



# Fort Ord Reuse Authority

920 2<sup>nd</sup> Avenue, Ste. A, Marina, CA 93933  
Phone: (831) 883-3672 • Fax: (831) 883-3675 • [www.fora.org](http://www.fora.org)

## BOARD OF DIRECTORS MEETING

Friday, December 14, 2012 at 3:00 p.m.

910 2<sup>nd</sup> Avenue, Marina, CA 93933 (Carpenter's Union Hall)

## AGENDA (REVISED)

1. **CALL TO ORDER AND ROLL CALL** (Carpenters Union Hall)
2. **CLOSED SESSION** (FORA Conference Room)  
Public Comment – Closed Session Items
  - a. Conference with Legal Counsel - Existing Litigation, Gov Code 54956.9(a) – Four Cases
    - i. Keep Fort Ord Wild v. Fort Ord Reuse Authority, Case Number: M114961
    - ii. Keep Fort Ord Wild v. Fort Ord Reuse Authority, Case Number: M116438
    - iii. Keep Fort Ord Wild v. Fort Ord Reuse Authority, Case Number: M119217
    - iv. The City of Marina v. Fort Ord Reuse Authority, Case Number: M118566
3. **ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION** (Carpenters Union Hall)  
*Open session will begin at the later of: a) 3:30 p.m. or b) immediately following closed session.*
4. **PLEDGE OF ALLEGIANCE**
5. **ACKNOWLEDGEMENTS, ANNOUNCEMENTS, AND CORRESPONDENCE** INFORMATION
6. **CONSENT AGENDA**
  - a. Approval of the November 16, 2012 Board Meeting Minutes ACTION
7. **OLD BUSINESS**
  - a. Preston Park Fiscal Year ("FY") 2012/13 Capital Expenditure Budget (**2<sup>nd</sup> Vote**) ACTION
  - b. Base Reuse Plan Reassessment – Receive Final Reassessment Report (**2<sup>nd</sup> Vote**) ACTION
8. **NEW BUSINESS**
  - a. Review 2013 FORA Board Meeting Schedule ACTION
  - b. Review Jurisdictions' "Guiding Principles in Implementing Policy Options Following the Base Reuse Plan (BRP) Reassessment" Document INFORMATION
9. **PUBLIC COMMENT PERIOD**

Members of the audience wishing to address the Fort Ord Reuse Authority ("FORA") Board on matters within the jurisdiction of FORA, but not on this agenda, may do so during the Public Comment Period. Public comments are limited to a maximum of three minutes.
10. **EXECUTIVE OFFICER'S REPORT**
  - a. Outstanding Receivables INFORMATION
  - b. Administrative Committee INFORMATION
  - c. Public Correspondence to the Board INFORMATION
  - d. Habitat Conservation Plan Update INFORMATION
  - e. Administrative Consistency Determination For Entitlement: Marina's Veterans Affairs Monterey Health Care Center Project INFORMATION/ACTION
11. **ITEMS FROM MEMBERS**
12. **ADJOURNMENT**

*Persons seeking disability related accommodations should contact FORA 24 hours prior to the meeting.*

This meeting is recorded by Access Monterey Peninsula (AMP) to be televised Sundays at 9:00 a.m./Sundays at 1:00 p.m. on Marina/Peninsula Chanel 25. The video and full Agenda packet are available online at [www.fora.org](http://www.fora.org).



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**RETURN TO  
AGENDA**

## Minutes

Friday, November 16, 2012

Meeting of the Fort Ord Reuse Authority Board of Directors  
910 2<sup>nd</sup> Ave, Marina (Carpenter's Union Hall)

### 1. CALL TO ORDER AND ROLL CALL

Vice-Chair Edelen called the meeting to order at 3:00 p.m. (Chair Potter Absent)

#### **Voting Members Present:** (\*alternates)

|  |   |
|--|---|
| Vice-Chair/Mayor Edelen (City of Del Rey Oaks) | Councilmember Brown (City of Marina)      |
| Councilmember Selfridge (City of Monterey)     | Mayor Pendergrass (City of Sand City)     |
| Councilmember Kampe (City of Pacific Grove)    | Mayor Burnett (City of Carmel-by-the Sea) |
| Mayor ProTem O'Connell (City of Marina)        | Supervisor Parker (County of Monterey)    |
|  | Nick Chiulos (County of Monterey)*        |

#### **Voting Members Absent:**

|  |   |
|--|---|
| Supervisor Potter (County of Monterey)   | Councilmember Oglesby (City of Seaside) |
| Supervisor Calcagno (County of Monterey) | Mayor Bachofner (City of Seaside)       |
| Mayor Donahue (City of Salinas)          |   |

### 2. CLOSED SESSION (FORA Conference Room)

Vice-Chair Edelen asked for public comments regarding closed session items. None were received and the Board adjourned to closed session at 3:04 p.m.

#### **a. Conference with Legal Counsel - Existing Litigation, Gov Code 54956.9(a) – Four Cases**

- i. Keep Fort Ord Wild v. Fort Ord Reuse Authority, Case Number: M116438
- ii. Keep Fort Ord Wild v. Fort Ord Reuse Authority, Case Number: M114961
- iii. Keep Fort Ord Wild v. Fort Ord Reuse Authority, Case Number: M119217
- iv. The City of Marina v. Fort Ord Reuse Authority, Case Number: M118566

#### **b. Conference with Legal Counsel – Anticipated Litigation, Gov Code 54956.9(b) – One Case**

### 3. ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION (Carpenters Union Hall)

The Board reconvened into open session at 3:42 p.m. Authority Counsel Jerry Bowden announced no reportable action taken. Vice-Chair Edelen requested a second roll call.

#### **Voting Members Present** (\*alternates)

|  |  |
|--|--|
| Vice-Chair/Mayor Edelen (City of Del Rey Oaks) | Councilmember Brown (City of Marina)   |
| Mayor Burnett (City of Carmel-by-the-Sea)      | Supervisor Parker (County of Monterey) |
| Mayor ProTem O'Connell (City of Marina)        | Nick Chiulos (County of Monterey)*     |
| Councilmember Selfridge (City of Monterey)     | Mayor Donahue (City of Salinas)        |
| Councilmember Oglesby (City of Seaside)        | Mayor Pendergrass (City of Sand City)  |
| Councilmember Kampe (City of Pacific Grove)    | Mayor Bachofner (City of Seaside)      |

#### **Voting Members Absent:**

Chair/Supervisor Potter (County of Monterey)  
Supervisor Calcagno (County of Monterey)

#### **Ex Officio Members Present:**

|                         |                                     |
|-------------------------|-------------------------------------|
| Debbie Hale (TAMC)      | Mike Gallant (MST)                  |
| Howard Gustafson (MCWD) | COL Clark (US Army)                 |
| Doug Garrison (MPC)     | Bill Collins (Fort Ord BRAC Office) |
| Dan Albert, Jr. (MPUSD) |                                     |

#### 4. PLEDGE OF ALLEGIANCE

Colonel Clark led the Pledge of Allegiance.

#### 5. ACKNOWLEDGEMENTS, ANNOUNCEMENTS, AND CORRESPONDENCE

None

#### 6. CONSENT AGENDA

- a. **Approval of October 12, 2012 Board Meeting Minutes**
- b. **Approval of October 30, 2012 Board Meeting Minutes**
- c. **Authorize Extension of the Capital Improvement Program On-Call Professional Services Agreement**

Councilmember Selfridge and Nick Chiulos recused themselves.

**MOTION:** Mayor Bachofner moved, seconded by Mayor Burnett, and the motion passed to approve the consent agenda. **MOTION PASSED:** Ayes: Councilmember Brown, Supervisor Parker, Mayor Pro-Tem O'Connell, Councilmember Oglesby, Mayor Burnett, Mayor Edelen, Mayor Pendergrass, Mayor Bachofner, Mayor Donahue, Councilmember Kampe. Abstentions: Councilmember Selfridge, Nick Chiulos.

#### 7. OLD BUSINESS

##### a. **Environmental Services Cooperative Agreement (ESCA) Status Report**

Executive Officer Michael Houlemard briefly discussed the purpose of the item and introduced Barry Steinberg, Special FORA Counsel for the ESCA. Mr. Steinberg presented information regarding the history of the ESCA, FORA's role in base reuse, and FORA's responsibilities and goals. He responded to questions from the Board the Board received comments from members of the public. Mr. Steinberg announced that he would be available in the FORA conference room after his presentation to meet with members of the public for as long as was necessary to answer all questions.

##### b. **Preston Park Fiscal Year ("FY") 2012/13 Capital Expenditure Budget - Continued**

Mayor Pro-Tem O'Connell stated he had misspoken at the previous Board meeting when he claimed not to have received answers from FORA staff to previously asked questions. FORA Principal Analyst Robert Norris presented item.

**MOTION:** Mayor Pro-Tem O'Connell moved, seconded by Councilmember Brown, to seek a modification of Option B, as described in the staff report, approving the Capital Improvement Program subject to advance notice and consent by the City of Marina prior to the commencement of improvements and rejecting the rental increase for in-place residents.

**SUBSTITUTE MOTION:** Mayor Bachofner moved, seconded by Mayor Burnett, to approve Option A, as described in the staff report.

The Board received comments from members of the public.

**SUBSTITUTE MOTION PASSED (Second Vote Required):** Noes: Councilmember Selfridge, Councilmember Brown, Supervisor Parker, Mayor Pro-Tem O'Connell. Ayes: Councilmember Oglesby, Mayor Burnett, Mayor Edelen, Nick Chiulos, Mayor Pendergrass, Mayor Bachofner, Mayor Donahue, Councilmember Kampe.

##### c. **Base Reuse Plan Reassessment – Receive Final Reassessment Document**

Michael Groves, EMC Planning, provided a brief overview regarding the Reassessment document and the overall process. Associate Planner Darren McBain discussed the process the Board would use to address the topics included in the Reassessment document in 2013.

**MOTION:** Councilmember Oglesby moved, seconded by Mayor Burnett, to continue the meeting past 5:30 p.m. **MOTION PASSED:** Unanimous

The Board discussed the item and received comments from members of the public.

**MOTION:** Mayor Donahue moved, seconded by Councilmember Kampe, to receive the Final Reassessment Report. **MOTION PASSED (Second Vote Required):** Noes: Councilmember Selfridge, Councilmember Brown, Supervisor Parker, Mayor Pro-Tem O'Connell. Ayes: Councilmember Oglesby, Mayor Burnett, Mayor Edelen, Nick Chiulos, Mayor Pendergrass, Mayor Bachofner, Mayor Donahue, Councilmember Kampe.

**MOTION:** Supervisor Parker moved, seconded by Councilmember Brown, to direct staff to close public comment as of the end of the meeting and present a comprehensive Final Reassessment Report to the Board at next Board meeting. **MOTION PASSED:** Unanimous.

**a. Veterans Cemetery Parcel Land Use Designations**

Senior Planner Jonathan Garcia presented a brief overview of the item and answered questions from the Board. The Board received comments from members of the public.

**MOTION:** Mayor Burnett moved, seconded by Mayor Bachofner, to approve of Option 2, as described in the staff report. **MOTION PASSED:** unanimous

**d. Adjustment to FY 2012/13 Budget – Legal Expenses**

Mr. Bowden presented the item.

**MOTION:** Mayor Burnett moved, seconded by Councilmember Oglesby, to approve additional funding for required legal expenses. **MOTION PASSED:** unanimous

Mayor Burnett requested staff agendize a closed session public employee performance evaluation of Authority Counsel for the next Board meeting. Vice-Chair Edelen stated the item would be agendized for Executive Committee consideration at their next meeting.

**8. NEW BUSINESS**

**a. 2013 FORA Legislative Agenda**

Mr. Houlemard presented the item.

**MOTION:** Mayor Burnett moved, seconded by Councilmember Oglesby, to approve the 2013 Legislative Agenda with following changes: 1) expand Section E to include additional language that addresses basewide impacts, 2) modify Section A to include "continue to work with federal agencies and the 17<sup>th</sup> Congressional District to secure language adjustments that would enable additional federal funding and/or status for the California Central Coast Veterans Cemetery.

**MOTION PASSED:** unanimous

**10. EXECUTIVE OFFICER'S REPORT**

- a. Outstanding Receivables**
- b. Legislative Committee**
- c. Administrative Committee**
- d. CIP Status Report**
- e. Public Correspondence to the Board**

**f. Habitat Conservation Plan Update**

There was no discussion of this item.

**11. ITEMS FROM MEMBERS**

Vice-Chair Edelen announced that the *Ad-hoc* Committee had received forensic audit the previous day and found it to be very thorough. They planned to distribute the audit to Board members on Monday, November 19, 2012. The Executive Committee planned to review the document at their next meeting at prepare recommendations for the Board. Councilmember Kampe provided a brief summary of the audit findings.

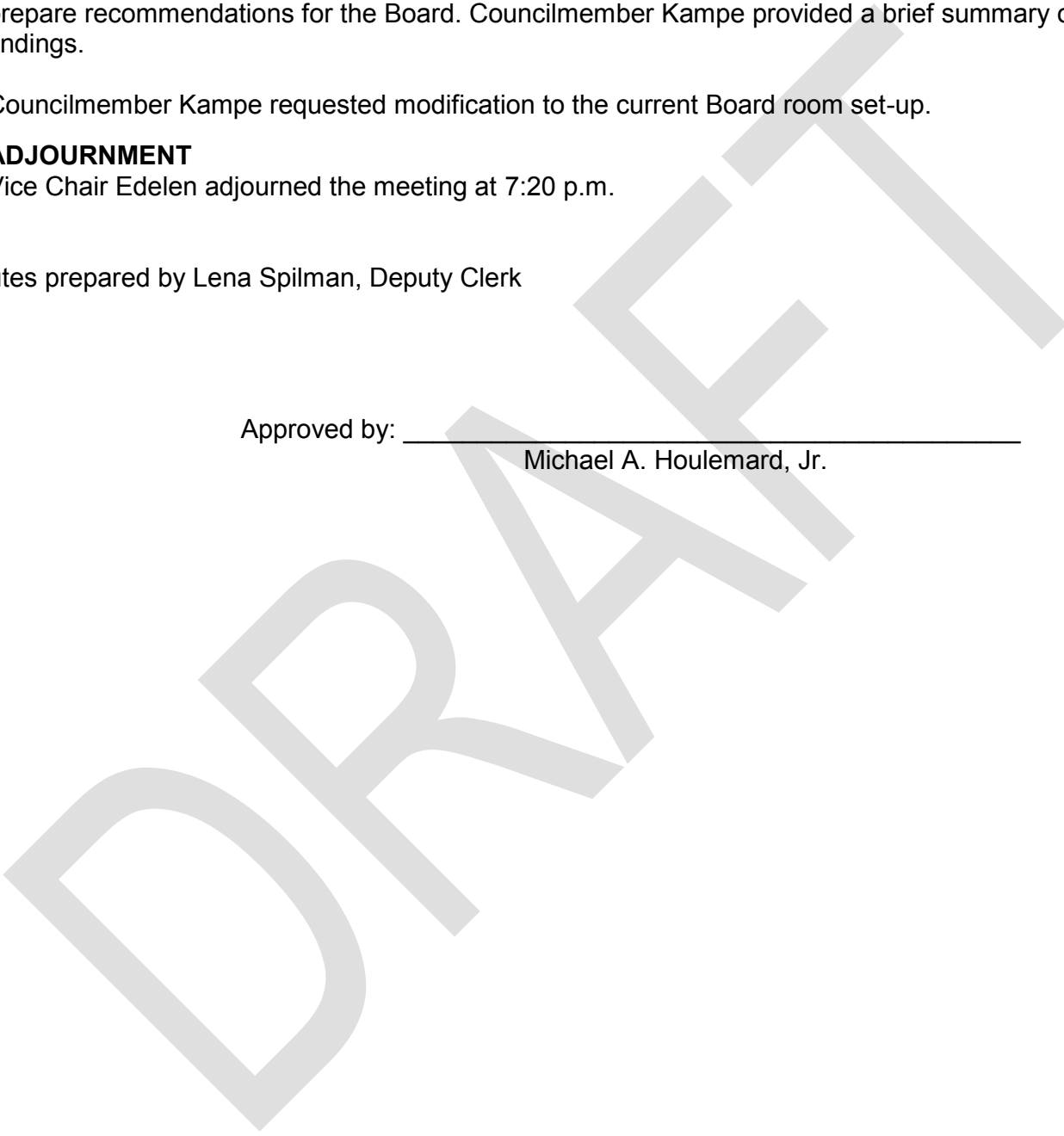
Councilmember Kampe requested modification to the current Board room set-up.

**12. ADJOURNMENT**

Vice Chair Edelen adjourned the meeting at 7:20 p.m.

Minutes prepared by Lena Spilman, Deputy Clerk

Approved by: \_\_\_\_\_  
Michael A. Houlemard, Jr.



**OLD BUSINESS**

|                       |  |               |
|-----------------------|--|---------------|
| <b>Subject:</b>       | Preston Park Fiscal Year ("FY") 2012/13 Capital Expenditure Budget<br>(2 <sup>nd</sup> Vote) |               |
| <b>Meeting Date:</b>  | December 14, 2012  | <b>ACTION</b> |
| <b>Agenda Number:</b> | 7a   |               |

**RECOMMENDATION(S): (2<sup>nd</sup> Vote)**

Approve FY 2012/13 Preston Park Housing Operating and Capital Expenditure Budgets to include funds for Capital Improvements and a 3% rent increase.

**BACKGROUND/DISCUSSION:**

At the November 16, 2012 FORA Board meeting this item received a majority vote (8-4) and is being resubmitted for a 2<sup>nd</sup> vote. The issues posed by this item are whether to approve 1) the Preston Park Budget in the form recommended by staff, and 2) a three percent rent increase. At the July 13, 2012 Fort Ord Reuse Authority ("FORA") Board meeting the Preston Park FY 2012/2013 Operating Budget was approved with the instruction to return the consideration of Capital Improvement Program and the proposed the proposed 3% rent increase for the August 10, 2012 (meeting with responses to tenant claims and reporting issues). At the August 10, 2012 meeting the item was pulled to address a request by a FORA Board member that all Board members be given a complete copy of the Preston Park Marketing Survey and Operating Budget. In prior reports the items were summary pages of the full reports because they are forty and 140 pages in length.

At the October 12, 2012 FORA Board meeting Marina Mayor Pro Tem O'Connell requested that the item be pulled because he did not receive a response to his questions raised on September 14 just before the Board meeting that day. It has been determined that there was a misunderstanding and that staff had responded to Marina's questions. This staff report summarizes those responses once again. Staff has also given further answers to Mayor Pro Tem O'Connell and the relevant documents are posted online at <http://fora.org/foradownloads.htm>.

The staff has reviewed the Preston Park FY 2012/13 Operating Budget and Capital Improvement Program (CIP) Assessment and is prepared to recommend approval of the Capital Expenditure Budget and a rent increase, to restore the Capital Reserve. It is necessary to restore the Reserve Account as it will be nearly expended performing the necessary Health and Safety capital projects recommended in this report:

To address the need for capital projects, the Board has three options:

**Option A**

- **Approve the Operating and Capital Expenditure Program budgets (Attachment A)** reflecting a 3% rent increase and approving capital improvement expenditures replacing roofs, changing out doors and windows, and installing upgraded safety lighting. The rental increase requested assures that revenues keep pace with budgeted expenses and replenishes the Replacement Reserve.

**Option B**

- **Approve the Capital Expenditure Program and not approve a rent increase.**

**Option C**

- **Continue existing FORA Board budget adoption of no rent increase and no Capital Improvement Program expenditures.**

Staff recommends **Option A** for three reasons;

- 1) An increase in accord with the adopted formula keeps revenues/expenses in balance;
- 2) Capital Improvement Program expenditures will deplete reserves leaving no cushion for future capital needs (The top priority items are consistent with the end of the useful life on the original roofs, fixing the problems of energy use and security with the replacement of doors, windows and safety lighting.); and
- 3) Option A complies with FORA's long standing policy is to keep rents consistent with the market. Failing to adopt this recommendation would hold rents significantly behind market rents (*no rent increases have occurred since 7/1/10*). Even with the 3% increase the Preston Park rents will remain below the market 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.

#### **Issue raised by Mayor Pro-Tem O'Connell at 11/7/2012 Executive Committee Meeting**

- **City of Marina** contends that it owns a 50% interest in the Preston Park Capital Reserves and therefore should be allowed to approve expenditures made from the Preston Park Capital Reserves.
- **FORA Counsel** disagrees and indicated that FORA is the owner of Preston Park and revenue from the property rents will be shared after deducting this and other required expenses.

#### **Follow-up Issues from June 8, 2012 Board Meeting**

- **Resident Complaints**-Several Preston Park residents stated that they were threatened, intimidated, and or treated disrespectfully when they expressed concerns about conditions at the Preston Park Apartments. FORA and Alliance staff have contacted the speakers and were informed that the incidents happened after attendance at a Marina City Council meeting and that they were unable to identify the persons involved. The complaining parties do not allege that the responsible party is affiliated with FORA, Marina, or Alliance. FORA staff will continue to investigate this complaint.

#### **Follow-up issues from August 10, 2012 Board Meeting**

- **Mayor Pro Tem O'Connell's Concerns received August 9, 2012** re: FORA AGENDA ITEM 7c (Preston Park Fiscal Year 2012/13 CIP and Rates)

*Alliance Responses- 08/20/2012*

1. **Water Heaters:** They have not been strapped in compliance with the law. I have been informed that completion of the double straps will be done no later than 8/17/12.  
**Alliance Response:** *Water heaters have never been double strapped confirming the statement above, this project was completed August 20, 2012.*
2. **Market Survey:** The Market Survey is not attached to the staff report and to date has never been submitted to the board for review. Attachment C is nothing more than an

itemization as to the Preston Park residences. I have personally asked for the market survey and was promised the same. It has not been provided.

\*During the Marina City Council session on Abrams Park (also manage by Alliance) the survey was provided and it showed that the monthly rent on several of the comparative apartment complexes had decreased from the previous year.

**Alliance Response:** *A full printable version of the market survey, part of which is Attachment B, had been made available to FORA. The summary page was printed and included in all the FORA Board Reports It is also available as part of the financial operating package submitted to FORA monthly. Sent to Mayor Pro Tem O'Connell on October 2, 2012 by Robert Norris.*

a. The claim of 16% below market rate for in-place residents at PP is simply not supported by any documents submitted to date to the board.

**Alliance Response:** *FORA has been provided with the full budget package, which provides detailed information to include the average gain to lease for each new move-in (market rents). When the budget was prepared, market rate unit rents averaged 16% below market rents. Full report sent to Mayor Pro Tem O'Connell on August 16 and 17, 2012.*

3. **Inconsistencies** between Alliance letters and the budget summary continue.

\*FORA staff is requested to provide the board members with a copy of the 7/20/12 from Alliance to FOR A's executive officer with this attachment.

a. On May 20, 2012, June 1, and June 20, 2012 Alliance sent letters to the FORA executive officer. In each letter the total amount salary, payroll taxes and payroll burden/benefits equals \$398,736.00 for projected 2012 and \$421,627.00 for proposed 2013.

**Alliance Response:** *August 30, 2012 Letter to Mr. Houlemard responds to most recent concerns. (Attachment B)*

b. **The budget summary page**, Attachment A, page 1 to this agenda shows: \$410,059.00 for 2012 and \$434,036.00 for 2013. An unexplained difference of:  
2012 more than \$11,000.00  
2013 more than \$12,000.00

Alliance has had months to explain the discrepancy and has failed to do so.

**Alliance Response:** *As explained in previous Board meetings, prior versions of the budget memo provided variance explanations for subcategories within the payroll line item which had notable variances. There appeared to be confusion for some Board members, as only subcategories with notable variances were listed – and if added together – they did not match the total payroll number found on the main budget sheet used in the FORA board package as not all subcategories were listed. In order to ease the concerns, the primary (rolled up) payroll number was used in the memo, and explanations were also rolled up. The previous methodology of reporting used had been at the request of the City of Marina Asset Management team during subsequent years.*



## PRESTON PARK PAYROLL BREAKDOWN BY CLASSIFICATION

| PAYROLL                     | Proposed<br>2013 | Projected<br>2012 | Variance          | Variance%    |
|-----------------------------|------------------|-------------------|-------------------|--------------|
| Administrative Salaries     | \$125,919        | \$114,708         | (\$11,211)        | -9.8%        |
| Maintenance Salaries        | \$194,682        | \$178,128         | (\$16,554)        | -9.3%        |
| Bonus                       | \$11,788         | \$10,654          | (\$1,134)         | -10.6%       |
| Payroll Taxes               | \$33,576         | \$26,228          | (\$7,347)         | -28.0%       |
| Payroll Benefits and Burden | \$67,450         | \$60,658          | (\$6,764)         | -11.1%       |
| Non-Staff Labor             | \$0              | \$18,987          | \$18,987          | 100%         |
| New Hire Expense            | \$621            | \$667             | \$46              | 7.0%         |
| <b>Total Payroll</b>        | <b>\$434,036</b> | <b>\$410,059</b>  | <b>(\$23,977)</b> | <b>-5.8%</b> |

4. **Bullet point 5** on page 2 of this staff report states an "amenity charge" as the reason for the difference. What is the amenity charge?

**Alliance Response:** *The amenity charge is \$25 for units which have a premium end unit location. Amenity premiums can also be assigned for above average unit finishes.*

5. Also in that bullet point it states "The actual rent for in-place residents is **\$1,146.00-\$1,555.00**."

- a. This is not a true statement. Attachment B of this agenda item shows a low of \$1,455.00 not \$1,146.00

**Alliance Response:** *Attachment B is a Market Survey indicating market rents for New Residents only. The market survey is not a tool or a report to measure in place rents, which is the \$1,146 referenced above.*

- b. Also the letter of 6/20/12 shows a range of **\$1,455.00-1,890.00** for in-place 3 bedroom units, but Attachment B shows a range of **\$1,830.00-\$1,855.00**.

**Alliance Response:** *There are three apartment homes in Preston Park which have amenities superior to a typical home. As they are not vacant, they are not included in the Market Survey. One of those upgraded apartments is a three bedroom home rented at \$1890 per month. It is included in the memo as the highest rent. To alleviate confusion, we have amended the memo to allow for this top end rent for the three bedroom units.*

6. **Alliance's verbal response** to these concerns should not be accepted. A written explanation given in advance of the next board meeting is necessary so that the board can make a competent, informed and proper decision.

**Alliance Response:** Please see the comments above.

7. Alliance is playing fast and loose with numbers and has to be held accountable.

**Alliance Response:** *Information provided to the board is given in good faith. FORA staff provided the summary copies as attachments because of the size of the documents (40 and 140 forty pages). Alliance endeavors to provide timely and reliable information, and has been and will continue to be available to answer questions, provide clarification and make requested changes.*

8. An updated letter to the Executive Officer has to be provided with accurate information.

**Alliance Response:** *Note August 30 Letter.*

9. The actual survey of March 2012 has to be provided to the Executive Officer.

**Alliance Response:** *As stated above, a market survey has been provided to FORA and is available for review.*

10. Each of those documents must be provided to the FORA Board prior to a decision being made by the board.

**Alliance Response:** *All documents as requested have been provided to Mayor Pro-Tem O'Connell and posted on the FORA Website.*

➤ **Mayor Pro Tem O'Connell's Concerns received September 14, 2012 re: FORA AGENDA ITEM 7c (Preston Park Fiscal Year 2012/13 CIP and Rates)**

1. **Attach. A**, first page to Item 7c, under REVENUE states that the "increased rent for in place tenants" cannot exceed the market rate rents charged to move-in tenants.

a. Page 3 of the letter shows a high for move-in rate for 3 bedroom of \$1,890.00. Page 2 shows a rent increase to in place that will be a high of \$1,947.00.

b. Page 3 shows a high for 2 bedroom of \$1,555.00 for in-coming tenants and page 2 shows a high of \$1,602.00 for in place.

IT SEEMS THAT THE RATE INCREASES FOR IN-PLACE IS TOO HIGH BECAUSE IT EXCEEDS THE LIMITATION STATED ABOVE.

**Alliance Response:** *The current move-in rates have increased since the budget was first introduced for approval in August. New move-in rates are at or above the rates reflected for the in-place residents. This is reflected in the most current budget letter of September 28, 2012.*

2. Do any of the comp. apt. complexes in the survey have affordable housing? If so, which ones?

**Alliance Response:** *Yes, Sunbay Suites offers affordable housing. The properties management has stated that they offer between 30 and 35 affordable units.*

3. What is the % of PP that is affordable housing?

**Alliance Response:** *51 units are set aside for affordable housing (BMR units) which represents 14% of the community.*

4. What is the % of PP that is Section 8?

**Alliance Response:** *40 units currently hold Section 8 Vouchers which represents 11% of the community.*

5. Section 8 is market rate units that are subsidized correct?

**Alliance Response:** *Correct, this is a voucher based program.*

6. In calculating the Aver. PSF rate did you include the affordable housing units?

**Alliance Response:** *Affordable units are not included on the market survey. The market survey measures market rate units only.*

a. If YES, what is the average per square foot rate without the affordable housing being included?

b. If NO, why does the summary page reference all 352 units?

**Alliance Response:** *The market survey is used to measure market rents only, however, we do not have the ability to manually adjust the total unit count to allow for bmr units that may exist; therefore the total counts for the various unit types are used so that the properties total unit count is accurate.*

c. How many of the units are occupied by Alliance staff at reduced or no rent per month?

**Alliance Response:** *Two fully compensated employee units exist at Preston Park.*

1. Were those included in determining any of the amounts stated in the market survey or the letter of 8/30/12 (Attachment A to item 7c)

**Alliance Response:** *They are included in the total unit count, and the value is at the full market rate.*

7. Page 1 of the letter dated 8/30/12 states current market rate in Marina for a two bedroom is \$1,100.00 to \$1,423.00 per month.

a. Are utilities included in these rents? Your letter says no, but I want to confirm this.

**Alliance Response:** *As a point of clarification, the letter says it does not "consider utilities" versus include utilities. Note the area rentals have variant utility coverage. Some multi-family housing communities include trash and water, while none include electricity and gas. The shadow market rentals rarely include any utility services.*

b. Are these 2 bedroom one bath units?

**Alliance Response:** *This statement covers all units with 2 bedrooms and is not specific to the number of bathrooms in the home.*

c. The market survey of 8/2/12 shows Preston Park as follows:

1. 2X1 \$1,455.00

2. 2X1.5 \$1,505-\$1,530

3. And Preston Park rents do NOT include the additional utility/water rates/fees, correct?

**Alliance Response:** *The rents in Preston Park do not include any utility costs.*

**FISCAL IMPACT:**

Reviewed by FORA Controller M.F. for I.B.

All three options provide FORA adequate revenue to cover the Preston Park loan debt service.

**COORDINATION:**

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

Prepared by Robert J. Norris, Jr.

Reviewed by D. Steven Endsley  
D. Steven Endsley

Michael A. Houlemard, Jr.  
Michael A. Houlemard, Jr.

## Capital Improvement Plan (CIP)

**DRAFT**

**PRESTON PARK - REVISED PHYSICAL NEEDS ASSESSMENT (9 Year Look Forward - Alliance Residential Recommendation)**

Updated: 5/10/2012

|  |                                   |    |           |       |           |         |         |       |         |       |         |
|--|-----------------------------------|----|-----------|-------|-----------|---------|---------|-------|---------|-------|---------|
| <b>1410</b>                                  |                                   |    |           |       |           |         |         |       |         |       |         |
| Resident Business Center                     | FF&E                              | \$ | 12,000    |       |           |         |         |       |         |       |         |
| Fence Slat Replacement                       | Replacement                       | \$ | 71,064    |       |           |         |         |       |         |       |         |
| Site Lighting Repair / Replacement / Install | *Exterior site upgrades           | \$ | 285,849   |       |           |         |         |       |         |       |         |
| Roof   | *Replacement                      | \$ | 1,311,893 |       |           |         |         |       |         |       |         |
| Exterior Paint                               | *Full Paint                       | \$ | 398,008   |       |           |         |         |       |         |       |         |
| Building Exterior                            | *Dryrot Repairs                   | \$ |           | 2,000 | \$        | 2,000   | \$      | 2,000 | \$      | 2,000 | \$      |
| Carbon Monoxide Detectors                    |                                   | \$ | 33,060    |       |           |         |         |       |         |       |         |
| Exterior Unit Doors and Windows              | *Replacement                      | \$ | 1,557,000 |       |           |         |         |       |         | 2,500 | \$      |
| Playgrounds                                  | *Replacement                      |    |           |       | \$        | 125,000 |         |       |         | 2,500 | \$      |
| Landscape/Irrigation                         | *Replacement / Upgrades           | \$ | 204,894   |       |           |         |         |       |         |       |         |
| Leasing Office / Signage                     | *Upgrades                         | \$ | 107,600   |       |           |         |         |       |         |       |         |
| <b>1415</b>                                  |                                   |    |           |       |           |         |         |       |         |       |         |
| New Office Computers                         | Replace existing old computers    | \$ | 2,600     |       |           |         |         |       |         | \$    | 2,600   |
| <b>1416</b>                                  |                                   |    |           |       |           |         |         |       |         |       |         |
| One Maintenance Truck                        | Needed for hauling etc...         | \$ | 14,000    |       |           |         |         |       |         | \$    | 15,000  |
| <b>1420</b>                                  |                                   |    |           |       |           |         |         |       |         |       |         |
| Seal Coat Streets                            |                                   | \$ | 155,787   |       |           |         |         |       |         | \$    | 155,787 |
| <b>1425</b>                                  |                                   |    |           |       |           |         |         |       |         |       |         |
| Dishwasher                                   | replacement (assume 10 year life) | \$ | 10,200    | \$    | 10,200    | \$      | 10,200  | \$    | 10,200  | \$    | 10,200  |
| Refrigerators                                | replacement (assume 15 year life) | \$ | 14,400    | \$    | 12,650    | \$      | 12,650  | \$    | 12,650  | \$    | 12,650  |
| Range  | replacement (assume 15 year life) | \$ | 18,524    | \$    | 11,500    | \$      | 11,500  | \$    | 11,500  | \$    | 11,500  |
| Garbage Disposal                             | replacement (assume 10 year life) | \$ | 2,345     | \$    | 2,345     | \$      | 2,345   | \$    | 2,345   | \$    | 2,345   |
| Hot Water Heaters                            | replacement (assume 15 year life) | \$ | 17,250    | \$    | 17,250    | \$      | 17,250  | \$    | 17,250  | \$    | 17,250  |
| Carpet                                       | replacement (assume 5 year life)  | \$ | 38,400    | \$    | 113,600   | \$      | 113,600 | \$    | 113,600 | \$    | 113,600 |
| Vinyl  | replacement (assume 10 year life) | \$ | 66,360    | \$    | 19,250    | \$      | 19,250  | \$    | 19,250  | \$    | 19,250  |
| HVAC Furnace                                 | replacement (assume 20 year life) | \$ | 26,400    | \$    | 15,300    | \$      | 15,300  | \$    | 15,300  | \$    | 15,300  |
| <b>1430</b>                                  |                                   |    |           |       |           |         |         |       |         |       |         |
| Applicable Construction Management Expenses  | Miscellaneous (see * items)       | \$ | 211,965   | \$    | 18,748    | \$      | 7,500   | \$    | -       | \$    | 2,500   |
| <i>Annual Reserve Expenses (uninflated)</i>  |                                   | \$ | 4,223,995 | \$    | 535,307   | \$      | 336,595 | \$    | 204,095 | \$    | 219,095 |
| <i>Inflation Factor</i>                      |                                   |    | 0.00%     |       | 2.50%     |         | 2.50%   |       | 2.50%   |       | 2.50%   |
| <i>Annual Reserve Expenses (inflated)</i>    |                                   | \$ | 4,223,995 | \$    | 548,690   | \$      | 345,010 | \$    | 209,197 | \$    | 224,572 |
| <i>Reserve Withholdings per Year</i>         |                                   | \$ | 734,976   | \$    | 734,976   | \$      | 283,200 | \$    | 283,200 | \$    | 283,200 |
| <i>Reserve Fund BEFORE Expense</i>           |                                   | \$ | 4,667,035 | \$    | 1,188,016 | \$      | 932,525 | \$    | 870,717 | \$    | 944,719 |
| <i>Reserve Fund AFTER Expense</i>            |                                   | \$ | 463,040   | \$    | 648,325   | \$      | 587,517 | \$    | 661,519 | \$    | 720,147 |

Attachment A to Item 7a  
FORA Board Meeting: 12/14/2012

WITHOUT INCREASE



**PRESTON PARK  
2013 STANDARD BUDGET  
CONSOLIDATION & SIGN-OFF**

| Description                             | 2013<br>Total      | 2012<br>Projected  | Variance          | Variance %     |
|---|--------------------|--------------------|-------------------|----------------|
| Physical Occupancy                      | 98.01 %            | 98.01 %            |                   |                |
| Economic Occupancy                      | 99.77 %            | 96.70 %            |                   |                |
| Gross Market Potential                  | \$5,312,868        | \$5,386,452        | (\$73,584)        | -1.4%          |
| Market Gain/Loss to Lease               | \$156,002          | (\$87,610)         | \$243,611         | 278.1%         |
| Affordable Housing                      | \$0                | \$0                | \$0               | 0.0%           |
| Non-Revenue Apartments                  | (\$61,524)         | (\$37,260)         | (\$24,264)        | -65.1%         |
| Rental Concessions                      | \$0                | \$0                | \$0               | 0.0%           |
| Delinquent Rent                         | \$0                | \$0                | \$0               | 0.0%           |
| Vacancy Loss                            | (\$105,654)        | (\$52,698)         | (\$52,957)        | -100.5%        |
| Prepaid/Previous Paid Rent              | \$0                | \$0                | \$0               | 0.0%           |
| Other Months' Rent/Delinquency Recovery | \$0                | \$493              | (\$493)           | -100.0%        |
| Bad Debt Expense                        | (\$916)            | (\$583)            | (\$332)           | -57.0%         |
| Other Resident Income                   | \$36,244           | \$36,094           | \$150             | 0.4%           |
| Miscellaneous Income                    | \$7,632            | \$6,909            | \$723             | 10.5%          |
| Corp Apartment Income                   | \$0                | \$0                | \$0               | 0.0%           |
| Retail Income                           | \$0                | \$0                | \$0               | 0.0%           |
| <b>TOTAL INCOME</b>                     | <b>\$5,344,653</b> | <b>\$5,251,798</b> | <b>\$92,854</b>   | <b>1.8%</b>    |
| PAYROLL                                 | \$434,036          | \$410,059          | (\$23,977)        | -5.8%          |
| LANDSCAPING                             | \$70,700           | \$70,885           | \$185             | 0.2%           |
| UTILITIES                               | \$96,660           | \$93,075           | (\$3,585)         | -3.9%          |
| REDECORATING                            | \$81,744           | \$82,160           | \$416             | 0.5%           |
| MAINTENANCE                             | \$82,332           | \$81,542           | (\$790)           | -1.0%          |
| MARKETING                               | \$13,047           | \$7,883            | (\$5,164)         | -65.5%         |
| ADMINISTRATIVE                          | \$57,608           | \$57,189           | (\$417)           | -0.7%          |
| RETAIL EXPENSE                          | \$0                | \$0                | \$0               | 0.0%           |
| PROFESSIONAL SERVICES                   | \$141,616          | \$130,924          | (\$10,692)        | -8.2%          |
| INSURANCE                               | \$185,028          | \$174,426          | (\$10,594)        | -6.1%          |
| AD-VALOREM TAXES                        | \$103,104          | \$101,727          | (\$1,377)         | -1.4%          |
| NON ROUTINE MAINTENANCE                 | \$14,000           | \$17,623           | \$3,623           | 20.6%          |
| <b>TOTAL OPERATING EXP</b>              | <b>\$1,279,865</b> | <b>\$1,227,473</b> | <b>(\$52,392)</b> | <b>-4.3%</b>   |
| <b>NET OPERATING INCOME</b>             | <b>\$4,064,788</b> | <b>\$4,024,326</b> | <b>\$40,462</b>   | <b>1.0%</b>    |
| DEBT SERVICE                            | \$0                | \$0                | \$0               | 0.0%           |
| DEPRECIATION                            | \$173,088          | \$215,698          | \$42,610          | 19.8%          |
| AMORTIZATION                            | \$0                | \$0                | \$0               | 0.0%           |
| PARTNERSHIP                             | \$8,000            | \$6,150            | (\$1,850)         | -30.1%         |
| EXTRAORDINARY COST                      | \$0                | \$0                | \$0               | 0.0%           |
| <b>NET INCOME</b>                       | <b>\$3,883,700</b> | <b>\$3,802,478</b> | <b>\$81,222</b>   | <b>2.1%</b>    |
| CAPITAL EXPENDITURES                    | \$4,223,995        | \$191,785          | (\$4,032,210)     | -2102.5%       |
| 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                     | \$734,976          | \$734,976          | \$0               | 0.0%           |
| REPLACEMENT RESERVE REIMBURSEM          | (\$4,223,995)      | (\$203,682)        | \$4,020,313       | 1973.8%        |
| WIP                                     | \$0                | \$0                | \$0               | 0.0%           |
| OWNER DISTRIBUTIONS                     | \$3,321,812        | \$3,295,097        | (\$26,715)        | -0.8%          |
| DEPRECIATION AND AMORTIZATION           | (\$173,088)        | (\$215,698)        | (\$42,610)        | -19.8%         |
| <b>NET CASH FLOW</b>                    | <b>(\$0)</b>       | <b>\$0</b>         | <b>(\$0)</b>      | <b>-192.5%</b> |

w/o

**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.

WITH 3% RENT INCREASE



**PRESTON PARK  
2013 STANDARD BUDGET  
CONSOLIDATION & SIGN-OFF**

| Description                             | 2013<br>Total      | 2012<br>Projected  | Variance          | Variance %     |
|---|--------------------|--------------------|-------------------|----------------|
| Physical Occupancy                      | 98.01 %            | 99.01 %            |                   |                |
| Economic Occupancy                      | 99.03 %            | 96.70 %            |                   |                |
| Gross Market Potential                  | \$5,376,900        | \$5,386,452        | (\$9,552)         | -0.2%          |
| Market Gain/Loss to Lease               | \$118,104          | (\$87,610)         | \$205,714         | 234.8%         |
| Affordable Housing                      | \$0                | \$0                | \$0               | 0.0%           |
| Non-Revenue Apartments                  | (\$62,448)         | (\$37,260)         | (\$25,188)        | -67.6%         |
| Rental Concessions                      | \$0                | \$0                | \$0               | 0.0%           |
| Delinquent Rent                         | \$0                | \$0                | \$0               | 0.0%           |
| Vacancy Loss                            | (\$106,927)        | (\$52,696)         | (\$54,230)        | -102.9%        |
| Prepaid/Previous Paid Rent              | \$0                | \$0                | \$0               | 0.0%           |
| Other Months' Rent/Delinquency Recovery | \$0                | \$493              | (\$493)           | -100.0%        |
| Bad Debt Expense                        | (\$920)            | (\$583)            | (\$336)           | -57.7%         |
| Other Resident Income                   | \$36,244           | \$36,094           | \$150             | 0.4%           |
| Miscellaneous Income                    | \$7,632            | \$6,909            | \$723             | 10.5%          |
| Corp Apartment Income                   | \$0                | \$0                | \$0               | 0.0%           |
| Retail Income                           | \$0                | \$0                | \$0               | 0.0%           |
| <b>TOTAL INCOME</b>                     | <b>\$5,368,586</b> | <b>\$5,251,798</b> | <b>\$116,787</b>  | <b>2.2%</b>    |
| PAYROLL                                 | \$434,036          | \$410,059          | (\$23,977)        | -5.8%          |
| LANDSCAPING                             | \$70,700           | \$70,865           | \$165             | 0.2%           |
| UTILITIES                               | \$96,680           | \$93,075           | (\$3,585)         | -3.9%          |
| REDECORATING                            | \$81,744           | \$82,160           | \$416             | 0.5%           |
| MAINTENANCE                             | \$82,332           | \$81,542           | (\$790)           | -1.0%          |
| MARKETING                               | \$13,047           | \$7,883            | (\$5,164)         | -65.5%         |
| ADMINISTRATIVE                          | \$57,606           | \$57,189           | (\$417)           | -0.7%          |
| RETAIL EXPENSE                          | \$0                | \$0                | \$0               | 0.0%           |
| PROFESSIONAL SERVICES                   | \$142,215          | \$130,924          | (\$11,290)        | -8.6%          |
| INSURANCE                               | \$185,020          | \$174,426          | (\$10,594)        | -6.1%          |
| AD-VALOREM TAXES                        | \$103,104          | \$101,727          | (\$1,377)         | -1.4%          |
| NON ROUTINE MAINTENANCE                 | \$14,000           | \$17,623           | \$3,623           | 20.6%          |
| <b>TOTAL OPERATING EXP</b>              | <b>\$1,280,463</b> | <b>\$1,227,473</b> | <b>(\$52,990)</b> | <b>-4.3%</b>   |
| <b>NET OPERATING INCOME</b>             | <b>\$4,088,123</b> | <b>\$4,024,326</b> | <b>\$63,797</b>   | <b>1.6%</b>    |
| DEBT SERVICE                            | \$0                | \$0                | \$0               | 0.0%           |
| DEPRECIATION                            | \$173,088          | \$215,698          | \$42,610          | 19.8%          |
| AMORTIZATION                            | \$0                | \$0                | \$0               | 0.0%           |
| PARTNERSHIP                             | \$8,000            | \$8,150            | (\$1,850)         | -30.1%         |
| EXTRAORDINARY COST                      | \$0                | \$0                | \$0               | 0.0%           |
| <b>NET INCOME</b>                       | <b>\$3,907,035</b> | <b>\$3,802,478</b> | <b>\$104,557</b>  | <b>2.7%</b>    |
| CAPITAL EXPENDITURES                    | \$4,223,995        | \$191,785          | (\$4,032,210)     | -2102.5%       |
| 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                     | \$734,976          | \$734,976          | \$0               | 0.0%           |
| REPLACEMENT RESERVE REIMBURSEM          | (\$4,223,995)      | (\$203,682)        | \$4,020,313       | 1973.8%        |
| WIP                                     | \$0                | \$0                | \$0               | 0.0%           |
| OWNER DISTRIBUTIONS                     | \$3,345,147        | \$3,295,097        | (\$50,050)        | -1.5%          |
| DEPRECIATION AND AMORTIZATION           | (\$173,088)        | (\$215,698)        | (\$42,610)        | -19.8%         |
| <b>NET CASH FLOW</b>                    | <b>(\$0)</b>       | <b>\$0</b>         | <b>(\$0)</b>      | <b>-260.7%</b> |

**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.

W 3%

November 5, 2012

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

Re: Preston Park 2012-2013 Proposed Budget

Dear Mr. Houlemard:

Pursuant to the terms outlined in the Management Agreement between the Fort Ord Reuse Authority and Alliance Communities, Inc., and in accordance to the management agreement, please find enclosed the proposed Fiscal Year (FY) 2012 - 2013 budget for Preston Park. We will solicit input from Fort Ord Reuse Authority staff and residents. Residents will be notified in writing one week before the draft budget will be available at the management office and that we will be conducting a meeting to review and discuss the budget.

#### 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 proposed budget reflects projected revenues according to the formulas. The market rent for new move-ins is calculated by comparable market rent levels in the competitive market throughout the year.

The formula states 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 calendar year to be applied to the next fiscal year, provided that the increased rent for in-place tenants does not exceed the market rent charged to move-in tenants. Last year a proposed increase of 1.8% was approved by Board for the 2011/2012 FY, then rescinded. The current budget reflects the maximum rent increase of three percent (3%), which represents the only increase given to in-place residents over the past 24 months.

#### Current Market Rent Conditions

The average two bedroom apartment in Marina rents for between \$1,100 and \$1,423 per month, which does not consider utilities. Please refer to the explanation below for further detail. Additionally, the comparables as outlined in the market survey of March 2012 (*FORA website*) are significantly smaller in square footage than units at Preston Park.

As a point of measurement, the competitive set as represented in the market study provided as part of the budget package, reflect an average effective rent per square foot range of \$1.29 - \$1.61 psf. Preston Park's market rent average is \$1.21. If a \$100 per month allowance is added for water, trash and sewer expenses, this increases the rent per square foot average at Preston Park to \$1.28, which is still no less than \$.01psf less than the lowest rent in the market place and up to \$.33 psf less than the competitive properties with the highest effective rent per square foot in the market place.

In addition to the two-bedroom floor plans, Preston Park offers unique three bedroom town home floor plans, each with front and back yards, ample storage and garages, unlike comparative apartments in the surrounding area.

Preston Park residents are responsible for paying their own utilities; such as gas, water, electricity, sewer and trash. The market rate rent is adjusted to compensate for the cost of water use, utility costs and garbage not paid by residents at other communities in the area. Therefore, the budget assumes adjustments in rental rates in order to compensate such costs.

Utility costs for 2011 - 2012 as published by the Housing Authority of the County of Monterey (HACM) are as follows:

|                | <u>Two Bedroom</u> | <u>Three Bedroom</u> |
|----------------|--------------------|----------------------|
| Water          | \$19               | \$20                 |
| Sewer          | \$13               | \$13                 |
| Garbage        | \$17               | \$19                 |
| Heating        | \$9                | \$10                 |
| Wtr Htg Gas    | \$15               | \$16                 |
| Cooking-Gas    | \$8                | \$9                  |
| Electric-other | \$17               | \$18                 |
| <b>Total</b>   | <b>\$98</b>        | <b>\$105</b>         |

These rates are used to measure Preston Park's competitiveness in the market place once utility expenses, typically provided by other competitive properties, are taken into account against the rental rate. Please refer to the measurement above.

Market Rents – In Place Residents

At this time, the proposed 2012/2013 budget assumes a 3% increase for in place residents, which is in line with the approved rent formula, which is 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 calendar year will be applied. This year, the year over year CPI increase described above was 3%. The rents proposed in the budget under the assumption of three percent increase are as follows (Application of rent formula below):

| <b>In-Place Market Rate Rents</b> |                                   |                              |                      |
|-----------------------------------|-----------------------------------|------------------------------|----------------------|
| <b>Unit Size</b>                  | <b>Current Rent Range FY11/12</b> | <b>Proposed FY12/13 Rent</b> | <b>Change 8/1/12</b> |
| Two Bedroom                       | \$1,146 - \$1,530                 | \$1,180 - \$1,602            | \$34 - \$47          |
| Three Bedroom                     | \$1,455 - \$1,890                 | \$1,499 - \$1,947            | \$44 - \$57          |

As shown on the attached Market Survey of March 2012, the proposed in-place market rents are within range of comparable units in the Marina/Seaside rental market.

The rent increases above reflects a 3% increase which translates to between \$34 and \$57 respectively. Where an in place resident falls in that rent increase range will depend on their tenure at the property and move-in date. Please note, as no rent increase was given during the 2011/2012 fiscal year, the 3% increase proposed represents the first increase in rent in the last 24 months.



Should FORA elect to forego the proposed 2012/2013 rent increase which is represented in the budget provided; the potential net income will be reduced by \$23,335 for the 2012/2013 fiscal year. This amount is representative of 6 months of impacted revenue, as increases were scheduled for January 1, 2013.

**Market Rents – Incoming Residents**

The market rents for new move-ins are fluid throughout the year and change with the market conditions. Today, market rents for new move-ins are as follows:

| <b>Unit Size</b> | <b>Current Rent Range for Incoming Market Rate Residents</b> |
|------------------|--|
| Two Bedroom      | \$1,530 - \$1,605  |
| Three Bedroom    | \$1,880 - \$2,000  |

\*Incoming rates are subject to change on an ongoing basis. The budget assumes 3% increase in market rents for incoming residents, which is not reflected in the table above as these rates represent the current asking rents.

**Affordable Rental Rates**

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. The rental rates are based upon families at 50% and 60% of the Monterey County median income for 2012 and allowances for the cost of utilities (as published by MCHA) are as noted on page 3 of this letter.

New rates for 2012 were published in January 2012 by HUD.

| <u>2011/2012 Rent</u> | <u>Two Bedroom</u> | <u>Three Bedroom</u> |
|-----------------------|--------------------|----------------------|
| 50% (very low)        | \$656              | \$731                |
| 60% (low)             | \$807              | \$900                |

Maximum Household Income Limits for 2012.

| <u>Income Category</u> | <u>Two Person</u> | <u>Three Person</u> | <u>Four Person</u> | <u>Five Person</u> | <u>Six Person</u> | <u>Seven Person</u> | <u>Eight Person</u> |
|------------------------|-------------------|---------------------|--------------------|--------------------|-------------------|---------------------|---------------------|
| 50%                    | \$27,700          | \$31,150            | \$34,600           | \$37,400           | \$40,150          | \$42,950            | \$45,700            |
| 60%                    | \$33,240          | \$37,380            | \$41,520           | \$44,880           | \$48,180          | \$51,540            | \$54,840            |

**Rental Increase Implementation & Lease Signing**

Upon Fort Ord Reuse Authority approval of the budget, rental increase notices will be delivered on or before November 30, 2012; the new rental rates will become effective on January 1, 2013. Rents for in-place residents at market or affordable are increased once per fiscal year. New residents will be required to sign lease terms of up to twelve months, but can be converted to a month-to-month lease upon expiration, per the December 28, 2011 Council directive. Current residents are also welcome to sign lease terms beyond their current month-to month agreement.

Occupancy

The budget assumes an average occupancy rate of 97.7% for the fiscal year. The proposed occupancy rate factor allows enough time to prepare units immediately after a resident vacates the community, as well as sufficient time to place qualified applicants. Based on the local and surrounding counties, the occupancy rate is well within the acceptable range. When a unit is vacated, Alliance strives to fill the vacant unit within 5 to 10 business days, working from the waiting list if applicable. The average economic vacancy loss during the 2011/2012 fiscal year was only 1.9%, approximately 1% more than the properties physical vacancy. This indicates that the average unit vacated was turned and reoccupied within one week from the previous resident's date of move-out.

The following highlights those categories of expenses with significant changes from the FY 2011-12 budget.

| <u>Expenses</u><br>Account | Proposed<br>2013 | Projected<br>2012 | Variance   | %      | Comments  |
|----------------------------|------------------|-------------------|------------|--------|---|
| PAYROLL                    | \$434,036        | \$410,059         | (\$23,977) | -5.8%  | Increase due to annual salary increases as well as the State of California's approval of a Workers' comp increase of 38%.   |
| UTILITIES                  | \$96,660         | \$93,075          | (\$3,585)  | -3.9%  | Increase assumes a 3% rate increase obtained by utility companies.  |
| MARKETING                  | \$13,047         | \$7,883           | (\$5,164)  | -65.5% | Increase due to the addition of Property Solutions, a comprehensive on line system which combines the properties branded webpage with a rich Resident Portal, lead management system, marketing control program, and telephone training portal. |
| PROFESSIONAL SERVICES      | \$142,215        | \$130,924         | (\$11,290) | -8.6%  | Alliance management fee remains 2.5% per contract, but increased rent revenue would result in increase in management fees paid  |

|                         |           |           |            |       | to Alliance. Variance   |
|-------------------------|-----------|-----------|------------|-------|---|
| INSURANCE               | \$185,020 | \$174,426 | (\$10,594) | -6.1% | primarily driven by allowance for bi-annual audit.  |
| AD-VALOREM TAXES        | \$103,104 | \$101,727 | (\$1,377)  | -1.4% | Increase based on estimated taxes per Accounting assumptions.   |
| NON ROUTINE MAINTENANCE | \$14,000  | \$17,623  | \$3,623    | 20.6% | Reduced number of anticipated door replacements in 2013 as is presently budgeted as a planned capital replacement item. |

- Note:** During the July FORA board meeting, the board took initial steps to approve the proposed budget without a rent increase to in place residents. An amended budget is available for the Board to review, which reflects the data under this scenario. Should the board elect not to implement the proposed 2012-2013 rent increase, the Preston Park Gross Market Potential will decrease by \$64,0324 for the year. This decision has the potential to not only eliminate funds to assist in improving the condition of the structure, but may also negatively impact the potential value of the asset during a sale process. The impacted rental revenue (annualized during year 1 would be \$92,866.80) equates to \$1.54 millions dollars in value based on a 6% cap rate ( $\$92,866 \text{ (added NOI) } / 6\% \text{ (cap rate)} = \$1,547,780$  in potential value). Please also note, that should the Board elect not to implement the rent increase, based on the adopted rental rate formula, this income will also not be recaptured or realized in future years. And so the impacted revenue loss will compound year over year.

#### Capital Reserves Fund

In accordance with the 2011 reevaluation of the Replacement Reserves Study conducted in April 2008, Alliance recommends a reserve withholding of at least \$2,076 per unit during the 2012/2103 fiscal period. This withholding would ensure that the asset holds adequate reserves to perform necessary replacements and repairs to protect the useful life of the buildings.

#### Capital Improvement Program

The 10-Year CIP was updated with the review of the property's as built plans that were transferred from the offices of Mid-Peninsula Housing Coalition in November of 2010.

Forrest White, Director of Asset Engineering and Robert Gochee, Asset Engineering Project Manager at Alliance Residential are the managers of capital improvement projects at Preston Park.

- Please refer to attached Capital Improvement Plan (CIP) budget for details. Recommended expenditures have been listed in priority order with relevant benefits and costs identified.

**Accomplishments**

It has been a pleasure working with residents and the Fort Ord Reuse Authority over the past year. With the support of residents a number of positive changes have occurred within Preston Park.

Some of Alliance’s accomplishments include:

- 1) Common Area Maintenance: Pet Waste Stations were installed at each playground and bus stop
- 2) Communication Tools: A monthly newsletter is personally delivered to every home once a month. Residents are encouraged to contribute to the newsletter. The newsletter provides information on community related events, good housekeeping rules for the community and safety tips.
- 3) Marina Police Department Coordination: Management staff and the Marina Police Department work closely in efforts to clean up the property, including vehicle abatement, parking on the grass, double parking, vehicles with expired tags, and abandoned vehicles.
- 4) Long Term Residents: We continuously strive to upgrade the units of our long term residents by painting, upgrading appliances, and replacing flooring.
- 5) 2011/2012 Capital Improvement Program: We are optimistic that the FORA Board will promptly execute the capital project management agreement approved in February which will enable the following enhancements at the property:
  - i. Roof Repairs
  - ii. Exterior Painting Project
  - iii. Lighting Upgrades
  - iv. Exterior Doors and Windows
- 6) Resident Events: Preston Park Management was pleased to host the following Resident events during the 2011/2012 fiscal year:
  - i. Back to School Supply Giveaway
  - ii. Halloween Trick or Treat Activity
  - iii. December “Wrap It Up” Party
  - iv. Movie and Popcorn Pass Give Aways
  - v. Leap Year Celebration
  - vi. SpEGGtacular Earth day Event
- 7) Service Request Responsiveness: The Preston Park Management Team strives to provide Residents with the best and highest service possible. In 2011/2012 more than 1,790 service requests have been processed to date. The average completion time for standard work order requests has been 2 business days or less.

**Summary of Preston Park FY2012/2013 Budget**

|                         | <u>2012/13 Budget</u> | <u>2011/12 Projected</u> | <u>Variance</u> |
|-------------------------|-----------------------|--------------------------|-----------------|
| Total Income            | \$5,368,586           | \$5,251,798              | \$116,787       |
| Total Operating Expense | \$1,280,463           | \$1,227,473              | (\$52,990)      |
| Net Income              | \$3,907,035           | \$3,802,478              | \$104,557       |

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 the Fort Ord Reuse Authority.

Please feel free to contact me should you have additional questions or concerns at (408) 396-8341. I look forward to receiving approval of the final budget prior to November 30,2012, in order to implement rental increases by January 1, 2013.

Regards,

Corinne Carmody  
Regional Manager

Cc: Jonathan Garcia, FOR A  
Ivana Bednarik, FOR A  
Robert Norris, FOR A  
Jim Krohn, Chief Financial Officer, Alliance Communities, Inc.  
Annette Thurman, Vice President of Operations, Alliance Communities, Inc.

Attachments: 2012/2013 Budget; Market Survey

Complete 2012/2013 Budget and Market Survey posted on FORA Website

**FORT ORD REUSE AUTHORITY BOARD REPORT  
OLD BUSINESS**

|                       |  |               |
|-----------------------|--|---------------|
| <b>Subject:</b>       | Base Reuse Plan Reassessment Report – Receive Final Reassessment Document (2 <sup>nd</sup> vote) |               |
| <b>Meeting Date:</b>  | December 14, 2012  | <b>ACTION</b> |
| <b>Agenda Number:</b> | 7b   |               |

**RECOMMENDATION**

**Second vote:** formally receive the final Base Reuse Plan (BRP) Reassessment Report.

**BACKGROUND**

On November 16, 2012, FORA staff and EMC Planning Group presented the Final Reassessment Report. The report’s constituent components included those listed in the Board report (draft Reassessment Report, “errata” section, full-text compilation of public comments, Scoping Report, jurisdictional fiscal evaluation) plus a packet of supplemental materials that staff distributed at the meeting. The supplemental materials included comment letters received after November 7, an updated errata section incorporating changes responding to those comments, and a revised Table 18 (water allocations) relating to the Scoping Report phase of the reassessment. Three additional comment letters (**Attachment A**) were received at the FORA offices on the afternoon of the November 16 Board meeting, but were not timely for distribution at the meeting.

Following discussion of the report by the Board and members of the public, a majority of the Board voted to formally receive the report. Because the vote was not unanimous, the item is being returned for a second vote in keeping with the Board’s standard procedures. The Board also voted, in this case unanimously, to close the Reassessment Report to additional comments, allowing the report to be finalized before being brought back for a second vote.

**DISCUSSION**

The version of the Final Reassessment Report that was presented for Board consideration on November remains the same. Part of the Board direction given in the discussion leading to the approved first vote was to also:

1. Update the document to incorporate changes in the errata section in response to all written and verbal comments and direction received prior to and during the November 16 Board meeting. The errata includes changes based on the comment letters in Attachment A, as well as Board direction resulting from November 16 agenda item 8d related to the Veterans Cemetery.
2. “Republish,” i.e., integrate and reformat the document such that the errata changes appear in the main body of the text rather than as a separate attachment. The republished final report consolidates under one cover all elements described in the Background section, above. The only “new” information in the republished version is the additional errata revisions that address comments received on November 16 (Attachment A and verbal comments made during the meeting). The republished version was posted on FORA’s reassessment web page [www.fora.org/resources.htm](http://www.fora.org/resources.htm) and mailed on discs to Board members on December 6. The updated errata section--see #1, above—has become a new Appendix D to the final report, so all changes to the draft remain available for viewing in one streamlined document.

Building on the information gathered in the Scoping Report phase, the Reassessment Report identifies a “menu” of policy options and potential BRP modifications for the FORA Board’s consideration. The topics and potential policy options were derived from public input and a detailed review of the BRP during the scoping phase of the reassessment process. The description of each topic and related options is not intended to be exhaustive but, rather, to provide context for a potential BRP modification issue that has been raised during the reassessment process. Similarly, the discussion of options is intended to present a preliminary range of possible policy options that have been identified through public comments and review of BRP implementation status, including additional options that were suggested after release of the draft

document. The options lists are not necessarily exhaustive of all potential options. The report's list of possible options identified thus far is neither prescriptive nor proscriptive. With the passage of time, additional or modified options, related to any given topic in connection with the reassessment effort, may become apparent to the Board, staff, or the wider community. The Board has, and will always retain, the ability to introduce new policy topics and options into its consideration of "post-reassessment" action items. The open public process will also provide various opportunities for members of the public to suggest additional new or modified policy topics and options, and participate in discussion of the merits of potential post-reassessment courses of action.

As noted in the previous Board report, the Board's action to formally receive the final Reassessment Report constitutes completion of the reassessment process. Future consideration of actions resulting from the reassessment will likely be a multiyear process and will include ongoing opportunities for public comment. Establishing near-term and longer-term programs for prioritizing post-reassessment action items will be a key task in early 2013. As examples, the Board could:

1. Provide early direction to implement or take action on specific potential options for BRP modifications, such as the "Category I" revisions and corrections, that do not appear to require significant staff resources or Board deliberation;
2. Prioritize action items that would be most cost-effective to implement because of a relatively short timeline and/or less need to obtain outside expertise in order to complete the action (*note: FORA staff will develop and provide preliminary cost estimates in early 2013 for a range of potential policy actions for future Board consideration*);
3. Formulate a mix of selected shorter-term and longer-term action item goals; and/or
4. Explore which post-reassessment action items could be efficiently grouped together based on being subject to the same level of California Environmental Quality Act (CEQA) clearance (exemption, negative declaration, etc.)
  - The report itself is an informational summary of the process of assessing the BRP. The reassessment process and report do not result in any changes to the physical environment. Receipt of the report has no binding effect on the Board to commit to any particular "post-reassessment" course of action. The Board's receipt of the report is exempt from CEQA under Section 15262 of the CEQA Guidelines.
  - Various post-reassessment BRP modifications (policy options) that the Board may wish to consider implementing in 2013 and beyond will be subject to the appropriate level of CEQA clearance at such time as they are undertaken. Category I of the report would likely be exempt, as would some of the items in each of Categories II through V. However, within those categories there are also substantive policy considerations—for example, consideration of Capital Improvement Program modifications under Category II—that might require additional CEQA review and clearance.

### FISCAL IMPACT

Reviewed by FORA Controller *M.F. for I.B.*

Staff/consultant time and costs associated with producing the Reassessment Report were included in the FY11-12 and FY12-13 budgets for the Base Reuse Plan reassessment process.

### COORDINATION

Administrative Committee, Executive Committee.

Prepared by

*Darren McBain*  
Darren McBain

Reviewed by

*Steve Endsley*  
Steve Endsley

Approved by

*Michael A. Houlemard, Jr.*  
Michael A. Houlemard, Jr.

The following comment letters were received at the FORA office on November 16. The final/republished Reassessment Report and the "errata" document have been updated to incorporate corrections, clarifications, and text additions raised in these comments.

Listed in the order discussed at the Nov. 16 Board meeting:

1. Diversity Coalition Land Use Group
2. Community Housing Improvement Systems and Planning Association (CHISPA)
3. Law Offices of Michael W. Stamp



## DIVERSITY COALITION LANDUSE GROUP

### STATEMENT TO FORA Regarding the Final Scoping Report *November 16, 2012*

Dear FORA Board Members:

We are a multi-racial, multi-ethnic coalition of elected officials and civic leaders who represent working families throughout Monterey County.

We urge you to follow the Fort Ord Reuse Plan that was carefully negotiated and crafted when Fort Ord was closed; an environmentally sensitive plan that protects 70% of the Fort Ord lands from any kind of development and maintains them as open space in perpetuity.

Negotiations over FORA and the Fort Ord Reuse Plan were very complicated, serious negotiations that involved a tremendously diverse cross-section of participants from across the entire Central Coast Region. It took much skill, much dedication and tremendous leadership, from people like Leon Panetta and Sam Farr, to conduct the negotiations and to fashion the compromises that created the Fort Ord Reuse Plan.

Thanks to the leadership of the environmental community, and to the goodwill of everyone else, negotiators adopted a Reuse Plan that aggressively protects the environment. Fully 70% of the Fort Ord lands are strictly off limits to any kind of development and must remain as open space. This pro-environment compromise was reached at a time when communities across the region were panicking at the prospect of severe economic recession due to the closure of Fort Ord. Obviously, it took a great deal of comity and trust to get these communities to accede to a reuse plan that prioritized protecting the environment.

The compromise included two other crucial elements as well. First that a significant portion of the lands would be used to establish and strengthen educational institutions from throughout the Central Coast Region. Second that 30% of the lands would be used help create *good* jobs and housing for impacted communities.

So far, the one area of failure in the Reuse Plan is job creation. Unfortunately, some people are using that failure to argue that even more of the Fort Ord lands—more than the 70% already designated—should be kept as open space for recreational users. This is an approach that contradicts the carefully crafted compromise that was reached in the Fort Ord Reuse Plan.

The Reuse plan makes clear that FORA is meant to serve all people and all communities within the Central Coast Region and not just a group of people with a single agenda. This means that FORA must

*For more information contact the coalition at: [dc.landuse@gmail.com](mailto:dc.landuse@gmail.com)*

## DIVERSITY COALITION LANDUSE GROUP

serve people who need *good* jobs as well as people who seek recreational opportunities. FORA cannot sacrifice one for the other. We still need jobs; perhaps even more so than when FORA adopted the Reuse Plan. Whatever change has occurred since then, three things remains constant: the rich are getting richer, the poor are getting poorer and working families still need jobs.

Please continue to support the carefully crafted compromise to use a relatively small portion of Fort Ord to create jobs for working families. FORA must serve all people of the Central Coast Region, including working families.

Respectfully submitted:

### *Elected Officials* [Partial List]:

Fernando Armenta, Supervisor, *District 1 Monterey County Board of Supervisors*

Simon Salinas, Supervisor, *District 3 Monterey County Board of Supervisors*

Fred Ledesma, Mayor, *City of Soledad*

John Huerta, Mayor, *City of Greenfield*

Ralph Rubio, Mayor-Elect, *City of Seaside*

Anna Caballero, Former Mayor, *City of Salinas*

Phil Tabera, Trustee, *Salinas Unified High School District*

& Founding Member, *Tri-County Association of Latino Elected Officials*

### *Civic Leaders* [Partial List]:

Alfred Diaz-Infante, CEO, *CHISPA*

Rev. H.H. Lusk, Chair, *Monterey Peninsula Ministerial Alliance*

Cesar Lara, Director, *Monterey Bay Area Labor Council*

Juan Sanchez, Former Planning Commissioner, *Monterey County Planning Commission*

Aurelio Salazar, President, *Salinas LULAC Council 2055*

Antonio Morales, Vice President, *Monterey Peninsula LULAC Council 2895*

Nancy Valdez, President, *Salinas Valley LULAC Council 2995*

Jose Mendez, *Labor Leader & Community Member*

Aline Sanchez, *Community Member*

Pam Silkwood, *Attorney At Law & Community Member*

Rev. Kenneth Murray, *Coalition for Jobs, Opportunities and Business in Seaside (c jobs)*

Youth Pastor, Edgar Ogarrio, *Latino Ministers Coalition*

Veronica Morales, Co-Chair, *Latino Water Use Coalition - Monterey Peninsula*

Marcelino Isidro, Vice President, *Latino Seaside Merchants Association*

Antonio Morales, Jr., *Latino Environmental Justice Advocates*

Leticia Tapia, *comunidad en accion (Workers Day Committee – Monterey Peninsula)*

*For more information contact the coalition at: [dc.landuse@gmail.com](mailto:dc.landuse@gmail.com)*



Board of Directors

November 16, 2012

*Kalah Bumba, Chair  
Steve Holett, Vice Chair  
Nancy Valdez, Secretary  
Tom Huffman, Treasurer  
Don Cline  
James Earhart  
Rodney Evans  
Aurelio Gonzalez  
Carolyn Plummer*

Board of Directors  
Fort Ord Reuse Authority  
920 2nd Ave., Suite A  
Marina, CA 93933

Dear FORA Board Members,

CHISPA urges you to continue implementation of the Fort Ord Base Reuse Plan (BRP), which you adopted in 1997. More specifically, we urge you to affirm your commitment to the community to use 30% of the former Fort Ord land to help create jobs, educational opportunities and housing. We also applaud you for your commitment to preserve 70% of the land for habitat protection and open space. We think this is a very positive thing.

For more than thirty years, CHISPA has provided affordable housing for working families, seniors and people with disabilities of Monterey County. We are grateful for the opportunity you have provided CHISPA to develop affordable rental housing in Phase 2 of the East Garrison Project. We look forward to developing affordable housing in this geographic area within the next couple of years or so.

CHISPA has witnessed first-hand the challenge families experience in keeping up with increasing costs related to the cost of living in our region. In addition to the need for affordable housing, working families need well-paying jobs and educational opportunities that are located within close proximity of the communities in which they live. This one of the reasons CHISPA strongly supports the allocation of 30% of the former Fort Ord for creating jobs, educational opportunities and housing.

CHISPA has aligned its self in this effort through its participation with the Diversity Coalition Land Use Group, which has submitted a statement to you regarding its position in support of the Fort Ord Base Reuse Plan that was carefully negotiated and crafted when the Fort Ord Base was closed.

Sincerely,

Alfred Diaz-Infante, Pres./CEO

*Community Housing Improvement Systems and Planning Association, Inc.*

295 Main Street, Suite 100 • Salinas, CA 93901 • (831) 757-6251 • TDD: (831) 758-9481 • Fax (831) 757-7537 or (831) 757-6268

[www.chispahousing.org](http://www.chispahousing.org)

LAW OFFICES OF  
**MICHAEL W. STAMP**

Michael W. Stamp  
Molly Erickson  
Olga Mikheeva

479 Pacific Street, Suite One  
Monterey, California 93940

Telephone (831) 373-1214  
Facsimile (831) 373-0242

November 16, 2012

Dave Potter, Chair  
Board of Directors  
Fort Ord Reuse Authority  
920 2nd Ave., Suite A  
Marina, CA 93933

Re: Base Reuse Plan Reassessment report, November 16 agenda item 8c

Chair Potter and Members of the FORA Board of Directors:

This Office represents Keep Fort Ord Wild, which makes the following comments at this time with regard to the reassessment report for the Base Reuse Plan.

The report is incomplete, deeply flawed and potentially misleading on many topics.

FORA is acting at its own risk if FORA accepts the report. There is an existing conflict of interest of the FORA report preparer EMC Planning, and there is active litigation with FORA over that same issue. Under the circumstances, there is significant risk to FORA.

Keep Fort Ord Wild objects to the report for many reasons. These reasons include the following:

- The report is not a reassessment. The word "assess" means "to estimate or judge the value, character, etc." An assessment, then, is a document that estimates or judges the value or character of something. An assessment – and, by extension, a reassessment – provides a judgment or evaluation in qualitative terms. An assessment is a qualitative and quantitative analysis. The report presented to you does neither of these things. The report merely restates the existing Base Reuse Plan policies and programs. The report is a poorly presented checklist that states whether those policies have or have not been implemented.
- The report represents another lost opportunity by FORA. The report fails to take a hard look at the job done at Fort Ord and ways to improve it. The only way that FORA's failures can be corrected is to acknowledge the problems and work constructively and openly to address them. The report does none of this.

- The report's presentation of "potential options" serves to chill and artificially limit the options that FORA has, and fails to inform the FORA Board and the public of the range of options available. The report takes this "decision tree" approach, which has a strong tendency to control the outcome.
- The document is permeated by EMC's conflict of interest and EMC's duty to Seaside and Monterey Downs. The document represents an effort to assist in gaining approvals for the Monterey Downs Specific Plan, including the Monterey Downs project and the Veterans' Cemetery project which is joined with Monterey Downs in numerous material aspects.
- The report unfairly presents public comments in a way that does not reveal the scope or intensity or frequency of the public comments on different items. The report mischaracterizes public comment in such a way as to dilute the actual public comment and to avoid important issues. The "synopses" of public comments serve to deflect some issues and focus on others. The report's approach is not transparent and open.
- The report's characterization of the actions by FORA and the individual land use jurisdictions is inaccurate in material ways and potentially misleading.
- The report calls Category I "Modifications and Corrections." The title is inaccurate. The Category I items include substantive and material proposed changes to the Base Reuse Plan that cannot be approved without prior and legally sufficient CEQA review. As just one example, Table 5 has an entry for "map formatting and content inconsistencies (various)." That description is not used in the text. The text calls it "Figure Corrections," which turns out to be many proposed changes with inadequate support and inadequate explanation of what is proposed to be changed and why.
- Category II is called "Prior Board Actions and Regional Plan Consistency." Category II items include substantive and material proposed changes to the Base Reuse Plan that cannot be approved without prior and legally sufficient CEQA review and express specific approvals by the FORA Board in a public process.
- The land use jurisdiction's general plans must be consistent with the Base Reuse Plan. That is the purpose of the FORA consistency analysis. (Gov. Code, § 67675, subd. (f).) The "reassessment" report misdescribes the hierarchy, and incorrectly characterizes the Base Reuse Plan as being

required to be consistent with "County and city plans" (p. 3-24). This is yet another example of the problems caused by the conflict of interest of EMC planning, which prepared the reassessment report and also is working for the City of Seaside on proposed developments promoted by Seaside in the former Fort Ord.

- Table 10 is incorrect and incomplete. As one example, the County's 2010 General Plan Fort Ord Master Plan land use map is not consistent with the adopted BRP land use concept map because the Master Plan includes a veterans' cemetery and the adopted BRP map does not have a cemetery.
- Category III is called "Implementation of Policies and Programs." The Category III discussion discloses that implementation of approximately 172 policies, programs and mitigation measures is incomplete, some 15 years after the Base Reuse Plan was adopted. These policies, programs and measures are material and significant to the plan, and FORA and the major property owners have ignored them. The failure to comply with the plan violates the law. The plan should not be considered for amendment until the plan has been complied with.
- Material parts of the Category III analysis are simply wrong (e.g., Program A-4-2 ["status" analysis does not address the pertinent issue with regard to the habitat corridor, which is unrelated to the Community Park], Program A-4.5 [same]). These issues are particularly egregious in several instances, including the failure by the County, FORA, Seaside and Marina to protect biological resources, such as the failure to adopt oak woodlands protections (e.g., Recreation Policy C-1, Biological Resources Policy B-2, Programs B-2.1 and B-2.2, Biological Resources Policy C-2, Programs C-2.1 and C-2.2), while at the same time those entities have approved projects and are processing new ones.
- The discussion of mitigation measures in Category III reveals that FORA failed to add to the Base Reuse Plan the water quality/water supply mitigations adopted by FORA. The report fails to investigate why the mitigations were not added to the Plan. The "status" explanation is nonsensical, because the mitigations are binding.
- The report's omission from Category III of "ongoing" compliance items is significant and material. The report fails to adequately describe the factors used to determine what was "ongoing." As a result, the public does not know what has been omitted from the report, or how to compare it to the BRP.

- The report calls Category IV “Policy and Program Modifications.” The discussion of Category IV items is incomplete and misleading. These are very important items that simply are given short shrift by the report.
  - As one example, the report’s discussion of water supply (Background; Description and Key Issues) does not address fundamental issues raised by the public: Is the 6,600 AFY solely paper water or are there actual water rights to that amount of water at Fort Ord? Is the Deep Aquifer sustainable?
  - As another example, the discussion of the Veterans Cemetery is incorrect and misleading in material ways. As one example, the report states that the cemetery site is “indicated on the BRP Land Use Concept (denoted with ‘VC’)” (p. 3-109; see 3-109). That is not correct. The referenced concept map was not adopted by the FORA board. The adopted map does not have a designated cemetery site, and does not include a “VC.” The BRP EIR did not analyze a cemetery site.
- The report calls Category V “FORA Procedures and Operations.” The discussion is useless because this report has failed to present a true analysis or assessment. Because there is no quantitative or qualitative analysis either of the Base Reuse Plan or of FORA’s procedures and operations, the public and FORA Board cannot critically review the existing FORA procedures and operations. When public has tried to get information from FORA, the public has been blocked. Because FORA has failed to quantify how the BRP has been successful and unsuccessful, all the public has is anecdotal evidence. There is no quantitative analysis of what FORA has spent over the years and what has been achieved.
- There is no summary of FORA achievements and failures, and at what financial cost. No board – either public or private – should proceed in this way. The presentation There is no “before and after” analysis. The Base Reuse Plan was adopted 15 years ago. There has been no effort to review the Base Reuse Plan at five-year increments, which would assist in identifying effectiveness, patterns, and trends. Overall, the report’s approach is an effective way to hide failures.
- The report fails to address the many problems with the Base Reuse Plan maps and figures. These are highly stylized maps with swaths of colors and geometric shapes. The maps do not show all existing roads, the locations of the roads that are shown are not accurately depicted, and the

roads that are on the map are not named. All of these problems make the maps not understandable by public. This issue should be addressed.

- The report's dismissive treatment of the new Fort Ord National Monument is grossly inappropriate and does not reflect the facts, the public comments, or the comments of the FORA Board. It also does not adequately address the opportunity presented by the new National Monument status.
- The report identifies issues in such a confusing way that the reader is misled as to the true meaning and import of the topics and items.
  - As one example, the items in the tables are not numbered, the tables describe items differently from the text, and it is difficult to find in the text the items in the table. Even though the late-issued "errata" claims that items will be numbered in the published version, that does not help the public or decision makers who have struggled to make sense of the poorly presented versions to date, and who likely have missed or not understood important issues due to the poor presentations.
  - As another example, for each of the hundreds of items and topics, the report fails to provide page citations in the adopted Base Reuse Plan. That omission makes it impossible for the public to refer to the Base Reuse Plan to provide context, verify language, or any other reason.
  - As another example, the dual column format of the report is very difficult to read and understand. The dual column format is not used by any other public agency in the County, and was not authorized by the FORA Board. The awkward format appears to be an attempt to discourage transparency and accountability.
- The scoping report is fatally flawed. The factual representations and conclusions are incorrect. As one example, Table 18 purports to represent Salinas Valley Groundwater Basin allocations. The version presented to the Board (but not the public) on October 18 had material substantive errors. The version of Table 18 presented as Attachment F to the Board report also contains substantive errors. For example: the Seaside row does not add up; the Sunbay and Brostrom allocations have been reduced dramatically without explanation or basis in fact; and the Main Gate project is shown as 0 AFY even though the EIR relied on the Seaside water allocation from FORA as the water supply, the water supply



assessment showed the project would use 207 AFY, and the Seaside City Council certified the EIR and approved the project on that basis. As another example: the figures in Table 18 are inconsistent with the public records of allocations from other agencies, including the records of Seaside and Marina Coast Water District.

- The scoping report has been adopted. FORA cannot keep amending and editing it by replacing pages and facts here and there, as FORA is doing. If the scoping report is to be formally amended, it should be done in a transparent and accountable fashion, subject to public review.
- As to water allocations, FORA should make clear the process for making and rescinding water allocations. The process is unclear, and the public has no way of understanding it. Without adequate explanation, FORA has presented various versions of water allocation charts that are not consistent with other versions, or with the records of the cities and county. The FORA process and the current allocations should be transparent and accountable. Some land use jurisdictions, like the City of Monterey, post their water allocations on their website. FORA should do the same.

Keep Fort Ord Wild joins in the position of the Sierra Club that no further consistency determinations may be made until the jurisdiction making the consistency request has implemented all applicable Base Reuse Plan policies and programs. (See October 30, 2012 Sierra Club letter to FORA Board of Directors.) That clearly was the intent of the Sierra Club settlement of the litigation against FORA, and of the Master Resolution.

#### CEQA Review Required

There is no CEQA review of any of the proposed options in the report. Prior CEQA review is required prior to any FORA action on any of the items in the report. The FORA Board should hold a full public hearing prior to considering any actions. Thank you.

Very truly yours,

LAW OFFICES OF MICHAEL W. STAMP

  
Molly Erickson

**FORT ORD REUSE AUTHORITY BOARD REPORT**

**NEW BUSINESS**

|                       |   |               |
|-----------------------|---|---------------|
| <b>Subject:</b>       | Review 2013 FORA Board Meeting Schedule |               |
| <b>Meeting Date:</b>  | December 14, 2012                       | <b>ACTION</b> |
| <b>Agenda Number:</b> | 8a                                      |               |

**RECOMMENDATION:**

Approve the 2013 Fort Ord Reuse Authority ("FORA") Board Meeting Schedule.

**BACKGROUND/ DISCUSSION:**

At the end of each year, the FORA Executive Committee reviews the dates of the FORA Board meetings for the coming year (**Attachment A**). Although the FORA Master Resolution states that Board meetings shall be held on the second Friday of each month, national holidays, conferences, and other events can present conflicts that make it advisable to adjust the meeting dates to ensure a quorum of Board members. The Executive Committee reviewed the draft 2013 Board Meeting Schedule at their December 5, 2012 meeting. They found no need to deviate from the second Friday meeting schedule and recommended the attached dates for approval.

On December 5, the FORA Executive and Administrative Committees also approved the attached FORA Committee meeting schedules (**Attachment B and C**). However, these approvals are dependent upon Board approval of the Board Meeting Schedule.

Once approved by the Board, the 2013 FORA Meeting Schedules will be widely distributed and posted to the FORA website at [www.fora.org](http://www.fora.org). Any future changes to the established meeting dates will be publicly noticed well in advance of the meeting.

**FISCAL IMPACT:**

Reviewed by FORA Controller M.F. for 1.3.

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

**COORDINATION:**

Executive Committee, Administrative Committee.

Prepared by Lena Spillman Approved by Michael A. Houlemard, Jr.  
 Lena Spillman Michael A. Houlemard, Jr.



# Fort Ord Reuse Authority

920 2<sup>nd</sup> Avenue, Suite A, Marina, CA  
Phone: (831) 883-3672 • Fax: (831) 883-3672

Attachment A to Item 8a  
FORA Board Meeting, 12/14/2012

## 2013 FORA BOARD MEETING DATES

(Approved by the FORA Board on \_\_\_\_\_, 2012)

January 11

July 12

February 15

August 9

March 15

September 13

April 12

October 11

May 10

November 15

June 14

December 14

Board meetings are usually held on the 2<sup>nd</sup> Friday of each month and begin at 3:30 pm, unless otherwise noticed/announced. Meetings are held in the Carpenters Union Hall on the former Fort Ord, 910 Second Avenue, Marina, CA 93933.

**Meeting dates and times are subject to change.**

Agendas and agenda materials are posted on the FORA website at [www.fora.org](http://www.fora.org) and are also available upon request.



## Fort Ord Reuse Authority

920 2<sup>nd</sup> Avenue, Suite A, Marina, CA 93933

Phone: (831) 883-3672 • Fax: (831) 883-3675

Attachment B to Item 8a  
FORA Board Meeting, 12/14/2012

# 2013 FORA EXECUTIVE COMMITTEE MEETING DATES

(Approved by the FORA Executive Committee on December 5, 2012)

January 2

July 2\*

(Tuesday due to July 4<sup>th</sup> Holiday)

February 6

July 31

March 6

September 4

April 3

October 2

May 1

November 6

June 5

December 4

Executive Committee meetings are scheduled on Wednesdays, one week prior to the Board meeting. The primary purpose of the meeting is to review the upcoming FORA Board meeting agenda. Meetings begin at 4:00 p.m. in the FORA Conference Room, unless otherwise posted.

**Meeting dates and times are subject to change.**

Agendas and agenda materials are posted on the FORA website at [www.fora.org](http://www.fora.org), and are also available upon request.



# Fort Ord Reuse Authority

920 2<sup>nd</sup> Avenue, Suite A, Marina, CA 92029  
Phone: (831) 883-3672 • Fax: (831) 883-3675

Attachment C to Item 8a  
FORA Board Meeting, 12/14/2012

## 2013 FORA ADMINISTRATIVE COMMITTEE MEETING DATES

(Approved by the FORA Administrative Committee on December 5, 2012)

**January 2**  
*January 16*

**February 6**  
*February 20*

**March 6**  
*March 20*

**April 3**  
*April 17*

**May 1**  
*May 15*

**June 5**  
*June 19*

**July 2**  
*July 17*

**July 31**  
*August 14*

**September 4**  
*September 18*

**October 2**  
*October 16*

**November 6**  
*November 20*

**December 4**  
*December 18*

The FORA Administrative Committee meets twice a month, on the Wednesday one week prior to the Board meeting and on the Wednesday following the Board meeting. The dates in bold above are the meetings that occur prior to the Board meeting, at which the Committee will review items for the upcoming Board agenda. Meetings begin at 8:15 a.m. in the FORA Conference Room, unless otherwise posted.

**Meeting dates and times are subject to change.**

Agendas and agenda materials are posted on the FORA website at [www.fora.org](http://www.fora.org), and are also available upon request.

**FORT ORD REUSE AUTHORITY BOARD REPORT**  
**NEW BUSINESS**

|                       |   |                    |
|-----------------------|---|--------------------|
| <b>Subject:</b>       | Review Jurisdictions' "Guiding Principles in Implementing Policy Options Following the Base Reuse Plan (BRP) Reassessment" document |                    |
| <b>Meeting Date:</b>  | December 14, 2012   | <b>INFORMATION</b> |
| <b>Agenda Number:</b> | 8b  |                    |

**RECOMMENDATION**

Receive a staff report regarding the land use jurisdictions' list of proposed post-reassessment "Guiding Principles."

**BACKGROUND**

Building on the information gathered in the Scoping Report phase, the BRP Reassessment Report (item 7b on the current, December 14, 2012 agenda) identifies a "menu" of policy options and potential BRP modifications for the FORA Board's post-reassessment consideration in 2013 and beyond. In a parallel process, as described in a City of Marina staff report, "staff felt it important to develop a set of guiding principles which reflect the priority interests of the land use jurisdictions who have primary responsibility for the implementation of the BRP." To that end, staff representatives from the five land use jurisdictions within the former Ford Ord (Cities of Marina, Seaside, Monterey, and Del Rey Oaks, and County of Monterey) have collaborated to prepare a list of proposed "Guiding Principles in Implementing Policy Options Following the Base Reuse Plan (BRP) Reassessment."

It is FORA staff's understanding that the Monterey City Council will consider adopting a resolution in support of the proposed list of guiding principles later this month. The other four jurisdictions have already adopted similar resolutions (**Attachment A**)<sup>1</sup>. FORA staff was not involved in developing this list of proposed guiding principles but, as discussed in previous Board meetings, intends to present to the Board an outline of post-reassessment approaches and potential study session dates in early 2013.

The attached list has not yet been fully evaluated for compatibility with the FORA legislation or FORA's master resolution, but the principles are compatible with a wider discussion of post-reassessment options for the Board to consider. At its December 5 meeting the FORA Administrative Committee recommended that the Executive Committee add this item as an information item to the December 14, 2012 Board agenda and return the item for action at the next Board meeting at which post-reassessment policy matters are agendized. The Executive Committee endorsed the Administrative Committee's recommendations. Administrative Committee members expressed support for the Board adopting proposed Guiding Principles in early 2013, at the beginning of the process of selecting and deliberating on any post-reassessment action items.

**FISCAL IMPACT**

Reviewed by FORA Controller *M.F. for I.B.*

Staff time associated with documenting this item is included in the approved FORA budget.

**COORDINATION**

Administrative Committee, Executive Committee.

Prepared by *Darren McBain* Reviewed by *Steve Endsley*  
 Darren McBain Steve Endsley  
 Approved by *Michael A. Houlemard, Jr.*  
 Michael A. Houlemard, Jr.

<sup>1</sup> Note: There are minor differences between the versions of the list as adopted by the different jurisdictions. Members of the Administrative Committee have offered to be present at the FORA Board meeting to discuss this item.

Attached jurisdictional resolutions, staff reports, and letters regarding post-reassessment "Guiding Principles in Implementing Policy Options Following the Base Reuse Plan (BRP) Reassessment":

- Marina
- Seaside
- Del Rey Oaks
- County of Monterey
- City of Monterey

Honorable Mayor and Members  
of the Marina City Council

City Council Meeting  
of December 4, 2012

**CITY COUNCIL CONSIDER ADOPTING RESOLUTION NO. 2012-,  
APPROVING GUIDING PRINCIPLES IN IMPLEMENTING POLICY  
OPTIONS FOLLOWING THE BASE REUSE PLAN (BRP) REASSESSMENT  
AND AUTHORIZE CITY MANAGER TO DISTRIBUTE GUIDING  
PRINCIPLES TO THE FORT ORD REUSE AUTHORITY (FORA) FOR  
ADOPTION BY THE FORA BOARD**

**REQUEST:**

It is requested that the City Council consider:

1. Adopting Resolution No. 2012- approving Guiding Principles in implementing policy options following the base reuse plan (BRP) reassessment, and;
2. Authorizing the City Manager to distribute Guiding Principles to the Fort Ord Reuse Authority (FOR A) for adoption by the FOR A Board

**BACKGROUND:**

Over the last nine months, FORA has prepared and distributed a variety of reports and analyses relative to the reassessment of the FORA Base Reuse Plan (BRP). Just recently, FOR A released the final draft Base Reuse Plan Reassessment, which included a significant amount of potential policy options for future consideration and potential implementation by the FOR A Board. The reassessment report is more than 100 pages and previous reports and appendices are several times that length.

The policy options cover a wide variety of actions which will influence and guide any proposed changes or modifications to the BRP and the actions of FOR A in implementing the BRP in the future build out of the former Fort Ord properties.

Given the significant amount of information coupled with the breadth of potential policy options facing the FORA Board in determining how to proceed following the BRP reassessment, staff felt it important to develop a set of guiding principles which reflect the priority interests of the land use jurisdictions who have primary responsibility for the implementation of the BRP.

This need for a focus or guide for future policy decisions of FOR A relative to the BRP reassessment was also expressed by staff from each of the five land use jurisdictions in FOR A: Marina, Monterey, Seaside, Del Rey Oaks, and Monterey County.

Del Rey Oaks has adopted the proposed guidelines, and it is Staff's understanding that all other jurisdictions will be considering adopting these guidelines the first week of December. This timeframe is important, as the next FOR A Board meeting is December 14, wherein, the final BRP Reassessment report is scheduled for adoption.



**ANALYSIS:**

Attached to this report are the proposed guidelines (“**EXHIBIT A**”). The same document is being presented to the City Council or Board of Supervisors for all five jurisdictions. Following the anticipated approval from these jurisdictions, this document will then be presented to the FORA Administrative Committee and to the FORA Board for adoption concurrently with the BRP Reassessment final document.

The guidelines are important as they reflect key interests of land use jurisdictions in implementing the BRP. The document defines three key principles with further explanation or definition below each principle. The key principles are:

- Achieve the purpose of the existing BRP before adding or supplanting with new purposes
- Limit land use decisions to Land Use Jurisdictions
- Begin now to plan for future FORA dissolution by accomplishing the remaining tasks under BRP

The purpose of these principles is to provide a guide or lens for which future policy decisions, as recommended from the BRP Reassessment are evaluated, approved, and implemented. Land Use Jurisdictions, such as the City of Marina, have unique and important interests relative to the redevelopment of the former Fort Ord. Such interests include, but are not limited to, protection of land use authority, assistance with costs for reuse and redevelopment, such as building removal, and environmental and other mitigations required under the BRP. Also, it is the land use jurisdictions that will have the responsibility for maintenance of all BRP improvements and obligations once FORA is dissolved in 2020.

On November 27, the City of Del Rey Oaks adopted the attached principles, with the following changes:

- 2d. add “local Councils should make all of the Land Use Decisions in their respective jurisdictions and FOR A should only vote on consistency determinations”.
- 3c. Demolition of Barracks/Buildings is important but not necessarily a priority. (given the fact that there are no buildings on DRO property)

Staff is recommending the attached principles be adopted as presented.

**FISCAL IMPACT:**

Should the City Council approve the resolution, there is no fiscal impact.

**CONCLUSION:**

The request is submitted for City Council consideration and possible action.

Respectfully submitted,

---

Douglas A. Yount  
Interim City Manager  
City of Marina

RESOLUTION NO. 2012-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA  
APPROVING GUIDING PRINCIPLES IN IMPLEMENTING POLICY  
OPTIONS FOLLOWING THE BASE REUSE PLAN (BRP) REASSESSMENT  
AND AUTHORIZE CITY MANAGER TO DISTRIBUTE GUIDING  
PRINCIPLES TO THE FORT ORD REUSE AUTHORITY (FORA) FOR  
ADOPTION BY THE FORA BOARD

WHEREAS, Over the last nine months, FOR A has prepared and distributed a variety of reports and analyses relative to the reassessment of the FORA Base Reuse Plan (BRP). Just recently, FOR A released the final draft Base Reuse Plan Reassessment, which included a significant amount of potential policy options for future consideration and potential implementation by the FOR A Board. The reassessment report is more than 100 pages and previous reports and appendices are several times that length; and,

WHEREAS, The policy options cover a wide variety of actions which will influence and guide any proposed changes or modifications to the BRP and the actions of FOR A in implementing the BRP in the future build out of the former Fort Ord properties, and;

WHEREAS, Given the significant amount of information coupled with the breadth of potential policy options facing the FORA Board in determining how to proceed following the BRP reassessment, staff felt it important to develop a set of guiding principles which reflect the priority interests of the land use jurisdictions who have primary responsibility for the implementation of the BRP, and;

WHEREAS, This need for a focus or guide for future policy decisions of FOR A relative to the BRP reassessment was also expressed by staff from each of the five land use jurisdictions in FORA: Marina, Monterey, Seaside, Del Rey Oaks, and Monterey County, and;

WHEREAS, Del Rey Oaks has adopted the proposed guidelines, and it is Staff's understanding that all other jurisdictions will be considering adopting these guidelines the first week of December. This timeframe is important, as the next FOR A Board meeting is December 14, wherein, the final BRP Reassessment report is scheduled for adoption, and;

WHEREAS, attached to this resolution are the proposed guidelines ("EXHIBIT A"). The same document is being presented to the City Council or Board of Supervisors for all five jurisdictions. Following the anticipated approval from these jurisdictions, this document will then be presented to the FORA Administrative Committee and to the FORA Board for adoption concurrently with the BRP Reassessment final document, and;

WHEREAS, the guidelines are important as they reflect key interests of land use jurisdictions in implementing the BRP. The document defines three key principles with further explanation or definition below each principle, and;

WHEREAS, the purpose of these principles is to provide a guide or lens for which future policy decisions, as recommended from the BRP Reassessment are evaluated, approved, and implemented. Land Use Jurisdictions, such as the City of Marina, have unique and important interests relative to the redevelopment of the former Fort Ord. Such interests include, but are not limited to, protection of land use authority, assistance with costs for reuse and redevelopment, such as building removal, and environmental mitigation. Also, it is the land use jurisdictions that will have the responsibility for maintenance of all BRP improvements and obligations once FORA is dissolved in 2020.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Marina does hereby:

1. Approve the Guiding Principles in implementing policy options following the base reuse plan (BRP) reassessment as presented in EXHIBIT A, and;
2. Authorize the City Manager to distribute Guiding Principles to the Fort Ord Reuse Authority (FOR A) for adoption by the FOR A Board

.PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 4<sup>th</sup> day of December, 2012, by the following vote:

AYES, COUNCIL MEMBERS:

NOES, COUNCIL MEMBERS:

ABSENT, COUNCIL MEMBERS:

ABSTAIN, COUNCIL MEMBERS:

ATTEST:

---

Bruce C. Delgado, Mayor

---

Anita Sharp, Acting Deputy City Clerk

## **Guiding Principles in Implementing Policy Options Following the Base Reuse Plan (BRP) Reassessment**

- 1. Achieve the purpose of existing BRP before adding or supplanting with new purpose.**
  - a. Replenish job and population loss that occurred with base closure
  - b. Move “economy” to top of priority of BRP objectives, equal with education and environment
  - c. Focus on job creation of middle income earners or higher
  - d. Ensure sustainable funding for all obligations including long-term obligations beyond Ft. Ord Reuse Authority (FORA)
  
- 2. Limit Land Use decisions to Land Use Jurisdictions**
  - a. Work within framework of existing BRP and its Environmental Impact Report
  - b. Work within framework of existing Agreements & Memorandum of Understanding (MOUs) in place now between FORA and jurisdictions
  - c. Voting structure on FORA Board should reflect land use decisions i.e. only Land Use Jurisdictions would vote on land use matters
  - d. BRP modifications/amendments should reflect and be consistent with jurisdiction General Plans that have previously been found consistent
  
- 3. Begin now to plan for future FORA dissolution by accomplishing remaining tasks under BRP**
  - a. Dedicate staff and funding to assisting jurisdictions in implementing BRP within FOR A lifetime
  - b. Continue to monitor SV Ground Water Basin vs. reopen or reevaluate Basin
  - c. Demolish barracks/building removal as priority
  - d. Implement Capital Improvement Program (CIP) prior to FORA dissolution
  - e. Develop augmented water source
  - f. Complete Environmental Services Cooperative Agreement (ESCA) and Munitions and Explosives of Concern (MEC) Cleanup
  - g. Complete Habitat Conservation Plan (HCP)
  - h. Complete roadways/transportation systems

**CITY OF SEASIDE  
STAFF REPORT**

**TO:** Honorable Mayor and Council Members

**FROM:** John Dunn, Interim City Manager

**BY:** Diana Ingersoll, Deputy City Manager-Resource Management Services  
Tim O'Halloran, City Engineer/Public Works Services Manager

**DATE:** December 6, 2012

**SUBJECT: CONSIDERATION OF FORT ORD BASE REUSE PLAN  
REASSESSMENT GUIDING PRINCIPLES**

---

**PURPOSE**

The purpose of this item is for the City Council to consider a Guiding Principles document related to the Fort Ord Base Reuse Plan Reassessment Report.

**RECOMMENDATION**

It is recommended that the City Council review and consider adoption of the resolution approving the attached document, *Guiding Principles in Implementing Policy Options Following the Base Reuse Plan Reassessment* and to direct staff to provide to the FORA Board.

**BACKGROUND**

The Fort Ord Reuse Authority (FORA) was created by state law in 1994 to plan, oversee, finance, and implement the reuse of the Fort Ord military base after its closure. In order to meet these mandated objectives, the Fort Ord Base Reuse Plan (BRP) was adopted in 1997. Subsequent to the BRP adoption, the Ventana Chapter of the Sierra Club filed a lawsuit against FORA. As part of the settlement agreement Chapter 8 of the Master Resolution was adopted requiring a full review and reassessment of the BRP by January 13, 2013.

In February 2012, FORA entered into a contract agreement with EMC Planning Group to conduct the mandated reassessment and prepare the corresponding documents. Reassessment progress to date includes holding a scope of work kick-off presentation with the FORA Board in April, conducting four public workshops co-sponsored with FORA jurisdictions and the Sierra Club in May and June, and the solicitation of public comments relating to the scoping process in June.

Recognizing the importance and potential impact of the reassessment process on Seaside, the Council set as one of its objectives the establishment of Fort Ord Base Reuse Plan Reassessment Subcommittee to review and comment on reassessment documents at its June 20, 2012 Strategic Planning Retreat. At its July 19, 2012 meeting the Council established a subcommittee comprised of two (2) Council members and two (2) staff members. Mayor Bachofner and

Council Member Oglesby were designated by the City Council along with the Interim City Manager and the Deputy City Manager – Resource Management Services to serve on this committee.

The FORA Board received the Draft Reassessment Report at their October 12, 2012 meeting. The draft Reassessment Report was released for public comment on October 17, 2012 and a public workshop was held on October 30<sup>th</sup>, 2012. A Base Reuse Plan Reassessment comment letter was developed by the subcommittee and approved by the City Council on November 1, 2012 and submitted to FORA on November 7, 2012 to be included in the final record of the reassessment document.

City staff including the Interim City Manager, Deputy City Manager-Resource Management Services, and the City Engineer met with representatives from the Cities of Marina, Monterey, Del Rey Oaks, and the County of Monterey to discuss the Base Reuse Plan Reassessment. At this meeting it was decided it would be beneficial to develop a document collectively that would be provided to the various governing boards and would assist in the development of the final Reassessment Document. A list of guiding principles was developed and circulated within the group and consensus was formed on the final version of the document, Guiding Principles in Implementing Policy Options Following the Base Reuse Plan Reassessment, which is included as Exhibit A. The document is consistent with the comment letter approved by the City Council on November 1, 2012. Upon approval by the City Council, staff will present the document to the FORA Board to assist in the development of the final Base Reuse Plan Reassessment Document.

The City of Del Rey Oaks approved the document at their City Council meeting on November 27, 2012. The Cities of Marina and Monterey and the County of Monterey are expected to consider this document to their elected officials on December 4, 2012.

**FISCAL IMPACT**

There is no fiscal impact associated with this item.

**ATTACHMENTS**

Attachment 1 - Resolution approving the Fort Ord Base Reuse Plan Reassessment Guiding Principles.

Exhibit A -Guiding Principles in Implementing Policy Options Following the Base Reuse Plan Reassessment

---

Reviewed for Submission to the  
City Council by:

\_\_\_\_\_  
John Dunn, Interim City Manager

RESOLUTION NO. 2012-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEASIDE  
APPROVING THE FORT ORD BASE REUSE PLAN  
REASSESSMENT GUIDING PRINCIPLES

WHEREAS, the Fort Ord Reuse Authority (FORA) was created by state law in 1994 to plan, oversee, finance, and implement the reuse of the Fort Ord military base after its closure; and

WHEREAS, in order to meet these mandated objectives, the Fort Ord Base Reuse Plan (BRP) was adopted in 1997 and subsequent to the BRP adoption, the Ventana Chapter of the Sierra Club filed a lawsuit against FORA in which part of the settlement agreement Chapter 8 of the Master Resolution was adopted requiring a full review and reassessment of the BRP by January 13, 2013; and

WHEREAS, in February 2012, FORA entered into a contract agreement with EMC Planning Group to conduct the mandated reassessment and prepare the corresponding documents in which several public workshops were held in April, May and June 2012; and

WHEREAS, recognizing the importance and potential impact of the reassessment process on Seaside, the City Council set as one of its objectives the establishment of Fort Ord Base Reuse Plan Reassessment Subcommittee to review and comment on reassessment documents. The committee was comprised of two council members and two staff members; and

WHEREAS, the Draft Reassessment Report was released for public on October 17, 2012 and on November 1, 2012 the subcommittee developed and Council approved a Base Reuse Plan Reassessment comment letter to be included in the final record of the reassessment document; and

WHEREAS, City staff met representatives from the Cities of Marina, Monterey, Del Rey Oaks, and the County of Monterey and collectively developed a document of Guiding Principles that would be provided to the various governing boards for consideration and upon approval present the document to the FORA Board to assist in the development of the final Base Reuse Plan Reassessment Document.

NOW, THEREFORE, BE IT RESOLVED that that the City Council of the City of Seaside hereby approves the *Guiding Principles in Implementing Policy Options Following the Base Reuse Plan Reassessment* attached as Exhibit A.

PASSED AND ADOPTED at a special meeting of the City Council of the City of Seaside duly held on the 6<sup>th</sup> day of December, 2012 by the following vote:

AYES: COUNCIL MEMBERS:  
NOES: COUNCIL MEMBERS:  
ABSENT: COUNCIL MEMBERS:  
ABSTAIN: COUNCIL MEMBERS:

---

Ralph Rubio, Mayor

ATTEST:

---

Dimitra M. Hubbard, City Clerk

## **Guiding Principles in Implementing Policy Options Following the Base Reuse Plan (BRP) Reassessment**

- 1. Achieve the purpose of existing BRP before adding or supplanting with new purpose.**
  - a. Replenish job and population loss that occurred with base closure
  - b. Move “economy” to top of priority of BRP objectives, equal with education and environment
  - c. Focus on job creation of middle income earners or higher
  - d. Ensure sustainable funding for all obligations including long-term obligations beyond Ft. Ord Reuse Authority (FORA)
  
- 2. Limit Land Use decisions to Land Use Jurisdictions**
  - a. Work within framework of existing BRP and its Environmental Impact Report
  - b. Work within framework of existing Agreements & Memorandum of Understanding (MOUs) in place now between FORA and jurisdictions
  - c. Voting structure on FORA Board should reflect land use decisions i.e. only Land Use Jurisdictions would vote on land use matters
  - d. BRP modifications/amendments should reflect and be consistent with jurisdiction General Plans that have previously been found consistent
  
- 3. Begin now to plan for future FORA dissolution by accomplishing remaining tasks under BRP**
  - a. Dedicate staff and funding to assisting jurisdictions in implementing BRP within FORA lifetime
  - b. Continue to monitor SV Ground Water Basin vs. reopen or reevaluate Basin
  - c. Demolish barracks/building removal as priority
  - d. Implement Capital Improvement Program (CIP) prior to FORA dissolution
  - e. Develop augmented water source
  - f. Complete Environmental Services Cooperative Agreement (ESCA) and Munitions and Explosives of Concern (MEC) Cleanup
  - g. Complete Habitat Conservation Plan (HCP)
  - h. Complete roadways/transportation systems



## **Guiding Principles in Implementing Policy Options Following the BRP Reassessment**

1. **Achieve the purpose of existing BRP before adding or supplanting with new purpose**
  - a. Replenish job and population loss that occurred with base closure
  - b. **Move “economy” to top of priority of BRP objectives, equal with education and environment**
  - c. Focus on job creation of middle income earners or higher
2. **Limit Land Use decisions to Land Use Jurisdictions**
  - a. Work within framework of existing EIR
  - b. Work within framework of existing Agreements & MOU’s in place now between FOR A and jurisdictions
  - c. Voting structure on FOR A Board should reflect land use decisions i.e. only Land Use Jurisdictions would vote on land use matters
  - d. BRP modifications/amendments should reflect and be consistent with jurisdiction General Plans that have previously been found consistent
3. **Begin now on FORA dissolution by accomplishing remaining tasks under BRP**
  - a. Ensure sustainable funding for long-term obligations (beyond FORA)
  - b. Dedicate staff and funding to assisting jurisdictions in implementing BRP within FOR A lifetime
  - c. Continue to monitor SV Ground Water Basin vs. reopen or reevaluate Basin
  - d. Demolish barracks/building removal as priority
  - e. Implement CIP prior to FORA dissolution
  - f. Develop augmented water source
  - g. Complete ESCA and MEC Cleanup
  - h. Complete HCP

# MONTEREY COUNTY



## Resource Management Agency

Benny J. Young, P.E.  
Director

168 West Alisal Street, 2<sup>nd</sup> Floor  
Salinas, CA 93901  
(831) 755-4879  
FAX (831) 755-5877  
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November 16, 2012

Fort Ord Reuse Authority  
920 2<sup>nd</sup> Avenue, Suite A  
Marina, CA 93933

**RE: PUBLIC DRAFT REASSESSMENT REPORT**  
October 16, 2012

Thank you for the opportunity to comment on the Base Reuse Plan Reassessment Report. We reviewed the subject document and would like to submit a few general comments. While the Reassessment Plan breaks issues down into categories, Monterey County finds that reuse of the former Fort Ord is integrated in many significant ways and reassessment needs to be evaluated globally. It is critical to keep in mind the original purpose of the Base Reuse Plan which was to address the economic impacts (population and businesses) to the cities and the County that resulted from the closure of the Base. With every long range plan, there are economic cycles that affect implementation. The Reuse Plan needs to remain based on the 1990 threshold, not 2007 when the economy changed, in order to address impacts that actually occurred from the Base closure.

All Plans (Specific Plans, Redevelopment Plans, Reuse Plans, etc.) need to be consistent with the adopted General Plans of the local agencies with territory in the former Fort Ord. Monterey County staff has an underlying premise that reassessment is meant to simply assess what has been accomplished under the adopted Reuse Plan, what remains to be accomplished within the limited timeframe of FORA, and finally to prepare for post-reuse. The Reuse Plan should retain a context of providing parameters for getting the former base lands ready for land use within individual jurisdictions (land clearing, title transfers, CIP). Each jurisdiction is charged with addressing specific land use matters as that jurisdiction deems appropriate. Monterey County recognizes that the end of Redevelopment has shifted Monterey County away from seeking development to reacting to development proposals. As such, it now appears more appropriate that the unincorporated lands near Seaside and Marina be viewed as potential urban growth areas for those cities.

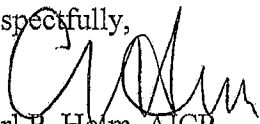
Plans and agreements entered into and being implemented based on the current adopted Reuse Plan must be acknowledged and respected. Not doing so is likely to have significant legal implications. For example, there were various agreements related to Parker Flats that were memorialized in the East Garrison Specific Plan which was adopted by the Monterey County Board of Supervisors and found consistent by the FORA Board. Within these existing agreements, among other things, Monterey County agreed to accept a large amount of open space lands with the expectation to be able to be allowed a certain amount of development. If the reassessment process results in proposing to increase restrictions for what can be developed thereby reducing Monterey County's development potential,

then the County's agreement to accept open space lands must also be reassessed. Also, if the Reuse Plan is revised to restrict development to previously developed sites, then we do not need to complete a Habitat Conservation Plan. Related, the Reassessment Plan would need to include an economic assessment to evaluate financial implications of proposed land use changes, including identification of financial implications to the FORA CIP and to the Reuse Plan as a whole.

There are a number of places where the reassessment plan states that Monterey County has not applied zoning to lands within its jurisdiction. Most of the lands remain designated as "public/quasi-public" as federal lands, except East Garrison where a Specific Plan was adopted. There are two reasons for this: 1) Lands remain under Federal control, County has not received title; and 2) Monterey County was processing a General Plan (GP) Update from 1999 to 2010. It was not technically appropriate to establish new zoning classifications until the GP was adopted or an actual project came forward (e.g. East Garrison). Although the County has now submitted its GP for a consistency determination, FORA determined that further County action is required.

In summary, now is not a time to shift gears relative to the Reuse Plan. There are generally three phases to processing this type of document in Monterey County; planning, environmental review, and litigation. Trying to process a revised Reuse Plan will not likely be accomplished in the limited time remaining for FORA, and it will divert critical resources needed to accomplish what FORA was established to do, which is prepare the former base lands for reuse by the local jurisdictions. FORA's role should be to assist the local agencies to complete the Reuse Plan as it is currently adopted and prepare for the dissolution of FOR A, including cleaning and transferring lands as well as completion of the CIP program. Any consideration of land use or policy changes should be left to the local jurisdictions in which the land is located.

Respectfully,

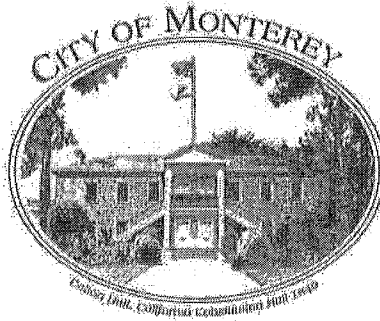


Carl P. Holm, AICP  
Deputy Director  
Monterey County Resource Management Agency

cc: Monterey County Board of Supervisors  
Michael Groves, EMC  
Doug Yount, City of Marina  
John Dunn, City of Seaside  
Dan Dawson, City of Del Rey Oaks  
Elizabeth Caraker, City of Monterey

## **Guiding Principles in Implementing Policy Options Following the Base Reuse Plan (BRP) Reassessment**

1. **Achieve the purpose of existing BRP before adding or supplanting with new purpose.**
  - a. Replenish job and population loss that occurred with base closure
  - b. Move “economy” to top of priority of BRP objectives, equal with education and environment
  - c. Focus on job creation of middle income earners or higher
  - d. Ensure sustainable funding for all obligations including long-term obligations beyond Ft. Ord Reuse Authority (FORA)
  
2. **Limit Land Use decisions to Land Use Jurisdictions**
  - a. Work within framework of existing BRP and its Environmental Impact Report
  - b. Work within framework of existing Agreements & Memorandum of Understanding (MOUs) in place now between FORA and jurisdictions
  - c. Voting structure on FORA Board should reflect land use decisions i.e. only Land Use Jurisdictions would vote on land use matters
  - d. BRP modifications/amendments should reflect and be consistent with jurisdiction General Plans that have previously been found consistent
  
3. **Begin now to plan for future FORA dissolution by accomplishing remaining tasks under BRP**
  - a. Dedicate staff and funding to assisting jurisdictions in implementing BRP within FORA lifetime
  - b. Continue to monitor Salinas Valley Ground Water Basin vs. reopen or reevaluate Basin
  - c. Demolish barracks/building removal as priority
  - d. Implement Capital Improvement Program (CIP) prior to FORA dissolution
  - e. Develop augmented water source
  - f. Complete Environmental Services Cooperative Agreement (ESCA) and Munitions and Explosives of Concern (MEC) Cleanup
  - g. Complete Habitat Conservation Plan (HCP)
  - h. Complete roadways/transportation systems



December 5, 2012

Mayor:  
CHUCK DELLA SALA

Councilmembers:  
LIBBY DOWNEY  
ALAN HAFFA  
NANCY SELFRIDGE  
FRANK SOLLECITO

Fort Ord Reuse Authority Board Members  
920 Second Avenue, Suite A  
Marina, CA 93933

City Manager:  
FRED MEURER

**RE: 1997 Fort Ord Base Reuse Plan Reassessment –  
Guiding Principles in Implementing Policy Options  
Following the Base Reuse Plan (BRP) Reassessment**

Dear FORA Board Members:

Thank you for the tremendous work accomplished in a short time frame for this important phase in the 1997 Fort Ord Base Reuse Plan (BRP) implementation. With this letter we want to inform you about the intent of our jurisdiction to endorse a set of mutually agreed upon guiding principles for ongoing implementation of the BRP. Together with four other member jurisdictions, we ask that the Fort Ord Reuse Authority (FORA) Board accept and abide by our jointly developed principles.

Recently, the five member jurisdictions of FORA with ownership and development responsibilities have collaborated to create a set of "Guiding Principles in Implementing Policy Options Following the Base Reuse Plan (BRP) Reassessment" (enclosed).

These five jurisdictions include Monterey County and the cities of Marina, Seaside, Del Rey Oaks, and Monterey. The objective of this document is to demonstrate to the FORA Board that these jurisdictions have a common interest to:

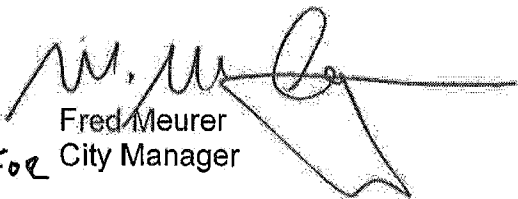
- Continue to implement the policies of FORA and the BRP to achieve its vision;
- Support each jurisdiction's efforts to implement its General Plan provided it has been found consistent with the BRP and BRP EIR; and
- Support FORA's efforts to complete the required mitigation measures (habitat conservation, infrastructure development, etc.), munitions cleanup, and other tasks.

The BRP vision and goals are consistent with the City of Monterey City Council's Value Drivers, which requires the City to sustain "a level of economic vitality sufficient to support our quality of life and municipal infrastructure requirements (both physical and human)." The BRP designations and policies call for the City's parcels to provide for development of approximately one million square feet of business park, light industrial, and/or research and development type uses, as well

as open space/recreational uses. The City's General Plan and zoning ordinance support these land use designations and policies, and soon the City will request that the FORA Board adopt a consistency determination as required by the Master Resolution.

The Monterey City Council will consider endorsing these guiding principles at its December 18, 2012 meeting. Once the City Council takes action, the Mayor will notify the FORA Board of the outcome.

Sincerely,

  
Fred Meurer  
FOR City Manager

Encl.

- Michael Houlemard, FORA
- Daniel Dawson, City of Del Rey Oaks
- Carl Holm, Monterey County
- Diana Ingersol, City of Seaside
- Doug Yount, City of Marina

## **Guiding Principles in Implementing Policy Options Following the Base Reuse Plan (BRP) Reassessment**

- 1. Achieve the purpose of existing BRP before adding or supplanting with new purpose**
  - a. Replenish job and population loss that occurred with base closure
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  - c. Focus on job creation of middle income earners or higher
  - d. Ensure sustainable funding for all obligations including long-term obligations beyond Fort Ord Reuse Authority (FORA)
  
- 2. Limit Land Use decisions to Land Use Jurisdictions**
  - a. Work within framework of existing BRP and its Environmental Impact Report
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  - a. Dedicate staff and funding to assisting jurisdictions in implementing BRP within FORA lifetime
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  - h. Complete roadways/transportation systems

**FORT ORD REUSE AUTHORITY BOARD REPORT**

**EXECUTIVE OFFICER'S REPORT**

**Subject:** Outstanding Receivables

**Meeting Date:** December 14, 2012

**Agenda Number:** 10a

**INFORMATION**

**RECOMMENDATIONS:**

Receive a Fort Ord Reuse Authority (FORA) outstanding receivables update as of November 30, 2012.

**BACKGROUND/DISCUSSION:**

There is one outstanding receivable as noted below. The Late Fee policy adopted by the FORA Board requires receivables older than 90 days be reported to the Board.

|                      | Item<br>Description    | Amount<br>Owed | Amount<br>Paid | Amount<br>Outstanding |
|----------------------|------------------------|----------------|----------------|-----------------------|
| City of Del Rey Oaks | PLL Loan Payment 09-10 | 182,874        | -              | 182,874               |
|                      | PLL Loan Payment 10-11 | 256,023        | -              | 256,023               |
|                      | PLL Loan Payment 11-12 | 256,023        | -              | 256,023               |
|                      | <i>DRO Total</i>       |                |                | 694,920               |

**City of Del Rey Oaks (DRO)**

- PLL insurance annual payments: In 2009, DRO cancelled agreement with its project developer who made PLL loan payments. The FORA Board approved a payment plan for DRO and the interim use of FORA funds to pay the premium until DRO finds a new developer (who will be required by the City to bring the PLL Insurance coverage current). DRO agreed to make interest payments on the balance owed until this obligation is repaid, and they remain current.

Payment status: First Vice Chair Mayor Edelen informed both the Board and Executive Committee that DRO has selected a new development partner to meet this obligation. DRO is currently negotiating this item with the development entity, which is expected to be signed this month. The remaining obligation is expected to be repaid early next calendar year.

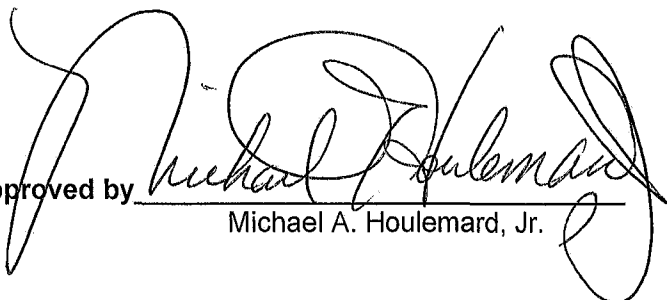
**FISCAL IMPACT:**

FORA must expend resources or borrow funds until receivables are collected. The majority of FORA revenues come from member/jurisdiction/agencies and developers. FORA's ability to conduct business and finance its capital obligations depends on a timely collection of these revenues.

**COORDINATION:**

Executive Committee

Prepared by   
Ivana Bednarik

Approved by   
Michael A. Houlemard, Jr.



RETURN TO  
AGENDA

# FORT ORD REUSE AUTHORITY BOARD REPORT

## EXECUTIVE OFFICER'S REPORT

|   |                    |
|---|--------------------|
| <b>Subject:</b> Administrative Committee Report |                    |
| <b>Meeting Date:</b> December 14, 2012          | <b>INFORMATION</b> |
| <b>Agenda Number:</b> 10b                       |                    |

### RECOMMENDATION:

Receive a report from the Administrative Committee.

### BACKGROUND/DISCUSSION:

The approved minutes from the November 7, 2012 (**Attachment A**) Administrative Committee meeting are attached for your review. The regularly scheduled November 21, 2012 meeting was cancelled due to lack of urgent Committee business.

### FISCAL IMPACT:

Reviewed by the FORA Controller M.F. for I.B.

Staff time for the Administrative Committee is included in the approved annual budget.

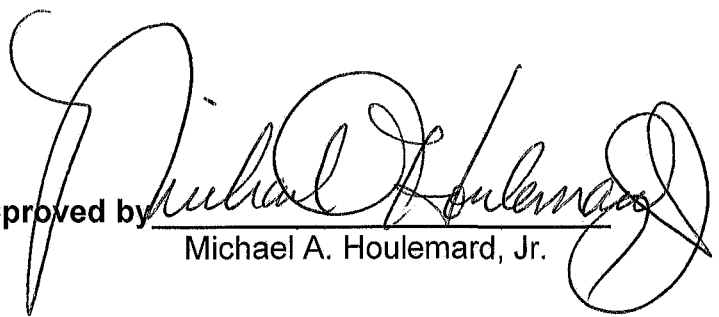
### COORDINATION:

Administrative Committee

Prepared by

  
Lena Spilman

Approved by

  
Michael A. Houlemard, Jr.



# Fort Ord Reuse Authority

920 2<sup>nd</sup> Avenue, Suite A, Marina, CA 93933  
Phone: (831) 883-3672 • Fax: (831) 883-3675 • www

Attachment A to Item 10b  
FORA Board Meeting, 12/14/2012

## ADMINISTRATIVE COMMITTEE MEETING 8:15 A.M. WEDNESDAY, NOVEMBER 7, 2012 910 2<sup>nd</sup> Avenue, Marina CA 93933 (on the former Fort Ord) MINUTES

# APPROVED

### 1. CALL TO ORDER

Chair Dawson called the meeting to order at 8:16 a.m. The following were present, as indicated by signatures on the roll sheet:

Dan Dawson, City of Del Rey Oaks\*  
Doug Yount, City of Marina\*  
Elizabeth Caraker, County of Monterey\*  
Diana Ingersoll, City of Seaside\*  
Benny Young, County of Monterey\*  
Tim O'Halloran, City of Seaside  
Heidi Burch, City of Carmel  
Michael Groves, EMC Planning  
Sid Williams, United Veteran's Council

Graham Bice, UC MBEST  
Bob Rench, CSUMB Rob  
Robinson, BRAC  
Mike Zeller, TAMC  
Andy Sterbenz, MCWD  
Bob Schaeffer, MCP  
Vicki Nakamura, MPC  
Patrick Breen, MCWD

FORA Staff:  
Michael Houlemard  
Steve Endsley  
Robert Norris  
Jonathan Garcia  
Darren McBain  
Stan Cook  
Jim Arnold  
Crissy Maras  
Lena Spilman

\* Voting Members

### 2. PLEDGE OF ALLEGIANCE

Diana Ingersoll led the Pledge of Allegiance.

### 3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

Executive Officer Michael Houlemard discussed the outcome of the recent local elections.

### 4. PUBLIC COMMENT PERIOD

Andy Sterbenz, MCWD, discussed the budgetary challenges associated with completion of various capital improvement projects.

### 5. APPROVAL OF OCTOBER 17, 2012 MEETING MINUTES

**MOTION:** Doug Yount moved, seconded by Graham Bice, and the motion passed unanimously to approve the October 17, 2012 Administrative Committee meeting minutes as presented.

### 6. NOVEMBER 16, 2012 FORA BOARD MEETING – AGENDA REVIEW

Mr. Houlemard provided an overview of items on the upcoming November 16, 2012 FORA Board meeting agenda.

### 7. OLD BUSINESS

#### a. **Master Resolution/Settlement Agreement Compliance – Deed Notifications Update**

Real Property and Facilities Manager Stan Cook provided a status update regarding outstanding deed notifications required to be completed by the jurisdictions.

#### b. **Base Reuse Plan Reassessment – Update**

Mr. Houlemard provided an update on the current status of the Base Reuse Plan Reassessment.

### 8. ADJOURNMENT

Chair Dawson Adjourned the meeting at 8:55 a.m.

Minutes Prepared by:  
Lena Spilman, Deputy Clerk

Approved by:

\_\_\_\_\_  
Michael A. Houlemard, Jr., Executive Officer

**RETURN TO  
AGENDA**

**FORT ORD REUSE AUTHORITY BOARD REPORT  
EXECUTIVE OFFICER'S REPORT**

|   |                    |
|---|--------------------|
| <b>Subject:</b> Public Correspondence to the Board                  |                    |
| <b>Meeting Date:</b> December 14, 2012<br><b>Agenda Number:</b> 10c | <b>INFORMATION</b> |

Public correspondence submitted to the Board is posted to FORA's website on a monthly basis and is available to view at <http://www.fora.org/Board/PublicComm.html>.

Correspondence may be submitted to the Board via email to [board@fora.org](mailto:board@fora.org) or mailed to the address below:

FORA Board of Directors  
920 2<sup>nd</sup> Avenue, Suite A  
Marina, CA 93933

|  |                    |
|--|--------------------|
| <b>Subject:</b> Habitat Conservation Plan Update | <b>INFORMATION</b> |
| <b>Meeting Date:</b> December 14, 2012           |                    |
| <b>Agenda Number:</b> 10d                        |                    |

**RECOMMENDATION(S):**

Receive an Habitat Conservation Plan ("HCP") and State of California 2081 Incidental Take Permit ("2081 permit") preparation process status report.

**BACKGROUND/DISCUSSION:**

The Fort Ord Reuse Authority ("FORA"), with the support of its member jurisdictions and ICF International (formerly Jones & Stokes), FORA's HCP consultant, is on a path to receive approval of a completed basewide HCP and 2081 permit in 2013, concluding with US Fish and Wildlife Service ("USFWS") and California Department of Fish and Game ("CDFG") issuing federal and state permits.

ICF completed an administrative draft HCP on December 4, 2009. FORA member jurisdictions completed a comment and review period, which ended February 26, 2010. In April 2011, USFWS finished their comments on all draft HCP sections, while CDFG provided limited feedback. These comments by the regulatory agencies required a substantial reorganization of the document. To address this, ICF completed a 3<sup>rd</sup> Administrative Draft HCP for review (dated September 1, 2011). The 12 Permit Applicants (County, Cities of Marina, Seaside, Del Rey Oaks, and Monterey, Monterey Peninsula Regional Park District, Marina Coast Water District, State Parks, Monterey Peninsula College, California State University Monterey Bay, University of California Santa Cruz, and FORA) and Cooperating Entity (Bureau of Land Management) reviewed this draft document and submitted their comments in October 2011. That review included the draft HCP Implementing Agreement and Ordinance/Policy, which are appendices to the draft HCP and are being prepared separately by FORA. ICF addressed the comments received and submitted the draft document to USFWS/CDFG the week of March 19, 2012. **Update: FORA received comments from USFWS in July 2012 and CDFG staff in August 2012, and held in-person meetings on October 30 and 31, 2012 to discuss specific comments; however, a legal review from these wildlife agencies is not yet complete.** Assuming that the wildlife agencies' legal review is completed by the end of December, this review period will be followed by 30 days for ICF to prepare a Screen Check draft that will undergo a 30-day final review for minor edits. ICF would then respond to any comments/issues raised in 30 days. If this schedule can be maintained, FORA staff would expect a Public Draft document to be available for public review in Spring 2013.

At the September 7, 2011 FORA Administrative Committee meeting, Jamie Gomes, Principal, from EPS presented information related to Economic and Planning Systems' ("EPS") review of HCP costs and endowment investment strategy. EPS provided an HCP endowment investment strategy that was incorporated into the draft HCP. Final approval of the endowment strategy rests with CDFG/USFWS. CDFG does not currently provide

guidance on establishing an acceptable HCP endowment fund. However, SB 1094 (Kehoe) was signed by Governor Brown in September. The bill will result in CDFG issuing specific guidance on establishing HCP and other endowment funds in the next few months.

**FISCAL IMPACT:**

Reviewed by FORA Controller M. F. for I.B.

ICF and Denise Duffy and Associates' (FORA's/USFWS's NEPA/CEQA consultant) contracts have been funded through FORA's annual budgets to accomplish HCP preparation and environmental review. Staff time for this item is included in the approved FORA budget.

**COORDINATION:**

Executive Committee, Administrative Committee, Legislative Committee, HCP working group, FORA Jurisdictions, USFWS, CDFG, ICF, Denise Duffy and Associates, UC Natural Reserve System, State Parks, and Bureau of Land Management.

Prepared by Jonathan Garcia Reviewed by D. Steen Endsley  
Jonathan Garcia Steve Endsley

Approved by Michael A. Houlemard, Jr.  
Michael A. Houlemard, Jr.

**FORT ORD REUSE AUTHORITY BOARD REPORT**

**EXECUTIVE OFFICER'S REPORT**

|                       |   |                           |
|-----------------------|---|---------------------------|
| <b>Subject:</b>       | Administrative Consistency Determination For Entitlement: Marina's Veterans Affairs Monterey Health Care Center Project |                           |
| <b>Meeting Date:</b>  | December 14, 2012   | <b>INFORMATION/ACTION</b> |
| <b>Agenda Number:</b> | 10e   |                           |

**RECOMMENDATION(S):**

1. Receive a report from the Executive Officer regarding Marina's Veterans Affairs Monterey Health Care Center Project ("VA Monterey Health Care Center Project") Administrative Consistency Determination per Section 8.02.030 of the Fort Ord Reuse Authority ("FORA") Master Resolution; **AND/OR**
2. Conduct a hearing and consider the Executive Officer's concurrence in Marina's development entitlement consistency determination if:
  - a. an appeal is received within the 10-day (Master Resolution Section 8.01.050) or 15-day (Master Resolution Section 8.03.070) appeal response terms; **OR**
  - b. a Board member requests that a hearing be conducted on this project within the 35-day response term (Master Resolution Section 8.01.040).

**BACKGROUND:**

Marina submitted the VA Monterey Health Care Center Project for consistency determination on November 20, 2012 (**Attachment A**). The project is an approximately 150,000 square-foot medical care facility located on an approximately 14.31-acre site within the Dunes on Monterey Bay Specific Plan ("Dunes Specific Plan") area (formerly known as the University Villages Specific Plan). The FORA Board found the Dunes on Monterey Bay Specific Plan and phase I of the project's development entitlements consistent with the 1997 Base Reuse Plan ("BRP") in 2005. The VA Monterey Health Care Center Project implements phase I development entitlements within the Dunes Specific Plan and consists of:

- 1) Marina Planning Commission Resolution No. 2012-11, approving Draft Resolution ("DR") 2012-06 for the conceptual site layout and building envelope, and approving Use Permit ("UP") 2012-05 pursuant to General Plan Policy 4.53, allowing for a height of 48 feet;
- 2) Marina Planning Commission Resolution No. 2012-12, finding that the DR 2012-06 and UP 2012-05 are consistent with the Fort Ord Base Reuse Plan; and
- 3) Marina Planning Commission Resolution No. 2012-16, approving Tree Permit ("TP") 2012-03 for removal of nine (9) trees and relocation of sixteen (16) trees; and approving DR 2012-10, for the site plan, conceptual landscape plan, building elevations, and colors and materials.

Marina requested Development Entitlement Consistency review of the project in accordance with section 8.02.030 of the FORA Master Resolution, which does not require Board approval. Under state law, (as codified in FORA's Master Resolution) legislative land use decisions (plan level documents such as General Plans, Zoning

Codes, Specific Plans, Redevelopment Plans, etc.) differ from development entitlement (a project under an approved General Plan and Zoning designation) consistency determinations. By law, legislative land use decisions must be scheduled for FORA Board review under strict timeframes. Development entitlements are treated differently by the law; unless appealed to the FORA Board, they are reviewed by staff to determine consistency with the BRP. The legislative framers wrote the law this way in recognition of the high volume of development entitlements expected to be processed by member jurisdictions.

## **DISCUSSION:**

**Rationale for consistency determinations:** FORA staff finds that there are several defensible rationales for making an affirmative consistency determination. Sometimes additional information is provided to buttress those conclusions. In general, it is noted that the BRP is a framework for development, not a precise plan to be mirrored. However, there are thresholds set in the resource constrained BRP that may not be exceeded without other actions, most notably 6,160 new residential housing units and a finite water allocation. FORA Board resolution 01-5 found that Chapter 8 of the FORA Master Resolution should be adjusted to clarify and eliminate any potential inconsistency between the BRP and the Marina General Plan. Marina staff presented this item to the FORA Administrative Committee on December 5, 2012. The Administrative Committee had no objection. More particularly, consistency rationales are analyzed below in this report and are summarized in **Attachment B**.

### **DEVELOPMENT ENTITLEMENT CONSISTENCY FROM SECTION 8.02.030 OF THE FORA MASTER RESOLUTION**

(a) In the review, evaluation, and determination of consistency regarding any development entitlement presented to the Authority Board pursuant to Section 8.01.030 of this Resolution, the Authority Board shall withhold a finding of consistency for any development entitlement that:

(1) Provides an intensity of land uses, which is more intense than that provided for in the applicable legislative land use decisions, which the Authority Board has found consistent with the Reuse Plan;

At .25 floor area ratio, this approximately 150,000 square-foot building on an approximately 14.31-acre site is not more intense than permitted under the office and research land use designation.

(2) Is more dense than the density of development permitted in the applicable legislative land use decisions which the Authority Board has found consistent with the Reuse Plan;

Marina's submittal correctly asserts that the intensity of the the VA Monterey Health Care Center Project is consistent with the BRP thresholds. Table 3.3-1 Summary Land Use Capacity: Ultimate Development in the BRP assumes 549 acres within Marina's area of the former Fort Ord for office land use. The VA Monterey Health Care Center Project project is below that threshold.

(3) Is not conditioned upon providing, performing, funding, or making an agreement guaranteeing the provision, performance, or funding of all programs applicable to the development entitlement as specified in the Reuse Plan and in Section 8.02.020 of this Master Resolution and consistent with local determinations made pursuant to Section 8.02.040 of this Resolution;

These conditions are imposed on the project.

(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;

The project does not conflict and is not incompatible with open space, recreational, or habitat management areas within FORA's authority.

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

The project will pay its fair share of the basewide costs through the developer fee that will accrue to FORA and already paid its 50% of project land sales revenue to FORA.

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

The Fort Ord Habitat Management Plan ("HMP") designates certain parcels for "Development," in order to allow economic recovery through development while promoting preservation, enhancement, and restoration of special status plant and animal species in designated habitats. The project only affects lands that are located within areas designated for "Development" under the HMP. Lands designated for "Development" have no management restrictions placed upon them as a result of the HMP. The project would not conflict with implementation of the Fort Ord HMP.

(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 project is within the Highway 1 Design Corridor Design Guidelines and is consistent with adopted design guidelines in that all buildings are set back well in excess of the 100-foot development setback for new buildings to allow for a continuous character; a 25-foot landscape setback is provided along Highway 1 to protect existing mature cypress trees and accommodate relocated and new cypress trees; and a use permit has been obtained for a building height in excess of 40 feet at the location designated for said building within the Marina General Plan.



(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 this Master Resolution.

The project increases employment opportunities on the former Fort Ord and supports reuse activities, in that there will ultimately be 290 medical-related positions. This is consistent with the jobs/housing balance approved by the FORA Board.

**Additional Considerations:**

(9) Adoption of required programs from section 8.02.040 of the FORA Master Resolution and

Marina determined that the project has incorporated applicable BRP programs. Marina has adopted the HMP and the submittal conforms to the Development Resource Management Plan. FORA Board resolution 01-5 found that Chapter 8 of the FORA Master Resolution should be adjusted to clarify and eliminate any potential inconsistency between the BRP and the Marina General Plan.

10) Is not consistent with FORA's prevailing wage policy, section 3.03.090 of the FORA Master Resolution.

The project is required to pay a prevailing wage consistent with section 3.03.090 of the FORA Master Resolution.

**FISCAL IMPACT:**

Reviewed by FORA Controller M. F. for I. B.

This consistency review is regulatory in nature and should have no direct fiscal, administrative, or operational impact. Staff time for this item is included in the approved FORA budget. The VA Monterey Health Care Center Project is subject to the FORA CFD fee, and, in addition, FORA has collected 50% of project land sales revenue to be used for building removal in the Dunes Specific Plan area.

**COORDINATION:**

Marina staff, Administrative Committee, and Executive Committee.

Prepared by Jonathan Garcia Reviewed by Steve Endsley  
Jonathan Garcia Steve Endsley  
Approved by Michael A. Houlemard, Jr.  
Michael A. Houlemard, Jr.



November 15, 2012

Steve Endsley  
Assistant Executive Officer  
Fort Ord Reuse Authority  
920 2nd Ave., Suite A  
Marina, CA 93933

**RE: FORA Consistency Determination for Veterans Affairs Monterey Health Care Center**

Dear Mr. Endsley:

This letter is a formal request to the Fort Ord Reuse Authority (FORA) for a consistency determination for the following described actions, to be reviewed by the Administrative Committee on December 5, 2012, and by the Board of Directors on December 14, 2012.

The project is the Veterans Affairs Monterey Health Care Center, a ±150,000 square-foot medical care facility located on a ±14.31 acre project site within the Dunes on Monterey Bay Specific Plan (Dunes Specific Plan) area.

The Dunes Specific Plan and EIR were adopted on May 31, 2005 to streamline the permitting process and facilitate redevelopment of this part of the former Fort Ord.

On June 30, 2005, FORA adopted Resolution No. 05-6 concurring with the City of Marina that the Dunes Specific Plan project is consistent with the Fort Ord Reuse Plan.

The provided package includes staff reports and Planning Commission Resolutions needed to fully entitle the project and consists of the following:

- Planning Commission Resolution No. 2012-11, approving DR 2012-06 for the conceptual site layout and building envelope, and approving UP 2012-05 pursuant to General Plan Policy 4.53, allowing for a height of 48 feet;
- Planning Commission Resolution No. 2012-12, finding that DR 2012-06 and UP 2012-05 are consistent with the Fort Ord Base Reuse Plan; and
- Planning Commission Resolution No. 2012-16, approving TP 2012-03 for removal of nine (9) trees and relocation of sixteen (16) trees; and approving DR 2012-10, for the site plan, conceptual landscape plan, building elevations, and colors and materials.

Advisory recommendations of the Site and Architectural Design Review Board and Tree Committee were considered during Planning Commission review of the project.

Pursuant to California Environmental Quality Act (CEQA), an Informal Addendum to the adopted EIR (State Clearinghouse No. SCH. No. 2004091167) was prepared and a Notice of Determination was filed with the County Clerk. The appeal period ended on October 25, 2012.

Two hard copies of the entire package are enclosed for your use.


For the FORA Administrative Committee, a PDF of the package can be located at the City of Marina website main page under <http://www.ci.marina.ca.us/DocumentCenter/View/3905>.

Thirty CD ROM's are provided for the Board of Directors meeting. The CD ROM's include the following:

- From the Planning Commission Meeting of September 13, 2012
  - PC September 13, 2012 Staff Report
  - Resolution No. 2012-11 (Use Permit for Height of 48 Feet)
  - Resolution No. 2012-12 (FORA Consistency Determination)
  - Exhibit A (Plan Set)
  - Exhibit B (Conceptual Plan)
  - Exhibit C (Figure 4.15)
  
- From the Planning Commission Meeting of November 1, 2012
  - PC November 1, 2012 Staff Report
  - Resolution No. 2012-16
  - Exhibit A (Arborists Report)
  - Exhibit B (Plan Set)

Thank you in advance for your review and consideration. Please contact me at (831) 884-1289 if you have questions or if you need additional information.

Sincerely,

  
Theresa Szymanis, AICP  
Planning Services Manager  
Community Development Department  
City of Marina

| <b>FORA Master Resolution Section 8.02.030 (1-8) and additional considerations (9-10)</b>  | <b>Finding of Consistency</b> | <b>Justification for finding</b>  |
|--|-------------------------------|---|
| (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                           | This development is not more intense than permitted under the current land use designation. See Marina's Analysis (Attachment A to resolution 2012-12) items (a) through (e) pg. 1-2.                     |
| (2) Does not provide for a development more dense than the density of uses permitted in the Reuse Plan for the affected territory;   | Yes                           | The project is well below the 549-acre Business Park/Office land use threshold. See Marina's Analysis (Attachment A to resolution 2012-12) items (a) through (e) pg. 1-2.                                 |
| (3) Is in substantial conformance with applicable programs specified in the Reuse Plan and Section 8.02.020 of this Master Resolution.   | Yes                           | These conditions are imposed on the project. See Marina's Analysis (Attachment A to resolution 2012-12) items (a) through (t) pg. 1-7.  |
| (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                           | The project does not impact open space, recreational, or habitat management areas. See Marina's Analysis (Attachment A to resolution 2012-12) items (a) through (d) pg. 1-2.                              |
| (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 applicable legislative land use decision;   | Yes                           | The project will pay its fair share of basewide costs through payment of developer fees and sharing of lease revenue proceeds. See Marina's Analysis (Attachment A to resolution 2012-12) item (o) pg. 6. |
| (6) Requires or otherwise provides for implementation of the Fort Ord Habitat Management Plan.   | Yes                           | The project does not conflict with implementation of the Fort Ord Habitat Management Plan. See Marina's Analysis (Attachment A to resolution 2012-12) item (a) pg. 1.                                     |
| (7) Is consistent with the Highway 1 Design Corridor Design Guidelines as such guidelines may be developed and approved by the Authority Board.  | Yes                           | The project is consistent with Highway 1 Design Corridor Design Guidelines. See Marina's Analysis (Attachment A to resolution 2012-12) other consistency considerations pg. 8.                            |
| (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                           | The project complies with the jobs/housing balance provisions. See Marina's Analysis (Attachment A to resolution 2012-12) item (t) pg. 7.   |
| (9) Adoption of required programs from section 8.02.040 of the FORA Master Resolution.   | Yes                           | The project incorporates applicable programs. See Marina's Analysis (Attachment A to resolution 2012-12) pg. 1-8.   |
| (10) Prevailing Wage section 3.03.090 of the FORA Master Resolution.   | Yes                           | The project will comply with FORA's prevailing wage policy. See Marina's Analysis (Attachment A to resolution 2012-12) other consistency considerations pg. 8.  |

Attachment B to Item 10e  
FORA Board Meeting 12/14/12