs. previous period3.	I	\$4,111	10.2%	Increase due to addition of MTM Fees and Pet Rent for incoming residents.	I	\$7,648	20.8%
MISCELLANEOUS INCOME	\$8,450	\$10,554	\$6,200	I	\$2,104	19.9%	Interest collection on Reserve Account outperformed expectations.	D	(\$4,354)	-41.3%	Anticipating reduction in interest income in correlation with reduction in Reserve Account Balance.	D	(\$2,250)	-26.6%
TOTAL INCOME	\$5,705,989	\$5,741,604	\$5,939,763	I	\$35,615	0.6%	Increase in overall income.	I	\$198,159	3.5%	Increase in overall income.	I	\$233,774	4.1%
NET INCOME	\$3,898,422	\$3,805,417	\$3,841,637	I	\$93,005	2.4%	Increase in overall income.	I	\$36,220	1.0%	Increase in overall income.	D	(\$56,785)	-1.5%

I -- DESIGNATES INCREASE (Results in Increase in Revenue)

D -- DESIGNATES DECREASE (Results in Decrease in Revenue)

Preston Park Budget Memo - Revenue Summary

Budget Option 2 – No Rent Increase Proposed

Revenue	Approved Budget FY 2013/2014	Estimated Actuals FY 2013/ 2014	Proposed FY 2014/ 2015		Variance of Approved Budget From 2013/2014 Estimated Actuals	%	Comments		Variance of Proposed Budget from FY 2013/2014 Estimated Actuals	%	Comments		2014/2015 Proposed Budget vs. 2013/2014 Approved Budget	%
GROSS MARKET POTENTIAL	\$5,816,930	\$6,098,519	\$6,178,925	I	\$221,589	3.7%	The community continues to outperform expectations as new move-in rents increase.	I	\$140,406	2.3%	No rental increase proposed. Increase generated by new move-in rental rates.	I	\$361,995	6.2%
MARKET GAIN/LOSS TO LEASE	\$16,124	(\$153,411)	(\$151,048)	D	(\$169,535)	110.5%		I	\$2,363	-1.5%		D	(\$167,172)	-1036.8%
NON-REVENUE APARTMENTS	(\$56,187)	(\$68,070)	(\$62,948)	D	(\$11,883)	17.5%	Decrease in this category as several large maintenance issues arose requiring residents to move within the community.	I	\$5,122	-7.5%	Shared office/community center expense with Abrams Park. Reduction in due to major repair units coming back online.	D	(\$6,761)	12.0%
VACANCY LOSS	(\$114,328)	(\$127,385)	(\$131,667)	D	(\$13,057)	10.3%	Decrease in income as homes were vacant for longer periods than expected.	D	(\$4,282)	3.4%	Projecting slightly higher turn times as major repair items are uncovered.	D	(\$17,339)	15.2%
BAD DEBT EXPENSE	(\$1,750)	\$0	(\$1,206)	I	\$1,750	0.0%	Increase due to higher average collection of owed rent and damages.	D	(\$1,206)	0.0%	Decrease in income projected in anticipation of average collection rate of rent and damages.	I	\$544	-31.1%
OTHER RESIDENT INCOME	\$36,750	\$40,287	\$44,398	I	\$3,537	8.8%	Collection of Cleaning/Damage Fees increased vs. previous period3.	I	\$4,111	10.2%	Increase due to addition of MTM Fees and Pet Rent for incoming residents.	I	\$7,648	20.8%
MISCELLANEOUS INCOME	\$8,450	\$10,554	\$6,200	I	\$2,104	19.9%	Interest collection on Reserve Account outperformed expectations.	D	(\$4,354)	-41.3%	Anticipating reduction in interest income in correlation with reduction in Reserve Account Balance	D	(\$2,250)	-26.6%
TOTAL INCOME	\$5,705,989	\$5,741,604	\$5,882,653	I	\$35,615	0.6%	Increase in overall income.	I	\$141,049	2.5%	Increase in overall income.	I	\$176,664	3.1%
NET INCOME	\$3,898,422	\$3,805,417	\$3,785,956	I	\$93,005	2.4%	Increase in overall income.	D	(\$19,461)	-0.5%	Decrease in income due to large Non-Routine Expense	D	(\$112,466)	-2.9%

I -- DESIGNATES INCREASE (Results in Increase in Revenue)

D -- DESIGNATES DECREASE (Results in Decrease in Revenue)

May 28, 2014

FORT ORD REUSE AUTHORITY BOARD REPORT

BUSINESS ITEMS

Subject:	Consistency Determination: Consider certification, in whole or in part, of the City of Seaside Zoning Code text amendments related to the 2013 Zoning Code update as consistent with the 1997 Fort Ord Reuse Plan	
Meeting Date:	July 11, 2014	ACTION
Agenda Number:	8c	

RECOMMENDATION(S):

Approve Resolution 14-XX (**Attachment A**), certifying the City of Seaside's (Seaside's) legislative land use determination that the Seaside Zoning Code text amendments related to the 2013 Zoning Code Update are consistent with the 1997 Fort Ord Reuse Plan (Reuse Plan).

BACKGROUND:

At the June 13 meeting, the FORA Board heard FORA and Seaside staff recommendations for certifying the 2013 Zoning Code Text Amendments as consistent with the Reuse Plan. A number of questions were posed by Board Members and the public. The Board took an affirmative vote in favor of consistency but it was not unanimous so the item was scheduled for a 2nd vote on June 20. In order to respond adequately to those questions posed on June 13 and afterward, to correct typos, and to revise the Resolution as requested by City of Seaside, this item was re-agendized for the July 11, 2014 Board Meeting, and a recommendation made by Authority Counsel that it be heard de novo, i.e. as a first vote. A short discussion of the issues raised and responses is included in this staff report as well as more general material regarding the consistency determination process

Seaside submitted the legislative land use decision for their 2013 Zoning Code Update for Fort Ord Reuse Authority (FORA) certification of their consistency determination on May 19, 2014. At that time, Seaside requested a legislative land use decision review of these items in accordance with sections 8.02.010 and 8.02.030, respectively, of FORA Master Resolution.

Seaside Submittals:

<http://www.ci.seaside.ca.us/Modules/ShowDocument.aspx?documentid=9519>

<http://www.ci.seaside.ca.us/Modules/ShowDocument.aspx?documentid=642>

Under state law, (as codified in FORA's Master Resolution) legislative land use decisions (plan level documents such as General Plans, General Plan Amendments, Zoning Codes, Redevelopment Plans, etc.) must be scheduled for FORA Board review under strict timeframes. This item is included on the Board agenda because it includes a legislative land use decision, requiring Board certification.

On January 16, 2014 the Seaside City Council adopted Resolution No. 14-06: Adopting a negative declaration for proposed text amendments as part of a comprehensive update to the zoning code (Title 17 of the Seaside Municipal Code); and on February 20, 2014 the Seaside City Council adopted Resolution No. 1012: Adopting amendments to Title 17 (Zoning Code) of the Seaside Municipal Code as part of a comprehensive update to the zoning code consistent with the goals, policies and implementation programs of the 2004 Seaside General Plan.

DISCUSSION:

Issues raised:

A letter from member of the public, Jane Haines, was received on June 12 and raised a number of points pertaining to items identified during the 2012 Reassessment that were not addressed in the 2013 Zoning Code text amendments (**Attachment B**). Those items are summarized below:

1. The Seaside Zoning Code text amendments fail to prohibit card rooms or casinos for gambling as acceptable land uses on the former Fort Ord.
2. The Seaside Zoning Code text amendments fail to establish specific textual regulations for development within residential neighborhoods located within the Community Commercial Zone District.
3. The Seaside Zoning Code text amendments fail to add a park plan and protective criteria applicable to Polygon 25.
4. The Seaside Zoning Code text amendments fail to add a 50-acre community park to the Seaside Zoning Map.
5. The Seaside Zoning Code text amendments fail to designate requisite areas as Special Design Districts.
6. The Seaside Zoning Code text amendments fail to establish an oak tree protection program.
7. The Seaside Zoning Code text amendments fail to add requisite provisions to Seaside's water conservation ordinances.
8. The Seaside Zoning Code text amendments fail to designate an oak woodland conservation area.
9. The Seaside Zoning Code text amendments lack an ordinance specifically addressing the preservation of oak trees.
10. The Seaside Zoning Code text amendments fail to amend the Seaside Zoning Map to designate areas with severe seismic hazard risk as open space, nor does it establish the requisite setback requirements.
11. The Seaside Zoning Code text amendments fail to conform to the BRP required noise criteria.

In response to these items, Seaside staff has responded that the main intent of the 2013 Zoning Code text amendments was to improve the City zoning code in response to citizen and business feedback received at the Planning Department desk since 2009. The changes are "housekeeping" to make the zoning code more responsive to the needs of their public and to improve ease of use. It is not intended to be a comprehensive update to the city zoning code, which would necessarily be preceded by an update of the City's General Plan.

FORA staff also notes that the items listed above are included in the current FORA 2014 Work plan that was approved by the Board in 2014. The items in question are part of the Category 3 items from the 2012 Reassessment, and have already been the focus of a FORA and Seaside status update meeting. City of Seaside staff have stated on numerous occasions their intention to address the Category 3 items during the forthcoming General Plan update process, set to begin during the summer 2014, and prior to processing of any individual entitlement relying upon completion of those items.

A letter from the Law Offices of Stamp-Erickson was delivered to FORA Board members after the start of the June 13 Board meeting (**Attachment C**). In that letter issues were raised including:

1. There are several inconsistencies in allowable densities in land use categories, as well as permitted uses in the land use categories, and the document fails to properly reference the Base Plan as a regional planning document applicable to the Fort Ord lands.

The FORA Master Resolution Section 8.010.020(g) states:

The Authority Board may only refuse to certify zoning ordinances, zoning district maps, or other legislative land use decisions on the grounds that such actions do not conform with, or are inadequate to carry out, the provisions of the general plan, certified as consistent with the Reuse Plan

As noted during staff presentation on Friday June 13, the item before the Board is the certification of the City of Seaside 2013 Zoning Code amendments, and these amendments provide housekeeping updates to the 2006 Zoning Code update that was certified as consistent with the Reuse Plan. The current updates make no changes to the densities or land uses already defined in the 2006 Zoning Code. As such, Board consideration need not hinge on these items.

The same circumstances apply to the omission of the Reuse Plan in the citation of relevant planning documents. While the specific omission of the Reuse Plan is indeed accurate, the 2013 Zoning Code text amendments do not make changes to this language, and as such is not under consideration at this time. While the issues presented by the Stamp-Erickson letter are indeed relevant to the goal of bringing the future City of Seaside General Plan and Zoning codes into a more perfect harmony with the 1997 Reuse Plan, the items currently facing the Board are narrowly constrained to the proposed zoning code text amendments.

The shortcomings of the Seaside zoning code in relationship to the Reuse Plan as identified in both letters will be included as part of the forthcoming Seaside General Plan update, or prior to processing of any entitlement that relies on those documents. City of Seaside staff have stated their intention to address these items on numerous occasions – during the most recent Board hearing, as well as during previous Administrative Committee meetings. In addition, most of these items are explicitly included within the FORA 2014 Work Plan that is currently in the process of being implemented.

Finally, a second letter from Jane Haines was received on June 19 (**Attachment D**), which questioned the timeliness and availability of the specific zoning code adjustments made by the City and whether a red-lined copy might be made available. Seaside staff indicated that such a red-lined version was made available to the public and the FORA Board on June 12. FORA staff also asked that Seaside staff make a brief presentation to the FORA Board delineating the precise zoning code adjustments that are the subject of this consistency request at the July 11, 2014 Board Meeting. Seaside staff provided additional information to the Administrative Committee on June 4, 2014 and subsequently to FORA staff. The June 19 letter also pointed out language in the FORA resolution that referred to the Seaside general Plan. This potentially confusing language was corrected in the current version of the resolution.

Consistency Determination Review

In all consistency determinations, the following additional considerations are made and summarized in a table (**Attachment E**). Rationale for Consistency Determinations: FORA staff finds that there are several defensible rationales for certifying a consistency determination. Sometimes additional information is provided to buttress those conclusions. In general, it is noted that the Reuse Plan is a framework for development, not a precise plan to be mirrored. However, there are thresholds set in the resource constrained Reuse Plan that may not be exceeded without other actions, most notably 6,160 new residential housing units and a finite water allocation. More particularly, the rationales for consistency analyzed follow:

LEGISLATIVE LAND USE DECISION CONSISTENCY FROM SECTION 8.02.010 OF THE FORA MASTER RESOLUTION

(a) In the review, evaluation, and determination of consistency regarding legislative land use decisions, the Authority Board shall disapprove any legislative land use decision for which there is substantial evidence support by the record, that:

- (1) Provides a land use designation that allows more intense land uses than the uses permitted in the Reuse Plan for the affected territory;

Seaside's submittal is consistent with the Reuse Plan and would not result in land use that would be more intense than the uses permitted in the Reuse Plan for the affected area within the City of Seaside. Staff notes that the 2013 Zoning Code Update did not result in changes to the Seaside Zoning Map.

- (2) Provides for a development more dense than the density of uses permitted in the Reuse Plan for the affected territory;

Seaside's submittal is consistent with the Reuse Plan and would not result in any type of land use that would be denser than the uses permitted in the Reuse Plan for the affected area within the City of Seaside.

- (3) Is not in substantial conformance with applicable programs specified in the Reuse Plan and Section 8.02.020 of this Master Resolution;

Seaside's submittal is in substantial conformance with the applicable programs in the Reuse Plan and Master Resolution.

The 2004 Seaside General Plan was certified consistent with the Fort Ord Reuse Plan on Dec 10, 2004. The proposed zoning code text amendments have been developed to implement the policies of the 2004 Seaside General Plan and are also consistent with the Reuse Plan and the Master Resolution.

The proposed zoning code text amendments will not change Seaside General Plan policies relating to: historical/cultural resources; waste reduction and recycling; on-site water collection; and inter-jurisdictional cooperation.

- (4) Provides uses which conflict or are incompatible with uses permitted or allowed in the Reuse Plan for the affected property or which conflict or are incompatible with open space, recreational, or habitat management areas within the jurisdiction of the Authority;

Seaside's submittal is consistent with the Reuse Plan and noted documents. The submittal would not result in any type of land use that would be incompatible with the uses permitted in the Reuse Plan for the affected area within the City of Seaside.

- (5) Does not require or otherwise provide for the financing and/or installation, construction, and maintenance of all infrastructure necessary to provide adequate public services to the property covered by the legislative land use decision;

Any future development affected by the 2013 Zoning Code Update will be required to comply with the policies & regulations of the Seaside General Plan, Zoning Code and the Reuse Plan relevant to this issue.

- (6) Does not require or otherwise provide for implementation of the Fort Ord Habitat Management Plan;

The City of Seaside 2013 Zoning Code Update provides for implementation of the Fort Ord Habitat Management Plan.

Additional Considerations

- (7) Is not consistent with the Highway 1 Design Corridor Design Guidelines as such guidelines may be developed and approved by the Authority Board; and

The City of Seaside 2013 Zoning Code Update is consistent with the Highway 1 Design Corridor Design Guidelines.

- (8) Is not consistent with the jobs/housing balance requirements developed and approved by the Authority Board as provided in Section 8.02.020(t) of the FORA Master Resolution.

The City of Seaside 2013 Zoning Code Update is consistent with the jobs/housing balance requirements of Section 8.02.020. Any future development will be required to comply with the adopted job/housing policies and regulations of the Seaside General Plan and the Reuse Plan.

- (9) Is not consistent with FORA's prevailing wage policy, Section 3.03.090 of the FORA Master Resolution.

The City of Seaside 2013 Zoning Code Update is consistent with FORA's prevailing wage policy in FORA Master Resolution Section 3.03.090. Any future development will be required to comply with the policies & regulations of the Seaside General Plan, Zoning Code and the Reuse Plan relevant to this issue.

FORA and Seaside staff will be available to provide additional information to the FORA Board on July 11, 2014.

FISCAL IMPACT:

Reviewed by FORA Controller _____

This action is regulatory in nature and should have no direct fiscal, administrative, or operational impact. Seaside has agreed to provisions for payment of required fees for future developments in the former Fort Ord under its jurisdiction.

Staff time for this item is included in the approved FORA budget.

COORDINATION:

Seaside staff, Authority Counsel, Administrative Committee, and Executive Committee

DRAFT

Prepared by _____ Reviewed by _____

Steve Endsley

Steve Endsley

Approved by _____

Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY
Resolution 14-XX

*Resolution Determining Consistency of Seaside Zoning Text
Amendments for the 2013 Zoning Code Update*

THIS RESOLUTION is adopted with reference to the following facts and circumstances:

- A. On June 13, 1997, the Fort Ord Reuse Authority ("FORA") adopted the Fort Ord Reuse Plan ("Reuse Plan") under Government Code Section 67675, et seq.
- B. The Reuse Plan requires each county or city within the former Fort Ord to submit to FORA its general plan or amended general plan and zoning ordinances, and to submit project entitlements, and legislative land use decisions that satisfy statutory requirements.
- C. On November 20, 1998, the Authority Board of FORA ("FORA Board") adopted Resolution No. 98-1, which set forth policies and procedures to implement the requirements in Government Code 67675, et seq.
- D. The City of Seaside ("Seaside") is a member of FORA. Seaside has land use authority over land situated within the former Fort Ord and subject to FORA's jurisdiction.
- E. On December 10, 2004, the FORA Board adopted Resolution 04-06 certifying as consistent the 2004 City of Seaside General Plan with the Reuse Plan.
- F. On December 11, 2013, after a noticed public meeting, Seaside adopted zoning text amendments related to the 2013 Zoning Code update ("Seaside zoning text amendments"). Seaside considered the FO Reuse Plan Environmental Impact Report ("EIR") and found the Seaside zoning text amendments to be consistent with the Reuse Plan, FORA's plans and policies, and the FORA Act.
- G. On May 19, 2014, Seaside requested that FORA certify as consistent the Seaside zoning text amendments with the Reuse Plan.
- H. On May 19, 2014, pursuant to the Implementation Agreement between FORA and Seaside, Seaside submitted to FORA a complete copy of all relevant documents and materials concerning the subject lands on the former Fort Ord, including the Seaside zoning text amendments, the relevant resolutions and ordinance approving them, a staff report and other materials relating to the City of Seaside's action, a reference to the environmental documentation and/or CEQA findings, and findings and evidence supporting Seaside's determination that the Seaside zoning text amendments are consistent with the Reuse Plan and the FORA Act. (Collectively, "Supporting Material"). The Supporting Material includes the text of the Seaside zoning amendments, made available to FORA and to the public on Seaside's website at <http://www.ci.seaside.ca.us/Modules/ShowDocument.aspx?dcounmetid=9476>. Seaside requested that FORA certify the zoning text amendments as consistent with the Reuse Plan for those portions of Seaside that lie within the jurisdiction of FORA.

- I. FORA's Executive Officer and the FORA Administrative Committee reviewed and evaluated Seaside's application to determine consistency. The Executive Officer submitted a report recommending that the FORA Board certify as consistent the Seaside zoning text amendments and the Reuse Plan. The Administrative Committee reviewed the Supporting Material, received additional information, and concurred with the Executive Officer's recommendation. The Executive Officer set the matter for public hearing on June 13, 2014 before the FORA Board.
- J. The FORA Master Resolution, Chapter 8, Section 8.02.010(a)(4) reads in part: "(a) In the review, evaluation, and determination of consistency regarding legislative land use decisions, the Authority Board shall disapprove any legislative land use decision for which there is substantial evidence supported by the record, that: ... (4) Provides uses which conflict or are incompatible with uses permitted or allowed in the Reuse Plan for the affected property..."
- K. FORA's review, evaluation, and determination of consistency is based on six criteria identified in section 8.02.010 of the FORA Master Resolution. Evaluation of these six criteria form the bases for the Board's decision to certify or to refuse to certify the Seaside zoning text amendments.
- L. The term "consistency" is defined in the General Plan Guidelines adopted by the State Office of Planning and Research as follows: "An action, program, or project is consistent with the general plan if, considering all its aspects, it will further the objectives and policies of the general plan and not obstruct their attainment." This definition includes compliance with the required procedures set forth in Section 8.02.010 of the FORA Master Resolution.
- M. The FORA Master Resolution, Chapter 8, Section 8.02.010(a)(1-6) reads: "(a) In the review, evaluation, and determination of consistency regarding legislative land use decisions, the Authority Board shall disapprove any legislative land use decision for which there is substantial evidence supported by the record, that (1) Provides a land use designation that allows more intense land uses than the uses permitted in the Reuse Plan for the affected territory; (2) Provides for a development more dense than the density of uses permitted in the Reuse Plan for the affected territory; (3) Is not in substantial conformance with applicable programs specified in the Reuse Plan and Section 8.02.020 of this Master Resolution. (4) Provides uses which conflict or are incompatible with uses permitted or allowed in the Reuse Plan for the affected property or which conflict or are incompatible with open space, recreational, or habitat management areas within the jurisdiction of the Authority; (5) Does not require or otherwise provide for the financing and/or installation, construction, and maintenance of all infrastructure necessary to provide adequate public services to the property covered by the legislative land use decision; and (6) Does not require or otherwise provide for implementation of the Fort Ord Habitat Management Plan."

NOW THEREFORE be it resolved:

1. The FORA Board acknowledges Seaside's December 11, 2013 recommendation that the FORA Board certify consistency between the Seaside zoning text amendments and the Reuse Plan.

2. The FORA Board has reviewed and considered the Reuse Plan Final Environmental Impact Report and Seaside's environmental documentation. The FORA Board finds that this documentation is adequate and complies with the California Environmental Quality Act. The Board finds further that these documents are sufficient for purposes of FORA's certification of consistency between the Seaside zoning text amendments and the Reuse Plan.
3. The FORA Board has considered the Supporting Materials submitted with Seaside's application, the recommendation of the Executive Officer and Administrative Committee concerning the application and oral and written testimony presented at the hearings on the consistency determination, which are hereby incorporated by reference.
4. The FORA Board hereby certifies as consistent the Seaside zoning text amendments and the Reuse Plan. The FORA Board further finds that its certification of consistency is based in part upon the substantial evidence submitted regarding allowable land uses, a weighing of the Reuse Plan's emphasis on a resource-constrained, sustainable reuse that strikes a balance between jobs created and housing provided, and that Seaside's cumulative land uses are not more intense or dense than those contained in the Reuse Plan. This finding does not modify the Reuse Plan Land Use Concept Ultimate Development Figure 3.3-1, which remains Public Facilities Institutional.
5. The FORA Board finds the Seaside zoning text amendments will, considering all their aspects, further the objectives and policies of the Reuse Plan. The FORA Board hereby determines the Seaside application to satisfy the requirements of Title 7.85 of the Government Code and the Reuse Plan.

Upon motion by _____, seconded by _____, the foregoing Resolution was passed on this 11th day of July, 2014, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

Jerry Edelen, Chair

ATTEST:

Michael A. Houlemard, Jr., Clerk

Jane Haines

601 OCEAN VIEW BLVD., APT. 1 PACIFIC GROVE, CA 93950
TEL 831 375-5913

janehaines@redshift.com

June 12, 2014
Fort Ord Reuse Authority (FORA)
920 Second Avenue
Marina, CA 93933
c/o board@fora.org

Re: June 13 Agenda Item 8d - Consistency Determination of Seaside Zoning Code
with Base Reuse Plan

Dear FORA Board:

This letter will *quote* the Base Reuse Plan and the Scoping Report that is included in the 2012 Fort Ord Plan Reassessment¹ to show why the FORA Board cannot reasonably certify that the Seaside Zoning Code text amendments related to the 2013 Zoning Code Update are consistent with the Fort Ord Reuse Plan.

1. **The Seaside Zoning Code text amendments fail to prohibit card rooms or casinos for gambling as acceptable land uses on the former Fort Ord.** Seaside Commercial Land Use Program B-2.1 at BRP page 256 states that Seaside “*shall not include nor allow card rooms or casinos for gambling as acceptable land uses on the former Fort Ord.*” Referring to Program B-2.1, the 2012 Scoping Report states on page 4-27 that Program B-2.1 is incomplete because “*Seaside regulates bingo games (Municipal Code Chapter 5.16), but does not prohibit bingo or other gambling within Fort Ord.*” The Zoning Code text amendments fail to correct this omission. Neither they nor Seaside Municipal Code Chapter 5.16, prohibit bingo and other gambling within Fort Ord. Thus, the 2013-14

¹ The Scoping Report can be accessed at http://www.fora.org/Reports/FinalScoping/FINAL_SCOPING_REPORT4.pdf. The quoted sections of the Base Reuse Plan (BRP) can be accessed at http://www.fora.org/Reports/BRP/BRP_v2_ReusePlanElements_1997.pdf. The Seaside Zoning Code with text amendments can be accessed at <http://www.ci.seaside.ca.us/Modules/ShowDocument.aspx?documentid=9462>. These may take a few minutes to download because the Scoping Report has 284 pages, the cited BRP volume has 248 pages, and the Seaside Zoning Code is also lengthy.

Seaside Zoning Code text amendments cannot be found consistent with BRP Program B-2.1 because they do not prohibit card rooms and casinos for gambling within Fort Ord.

2. **The Seaside Zoning Code text amendments fail to establish specific textual regulations for development within residential neighborhoods located within the Community Commercial Zone District.** Seaside Commercial Land Use Program D-1.2 at BRP page 257 states that Seaside *“shall designate convenience/specialty retail land use on its zoning map and provide textual (and not graphic) standards for development within residential neighborhoods.”* Referring to Program D-1.2, the 2012 Scoping Report states on page 4-30 that Program D-1.2 is incomplete because the *“City of Seaside includes a Community Commercial Zone district, but does not have specific regulations for inclusion within residential neighborhoods.”* Since the 2013-14 Seaside Zoning Code and the text amendments do not include specific textual standards for development within residential neighborhoods, the 2013-14 Seaside Zoning Code text amendments cannot be found consistent with BRP program D-1.2.

3. **The Seaside Zoning Code text amendments fail to add a park plan and protective criteria applicable to Polygon 25.** Seaside Recreation/Open Space Land Use Program C-3.1 states at BRP page 269 that the *“City of Seaside shall include protection criteria in its plan for the community park in the Seaside Residential Planning Area (Polygon 24) for the neighboring habitat protection area in Polygon 25. Creation of this park will also require consideration of existing high-power electric lines and alignment of the proposed Highway 68 connector to General Jim Moore Boulevard.”* Referring to this Program C-3.1, the 2012 Scoping Report states on page 4-44 that *“neither the park plan nor the protective criteria have been prepared to date.”* Since the park plan and protective criteria have been omitted, the Zoning Code text amendments are inconsistent with BRP Seaside Recreation/Open Space Land Use Program C-3.1.

4. **The Seaside Zoning Code text amendments fail to add a 50-acre community park to the Seaside Zoning Map.** Seaside Recreation/Open Space Land Use Programs C-3.2 and C-3.3 state at BRP page 269 that *“The 50-acre community park in the University Planning Area (Polygon 18) should be sited, planned and managed in coordination with neighboring jurisdictions (CSUMB and County of Monterey)”* and *“The City of Seaside shall attempt to work out a cooperative park and recreation facilities agreement with MPUSD and CSUMB.”* Referring to these programs, the 2012 Scoping Report states on page 4-45 that these programs are incomplete and that *“Polygon 18 is now designated as High-Density Residential. Seaside has provided other parkland within Polygon 20g (Soper Park, 4 acres) and open space walking trails in Polygon 20a (Seaside Highlands) and expanded the park in Polygon 24, for an equal amount of total parkland. Consistency determinations with Seaside General Plan 12/10/04.”* Programs C-3.2 and C-3.3 require a 50-acre community park managed in coordination with neighboring jurisdictions. Such a park is not included in the Zoning Map in the 2013-14 Seaside Zoning Code. Thus, the Zoning Map in the Seaside Zoning Code is inconsistent with BRP Programs C-3.2 and C-3.3.

5. **The Seaside Zoning Code text amendments fail to designate requisite areas as Special Design Districts.** Seaside Recreation/Open Space Land Use Program D-1.3 at BRP pg. 269 states that the “*City of Seaside shall designate the retail and open space areas along the Main Gate area (Polygon 15), the South Village mixed-use area (Polygon 20e), and a strip 500 feet wide (from the Caltrans Row) along State Highway 1 (Polygons 20a and 20b) as Special Design Districts to convey the commitment to high-quality development to residents and visitors.*” Referring to this program, the 2012 Scoping Report states on page 4-46 that this requirement is incomplete, explaining that “[t]hese areas have not been designated as Special Design Districts.” Thus, the 2013-14 Seaside Zoning Code and text amendments are inconsistent with BRP Program D-1.3.

6. **The Seaside Zoning Code text amendments fail to establish an oak tree protection program.** Seaside Recreation Policy C-1 at BRP pg. 326 states that the “*City of Seaside shall establish an oak tree protection program to ensure conservation of existing coastal live oak wood lands in large corridors within a comprehensive open space system. Locate local and regional trails within this system.*” Referring to this policy, the 2012 Scoping Report states on pg. 4-73 that this program has not been established. Until the Seaside Zoning Code is amended to comply, the 2013-14 Seaside Zoning Code is inconsistent with the Base Reuse Plan because it is not in substantial conformance with Policy C-1. See also following paragraph 9 pertaining to the BRP requirement for Seaside to adopt an ordinance specifically addressing the preservation of oak trees.²

7. **The Seaside Zoning Code text amendments fail to add requisite provisions to Seaside’s water conservation ordinances.** Seaside Hydrology and Water Quality Program B-1.5 states at BRP pg. 350/347 that the City of Seaside “*shall promote the use of on-site water collection, incorporating measures such as cisterns or other appropriate improvements to collect surface water for in-tract irrigation and other non-potable use.*” Referring to Program B-15, the 2012 Scoping Report states on pg. 4-91 that this program is incomplete, explaining that “*Seaside’s water conservation ordinances do not include these measures.*” The measures must be added to Seaside’s water conservation ordinances in order for them to be consistent with Program B-1.5.

8. **The Seaside Zoning Code text amendments fail to designate an oak woodland conservation area.** Seaside Biological Resource Policy B-2 at BRP pg. 373 requires that “*as site-specific development plans for a portion of the Reconfigured POM Annex Community (Polygon 20c) and the Community Park in the University Planning Area (Polygon 18) are formulated, the City shall coordinate with Monterey County, California State University, FORA and other interested entities in the designation of an oak woodland conservation area connecting the open space lands of the habitat management areas on the south to the landfill polygon (8a) in the north.*” The Seaside Zoning Map does not show an oak woodland conservation

² The City of Los Angeles has adopted an oak tree protection ordinance that Seaside may want to study. The L.A. ordinance can be accessed at http://clkrep.lacity.org/online/docs/2003/03-1459-s1_ord_177404.pdf.

area.³ Such an area must be designated and appropriately configured on the Seaside Zoning Map before the map can be certified as consistent with the BRP. Since there is no oak woodland conservation area on the Seaside Zoning Map, the map is inconsistent with Policy B-2. Moreover, the 2012 Scoping Report states that Seaside Biological Resource Program B-2.2 at BRP pg. 373 is incomplete. Program B-2.2 requires annual monitoring reports by Seaside to the Fort Ord Coordinated Resource Management and Planning (CRMP) program with respect to the oak woodland conservation area; however, there can be no monitoring reports because the Seaside Zoning Code text amendments do not designate the required oak woodland conservation area.

9. **The Seaside Zoning Code text amendments lack an ordinance specifically addressing the preservation of oak trees.** Seaside Biological Resource Policy C-2.1 at BRP pg. 374 states that the City of Seaside *“shall adopt an ordinance specifically addressing the preservation of oak trees. At a minimum, this ordinance shall include restrictions for the removal of oaks of a certain size, requirements for obtaining permits for removing oaks of the size defined, and specifications for relocation or replacement of oaks removed.”* The 2012 Scoping Report at pg. 4-120 states that the City of Seaside’s tree ordinance, Chapter 8.54 of the municipal code, *“does not specifically address oak trees or oak woodland.”* Thus, the City of Seaside must adopt the BRP-required ordinance before its municipal code is consistent with the BRP. For an example of an ordinance specifically addressing the preservation of oak trees, see the link to the Los Angeles oak tree preservation ordinances cited in footnote 2. Adoption of such an ordinance would specifically address the requirements stated in BRP Policy C-2.1.

10. **The Seaside Zoning Code text amendments fail to amend the Seaside Zoning Map to designate areas with severe seismic hazard risk as open space, nor does it establish the requisite setback requirements.** BRP page 428 states an objective for Seaside to *“protect and ensure public safety by regulating and directing new construction (location, type, and density) of public and private projects, and critical and sensitive facilities away from areas where seismic and geologic hazards are considered likely predictable so as to reduce the hazards and risks from seismic and geologic occurrences.”* In furtherance of this objective, Seaside Seismic and Geological Hazard Policy A-3.1 at BRP pg. 429 requires Seaside to *“amend its zoning maps to designate areas with severe seismic hazard risk as open space if not [sic] other measures are available to mitigate potential impacts.”* The 2012 Scoping Report at pg. 4-143 states this has not been done, which is confirmed by the current Seaside Zoning Map. Additionally, BRP pg. 429 in Seismic and Geological Hazard Program A-1.2 requires Seaside to *“establish setback requirements for new construction, including critical and sensitive facilities, for each seismic hazard zone with a minimum of 200 feet setback to a maximum of one quarter (1/4) mile setback from an active seismic fault. Critical and sensitive buildings include all public or private buildings essential to the health and safety of the general*

³ The Seaside Zoning Map can be accessed at <http://www.ci.seaside.ca.us/Modules/ShowDocument.aspx?documentid=640>.

public, hospitals, fire and police stations, public works centers, high occupancy structures, schools, or sites containing or storing hazardous materials.” Such setback requirements are a zoning matter which must be included in the Seaside Zoning Code text amendments before the Code can be deemed consistent with Policy A-3.1.

11. **The Seaside Zoning Code text amendments fail to conform to the BRP-required noise criteria.** The Noise Element of the BRP beginning on BRP pg. 399 recognizes that the Zoning Codes of Seaside, Monterey County, and Marina have differing definitions and quantitative standards for determining noise compatibility. Thus, the BRP sets an objective of *“ensuring that application of land use compatibility criteria for noise and enforcement of noise regulations are consistent throughout the Fort Ord Planning area.”* (BRP pg. 407.) To achieve this, the BRP establishes the standards in Table 4.5-3 for Exterior Community Noise (BRP pg. 411) and Table 4.5-4 for Non-Transportation Noise Sources (BRP pg. 412). The City of Seaside Zoning Code noise standards are inconsistent with the BRP noise standards. (Scoping Report pg. 4-137.) The 2012 Scoping Report states that Seaside’s *“noise criteria are 5 to 10 dBA higher for three categories of land use (residential, schools, industrial) compared to Fort Ord Reuse Plan Table 4.5-3.”* (Scoping Report pg. 4-134.) It also notes that Seaside has not adopted specific noise performance standards. (Scoping Report pg. 4-135.) It further states that Seaside has not yet *“developed and implemented a program that identifies currently developed areas that are adversely affected by noise impacts and implement measures to reduce these impacts, such as constructing noise barriers and limited the hours of operation of the noise sources,”* as required by BRP Noise Program B-1.1 (Scoping Report pg. 4-136). Thus, Seaside’s 2013-14 Zoning Code, specifically Chapter 17.24 and/or Chapter 17.30.060, must be amended to conform to BRP noise standards for Fort Ord lands before the Zoning Code amendments can be found consistent with the Base Reuse Plan.

Conclusion

FORA spent a half-million dollars in 2012 for the Fort Ord Reuse Plan Reassessment. The Reassessment identified numerous inconsistencies between FORA land use jurisdictions’ legislative acts and the Base Reuse Plan, including inconsistencies applicable to Seaside as quoted herein. The FORA Board is required by State law to disapprove a finding of consistency when a legislative act is inconsistent with the BRP. The above eleven paragraphs show conclusively that the City of Seaside Zoning Code amendments are inconsistent with the Base Reuse Plan *according to statements quoted from the Reassessment Scoping Report.*

Thus, I request the FORA Board to pass a motion which denies finding consistency at this time but which provides that the FORA Board authorizes FORA’s Executive Officer to administratively certify that the 2013-14 Seaside Zoning Code and text amendments are consistent with the Base Reuse Plan *after* Seaside makes the corrections described herein.

That option, which is authorized by Government Code section 67675.5(d), would respect the integrity of the 2012 Reassessment and the Base Reuse Plan yet avoid unnecessary delay by allowing the consistency finding to be made administratively after the Seaside Zoning Code and text amendments are made consistent with the Base Reuse Plan.

Sincerely,

Jane Haines

Michael W. Stamp
Molly Erickson
Olga Mikheeva
Jennifer McNary

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June 13, 2014

Jerry Edelen, Chair
and Members of the Board of Directors
Fort Ord Reuse Authority
920 2nd Ave., Suite A
Marina, CA 93933

Subject: June 13, 2014 Board Agenda – Consider Certification of Seaside zoning code

Dear Chair Edelen and Members of the Board of Directors:

This Office represents Keep Fort Ord Wild and The Open Monterey Project. Both organizations object to a determination of consistency for the Seaside zoning code. The Board should vote to deny the consistency determination for the reasons stated above. This letter presents additional information to assist you.

The proposed legislative documents of Seaside are not consistent with the Fort Ord Reuse Plan, and, if approved, the documents would be yet another example of the failure of FORA to enforce the policies and mitigations of the Reuse Plan pursuant to the FORA enabling legislation, FORA's past resolutions, and CEQA requirements.

In addition to the comments below, Keep Fort Ord Wild and The Open Monterey Project join in the objections of others, including the written comments of Jane Haines, with one important exception: the FORA Board should deny the consistency determination, and send the Seaside documents back to Seaside to be rewritten to be consistent with the Reuse Plan.

The FORA Board should not defer future action to the FORA Executive Officer to act in private. Because the consistency issues are important and should be kept in the public eye, the FORA Board should retain control over the review.

Inconsistencies between the Seaside Zoning code and Fort Ord Reuse Plan

The City of Seaside has adopted a new Municipal Code Title 17 - Zoning and is seeking a consistency determination from FORA. There are several inconsistencies in allowable densities in land use categories, as well as permitted uses in the land use categories, and the document fails to properly reference the Base Plan as a regional planning document applicable to the Fort Ord lands.

Allowable Densities:

1. Residential Zoning. Seaside allows 1 unit per 2,904 square feet in areas zoned Medium Density Residential and 1 unit per 1,742 square feet in areas zoned as High Density Residential. (See Table 2-3 on p. 2-11 of the proposed zoning code.) This is 15 units per acre for Medium Density Residential and 25 units per acre for High Density Residential. The Reuse Plan allows a maximum of 10 units per acre in medium density residential and a maximum of 20 units per acre in areas designated for high density residential (See Residential Land Use Policy A-1, p. 240 of the Reuse Plan).

The Residential Land Use Policy A-1 specifically states:

Residential land uses shall be categorized according to the following densities: . . .

SFD Medium Density Residential 5-10 Du/AC

MFD High Density Residential 10-20 Du/AC.

2. Commercial Zoning. The City of Seaside allows a maximum Floor Area Ratio (FAR) of 3.0 for Hotels, 2.0 in Commercial Mixed Use, 1.0 in Regional Commercial and Automotive Commercial, and 0.5 in Heavy Commercial and Community Commercial. (See Table 2-6 at p. 2-21 of Seaside's proposed Zoning code.) The Reuse Plan specifies a much lower density of 0.25 FAR. (Commercial Land Use Policy A-1, p. 255, Reuse Plan.) While the designations of the different types of commercial zones in the Reuse Plan are different from the designations chosen by Seaside, under any designation the FAR is much higher in Seaside's Zoning code.

The allowable densities of development in the Reuse Plan are so important in the Reuse Plan that they are included in the consistency checklist that FORA staff are required to use when assessing consistency. Section 8.02.010 of FORA's Master Resolution says:

- (a) In the review, evaluation, and determination of consistency regarding legislative land use Decisions, the Authority Board shall disapprove any legislative land use decision for which there is substantial evidence supported by the record that:
 - (1) Provides a land use designation that allows more intense land uses than the uses permitted in the Reuse Plan for the affected territory;
 - (2) Provides for a development more dense than the density of uses permitted in the Reuse Plan for the affected territory.

In the proposed Seaside zoning code, the Reuse Plan standard for density is not met, and the standard for intensity of land use is not met either, because higher density development can be "more intense" than lower density development. While Seaside may argue that these aspects of the Zoning Code were contained in the 2006 version and that FORA approved that version, the FORA Board is being asked to conduct a fresh, standalone consistency determination on the text. FORA should not compound its previous error by once again approving a document that is clearly inconsistent.

Seaside is obligated to amend its Zoning Code to match the Reuse Plan under Program A-1-1:

Program A-1.1: Amend the City's General Plan and Zoning Code to designate former Fort Ord land at the permissible commercial densities consistent with the Fort Ord Reuse Plan and appropriate to accommodate the commercial activities desired for the community. (See p. 256 of Reuse Plan.)

The proposed zoning code fails to pass the third standard of consistency on the consistency check list:

(3) Is not in substantial conformance with applicable programs specified in the Reuse Plan and section 8. 02.020 of this Master Resolution.

Allowable Uses. The Seaside Zoning Map, which is part of the zoning code, is inconsistent with the Reuse Plan. (See p. 1-9 of zoning code.) For example, Seaside proposes to place High Density Residential zoning on a 50-acre parcel in Parker Flats that is called "Seaside Community Park" in the Reuse Plan and provides important outdoor recreation for nearby Army families and the community of CSUMB. The Seaside Community Park is described in the Reuse Plan as having "gently rolling . . . oak woodland." (See p. 167 of Reuse Plan). However, under Seaside's proposed high density residential zoning, every tree foreseeably could be removed for 25 dwelling units per acre, which is "more intense" than allowed in the Reuse Plan.

Failure to Reference Reuse Plan

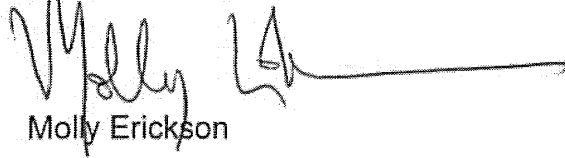
Seaside's proposed zoning code fails to properly reference the Reuse Plan as a regional planning document applicable to the Fort Ord lands. The section on the Main Gate project area explicitly cites applicable planning documents and omits the Reuse Plan: "All land use policies, development standards and design land uses, and infrastructure improvements applicable to proposed land uses and development project within the Projects at Main Gate Specific Plan Area may be found in the adopted Projects at Main Gate Specific Plan, available at the City of Seaside City Hall" (See p. 2-58 of Seaside's proposed Zoning code.)

Jerry Edelen, Chair, and Members of the Board of Directors
Fort Ord Reuse Authority
June 13, 2014
Page 4

The Board should vote to deny the consistency determination for the reasons stated above. Thank you.

Very truly yours,

STAMP | ERICKSON

A handwritten signature in black ink, appearing to read "Molly Erickson", followed by a long horizontal line extending to the right.

Molly Erickson

Michael W. Stamp
Molly Erickson
Olga Mikheeva
Jennifer McNary

STAMP | ERICKSON
Attorneys at Law

Attachment C to Item 8c
FORA Board Meeting, 7/11/14
T: (831) 373-1214
F: (831) 373-0242

June 13, 2014

Jerry Edelen, Chair
and Members of the Board of Directors
Fort Ord Reuse Authority
920 2nd Ave., Suite A
Marina, CA 93933

Subject: June 13, 2014 Board Agenda – Consider Certification of Seaside
zoning code

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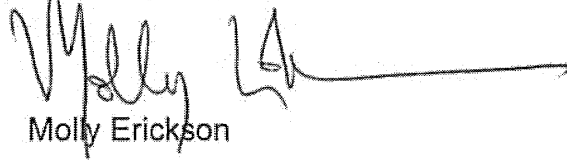
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Jerry Edelen, Chair, and Members of the Board of Directors
Fort Ord Reuse Authority
June 13, 2014
Page 4

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Very truly yours,

STAMP | ERICKSON

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Molly Erickson

Jane Haines

601 OCEAN VIEW BLVD., APT. 1 PACIFIC GROVE, CA 93950
TEL 831 375-5913

janehaines@redshift.com

June 19, 2014
Fort Ord Reuse Authority (FORA)
920 Second Avenue
Marina, CA 93933
c/o board@fora.org

Re: June 20 Agenda Item 5d - Approval of Resolution 14-XX (Attachment A to Staff Report for Agenda Item 5d)

Dear FORA Board:

Resolution 14-XX on page 34 of your June 20 staff report states the following finding:

“The Board finds that the Seaside General Plan zoning text amendments related to the 2013 Zoning Code update are consistent with the Fort Ord Base Reuse Plan.”

Under California law, an agency abuses its discretion if it makes a finding that is not supported by the evidence. (Code of Civil Procedure Section 1094.5, paragraph (b).) Thus, the FORA Board will abuse its discretion if it makes that finding because:

1. Your Board has not even seen the Seaside General Plan zoning text amendments so you have no evidentiary basis for finding them consistent with the Reuse Plan.
2. Your staff report contains uncontested evidence showing that the zoning text amendments are not consistent with the Reuse Plan.

Accordingly, I reiterate my June 12 request that your Board pass a motion which denies finding consistency at this time but which provides that the FORA Board authorizes FORA's Executive Officer to administratively certify that the 2013-14 Seaside Zoning Code and text amendments are consistent with the Base Reuse Plan *after* Seaside makes the described corrections. Making the above finding tomorrow will violate California law.

Sincerely,

Jane Haines

FORA Master Resolution Section	Finding of Consistency	Justification for finding
(1) Does not provide for a land use designation that allows more intense land uses than the uses permitted in the Reuse Plan for the affected territory;	Yes	Uses would not result in any type of land use that would be more intense than the uses permitted in the Reuse Plan for the affected area within the City of Seaside.
(2) Does not provide for a development more dense than the density of uses permitted in the Reuse Plan for the affected territory;	Yes	Uses would not result in any type of land use that would be denser than the uses permitted in the Reuse Plan for the affected area within the City of Seaside.
(3) Is in substantial conformance with applicable programs specified in the Reuse Plan and Section 8.02.020 of this Master Resolution.	Yes	With the adoption of its 2004 General Plan (December 10, 2004), Seaside fulfilled its obligations to FORA for long range planning to implement the Base Reuse Plan.
(4) Does not provide uses which conflict with or are incompatible with uses permitted or allowed in the Reuse Plan for the affected property or which conflict with or are incompatible with open space, recreational, or habitat management areas within the jurisdiction of the Authority;	Yes	Uses would not result in any type of land use that would be incompatible with the uses permitted in the Reuse Plan for the affected area within the City of Seaside.
(5) Requires or otherwise provides for the financing and/or installation, construction, and maintenance of all infrastructure necessary to provide adequate public services to the property covered by the legislative land use decision;	Yes	Zoning ordinance does not address these issues. Any future development will be required to comply with the policies & regulations of the Seaside General Plan, Zoning Code and the Reuse Plan relevant to this issue.
(6) Requires or otherwise provides for implementation of the Fort Ord Habitat Management Plan ("HMP").	Yes	Zoning ordinance does not affect this issue. Any future development will be required to comply with the policies & regulations of the Seaside General Plan, Zoning Code and the Reuse Plan relevant to this issue.
(7) Is consistent with the Highway 1 Design Corridor Design Guidelines as such standards may be developed and approved by the Authority Board.	Yes	Zoning ordinance does not address this issue. Any future development will be required to comply with the design policies and regulations of the Seaside General Plan, the Base Reuse Plan, and associated documents.

(8) Is consistent with the jobs/housing balance requirements developed and approved by the Authority Board as provided in Section 8.02.020(t) of this Master Resolution.	Yes	Zoning ordinance does not address this issue. Any future development will be required to comply with the adopted job/housing policies and regulations of the Seaside General Plan and the Base Reuse Plan.
(9) Prevailing Wage	Yes	Zoning ordinance does not address this issue. Any future development will be required to comply with the prevailing wage policies and regulations of the Seaside General Plan and the Base Reuse Plan.

Placeholder for Item 8d

*Adopt Salary Schedule for Economic Development
Specialist Position*

This item will be included in the final Board packet.

FORT ORD REUSE AUTHORITY BOARD REPORT

BUSINESS ITEMS

Subject:	Regional Urban Design Guidelines Task Force	
Meeting Date:	July 11, 2014	INFORMATION/ACTION
Agenda Number:	8g	

RECOMMENDATION(S):

- i. Receive Report from Regional Urban Design Guidelines (RUDG) Task Force.
- ii. Select a Consultant Team to Provide Regional Guidelines Design and Process services.

BACKGROUND/DISCUSSION:

The RUDG Task Force was created by the FORA Board and appointed by Chair Edelen to provide oversight and guidance on the RUDG process. Initially a Request for Qualifications (RFQ) was drafted by staff in coordination with Task Force feedback and input. That RFQ was transmitted to 35 urban planning, economics and development firms as provided by RUDG Task Force Members, jurisdictions, or staff. The RUDG Task Force then worked with FORA staff to refine a Request for Proposals (RFP) competition as the second stage of the solicitation/consultant support team selection process. The Task Force April 22, April 30, and May 9 meetings focused on the RFP including multiple rounds of revision and member input refining scope and deliverables and concluding on the interview process. Following review of the responses to the RFQ released in March, the Task Force qualified 3 teams to participate in the RFP stage as follows:

- **EMC Planning Group Inc.** in collaboration with *Economic Planning Services, Pinto + Partners Urban Design and Planning, City Design Collective, and BMJ Advisors*
- **Torti Gallas and Partners** with *Duany Plater-Zyberk, Lamphier-Gregory, Urban Community Partners, Peter Katz, Hoerr-Schmidt Landscape Architects, and Nelson/Nygaard Consulting Associates.*
- **Dover, Kohl & Partners** with *Alta Planning & Design, Helix Environmental Planning, Strategic Economics, Castle & Cooke Development, Peter Katz, Jeff Speck and Bill Lennertz.*

The RFP was released to the teams May 15, responses due Thursday, June 12 at 5:00pm and a pre-proposal conference was conducted on June 2, 2014. Two of the three finalist teams submitted complete responses by the deadline. The EMC Planning Group and the Dover-Kohl & Partners teams were scheduled for June 20, 2014 interviews which can be viewed at <http://youtu.be/Lx7BHp6NHSU>.

The Task Force reviewed interview ranking criteria on June 19 and met on June 20 at 2:00 pm to review initial rankings. After staff reference confirmation/review, at the June 27 meeting, the Task Force unanimously recommended that the FORA Board select the team led by Dover-Kohl and Partners to complete the regional urban design guidelines project.

FISCAL IMPACT:

Reviewed by FORA Controller _____

Staff time for this item is included in the approved FORA budget. FY 2014-2015 budget includes funding to pay for RUDG consultant services.

COORDINATION:

Admin Committee

Prepared by _____
Josh Metz

Approved by _____
Michael A. Houlemard, Jr.

-END-

**DRAFT
BOARD PACKET**



FORT ORD REUSE AUTHORITY

920 2nd Avenue, Suite A, Marina, CA 93933

Phone: (831) 883-3672 | Fax: (831) 883-3675 | www.fora.org

MCWD/FORA Facilities Agreement and Ord Community Budget Outstanding Policy Issues

1. Establishing an Ord Community Rate Payer Advisory Committee

MCWD staff has committed to bring this item to the District Board in July 2014 for discussion and guidance forward.

Steps Forward: MCWD will provide an update during the month of August 2014 on the District Board's direction and outline their plan to establish an advisory committee.

2. FORA Voluntary Contribution v. MCWD Capacity Charge

This issue has been well documented in FORA Board reports describing the FORA Capital Improvement Program and Ord Community budget. MCWD met with representatives of the development community regarding their proposed capacity charge. MCWD informed FORA that developers have reached a level of comfort with the MCWD proposed capacity charge. FORA staff and consultants concur that the proposed capacity charge is adequate to fund Ord Community capital expenses, and provides a more efficient way forward to develop an augmented water source. FORA is not required to repay any previous collected fees because it was never contractually obligated to collect it. As described in the FORA Capital Improvement Program, developer fees fund CEQA mitigations required under the Base Reuse Plan.

Steps forward: The FORA CFD/developer fee would have to be reduced simultaneously and commensurately (proposed in the FY 2014/15 FORA CIP), to avoid double charging the FORA Developer Fee/MCWD Capacity Charge (both would go into effect 7/5/14). The FORA Board approved this reduction on June 20, 2014. The MCWD Board is expected to approve its capacity charge increase on June 27, 2014.

3. Ord Community Annexation and Associated Customer Voting Rights

MCWD has begun the annexation process under the auspices of LAFCO. The LAFCO process requires development of a Service Area Study before initiating further steps. MCWD has complied with LAFCO requests and awaits further instruction from LAFCO. MCWD has included in its approved five year strategic plan the goal of annexing the Ord Community (Strategic Goal 6.1 attached). An overall timeline for the LAFCO Annexation process and an outline of tasks to be accomplished during the coming year is attached. The ultimate goal is to provide appropriate representation and voting power to all system customers.

Additionally, the Seaside County Sanitation District has applied to LAFCO to annex the sewer system within the City of Seaside's jurisdiction on Fort Ord. LAFCO has directed the City and MCWD to work together to resolve boundary issues. A joint ad-hoc meeting of the MCWD and SCSD Boards is scheduled for July 8th.

Steps Forward: MCWD will continue to update the Administrative and/or WWOC on progress made with SCSD and LAFCO, including meeting the tasks outlined in their timeline. The FORA/MCWD facilities agreement outlines four evaluation criteria for the WWOC annual review of MCWD. Progress made toward annexation could be considered under the provision for Timely and Accurate Quarterly and Annual Operational Reports.

4. Water Augmentation Timing and Alternatives

The MCWD budget, rates and fees must be approved in order for the two agencies to begin serious discussion of water augmentation timing and alternatives. Failure of the so called 'regional desalinization project' to move forward necessitates rethinking the approach MCWD and FORA want to take. The Peninsula is proceeding with another desalinization project with California American Water Company as Lead Agency. It is possible that a portion of Fort Ord's needed water augmentation could come from that project through a form of negotiation and/or customer service agreement, but details of such an arrangement would be subject to future negotiations. It should remain as one of several options.

Another option is to default back to the so-called Regional Urban Water Augmentation Program (RUWAP), previously supported by the FORA and MCWD Boards, which is a hybrid program that contemplates use of both reclaimed and desalinated water. An agreement for the reclaimed water portion would have to be finalized with Monterey Regional Water Pollution Control Agency and the desalinated portion could be provided by the Peninsula facility cited above, expansion of the currently moth-balled MCWD plant, or agreement with one of the other entities currently contemplating desalinated water. Details would have to be negotiated to pursue or modify the current RUWAP but there is the advantage that some of the crucial CEQA analysis has already been completed. Finally, there are potential surface water solutions to discuss that might be cost effective while not harming the environment or posing a threat to water quality. FORA staff have suggested that now is the right time for MCWD to begin making a series of educational presentations to the FORA Board about these various alternatives, and MCWD has agreed to provide a presentation at the August FORA Board meeting with following presentations at regular intervals. A master schedule for these presentations can be prepared.

MCWD has outlined five steps to be undertaken in the next five years (Strategic Plan Elements 1.1 through 1.5, attached). The five-year Strategic Plan was approved earlier this year and MCWD has begun working to complete Task 1.1. It is contemplated that there will be a cost associated with building any targeted facilities necessitating a revenue stream provided primarily by a combination of future users of the augmented water, FORA CEQA contribution and existing rate payer base. MCWD will provide modeling for such an approach that includes effect on all parties.

Steps Forward: FORA staff recommends that the FORA Board consider setting aside a certain percentage of developer fees, similar to the 25% set aside for habitat management. That would lower the amount of fee available to other CEQA mitigations (such as transportation/transit, etc.), but would assure funding prior to FORA's sunset for CEQA required water augmentation.

5. Use of Reserves and Cost Center Loans

The last Compensation Plan the FORA Board adopted was in September of 2012. The plan was adopted with direction from the FORA Board to recover costs through the use of operating reserves. The consultant who performed the recent MCWD Rate Study has indicated that MCWD reserves have dropped to a level that is below industry standard. If the current rate increase proposal goes into effect, this issue will be solved over time. A portion of the reserves were applied to covering legal and other costs related to unwinding the 'failed regional desalinization' project. It is currently ill advised for MCWD to continue to operate with low reserve capacity, but they hope to recover some of the dollars invested in the prior project as credits in any future settlement, legal resolution or negotiated future project, and those dollars could be credited back to reserves, potentially accelerating construction of needed CIP projects. It is likely that it will take another year or two for this issue to be fully resolved in the courts or otherwise.

Steps Forward: Approval of the current proposed budget will begin the process of funding the depleted reserve accounts.

6. Facilities Agreement Language re: Three Month Budget Review Period

The 1998 Facilities Agreement states that "MCWD's General Manager shall submit a proposed budget to the committee (WWOC)...by March 30 of every year" and further states "FORA shall respond to MCWD within three months after receiving a proposed budget...FORA's response shall state whether FORA agrees with the proposed budget...If FORA does not agree, FORA's response shall [1] identify each disputed element, shall [2] state detailed reasons for the dispute, and shall [3] specify a resolution acceptable to FORA. If FORA does not respond within three months, the compensation plan contained in the latest submittal from MCWD shall be deemed adopted."

MCWD and FORA counsels have reviewed the agreement. MCWD's legal position is that the budget was first proposed to FORA at the February 27, 2014 WWOC meeting and that three months concluded on May 27, 2014. FORA's position is that the submittal is not complete until all questions raised by the FORA WWOC, Administrative Committee, and Board of Directors have been adequately addressed. It is clear that the Facilities Agreement language is unwieldy and does not always yield a recommendation conducive to timely analysis and adjudication. At any rate, both FORA and MCWD staffs have committed to continue to work collegially to provide answers to all questions that have been raised by these bodies and that the ultimate goal is for the two Boards to come to a meeting of the minds as to how best to go forward regarding the policy questions noted in this response. It is anticipated that both Boards may take actions that protect their interests and legal positions but that will not interfere with progress moving forward.

MCWD conducted a five year rate study prior to preparing its 2014/15 budget. Recognizing that FORA has questions that are independent of the budget and specific to the rate study process, MCWD commits to explaining how the process was conducted and what options MCWD considered prior to adopting the final rate study.

Steps forward: MCWD will continue to work with FORA and its WWOC to further understanding of the MCWD FY 2014/15 Ord Community budget and policy related issues. FORA and its WWOC agree to separate policy issues from budget issues in future discussions. Future budget discussions will not be impacted over policy issues.

7. Regional Project Fund Recovery

With the exception of the discussion of reserves above, FORA policy has been that MCWD not spend any further operating or capital dollars on anything related to the former desalinization project. MCWD has complied with this request. As MCWD believes they will recover the costs spent for the regional project, the recovery funds will be allocated into the proper reserve accounts once received.

Steps Forward: Continue to monitor legal and settlement proceedings and MCWD to make quarterly progress reports to FORA Board.

8. Proposition 218 Process

There can only be one lead agency for the state mandated 218 process. FORA recognizes that MCWD is the Lead Agency. FORA does have an interest and desire that MCWD follow the letter of the 218 law, and that all rate payers have the opportunity to avail themselves of the rights granted to them under the law. MCWD hired a 218 attorney to provide legal guidance while conducting the 2014 Prop 218 process. MCWD followed legal guidance through the entire Prop 218 process.

MCWD will clarify special counsel's comments that MCWD may not have had to conduct a Prop 218 process as a contract service provider. MCWD will clarify why both cost centers were combined when counting protests.

Steps Forward: While it is understood that MCWD remains the lead agency for this process, it agrees to continue providing FORA with information necessary to inform interested parties regarding procedures related to the Prop 218 process.



Five-year Strategic Plan

March 2014

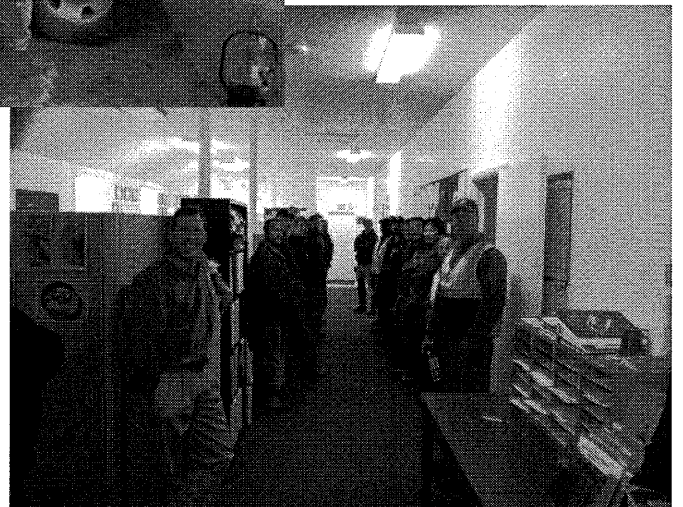
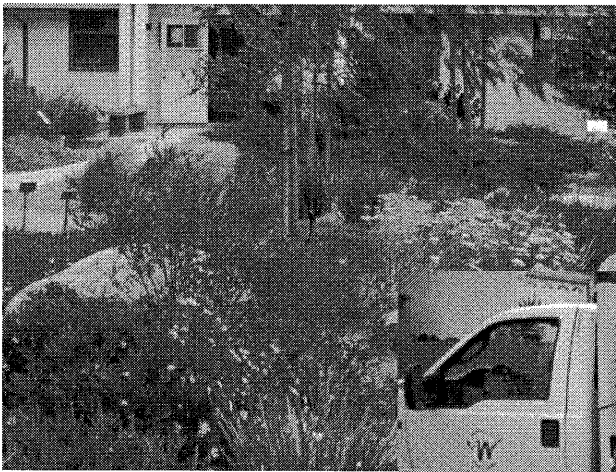


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Board of Directors

Tom Moore, President
Jan Shriner, Vice-President
Howard Gustafson, Director
Bill Lee, Director
Peter Le, Director

District Management

Brian Lee, Interim General Manager/District Engineer
Jean Premutati, Management Services Administrator
James Derbin, Operations and Maintenance Superintendent
Kelly Cadiente, Director of Administrative Services

Consultants

Brent H. Ives, Principal, BHI Management Consulting



Introduction

A Strategic Plan is a top level planning document for an organization to set clear direction over all operational aspects of its mission. It serves as a framework for decision making over a five-year period. It is a disciplined effort to produce fundamental decisions that shape what a District plans to accomplish by selecting a rational and balanced course of action. The District's Mission, Core Values, Vision, and the overall structure of this Strategic Plan were developed by the Board in workshop settings. Within the framework of that structure and the business environment, strategies and goals were developed to sustain and improve the District over the next five years. At its highest level, this Strategic Plan seeks to strengthen and build upon opportunities while addressing areas of concern all aimed toward forecasting an optimized future condition.

This plan also identifies actions, activities, and planning efforts that are currently underway which are needed for continued success in operations and management of the District, and provides for periodic reviews and updates.

Strategic Planning Definitions

Mission Statement: A declaration of the District's purpose, which succinctly describes why the District exists. All activities of the District should be in support of the Mission Statement. The District's Mission statement also reflects the values to which the District Board is dedicated. The Board of Directors adopts the Mission Statement. The Mission Statement is reviewed annually but is intended to be constant over the long term.

Vision Statement: A statement that articulates where the District wants to be over the life of the Strategic Plan. It outlines at the highest level the key changes that must be achieved by the Strategic Plan. The Vision creates and drives strategy and tactics identified elsewhere in the Strategic Plan. The Board of Directors adopts the Vision Statement. The Vision Statement will be reviewed annually and will typically

change more frequently than the Mission Statement to reflect the direction the Board wants to take the District over the five-year time horizon of the Strategic Plan.

Core Values: These are the values, framed in question form, to which the Board of Directors is fiercely dedicated. They are anchored in community values and are used by the Directors as decision filters for the myriad of decisions in the future.

Strategic Elements: The broad and primary areas of District operations, planning, and management that are addressed and supported by the Strategic Plan goals. These essentially serve as the outline and organization of the Strategic Plan. The Board of Directors reviews and endorses the Strategic Elements. The Strategic Elements are reviewed annually but are intended, absent major new issues facing the District, to be relatively constant over the life of the five-year Strategic Plan.

Objective/Strategy statement: A concise statement associated with each Strategic Element that describes what the Objective for that Element is and how it will be achieved.

Strategic Goals: The goal statement is supported by a narrative that more fully explains the nature of the goal and the issues that the goal intends to address. The Strategic Goals are prepared by District staff and accepted by the Board. The Strategic Goals may change from year-to-year when the annual assessment is made of the progress on each Strategic Element. The Strategic goals define the line between policy (Board responsibility) and implementation (staff responsibility) and as such are a collaborative effort of both the Board and staff.

Glossary of Acronyms

ACWA	Association of California Water Agencies
AWWA	American Water Works Association
BHI	BHI Management Consulting
BMPs	Best Management Practices
CAFR	Comprehensive Annual Financial Report
CDPH	California Department of Public Health
CII	Commercial, Industrial and Institutional
CIP	Capital Improvement Plan
CPA	Certified Public Accountant
CUWCC	California Urban Water Conservation Council
DMM	Demand Management Measures
FY	Fiscal Year
HCF	Hundreds of Cubic Feet
HECW	High Efficiency Clothes Washer
GPS	Global Positioning System
LS	Lift Station
MGD	Millions of Gallons per Day
NIMS	National Incident Management System
OES	Office of Emergency Services
pH	Potential Hydrogen – ion activity in gram equivalents per liter to measure alkalinity/acidity
RWQCB	Regional Water Quality Control Board
SRF	State Revolving Fund
SCADA	Supervisory Control and Data Acquisition
SEMS	Standardized Emergency Management System
the District	Marina Coast Water District
WDRs	Waste Discharge Requirements
WWTP	Wastewater Treatment Plant

Strategic Plan Development

In FY 2013, the District retained the services of BHI Management Consulting (BHI) to facilitate and coordinate the development of the District's five-year Strategic Plan. BHI first gathered input from the Public, through a public workshop, District Board members, staff and employees in a number of meetings to allow direct and "ground

level” input to the Board during deliberations in a number of planning workshops. At each meeting the District Mission and 5-year Vision were discussed.

The Board supported this process as a way to allow all to participate in the foundation of the Strategic Plan. A Board strategic planning public workshop was conducted in April of 2013. With the Board at this workshop, senior District staff also attended. The Board reviewed all inputs prior to working on Mission, Vision, and Core Values for the District and strategic elements for the strategic plan. The Board developed a new Mission statement of the District and created a new Vision statement for the District. The Board also identified the six strategic elements around and within which to organize implementation actions that will support the Mission and assure success of the Vision. Core Values then must be well understood and respected in the plan for implementing the Vision.

Following the Board workshop, Key members of District staff, worked with BHI to develop the Strategic Element objective and strategy statements and Strategic Goals, Actions and Tactics that support each element to make the Board’s Vision reality within the 5-year timeframe. Using this process, this Strategic Plan was assembled in a way that provides assurance of success for the Board’s Vision and Strategy for the District over the next five years. This Plan was then vetted with the Board in another workshop to assure that the implementation proposed by BHI and staff would indeed meet with their understanding and acceptance regarding the Vision success.

Strategic Plan Maintenance

A key part of the Strategic Planning process is to conduct an annual review to update the Plan. These reviews allow for regular maintenance of the Plan so it reflects the actual progress and conditional needs of the District. The reviews will be documented and followed up with either a Plan supplement or an updated Plan. A

five-year planning horizon will be maintained with each review effort developing a new fifth year of actions, projects, and initiatives.

Mission, Vision, and Core Values

Mission Statement

We provide our customers with high quality water, wastewater collection and conservation services at a reasonable cost, through planning, management and the development of water resources in an environmentally sensitive manner.

Vision Statements

In 5 years we would like to be able to say...

- *We have resolved all of the 2013 legal proceedings.*
- *We have Board policies and procedures with the aim to receive a CSDA “District of Distinction” Award.*
- *We have annexed the ORD community and preserved the separate cost center concept.*
- *We have studied ALL potential sources of water for the District (ground, surface, recycle, desal., etc.) and selected supplemental sources of additional water.*
- *We have an engaged, reliable and productive workforce that is strong and enjoys high morale with low turnover.*
- *We enjoy a positive reputation with the Public and other governmental agencies.*
- *We have evaluated and have taken steps to fund, all real and likely District liabilities.*
- *We have adequate reserves for repair and replacement of our infrastructure.*
- *We have adopted a new rate study.*
- *We have a formal workforce development and succession plan in place.*
- *We have updated and adopted 5 year water and sewer master plans, Urban water management plan and CIP.*
- *We have a strong and robust water conservation program, meeting State mandates.*
- *We have taken steps to protect the Salinas Valley groundwater basin from seawater intrusion.*
- *We have annually provided our customers with a clear and consistent picture of their current and forecasted future water demand.*
- *We have established key performance indicators and level of service targets.*

Core Values

We are fiercely dedicated to the following core values and, as the Board of Directors, will use them as decision filters.

- *Is it effective and cost efficient?*
- *Will it harm us in the long term?*
- *Does it support our commitment to maintenance of our infrastructure to protect the rate payers of today and in the future?*
- *Will it support our commitment to reliability in the services we provide?*
- *Is it responsive, open and clear to our customers?*
- *Does it support our employees by providing a safe, supportive and collaborative work environment, job satisfaction, competitive compensation and career opportunity?*
- *Is it environmentally sensitive and sustainable?*
- *Does it support local control, good governance and promote accountability?*
- *Have we considered all options and assured that we are proactive?*

Strategic Elements

Strategic Elements represent the vital areas of the District's operation and management. They assure that the implementation of work to be performed in support of the Mission and Vision are comprehensive in nature and properly cover the District in all areas. Strategic elements are derived from the foundational Mission and Vision statements of the District. They are linked to action and results through the Strategic Goals written in each area and the Strategic Work Plan. Within the five-year period covered by this Strategic Plan, these Elements assure that all aspects of District operations are well supported and moving forward in a way that reflects Board priorities and creates balanced implementation. The Strategic Work Plan that contains the supportive actions and initiatives organized and prioritized by year within the planning period, is presented along with each Strategic Goal and is also consolidated in tabular form in Table 1 - Strategic Plan "At-a-Glance" (pgs. 28-30). Business Plans and Employee Goals are not a part of the Strategic Plan; these are developed on a one to two year timeframe with tasks, and are handled within the management structure of the District.

The Strategic Elements are:

- 1.0 Water Sources
- 2.0 Infrastructure
- 3.0 Fiscal Planning
- 4.0 Strategic Partners and Public Affairs
- 5.0 Organizational Health/Personnel
- 6.0 Administrative Management

1.0 Water Sources

Our objective is to manage and protect our current water source (groundwater) and find alternative water sources. We will secure and protect our developed potable water sources sufficiently to supply current and future customers. Our water sources strategy is to work with local land use jurisdictions to determine what their ultimate and interim projected demands will be and explore alternative water sources such as desalination, surface water treatment and recycled water, to find the most efficient, and to secure cost effective water source portfolio.

Summary of 5-Year Strategic Goals

- 1.1 Work with local land use jurisdictions to clearly establish and determine current and future water use.
- 1.2 Establish the difference between available groundwater and ultimate water demands.
- 1.3 Determine the growth rate or timeline of when additional water sources will be needed.
- 1.4 Establish a prioritized list of available alternative water sources.
- 1.5 Develop an alternative water sources work plan that will carry us from conception to development.
- 1.6 Establish goals and objectives that promote protecting our current groundwater sources from seawater intrusion and other forms of contamination.
- 1.7 Review and update our water conservation program.

1.1 Work with local land use jurisdictions to clearly establish and determine current and future water use - To ensure that water is available to our customers when needed, we will work with local land use jurisdictions to clearly establish current and future water use. We need to have realistic demand estimates and secure involvement by agencies that these are the correct numbers. This will also be an opportunity to establish a positive reputation with the Public and other governmental agencies. (2014)

1.2 Establish the difference between available groundwater and ultimate water demands - Once all stakeholders have committed to what future demands will be, we can then move forward in planning new water sources with a clear understanding of needed capacity. We will establish the difference between available sources and ultimate water demands. Using the future demands in 1.1 above, the District will determine how much alternative water will be required for ultimate build-out of the District. (2014)

1.3 Determine the growth rate or timeline of when additional water sources will be needed - To ensure that water is available when needed, we will determine a reasonable growth rate or timeline of when additional water sources will be needed. We will provide a clear schedule of when projected demands will exceed available production. This will provide us a clear 'needs' timeline. These rates and timelines will be reviewed annually. (2015)

1.4 Establish a prioritized list of available alternative water sources - To ensure we stay focused on reasonable and most likely alternative water sources, we will establish a list of available sources to study, along with their respective pluses and minuses. We will prioritize the alternative sources accordingly. (2015)

1.5 Develop an alternative water sources work plan that will carry us from conception to development - To ensure that timelines are maintained and ensure that water will be available, we will utilize the 'needs' timeline and prioritized list of alternative sources to develop a work plan that will carry us from conception to development of said sources. (2016)

1.6 Establish goals and objectives that promote protecting our current groundwater sources from seawater intrusion and other forms of contamination - We recognize the fragile nature of our existing groundwater basin. Working with other Salinas Valley groundwater basin stakeholders (farmers, agencies, cities and citizens), we will establish goals and objectives that promote protecting our current groundwater

source from seawater intrusion and other forms of contamination. (Substantial progress by 2015)

1.7 Review and update our water conservation program - We recognize that drinking water is one of the most precious resources on earth. We will assign this to the Water Conservation committee to review and update our water conservation program to ensure we are appropriately managing our water sources. (2014/2015)

2.0 Infrastructure

Our objective is to provide a high quality water distribution system and an efficiently operating wastewater collection system to serve existing and future customers. Through the master planning process, our infrastructure strategy is to carefully maintain our existing systems and ensure future additions and replacements will meet District standards.

Summary of 5-Year Strategic Goals

- 2.1 Improvements and expansion plans for existing water delivery and wastewater collection systems.
- 2.2 Develop an office/corporation yard Facilities Master Plan.
- 2.3 Develop and implement an Asset Management Plan.
- 2.4 Continue the development of the District's Geographic Information System.
- 2.5 Continue the development of the District's Computer Maintenance Management System (CMMS).

2.1 Improvements and expansion plans for existing water delivery and wastewater collection systems - To ensure the District is providing services in a cost efficient and timely manner, the 2006 Water Master Plan and 2005 Wastewater System Master Plans will be updated to reflect the existing and future needs of the community. Additionally, the Urban Water Management Plan will be reviewed and updated to ensure that the District has a clear understanding of potential future demands within the District and that implemented conservation measures are appropriate. (2015)

2.1.1 Existing Infrastructure Plan –The 2006 Water System Master Plan and 2005 Wastewater System Master Plan identified existing infrastructure deficiencies that need to be addressed in the Capital Improvement Plan (CIP). The existing CIP will be a prioritized list of recommended improvements to both systems. The District's CIP will be reviewed annually to ensure that construction projects are replacing aged facilities prior to catastrophic failure. The yearly CIP review will include a one year, five year and ten year look-ahead to ensure potential infrastructure liabilities

are funded and adequate reserves are maintained for repair and replacement. A communication plan for informing the public and District Board/staff of the various projects in the existing system CIP will be prepared. The projects identified will be placed in future budgets as recommended in the Master Plans.

2.1.2 Future Infrastructure Plan- The 2006 Water Master Plan and 2005 Wastewater Master Plans included the expansion and replacement of the existing system components to include build out and various intermediate scenarios to account for phasing of the District's water distribution and wastewater collection systems as development progresses. The District's CIP will be reviewed annually to ensure that construction projects are expanding infrastructure timely for future demands. The yearly CIP review will include a one year, five year and ten year look-ahead to ensure potential infrastructure liabilities are funded and adequate reserves are maintained for repair and replacement. Future system construction and development triggers will be identified to allow the District time to construct required future capital improvements according to the pace of development and redevelopment. A communication plan for informing the public and District Board/staff of the various projects in the future system CIP will be prepared. The projects identified will be placed in future budgets and constructed as recommended in the Master Planning documents.

2.2 Develop an office/corporation yard Facilities Master Plan – To ensure the District is efficient, meeting our predetermined levels of service, and that District Departments can communicate with each other, we need to study the concept of combining all departments into a central office and corporation yard. We will establish future needs for office headquarters and corporation yard. Produce a master plan layout and location of future headquarters and corporation yard. Define location and layout including building sizes, parking areas, and roadways. Refine layout, location and implement. (2016)

2.3 Develop and implement an Asset Management Plan – To ensure a reliable and accurate CIP program, the District needs to have a clear understanding of our existing infrastructure through the development of an asset management plan. An appropriate asset management plan will help the District establish clear and measurable key performance indicators and levels of service. We will establish procedures and develop programs for planned management of district facilities and equipment including headquarters and facility buildings, wells and booster pump stations, lift stations and associated supporting infrastructure and district equipment. Work will include educating the Board/staff on asset management, developing the overall program and approach, and phased implementation (2016)

2.4 Continue the development of the District's Geographic Information System (GIS)– To assist the District in developing an appropriate CIP program and yearly review we will continue to implement our GIS system. An appropriate GIS system is the core component to the District's asset management program. Additionally, an updated GIS database will improve efficiency in the District's geocentric Work Order/Computer Maintenance Management System. The District will explore further GIS database and integration enhancements to leverage our initial investment in the GIS system. The District will train internally or hire a GIS administrator to support Engineering, Conservation, Operations and Customer Service Departmental needs. (2015)

2.5 Continue the development of the Computer Maintenance Management System (CMMS) – The District will continue to support and expand the use of the CMMS system to support Engineering, Conservation, Operations and Customer Service departmental needs. The District will evaluate ways to expand the use of the CMMS system to support future benchmarking studies and develop Key Performance Indicators (KPIs) to allow the District to improve services and CIP planning. (2015)

3.0 Fiscal Planning

Our objective is to manage public funds to assure financial stability, prudent rate management and demonstrate responsible stewardship. Our fiscal strategy is to forecast, control and optimize income and expenditures in an open and transparent manner. We will efficiently use our financial resources to assure availability to fund current and future demands.

Summary of 5-Year Strategic Goals

- 3.1 Five-year Financial Plan and Rate Study.
- 3.2 Regular financial updates to policymakers and managers.
- 3.3 Best Accounting Practices.
- 3.4 Close and audit financial statements in a timely manner.
- 3.5 Obtain the CAFR annually from the Government Finance Officers Association.
- 3.6 Fiscal reserves management for the maintenance/replacement/expansion of the District's infrastructure.

3.1 Five-year Financial Plan and Rate Study – To support and ensure the vision of the Board to fund all real and likely liabilities and adopt a new rate-study, the District will create a Five-year Financial Plan and Rate Study to forecast future revenues and to optimize resources by keeping spending within the approved budgeted amounts. The District will conduct annual Budget Workshops allowing staff and the Board to develop a budget consistent with the Strategic Plan. (2018 or as needed)

3.2 Regular financial updates to policymakers and managers – Maintaining a positive reputation with the Public requires the District to be fiscally responsible with funds received from ratepayers. In order to operate the District in an open and transparent manner, it is critical that regular financial reports are provided to the Board, public and Managers of the District. Financial Reports will be provided monthly to the Board, public and Managers. The finance staff will utilize tools available within the

financial system augmented with other technological resources to ensure the ability to give more frequent and timely financial data. (Annually)

3.3 Best Accounting Practices – The District will carefully follow best practice accounting practices as set forth by the Government Accounting Standards Board (GASB) to ensure that the proper accounting practices are in place, and evaluate and update fiscal policies, such as the District’s Investment and Reserve policies, based on the Financial Plan to assure financial stability. (2017)

3.4 Close and audit financial statements in a timely manner – An annual audit is conducted to ensure the validity and transparency of the District’s financial records. It is important that the audit be performed in a timely manner in order to protect the integrity of the records. The financial audit is conducted at the close of each fiscal year by a qualified independent accounting firm to confirm that the financial statements accurately reflect the fiscal status of the District. The audited financial statements are the primary component of the District’s CAFR. (Annually)

3.5 Obtain the CAFR annually from the Government Finance Officers Association – The CAFR is the highest form of recognition in the area of governmental accounting and financial reporting. The District’s CAFR is evaluated and judged by an impartial panel of the GFOA to meet the high standards of the program including demonstrating a constructive “spirit of full disclosure” to clearly communicate its financial story to its users. The District has obtained this award for the past five fiscal years and will continue to submit its CAFR to the award program and obtain the award on an annual basis. (Annually)

3.6 Fiscal reserves management for the maintenance/replacement/expansion of the District’s infrastructure – To support the District’s vision to have adequate reserves for repair and maintenance of our infrastructure, the District will reserve and restrict sufficient funds to meet the needs of the District’s Capital Improvement Plan (CIP) for each of its cost centers. Management will review each cost center’s capital

budget annually to ensure sufficient funding to meet the capital expenditure needs of the District. The Board will annually review and approve the CIP. The District will continue to research, evaluate, and submit grant applications for capital improvement projects. (2017)

4.0 Strategic Partners and Public Affairs

Our objective is to build our relationship with the public and local agencies. Our strategy in the areas of strategic partners and public affairs is to communicate in a positive way, including active listening and encouraging open discussions.

Summary of 5-Year Strategic Goals

- 4.1 Communicate with our strategic partners.
- 4.2 Adopt a plan for technology use in public affairs.
- 4.3 Establish clear standards for the construction process.

4.1 Communicate with our strategic partners – Our actions and non-actions impact the public and agencies within and surrounding the District. We will establish clear lines of communication between the District, other agencies and the public to ensure that our message is clearly and quickly communicated so that we can establish and maintain a positive reputation. Meet regularly with other agencies to coordinate efforts. Clearly communicate District goals, limits, and requirements in a timely fashion. (Ongoing)

4.2 Adopt a plan for technology use in public affairs - *To ensure that our message is clearly and quickly communicated so that we can establish and maintain a positive reputation, we will ensure that technology is appropriately used to maximize communication (website, telephones, televising meetings, electronic communications such as email twitter, Facebook. (2016)*

4.3 Establish clear standards for the construction process - To establish and maintain a positive reputation with contractors, developers, planning departments and the public, the District will update the District's Engineering Standards and plan review/construction inspection process to ensure our construction partners understand exactly what is required from them for Marina Coast. (2015)

5.0 Organizational Health & Personnel

Our objective is to recruit and retain a highly qualified, diverse and inspired workforce that delivers the essential services of our mission statement to the public while providing outstanding customer service. Our strategy is to utilize sound policies and personnel practices, offer competitive compensation and benefits, and provide opportunities for training, development, and professional growth while ensuring a safe and secure workplace.

Summary of 5-Year Strategic Goals

- 5.1 Recruit and retain high-performing, engaged personnel.
- 5.2 Establish a workforce succession plan.
- 5.3 Develop a knowledge transfer program.
- 5.4 Conduct periodic compensation studies.
- 5.5 Conduct a Fair Labor Standards Act (FLSA) audit.
- 5.6 Establish and develop an employee professional development plan.

5.1 Recruit and retain high performing, engaged personnel - Recruitment and retention of talented and productive employees is essential to be able to accomplish our mission and vision statements. In order to attract and retain the best talent, the District will support and provide opportunities for employees to enhance their job skills and knowledge in their career field. Staff will conduct periodic classification and compensation studies to ensure competitiveness within the local and regional labor markets. The District will reward and recognize staff for superior job performance and make recommendations that lead to improvements in the workplace. (Ongoing)

5.2 Establish a workforce succession plan - In order to sustain a high quality, diverse and inspired workforce, the District will strive to ensure that it maintains a mission-focused workforce that has the skills and experience to meet the needs of the District today and into the future.

We will develop a workforce succession plan that will take a comprehensive look and analysis to determine which positions are more mission critical and which have less bench strength than others to avoid staffing gaps, assuring appropriate depth in critical functions. Likely retirements will be identified and internal staff with the potential skill, experience, and interest will be assessed and prepared for those retirements where appropriate. Job descriptions for positions where internal candidates are not likely will be evaluated and modified to meet the District's future needs. Compensation will be reviewed and adjusted to attract highly qualified candidates. While succession planning will be ongoing throughout the years ahead, the project will begin with this analysis and plan. (2015)

5.3 Develop a knowledge transfer program - In the next several years there will be a "silver tsunami" as the baby boomers depart the workplace. The District realizes the need to document the skills, knowledge and connections of our current workforce in order to continue to provide optimum service to our customers and the region. Staff will develop processes such as annual interviews, mentoring and cross-training. (2017 and ongoing)

5.4 Conduct periodic compensation studies - To ensure the District remains able to attract and keep a high-performing workforce, the District will conduct periodic compensation studies to determine competitiveness relative to the local and regional labor market. The Board will establish its salary and benefit philosophy prior to the commissioning of these studies. (2016)

5.5 Conduct a Fair Labor Standards Act (FLSA) Audit - In reorganization conducted in 2012, several positions were reviewed for management status and therefore exempt from overtime. In order to ensure the District is in compliance with the FLSA rules and regulations, an audit will be completed. (2014)

5.6 Establish and develop an employee professional development plan – The District recognizes that its investment in training and development of employees is an ongoing process that benefits the District and employees alike. A knowledgeable staff, prepared with the proper training and skills, will create and maintain an effective workforce. The District's management will work to create and promote an environment that values development, diversity, productivity, and growth opportunities by implementing employee-training programs and goal-oriented evaluation programs. (2016)

6.0 Administrative Management

Our objective is to create, maintain and implement policies and procedures to ensure sound management of the District. We will also maintain and use appropriate technology to maintain efficiency and redundancy. Our strategy will be to conduct periodic review, refinement and implementation of policies and procedures and ensure that staff has the direction and tools necessary for successful operations throughout the District.

Summary of Strategic Goals

- 6.1 *Annexation of the Ord community.*
- 6.2 *Routinely review policies and procedures.*
- 6.3 *Encourage Board development.*
- 6.4 *Conduct new Board member orientation program.*
- 6.5 *Digitize District records.*
- 6.6 *Achieve the CSDA District of Distinction award.*
- 6.7 *Incorporate appropriate technology into District's daily functions.*
- 6.8 *Update Strategic Plan Annually.*

6.1 Annexation of the Ord community – To ensure direct representation of the Ord Community in matters related to the District, we will work with LAFCO to expand the District's Sphere of Influence and legal boundary to include the Ord Community. During the annexation process the District will work with LAFCO to ensure proper governance is applied to the resultant District. Additional care will be taken to ensure that existing cost centers remain separate so that the City of Marina and the Ord Community remain independent divisions within the District, supporting their individual infrastructure needs. (2018)

6.2 Routinely review policies and procedures – To ensure the District is providing clear and consistent policy and communication that meets state and legal requirements and the needs of the District, the District will review all policies and procedures at least every two years. (2016)

6.3 Encourage Board development – Provide Board members with opportunities to engage in training to promote better decision and policy making to the District's benefit. (2015)

6.4 Conduct new Board member orientation program – Good policy requires knowledge. To increase new Board member's knowledge of the District, the staff will provide one-on-one orientation with the General Manager and senior staff for new Board members. Information to be discussed includes current policies, procedures and Water Code. A field trip to key facilities of the District will also be scheduled. (2014/2016/2018)

6.5 Digitize District records– An accurate, searchable and retrievable record of the District's documents is required to enable current Board and staff to make informed decisions. The District will update its current document retention policy and scan and complete the process of digitizing its records as necessary. (2016)

6.6 Achieve the CSDA District of Distinction award – Being recognized by an independent organization for appropriate governance improves the District's reputation among other agencies and the public. Additionally, good governance encourages staff to be engaged, reliable and productive. The District will encourage all Board members to participate in Board training and development classes annually to achieve the "District of Distinction Award". (2018)

6.7 Incorporate appropriate technology in the District's daily functions – Appropriate technology can improve the District's ability to communicate both internally and externally. Using appropriate technology can improve the District's reputation with the public and other agencies by being able to provide accurate information quickly. The proper use of technology can help establish a engaged, reliable and productive workforce by providing employees the right tools for the job, thereby improving efficiency while meeting our desired levels-of-service. The District will improve and

maintain technical equipment to ensure appropriate redundancy, back-ups timely retrieval of information from both the field sites (SCADA) and office (documents). Ensure that communication technology is appropriately used to maximize communication (web site, telephones, electronic communications such as email twitter, Facebook. (2016)

6.8 Update strategic plan annually - The Strategic Plan should function as a planning tool for the next five years with annual updates in coordination with the adoption of the coming fiscal year budget and capital improvement plan. The Strategic Plan will require modifications from year-to-year to reflect progress made on each of the Strategic Goals and to incorporate new goals and needs of the District for the coming five-year period. The District staff will update the Plan with the Board each year for consideration and input which sets more detailed expectations and strategic goals for the District's coming fiscal year and more general goals for the four years following, so that it is a rolling five-year plan. (Annually)

Table 1 – The Strategic Plan “At a Glance”

Strategic Objective	Strategic Elements	Completion (Fiscal year)
1.0 Water Sources		
	1.1 Work with local land use jurisdictions to clearly establish and determine current and future water use.	2014
	1.2 Establish the difference between available groundwater and ultimate water demands.	2014
	1.3 Determine the growth rate or timeline of when additional water sources will be needed.	2015
	1.4 Establish a prioritized list of available alternative water sources.	2015
	1.5 Develop an alternative water sources work plan that will carry us from conception to development.	2016
	1.6 Establish goals and objectives that promote protecting our current groundwater source from seawater intrusion and other forms of contamination.	Substantial progress by 2015
	1.7 Review and update our water conservation program.	2014/2015
2.0 Infrastructure		
	2.1 Improvements and expansion plans for existing water delivery and wastewater collection systems.	2015
	2.2 Develop an office/corporation yard facilities master plan.	2016
	2.3 Develop and implement an asset management plan.	2016
	2.4 Continue the development of District's geographic information system	2015
	2.5 Continue the develop of the CMMS System.	2015

Strategic Objective	Strategic Elements	Completion (Fiscal year)
3.0 Fiscal Planning		
	3.1 Five-year financial plan and rate study.	2018 or as needed
	3.2 Regular financial updates to policymakers and managers.	Annually
	3.3 Best accounting practices.	2017
	3.4 Close and audit financial statements in a timely manner.	Annually
	3.5 Obtain the Certificate of Achievement in Financial Reporting annually from the Government Finance Officers Association.	Annually
	3.6 Fiscal reserves management for the maintenance/replacement/expansion of the District's infrastructure.	2017
4.0 Strategic Partners and Public Affairs		
	4.1 Communicate with our strategic partners.	Ongoing
	4.2 Adopt a plan for technology use in public affairs.	2016
	4.3 Establish clear standards for the construction process.	2015

Strategic Objective	Strategic Elements	Completion (Fiscal year)
5.0 Organizational Health and Personnel		
	5.1 Recruit and retain a high performing, engaged workforce.	Ongoing
	5.2 Establish a workforce succession plan.	2015
	5.3 Develop a knowledge transfer program.	2017 - Ongoing
	5.4 Conduct periodic compensation studies.	2016
	5.5 Conduct a Fair Labor Standards Act (FLSA) audit.	2014
	5.6 Establish and develop an employee professional development plan.	2016
6.0 Administrative Management		
	6.1 Annexation of the Ord community.	2018
	6.2 Routinely review policies and procedures.	2016
	6.3 Encourage Board development.	2015
	6.4 Conduct new Board member orientation program.	2014 / 2016 / 2018
	6.5 Digitize district records.	2016
	6.6 Achieve the CSDA District of Distinction award.	2018
	6.7 Incorporate appropriate technology into the District's daily functions.	2016
	6.8 Update strategic plan annually.	Annually

Table 1 – The Strategic Plan “At a Glance”

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	1.2 Establish the difference between available groundwater and ultimate water demands.	2014
	1.3 Determine the growth rate or timeline of when additional water sources will be needed.	2015
	1.4 Establish a prioritized list of available alternative water sources.	2015
	1.5 Develop an alternative water sources work plan that will carry us from conception to development.	2016
	1.6 Establish goals and objectives that promote protecting our current groundwater source from seawater intrusion and other forms of contamination.	Substantial progress by 2015
	1.7 Review and update our water conservation program.	2014/2015
2.0 Infrastructure		
	2.1 Improvements and expansion plans for existing water delivery and wastewater collection systems.	2015
	2.2 Develop an office/corporation yard facilities master plan.	2016
	2.3 Develop and implement an asset management plan.	2016
	2.4 Continue the development of District's geographic information system	2015
	2.5 Continue the develop of the CMMS System.	2015



FORT ORD REUSE AUTHORITY

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WATER/WASTEWATER OVERSIGHT COMMITTEE

Fiscal Year 2014/2015 Work Program

Introduction

On February 13, 1998, Ordinance No. 98-01 was adopted by the Board of Directors of the Fort Ord Reuse Authority (FORA) approving an Agreement between Marina Coast Water District (MCWD) and FORA for the operation of the water and wastewater collection systems on the former Fort Ord military reservation. The Agreement, entitled "Water/Wastewater Facilities Agreement", establishes the roles and responsibilities of the two parties and additionally establishes a Water/Wastewater Oversight Committee (WWOC). The WWOC, advisory to the FORA Board of Directors, has specific responsibilities enumerated in Article 4.2 of the noted Agreement. Article 4.2 of the Agreement reads as follows:

4.2 FORA RESPONSIBILITIES

4.2.1 Committee Appointment. A Water/Wastewater Oversight Committee will be appointed by the FORA Board from appropriate agency staff members who will serve at the pleasure of the Board. The Committee will include representatives from the future land use jurisdictions and the two Universities (Cities of Marina, Seaside, Monterey, Del Rey Oaks, the County of Monterey, CSUMB and UCMBEST), for a total of seven members.

4.2.2 Committee Role. The Committee shall be advisory to the FORA Board and shall have the following functions:

4.2.2.1 Receive recommendations regarding operation of the facilities.

4.2.2.2 Advise the FORA Board and staff on appropriate action regarding such recommendations.

4.2.2.3 Review and recommend on operating and capital improvement budgets.

4.2.2.4 Periodically review and recommend a master plan of public sewer and water facilities.

4.2.2.5 Make recommendations pursuant to Article 7 of this Agreement, including recommendations regarding allocation of costs over benefited properties.

4.2.2.6 Confirm adequacy of services provided.

4.2.2.7 Review the annual financial statement and MCWD audit to affirm that results achieved comport with expectations of FORA.

4.2.2.8 Evaluate annually the performance of MCWD in accordance with this Agreement.

4.2.2.9 Advise on short and long term financial planning and fiscal management.

4.2.2.10 Assure that the facilities are complimenting implementation of the reuse plan.

4.2.3 Evaluation Criteria. The Committee will use the following criteria in evaluating MCWD's performance under this Agreement:

- 4.2.3.1** Timely development annually of operation and capital budgets.
- 4.2.3.2** Timely and accurate quarterly and annual financial reports.
- 4.2.3.3** Timely and accurate quarterly and annual operational reports.
- 4.2.3.4** Customer service orientation and MCWD's responsiveness to customer concerns, as shown in quarterly and annual reports of customer communications and responses.

Fiscal Year 2014/2015 Work Program

The following work program, developed using the enumerated tasks and responsibilities above, is established for fiscal year 2014/2015 as follows:

July 2014 (Articles 4.2.2.1 and 4.2.2.2)

Convene to receive and review quarterly report from MCWD and initiate work program.

October 2014 (Articles 4.2.2.1, 4.2.2.2 and 4.2.2.7)

Convene to receive and review quarterly report from MCWD.

January 2015 (Articles 4.2.2.1, 4.2.2.2 and 4.2.2.3)

Convene to receive and review quarterly report from MCWD, including early draft of budgets/rates and MCWD financial audit/annual financial statements.

February 2015 (Articles 4.2.2.3, 4.2.2.4, 4.2.2.5, 4.2.2.9 and 4.2.2.10)

Convene to review/recommend on presented draft budgets/rates (operations and capital), review updated masterplans and Capital Improvement Projects, including placement of projects to meet development needs under the FORA Base Reuse Plan Implementation and review, as necessary, financial planning and fiscal management by MCWD.

March 2015 (Articles 4.2.2.3, 4.2.2.4, 4.2.2.5, 4.2.2.9 and 4.2.2.10)

Convene to review/recommend on presented final draft budgets/ rates (operations and capital), review updated masterplans and Capital Improvement Projects, including placement of projects to meet development needs under the FORA Base Reuse Plan Implementation and review, as necessary, financial planning and fiscal management by MCWD.

April 2015 (Articles 4.2.2.6 and 4.2.2.8)

Convene to receive and review quarterly report from MCWD and review/recommend/approve adequacy of services provided and overall performance by MCWD.

***WWOC meeting dates typically coincide with Administrative Committee meeting dates.
Additional meetings may be scheduled during the review of budgets/rates.***