

Transition Plan Update

Presentation to FORA BOARD

September 28, 2018

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FORA History/Executive Summary



- Where We've Been
- What's "New"?
- Revised Draft Resolution
- Key Issues



- Create single entity successor (JPA)
- *Seek extension of CFD/powers for successor*
- Utilize Implementation Agreement/Percentage assignment for jurisdiction's fair and equitable contribution to successor to complete FORA program

Transition Plan History

- **January 2018**
 - Compiled and Presented Subject Matter contracts
- **February 2018**
 - Compiled and Presented Subject Matter Contracts
- **March 2018**
 - Compiled and Presented Subject Matter Contracts
- **April 2018**
 - Compiled and Presented Subject Matter Contracts
 - Transition Ad Hoc Committee Meetings
- **May 2018**
 - Compiled and Presented Subject Matter Contracts
 - Transition Ad Hoc Committee Meetings
- **June 5, 2018**
 - Compiled Draft Plan Document and Policy issues
- **July 13, 2018**
 - Board Presentation and Revised Contract Assignments
- **August 13, 2018**
 - Draft Resolution
 - Multiple Meetings
- **September 28, 2018**
 - Revised Draft Transition Plan Resolution
 - Multiple meetings



Recent Meetings

- Monterey County
- City of Seaside
- City of Monterey
- City of Marina
- LAFCO/Staff
- City of Del Rey Oaks
- MCWD Staff
- TAMC Staff



(b)(1) The Monterey County Local Agency Formation Commission **shall provide for the orderly dissolution of the authority including ensuring that all contracts, agreements, and pledges to pay or repay money entered into by the authority are honored and properly administered**, and that all assets of the authority are appropriately transferred.

(b)(2) The board shall approve and submit a transition plan ...The transition plan **shall assign assets and liabilities, designate responsible successor agencies, and provide a schedule of remaining obligations**...The transition plan shall be approved **only by a majority vote** of the board.

DUE: To LAFCO December 2018

Assign Assets and Liabilities: Section 2 and 3

Designate Successor Agencies: Section 2 and 3

Schedule of Remaining Obligations: Section 1, 2,
and 3 Transition Plan Implementation Agreements
(combo)

- **Background**
- **Section 1:** Defines *what* Board is assigning.
- **Section 2:** Defines *who* and *how* assignments happen and *how* to assign if there are omissions (After Discovered Items).
- **Section 3:** Outlines *intent, financial contribution targets* and *schedule* to be more fully outlined by jurisdictions in Transition Plan Implementation Agreements with schedules.
- **Section 4:** CEQA
- **Section 5:** LAFCO Review

Section 1: Basewide Costs & Mitigation Measures

- CIP defines scope of projects to be addressed
- CFD is best vehicle to ensure long term revenue generation
- Existing Implementation Agreements require continued funding participation
- CIP projects (Obligations) to be assigned

Section 1: Basewide Costs & Mitigation Measures-Cont'd

- Plan may be implemented through Transition Plan Implementation Agreements (TPIA)
- Jurisdictions with future development encouraged to form replacement funding mechanisms
- In absence of fully executed TPIA – all revenues shall be paid to escrow account

Section 2: Assignment of Assets/Liabilities/Obligations

- 2 types: Administrative and Real Property related Assets/Liabilities/Obligations
- In general Administrative Liabilities and Obligations will be assigned based upon FORA Board voting percentage
- Real property related assets, liabilities and obligations shall be assigned to the underlying jurisdiction, unless there are agreements changing that allocation

Section 2: Assignment of Assets/Liabilities/Obligations –Cont'd

- Contractual Obligations as identified in Table of assignments shall be addressed in TPIA
- Assets to be transferred as described
- After Discovered Items to be assigned as described

Section 3: Transition Plan Subject Matters

- **Habitat**

- Best funded by CFD
- Obligations passed to Joint Powers Authority (JPA)
- If no JPA, then obligations to underlying jurisdictions (HMP)
- FORA Funds to Escrow for Habitat Management and Take Permits

- **Transportation**

- Completion of transportation network
- On-base projects assigned to jurisdictions; Regional to TAMC
- Extension of FORA CFD best revenue generation mechanism-Otherwise addressed in **TPIA**

Section 3: Transition Plan Subject Matters – Cont'd

- **Environmental Services**
 - FORA ESCA program extended or
 - Assign to Seaside and/or County
 - Existing Funding/Staffing transferred to Successor
- **Building Removal**
 - If FORA land sales revenues extend contribute toward building removal;
 - If FORA not extended, removal obligations of jurisdictions

Section 3: Transition Plan Subject Matters – Cont'd

- **Funding Escrow Account**
 - FORA Dollars transferred to Escrow Account
 - Funds collected by revenue sharing deposited to Escrow
 - Funds disbursed by Reimbursement Agreement for approved expenditures
- **Water/Wastewater**
 - Augmentation and water transferred to MCWD
 - Balance of water augmentation financed by revenue sharing and/or MCWD capacity charges
 - FORA water allocations in place unless modified by Agreements

Section 3: Transition Plan Subject Matters – Cont'd

- **Policy Issues**

- Master Resolution recorded for notice of all policies in place at time of sunset
- Land use Jurisdictions enforce said policies

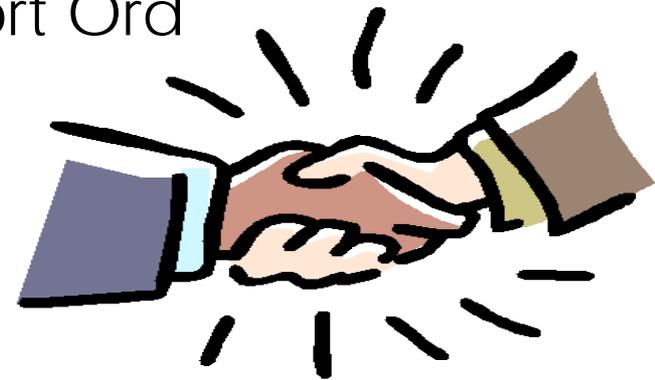
Section 4: CEQA Compliance

- Nothing commits to any project not already in a Capital Improvement Program or evaluated by CEQA/NEPA
- Transition Plan Exempt from CEQA

Section 5: LAFCO Review and Enforcement

- Requests LAFCO address with specificity any deficiencies in Transition Plan and return to FORA Board
- Requests LAFCO enforce all FORA Board Transition Plan assignments as though conditions of dissolution in the absence of fully executed Agreements addressing all parts of the Transition Plan.

1. Background and Definitions
2. How Jurisdiction will Implement Transition Plan Assignments (EG. Revenue Generation, Revenue Sharing, Offsets and contractual reimbursement agreements; jurisdiction's schedule for formation and completion of other entities/Agreements and schedule for any assigned projects.
3. How the jurisdiction intends to comply with enforcement of policies for Fort Ord Developments



EXAMPLE 1: TPIA: Non Land Holding Jurisdiction Hypothetical

1. Background Recitals
2. Definitions
3. As outlined in Transition Plan, Salinas will have 7.69% of **Administrative Liabilities** and will become an 7.69% successor entity to any administrative liability.
4. Salinas shall not have liability for contribution for any real property related costs/liabilities/obligations.



1. As outlined in Transition Plan, County will have 23.1% of Administrative Liabilities and will become a 23.1% successor entity to future identified administrative liability.
2. County will address Real Property Obligations and Contracts in the following manner:

Transportation

FORA has identified that **8** projects are located within County lands. Projects **1-7** are already included in County's **Capital Improvement Program**. County will amend its Capital Improvement Program to include any project not already identified by June 2019. County will enter into revenue sharing agreements to address contributions by the FORA jurisdictions by June 2019.

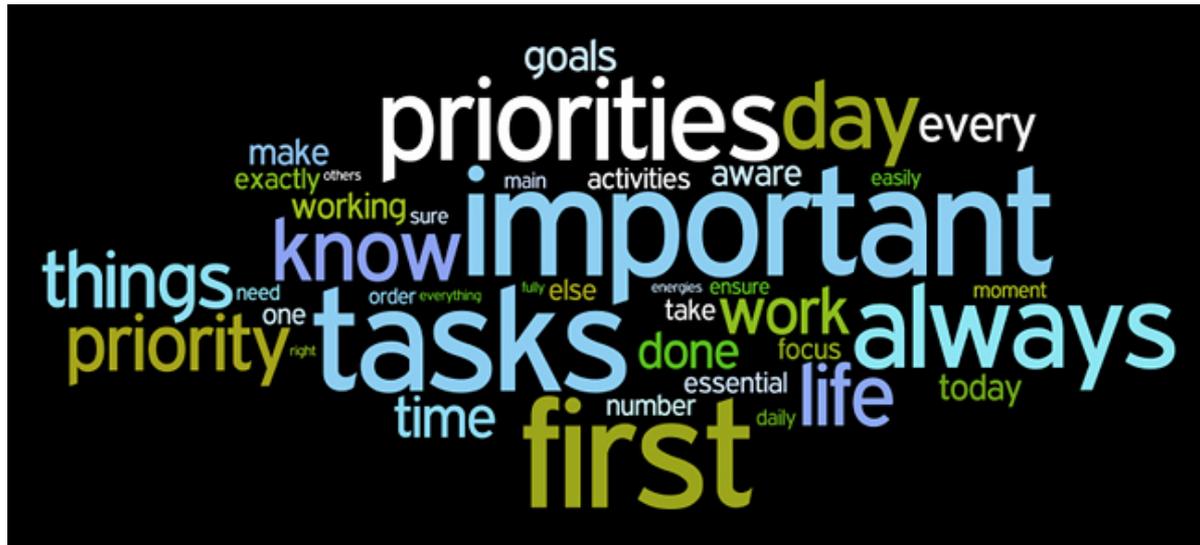
Habitat

County agrees to address habitat management obligations in the following manner. County intends to form a joint powers agency for the purpose of managing the Habitat Conservation Plan no later than **6/2019** or if no HCP, then a joint powers agency (JPA) to manage habitat management areas by **6/2019**. If no JPA is formed, County agrees it will receive and manage FORA habitat funds in trust fund (or Escrow Account) as outlined and approved by the FORA Board for long term management of all habitat management areas and take permits necessary to enable development on Fort Ord lands.

Policies

County will enforce the Base Reuse Plan and Master Resolution policies (**Prevailing Wage, RUDG, consistency, fair and equitable contribution**) through application of its General Plan policies. To date, those policies are specifically identified in Chapter 9 of the General Plan for the Fort Ord Land use Element. To the extent policies are not addressed or consistent with existing BRP and/or Master Plan policies, the County will amend its General Plan or implement through other identified policy enforcement mechanisms, such as conditions of approval.

- LAFCO/FORA Jurisdiction
- Community Facilities District
- ESCA Successor



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DUE: To LAFCO December 2018

- The Transition Plan Resolution asserts FORA Board exercises assignment power through the FORA Act legislation
- Assumes that Implementation of the Transition Plan occurs through Transition Plan Implementation Agreements (TPIA), but is structured that if no TPIA, then assigns and requests LAFCO to ensure assignments as though they were conditions of dissolution.

- Community Facilities District
- Transition Plan approach



FORA's CFD is a Mello Roos Special Tax District (Government Code section 53311 and following)

- Does not require a nexus;
- Allows payment for specified **public services** and **public facilities**;
- FORA's CFD paid on issuance of building permit
- Terminates on FORA dissolution
 - Currently no mechanism to transfer.

1. Extend FORA Act; or
2. Amend Mello Roos to allow for transfer and continuation (requires **legislation** and **vote of CFD district**)

Transition Summary (Expenses)

Major Obligations	Assignments	POST-2020	2029
Expenses			
Transportation/Transit	Jurisdictions – On-site and Off-site projects; TAMC – Regional Projects and Transit or Extension of FORA	\$132.3 M	0
Water Augmentation	MCWD/MRWPCA/Extension of FORA	\$17.1 M	0
Habitat Management	Fort Ord Habitat Cooperative (JPA)	\$45.1M	0
Sub-Total		\$194.5M	0
ESCA Program	New JPA or County or extension of FORA	\$0M*	0
Total		\$194.5M	\$0M
Administrative	New JPA/All Land use/Voting Members?	6.6-8.8M*	0*

Transition Plan Approach

Jurisdiction	Habitat	Transportation	Water/Wastewater	Total
Marina	\$ 20,142,098	\$ 59,026,681	\$ 7,626,014	\$ 86,794,793
Seaside	\$ 9,890,402	\$ 28,983,953	\$ 3,744,612	\$ 42,618,967
Del Rey Oaks	\$ 7,587,158	\$ 22,234,265	\$ 2,872,579	\$ 32,694,002
County	\$ 4,516,165	\$ 13,234,682	\$ 1,709,869	\$ 19,460,716
UC	\$ 2,935,508	\$ 8,602,543	\$ 1,111,415	\$ 12,649,466
Monterey	\$ 90,323	\$ 0	\$ 34,197	\$ 124,520
Total	\$ 45,161,654	\$ 132,082,124	\$ 17,098,686	\$ 194,342,464

- Assigns dollar contribution per outstanding capital improvement project based upon outstanding development.
- Allows jurisdictions to execute **Transition Plan Implementation Agreements (TPIA)**
 - how to meet the obligations/assignments (generate revenues, share revenues, enforce policies, etc.); and
 - Establish a more jurisdiction refined schedule as outlined in the Transition Plan.

ENVIRONMENTAL SERVICES



*California Department of
Toxic Substances Control*



Single Entity:

- Monterey County
- Seaside
- Marina
- JPA

County/Seaside form ESCA JPA as single contact with Army or otherwise agreement one or other;

- If JPA receives remaining FORA funds, contractual reimbursement agreements with Army, or insurance policies; and/or
- Identify the schedule and/or agreement between County and Seaside in the **TPIA**.
- Address potential alternative of FORA implementation of ESCA contract during a Transition Plan Implementation extension of the FORA Act.

Section 67700: End Date and for **what purpose:**

EG. (Transition Plan Implementation period up to 10 years or until Transition Plan has been implemented)

EG. (Change end date/Clarify FORA Board's power to determine and assign its assets/liabilities/obligations on all member and ex-officio members and LAFCO's enforcement powers.)

Section 67660: Board membership – underlying land use jurisdictions only and/or all and/or add CSUMB; Reduce members but include voting weight; contractual exit

Section 67688: Conduct of Business. Unanimous vote clarification. All action by single majority vote.

Section 67684: Policy Enforcement Nature and extent of FORA Policy Enforcement (prevailing wage, affordable housing, jobs/housing balance, etc.)

Risk Comparison

Revenues	Transition Plan	Extension
Land Sales/ Property Tax/? \$67M	Jurisdiction(s) decides how to replace	FORA collects & distributes
CFD (Proposed) \$55.2M	Jurisdiction(s) decides how to replace	Jurisdiction(s) decides how to replace
CFD (Entitled) \$72.2 M	Jurisdiction decides how to replace	FORA collects and distributes
\$194.5 M	\$194.5 M	\$194.5 M

Please send Transition Plan questions and comments to:

planning@fora.org

Timeline

- Board approves Transition Plan Resolution
- October 2018-March 2019 Transition Plan Implementation Agreement negotiation and execution period
- December 2018 submit Transition Plan and any Transition Plan Implementation Agreements to LAFCO
- March 2019 Evaluation of next steps given TPIA status/Jurisdiction/unresolved Issues

Discussion

