



Fort Ord Reuse Authority

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

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

ADMINISTRATIVE COMMITTEE MEETING

8:15 A.M. WEDNESDAY, November 7, 2012

910 2nd Avenue, Marina CA 93933 (on the former Fort Ord)

AGENDA

1. **CALL TO ORDER AT 8:15 AM**
2. **PLEDGE OF ALLEGIANCE**
3. **ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE**
4. **PUBLIC COMMENT PERIOD:**
Members of the audience wishing to address the Fort Ord Reuse Authority (FORA) Administrative Committee 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. Public comments on specific agenda items will be heard at the time the matter is under Committee consideration.
5. **APPROVAL OF MEETING MINUTES**
 - a. October 17, 2012 Administrative Committee Minutes ACTION
6. **NOVEMBER 16, 2012 FORA BOARD MEETING – AGENDA REVIEW INFORMATION/ACTION**
7. **OLD BUSINESS**
 - a. Master Resolution/Settlement Agreement Compliance –
Deed Notifications Update INFORMATION
 - b. Base Reuse Plan Reassessment – Update INFORMATION
8. **ADJOURNMENT**

NEXT SCHEDULED MEETING: NOVEMBER 21 , 2012



Fort Ord Reuse Authority

920 2nd Avenue, Suite A, Marina, CA 93933
Phone: (831) 883-3672 • Fax: (831) 883-3675 • www.fora.org

ADMINISTRATIVE COMMITTEE MEETING 8:15 A.M. WEDNESDAY, OCTOBER 17, 2012 910 2nd Avenue, Marina CA 93933 (on the former Fort Ord)

MINUTES

1. CALL TO ORDER

Co-Chair Michael Houlemard called the meeting to order at 8:15 a.m. The following were present, as indicated by signatures on the roll sheet:

John Dunn, City of Seaside*

Doug Yount, City of Marina*

Carl Holm, County of Monterey*

Tim O'Halloran, City of Seaside

Hiedi Burch, City of Carmel

Bob Rench, CSUMB

Anthony Lombardo, ACA/Bayview

Andy Sterbenz, MCWD

Sid Williams, United Veteran's Council

Pat Ward, Bestor Engineers, Inc.

Bill Collins, BRAC

Bob Schaeffer, MCP

Todd Muck, TAMC

Graham Bice, UC MBEST

Vicki Nakamura, MPC

Beth Palmer, Monterey Downs

Brian Boudreau, Monterey Downs

Michael Groves, EMC Planning

Kathleen Lee, Sup. Potter's Office

Michael Houlemard, FORA

Steve Endsley, FORA

Darren McBain, FORA

Stan Cook, FORA

Jim Arnold, FORA

Crissy Maras, FORA

Lena Spilman, FORA

* Voting Members

2. PLEDGE OF ALLEGIANCE

Doug Yount led the Pledge of Allegiance.

3. ACKNOWLEDGEMENTS, ANNOUNCEMENTS AND CORRESPONDENCE

Co-Chair Houlemard discussed several recent reports of vandalism to the Carpenters Hall occurring after FORA Board meetings. Senior Planner Jonathan Garcia announced that the draft Reassessment report would be distributed at the meeting. Andy Sterbenz announced that in light of Carl Niizawa's recent passing he had been appointed as Interim MCWD District Engineer.

4. PUBLIC COMMENT PERIOD

None.

5. APPROVAL OF OCTOBER 3, 2012 MEETING MINUTES

MOTION: John Dunn moved, seconded by Doug Yount, and the motion passed unanimously to approve the October 3, 2012 Administrative Committee meeting minutes as presented.

6. OCTOBER 12, 2012 FORA BOARD MEETING FOLLOW UP

Co-Chair Houlemard provided an overview of the October 12, 2012 FORA Board meeting. Mr. Garcia stated that a special Board Workshop had been scheduled for October 30, 2012 to receive public input regarding the draft Base Reuse Plan Reassessment Report.

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.

8. NEW BUSINESS

a. CSUMB Request to Prioritize 8th Street Funding in the FY 2013/14 FORA Capital Improvement Program

Bob Rench, CSUMB, communicated CSUMB's concerns regarding the need to mitigate increased traffic along Intergarrison Road.

MOTION: Doug Yount moved, seconded by John Dunn, and the motion passed unanimously to schedule a special meeting of the Joint Administrative/Capital Improvement Program Committee for October 31, 2012 to discuss FORA's Transportation Program.

b. Bay View Community Water Service – Potential FORA Board Appeal

Anthony Lombardo, Legal Counsel for the Bay View community, addressed the Committee regarding MCWD's denial of Bay View's request to assume ownership and responsibility for the Bay View water distribution system. Mr. Sterbenz provided background information regarding the issue.

The Committee requested the two parties resume discussions and return to report their progress at a future Committee meeting. Both parties agreed.

9. ADJOURNMENT

Michael Groves, EMC Planning, distributed copies of the Draft Base Reuse Plan Reassessment Report to the Committee and members of the public.

The Committee observed a moment of silence in honor of Carl Niizawa and adjourned in his memory at 9:12 a.m.

Minutes Prepared by Lena Spilman, Deputy Clerk

Approved by:

Michael A. Houlemard, Jr., Executive Officer



Fort Ord Reuse Authority

920 2nd Avenue, Ste. A, Marina, CA 93933
Phone: (831) 883-3672 • Fax: (831) 883-3675 • www.fora.org

BOARD OF DIRECTORS MEETING
Friday, November 16, 2012 at 3:00 p.m.
910 2nd Avenue, Marina, CA 93933 (Carpenter's Union Hall)

AGENDA

DRAFT

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: 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) – Two Cases
3. **ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION** (Carpenters Union Hall)
Open session will begin at 3:30 p.m. or immediately following closed session.
4. **PLEDGE OF ALLEGIANCE**
5. **ACKNOWLEDGEMENTS, ANNOUNCEMENTS, AND CORRESPONDENCE**
6. **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. Public comments on specific agenda items will be heard under Board consideration of that item.
7. **CONSENT AGENDA**

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

a. Environmental Services Cooperative Agreement Update	INFORMATION
b. Preston Park Fiscal Year (“FY”) 2012/13 Capital Expenditure Budget-Continued	ACTION
c. Base Reuse Plan Reassessment – Receive Final Reassessment Document	ACTION
d. Veterans Cemetery Parcel Land Use Designations	ACTION
e. Adjustment to FY 2012/13 Budget – Legal Expenses	ACTION

9. NEW BUSINESS

- a. Review 2013 FORA Legislative Agenda

ACTION

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

INFORMATION
INFORMATION
INFORMATION
INFORMATION
INFORMATION
INFORMATION

11. ITEMS FROM MEMBERS

12. ADJOURNMENT

NEXT REGULAR MEETING: DECEMBER 14, 2012

Persons seeking disability related modifications/accommodations should contact FORA a minimum of 24 hours prior to the meeting.

This meeting is being recorded by Access Monterey Peninsula (AMP) and will be televised Sundays at 9:00 a.m. on Marina/Peninsula Chanel 25 and Mondays at 1:00 p.m. on Monterey Channel 25. The video and full Agenda packet are available on FORA's website at www.fora.org.

FORT ORD REUSE AUTHORITY BOARD REPORT

CONSENT AGENDA

Subject:	Authorize Extension of the Capital Improvement Program On-Call Professional Services Agreement	
Meeting Date:	November 16, 2012	ACTION
Agenda Number:	7c	

RECOMMENDATION:

Authorize extension of the Agreement for Professional Services with Creegan + D'Angelo, Inc. (C+D) for continued implementation of requisite work under the Fort Ord Reuse Authority (FORA) Capital Improvement Program (CIP).

BACKGROUND/DISCUSSION:

At its meeting of November 8, 2002, the FORA Board authorized the execution of a Master Agreement for Professional Services with C+D that allowed FORA to negotiate Service Work Orders (SWOs) to continue implementation of the Base Reuse Plan CIP. The Agreement between FORA and the C+D team accommodated a five (5) year term, renewable at the end of that term at FORA's discretion. In October 2007, the FORA Board extended the Agreement for an additional five years, through November 2012.

Under SWOs currently in place, C+D has begun preliminary work on all of FORA's remaining transportation construction project obligations. This would make it both cost and time effective to extend the Agreement with C+D so they can accomplish the necessary professional services for these remaining projects. FORA staff therefore recommends the Board authorize extending the Agreement for an additional five (5) year term.

FISCAL IMPACT:

Reviewed by FORA Controller _____

None at this time. The Agreement as written provides for the negotiation of SWOs and Agreement amendments as funding (e.g. development fees, grants) becomes available. Agreement amendments, following staff negotiations for professional services, will be forwarded to the FORA Board of Directors for review and approval.

COORDINATION:

Administrative Committee, Executive Committee

Prepared by _____ Approved by _____
Crissy Maras Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

OLD BUSINESS

Subject:	Preston Park Fiscal Year ("FY") 2012/13 Capital Expenditure Budget-Continued	
Meeting Date:	November 16, 2012	ACTION
Agenda Number:	8b	

RECOMMENDATION(S):

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:

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 a 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/fora_downloads.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 because it will be almost fully 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*).

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.

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 2013	Projected 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%
Total Payroll	\$434,036	\$410,059	(\$23,977)	-5.8%

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 _____

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

 Michael A. Houlemard, Jr.

Capital Improvement Plan (CIP)

DRAFT

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

Updated: 6/10/2012

1410											
Resident Business Center	FF&E	\$	12,000								
Fence Slat Replacement	Replacement	\$	71,064								
Site Lighting Repair / Replacement / Install	*Exterior site upgrades	\$	265,848								
Roof	*Replacement	\$	1,311,893								
Exterior Paint	*Full Paint	\$	398,008								
Building Exterior	*Dryrot Repairs	\$	2,000	\$	2,000	\$	2,000	\$	2,000	\$	283,200
Carbon Monoxide Detectors		\$	38,060								\$ 75,000
Exterior Unit Doors and Windows	*Replacement	\$	1,857,000								\$ 2,000
Playgrounds	*Replacement			\$	125,000						\$ 2,500
Landscape/ Irrigation	*Replacement / Upgrades	\$	204,894								\$ 2,500
Leasing Office / Signage	*Upgrades	\$	187,600								\$ 2,500
1415											
New Office Computers	Replace existing old computers	\$	2,800								\$ 2,800
1416											
One Maintenance Truck	Needed for hauling etc...	\$	14,000								\$ 15,000
1420											
Seal Coat Streets		\$	155,787								\$ 155,787
1425											
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)	\$	16,524	\$	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)	\$	16,200	\$	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)	\$	66,300	\$	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
1430											
Applicable Construction Management Expenses	Miscellaneous (see * items)	\$	211,965	\$	18,748	\$	7,500	\$	-	\$	2,500
											\$ 285,700
											\$ 21,482
											\$ 150
Annual Reserve Expenses (uninflated)		\$	4,223,995	\$	535,307	\$	336,585	\$	204,066	\$	219,095
Inflation Factor			0.00%		2.50%		2.50%		2.50%		2.50%
Annual Reserve Expenses (inflated)		\$	4,223,995	\$	548,690	\$	345,010	\$	209,197	\$	224,572
Reserve Withholdings per Year		\$	734,976	\$	734,976	\$	283,200	\$	283,200	\$	283,200
Reserve Fund BEFORE Expense		\$	4,887,035	\$	1,198,016	\$	932,636	\$	870,717	\$	944,718
Reserve Fund AFTER Expense		\$	463,040	\$	649,326	\$	587,817	\$	661,519	\$	720,147
											\$ 826,678
											\$ 16,141
											\$ 86,865
											\$ 140,214

Attachment A to Item 8b
FORA Board Meeting: 11/16/2012

3% INCREASE

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



Description	2013 Total	2012 Proposed	Variance	Variance %
Physical Occupancy	98.01 %	99.01 %		
Economic Occupancy	99.04 %	98.70 %		
Gross Market Potential	\$5,387,572	\$5,388,452	\$1,120	0.0%
Market Gain/Loss to Lease	\$118,994	(\$87,610)	\$206,603	235.8%
Affordable Housing	\$0	\$0	\$0	0.0%
Non-Revenue Apartments	(\$62,602)	(\$37,260)	(\$25,342)	-68.0%
Rental Concessions	\$0	\$0	\$0	0.0%
Delinquent Rent	\$0	\$0	\$0	0.0%
Vacancy Loss	(\$107,139)	(\$52,696)	(\$54,443)	-103.3%
Prepaid/Previous Paid Rent	\$0	\$0	\$0	0.0%
Other Months' Rent/Delinquency Recovery	\$0	\$493	(\$493)	-100.0%
Bad Debt Expense	(\$924)	(\$583)	(\$340)	-58.4%
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%
TOTAL INCOME	\$5,379,777	\$5,251,788	\$127,979	2.4%
PAYROLL	\$434,036	\$410,059	(\$23,977)	-5.8%
LANDSCAPING	\$70,700	\$70,865	\$165	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	\$142,494	\$130,924	(\$11,570)	-8.8%
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%
TOTAL OPERATING EXP	\$1,280,743	\$1,227,473	(\$53,270)	-4.3%
NET OPERATING INCOME	\$4,099,034	\$4,024,326	\$74,708	1.8%
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%
NET INCOME	\$3,917,946	\$3,802,478	\$115,468	3.0%
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	\$3,356,058	\$3,295,087	(\$60,961)	-1.9%
DEPRECIATION AND AMORTIZATION	(\$173,088)	(\$215,698)	(\$42,610)	-19.8%
NET CASH FLOW	\$0	\$0	(\$0)	-25.4%

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.

NO RENT INCREASE



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

Description	2013 YTD	2012 Projected	Variance	Variance %
Physical Occupancy	98.01 %	99.01 %		
Economic Occupancy	99.77 %	96.70 %		
Gross Market Potential	\$5,312,868	\$5,388,452	(\$73,584)	-1.4%
Market Gain/Loss to Lease	\$158,002	(\$87,810)	\$243,811	278.1%
Affordable Housing	\$0	\$0	\$0	0.0%
Non-Revenue Apartments	(\$81,524)	(\$37,260)	(\$24,264)	-65.1%
Rental Concessions	\$0	\$0	\$0	0.0%
Delinquent Rent	\$0	\$0	\$0	0.0%
Vacancy Loss	(\$105,654)	(\$52,696)	(\$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	\$38,094	\$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%
TOTAL INCOME	\$5,344,663	\$5,251,798	\$92,864	1.8%
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)	-85.5%
ADMINISTRATIVE	\$57,606	\$57,189	(\$417)	-0.7%
RETAIL EXPENSE	\$0	\$0	\$0	0.0%
PROFESSIONAL SERVICES	\$141,616	\$130,924	(\$10,692)	-8.2%
INSURANCE	\$185,020	\$174,426	(\$10,594)	-5.1%
AD-VALOREM TAXES	\$103,104	\$101,727	(\$1,377)	-1.4%
NON ROUTINE MAINTENANCE	\$14,000	\$17,623	\$3,623	20.6%
TOTAL OPERATING EXP	\$1,279,865	\$1,227,473	(\$52,392)	-4.3%
NET OPERATING INCOME	\$4,064,798	\$4,024,326	\$40,462	1.0%
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%
NET INCOME	\$3,883,700	\$3,802,478	\$81,222	2.1%
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%
NET CASH FLOW	(\$0)	\$0	(\$0)	-192.6%

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.

August 30, 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 (posted on 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 \$1.17. 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 \$1.24, which is still no less than \$.05 less than the lowest rent in the market place and up to \$.37 psf less than the competitive properties with the highest effective rent per square foot in the market place.

In addition to the two-bedroom floorplans, 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
Total	\$98	\$105

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):

In-Place Market Rate Rents			
Unit Size	Current Rent Range FY11/12	Proposed FY12/13 Rent	Change 8/1/12
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 reflect 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 \$34,246 for the 2012/2013 fiscal year. This amount is representative of 8 months of impacted revenue, as increases were scheduled for December 1, 2012.

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:

Unit Size	Current Rent Range for Incoming Market Rate Residents
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 mailed out on or before September 30, 2012; the new rental rates will become effective on November 1, 2012. Rents for in-place residents at market or affordable are increased once per year. New residents will be required to sign lease terms of month to month or six 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> Account	Proposed 2013	Projected 2012	Variance	%	Comments
PAYROLL	\$434,036	\$410,059	(\$23,977)	-5.8%	Increase due to annual salary increases (5.8%) 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	\$142,819	\$130,924	(\$11,570)	-8.8%	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%	Based on renewed insurance contract bound in December 2011.
NON ROUTINE MAINTENANCE	\$14,000	\$17,623	\$3,623	20.6%	Increase based on estimated taxes per Accounting assumptions.
					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 \$85656 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 PrestonPark FY2012/2013 Budget

	<u>2012/13 Budget</u>	<u>2011/12 Projected</u>	<u>Variance</u>
Total Income	\$5,379,777	\$5,251,798	\$140,951
Total Expense	\$1,280,743	\$1,227,473	(\$53,270)
Net Income	\$3,917,946	\$3,802,478	\$115,468

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 September 30,2012, in order to implement rental increases by December 1, 2012.

Regards,

Corinne Carmody
Regional Manager

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

2012/2013 Budget and Market Survey posted on FORA Website

FORT ORD REUSE AUTHORITY BOARD REPORT

OLD BUSINESS

Subject:	Base Reuse Plan Reassessment Report – Receive Final Reassessment Document	
Meeting Date:	November 16, 2012	ACTION
Agenda Number:	8c	

RECOMMENDATION

Formally receive the final Reassessment Report, as revised to reflect comments received on the draft.

BACKGROUND

On October 12, 2012, the FORA Board and the public received a detailed overview of the components of the Reassessment Report. The draft Reassessment Report was completed and made available for public review and comment beginning on October 17. The draft report was posted on FORA's web site (www.fora.org/resources.htm), CD copies were distributed to FORA member agencies via their Administrative Committee representatives, and printed copies were hand-delivered for review at three public libraries (in Marina, Seaside, and Monterey). A printed copy was made available for review at the FORA office, as well as CD copies for distribution to members of the public at no cost. Staff mailed printed copies of the draft report to all Board members on October 18.

On October 30, the Board held a community workshop (special Board meeting) focused on receiving public comments regarding the draft Reassessment Report. Approximately 40 members of the public attended the workshop. Representatives from EMC Planning Group and the Ventana Chapter of the Sierra Club made presentations on the reassessment process and next steps. At the workshop and in previous venues, staff requested that all comments on the draft report be submitted by 5:00 PM on Wed., November 7 in order that they be incorporated into the packet distribution for the November 16 Board meeting, as an appendix to the final report.

DISCUSSION

Reassessment Report contents: he Reassessment Report informs future programmatic, policy, or course-adjustment actions the Board may wish to undertake. The final Reassessment Report completes the Base Reuse Plan reassessment process. The final report includes components 1-5, below. Subsequent to the Board's final action to receive the report, the report will be "republished" to integrate these items under one cover, which will then be permanently archived and made available on FORA's web site.

1. Draft report circulated on October 17, 2012 (see above),
2. "Errata" of corrections, clarifications, and additions to the draft (**Attachment A, pending**),
3. Comments received on the draft (**Attachment B, pending**),
4. Scoping Report formally received by the Board by unanimous vote on October 12, 2012¹ (available on FORA's web site, www.fora.org/resources.htm;) –*pending*, and
5. Jurisdictional fiscal evaluation² (**Attachment C, pending**).

Building on the information gathered in the Scoping Report phase, the Reassessment Report identifies a "menu" of policy options and potential Base Reuse Plan modifications for the FORA Board's consideration. The report groups its main findings into five categories:

¹ The Scoping Report incorporates the Market Study prepared by Economic and Planning Systems (EPS). Subsequent to the October 12, 2012 Board meeting, EMC Planning Group has republished the Scoping Report to integrate the draft report and the revised addendum (errata and comments) that the Board previously received as separate documents. Supplemental discussion was also added, primarily in the areas of jurisdictional water allocation/usage and building removal costs, in response to comments raised by Board members at the October 12 meeting.

² This evaluation, prepared by EPS, was requested as part of the Board's approval of the amended reassessment contract in July 2012 and is related to the Market Study (Appendix E of the Scoping Report).

- I. Modifications and Corrections (i.e., typos, outdated references in the BRP, minor clarifications),
- II. Prior Board Actions and Regional Plan Consistency,
- III. Implementation of Policies and Programs,
- IV. Policy and Program Modifications, and
- V. FORA Procedures and Operations.

The five categories are briefly described on page 1-7 of the report, and explored in depth in Chapter 3. For each category, the report identifies and discusses one or more specific topics regarding potential future BRP modifications. The topics were derived from public input and a detailed review of the BRP during the scoping phase of the reassessment process. Summary tables near the beginning of each category (I-V) present an overview of the topics. The discussion section for each topic is intended to provide the Board and the public with a concise overview of the issues. The discussion 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.

For each overall category (I, III), or for individual topic areas within categories (II, IV, and V), one or more potential options for future Board action are identified. The options lists are intended to be representative of the information gathered through the scoping process but are not necessarily exhaustive of all potential options. Additional options could be identified by the Board or others prior to completion of the reassessment process, and/or during Board consideration of potential BRP modifications in 2013 and beyond.

Receipt of Reassessment Report: For purposes of formally receiving the final Reassessment Report, the primary consideration is whether the report adequately presents a comprehensive “menu” of policy topics reflecting the reassessment process to date and providing a framework for robust future discussion of potential BRP modifications. Terms of the 1998 settlement agreement with the Sierra Club require the Board to complete the reassessment process by taking a final action on receiving the report by January 1, 2013. The process of considering modifications to the BRP could begin immediately after that action has been taken. Future consideration of actions resulting from the reassessment will likely be a multiyear process and will include ongoing opportunities for public discussion of the merits of potential courses of action regarding the policy topics identified during the reassessment process and discussed in the report.

Completion of reassessment process: The FORA Master Resolution (8.01.01(h), **Attachment D**) establishes that “[t]he Reuse Plan will be reviewed periodically at the discretion of the Authority Board. The Authority Board will perform a full reassessment, review, and consideration of the Reuse Plan and all mandatory elements as specified in the Authority Act...” Based on this wording, the reassessment process would need to:

- A. Be “full,” which could be interpreted to require a substantial, thorough effort with public participation. The reassessment process has included five community workshops, two special Board meeting workshops, and numerous meetings with stakeholders and other interested parties. The reassessment has been an information and/or action item on every regular Board meeting agenda in 2012.
- B. Include a “review,” interpreted to consist of an analysis of the BRP based on current circumstances and understandings. Chapter 4 of the Scoping Report presented a 273-page review of the current status of BRP implementation.
- C. Include a “reassessment,” interpreted to consist of an evaluation of the ways in which the BRP could be updated or changed. Chapter 3 of the draft Reassessment Report is a thorough discussion of policy topics and options for the Board’s future consideration, derived from the scoping phase of the process.
- D. Be “considered” by the Board. The draft Reassessment Report was circulated on October 17 and is now being formally presented to the Board for consideration, following on the October 30 Board workshop.

- E. Address all of the mandatory elements specified in the Authority Act. The reassessment documentation includes discussion of all five mandatory elements (land use, transportation, conservation, and recreation plans, and capital improvement program [CIP]) as well as other optional elements (e.g., noise, safety). Chapter 4 of the Scoping Report gives a detailed status report on the non-CIP elements. The CIP is referenced throughout the document but is not the focus of the reassessment. The CIP undergoes a dedicated annual review via a separate process.

Next steps: Establishing near-term and longer-term programs for prioritizing post-reassessment action items will be a key task in early 2013. For example, the Board could provide early direction to implement or take action on specific potential options for BRP modifications that do not appear to require significant staff resources or Board deliberation. Board direction on other potential options that address more complex topics will likely involve more time for prioritization and development of a work plan. The Board may also wish to explore which action items could be grouped together based on being subject to similar levels of CEQA clearance. A Board study session or retreat may be a desirable next step toward structuring the approach to post-reassessment action items.

Additional notes

- *Sierra Club Ventana Chapter's letter dated October 30, 2012:* The Sierra Club was a party to the lawsuit and 1998 settlement agreement requiring reassessment of the BRP, and has remained actively involved in the process. Their comment letter on the draft Reassessment Report takes issue with current FORA procedures related to the consistency determination process, and recommends two additional policies for inclusion in the report. The letter was emailed to Board members and additional copies were made available at the October 30 Board workshop. FORA will respond to the letter under separate cover (**Attachment E--pending**). It should be noted that the Fort Ord Reuse Authority Act (California Government Code Section 67650-67700) defines FORA's consistency determination roles and responsibilities. Any Board action must be consistent with these provisions of State law.
- *Subconsultant budget reallocation:* In accordance with a memo from EMC Planning Group to FORA, approximately \$20,600 in previously anticipated subconsultant costs within the total contract amount of \$506,570 (as amended through July 11, 2012) will be reallocated from EMC subconsultants' budgets to EMC's budget. The reallocation is primarily based on EMC performing certain tasks (particularly preparation of digital mapping) that they had originally planned to delegate to subconsultant Arcadis, as well as incurring other costs such as professional transcription services and production of printed materials.

FISCAL IMPACT

Reviewed by FORA Controller _____

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. The budget reallocation between reassessment EMC and their subconsultants does not impact the contract's tasks or deliverables, and the overall contract amount is unchanged.

COORDINATION

Administrative Committee, Executive Committee.

Prepared by _____ Reviewed by _____
Darren McBain Steve Endsley

Approved by _____
Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

OLD BUSINESS

Subject:	Veterans Cemetery Parcel Land Use Designations	
Meeting Date:	November 16, 2012	ACTION
Agenda Number:	8d	

RECOMMENDATION(S):

Direct EMC Planning Group to include BRP Land Use Concept Map and text amendments affecting the Veterans Cemetery site as a consideration in the BRP Reassessment Report (draft report was completed in October 17, 2012) as a potential action item for consideration in January 2013. Legislative land use decisions and/or development entitlements and appropriate CEQA review by Monterey County and/or Seaside would need to be submitted for FORA Consistency review. FORA will not be the “lead agency” for this project and adopting this recommendation will not commit FORA to a “project” as defined in CEQA.

BACKGROUND:

At the September 14 FORA Board meeting, staff presented a report on implementing the FORA Board’s past direction and actions concerning land use designations on parcels related to future development of a Veterans Cemetery. The Veterans Cemetery site includes approximately 100 acres within Seaside and approximately 78 acres within unincorporated Monterey County. The individual parcels within the overall site and their current and proposed land use designations are further described in Table 1, below.

Table 1 – Current and Proposed Land Use Designations for the Veterans Cemetery Parcel			
Parcel Name (jurisdiction)	Approx. Acreage	Current BRP Land Use Designation(s)	“Proposed” BRP Land Use Designation(s) ¹
a) Endowment Fund Opportunity Parcel (Seaside)	28.7	Open Space/Recreation	<i>SFD Low Density Residential</i>
b) Endowment Fund Opportunity Parcel (County)	1.7	SFD Low Density Residential	SFD Low Density Residential
c) Ancillary Parcels (Seaside)	1.5	Open Space/Recreation	<i>Office/R&D</i>
d) Ancillary Parcels (County)	2.0	SFD Low Density Residential	<i>Open Space/Recreation</i>
e) CCCVC (Seaside)	32.2	Open Space/Recreation	Open Space/Recreation
f) CCCVC (County)	52.2	SFD Low Density Residential	<i>Open Space/Recreation</i>
g) Development Area with Habitat Restoration Opportunity (Seaside)	30.4	Open Space/Recreation	Open Space/Recreation
h) Development Area with Habitat Restoration Opportunity (County)	15.5	SFD Low Density Residential	<i>Open Space/Recreation</i>

Options 1-3: Staff’s analysis and presentation at the September 14 Board meeting included three options for the Board’s consideration and direction:

¹ Proposed changes would include text changes to the Open Space/Recreation designation expressly allowing cemetery use (italicized land use designations demonstrate proposed changes from current land use designations). These changes would clearly designate land uses compatible with the Veterans Cemetery, ancillary, and endowment parcels. Proposed land use designations are derived from the FORA, City of Seaside, and County of Monterey’s previously stated intent to change Veterans Cemetery Land Use designations, as described in the previous month’s Board report.

- 1) Await legislative land use decisions and/or development entitlements submitted from Monterey County and/or City of Seaside. Appropriate CEQA review to be initiated and paid for by the jurisdiction. This is FORA's normal process for undertaking Base Reuse Plan (BRP) revisions and approving consistency.
- 2) Direct EMC Planning Group to include BRP Land Use Concept Map and text amendments affecting the Veterans Cemetery Parcel as a consideration in the BRP Reassessment Report (draft report scheduled to be completed in October 2012) as a potential action item for consideration in January 2013. Legislative land use decisions and/or development entitlements and appropriate CEQA review by Monterey County and/or Seaside would need to be submitted for FORA Consistency review in the future.
- 3) For the Board to approve or adopt desired land use designation changes to the BRP Land Use Concept Map and BRP text amendments, staff recommends:
 - a. CEQA review be completed to accompany the proposed changes.
 - b. Authorize staff to recruit/select a professional consultant to do this work (requires additional budget).
 - c. Legislative land use decisions and/or development entitlements and appropriate CEQA review from Monterey County and/or Seaside would still need to be submitted for FORA Consistency review in the future.

Members of the public commented from a variety of perspectives on issues such as the planned uses of the site, the need for a local Veterans Cemetery, evolution of the cemetery as a broad-based community goal, site characteristics, and proximity to the National Monument.

Ultimately, the Board voted on a motion to direct staff to provide the Board with additional information regarding a fourth option that would allow designation of the Veterans Cemetery independent of taking action at this time regarding the Endowment Fund Opportunity parcels. The vote on the motion was not unanimous. The motion returned to the Board for a second vote on October 12, 2012 and did not pass. A new motion at this meeting directed staff to bring back Option #2 (see above) to the FORA Board for consideration at its November 16, 2012 meeting.

After October 12, 2012, FORA staff performed additional background research on the Veterans Cemetery site designation and found two relevant items concerning how the Veterans Cemetery site was included in the 1997 Base Reuse Plan (BRP) and BRP Final Program Environmental Impact Report (EIR):

- 1) December 13, 1996 FORA Board Packet Item 4a: "Approve Site For Veteran Cemetery On Former Fort Ord" (**Attachment A**)
- 2) Pages 80-82 of the BRP Final Program EIR/Volume II Response to Comments "Response to Letter 44" (**Attachment B**)

DISCUSSION:

Option #2 is the recommendation provided to the Board for consideration. Staff notes that the Draft BRP Reassessment Report includes Veterans Cemetery items for consideration under "Chapter 3: Topics and Options" pages 3-108 to 3-111.

Additional Board member discussion at the October 12, 2012 meeting included an emphasis on needing to articulate a funding strategy for the Veterans Cemetery. FORA staff has discussed this need with local agencies and California Department of Veterans Affairs (CDVA) representatives. Transfer of the Veterans Cemetery property to CDVA is a

critical step to implementing an effective Veterans Cemetery funding strategy. Authority Counsel is currently working on drafting a transfer agreement between FORA and CDVA and anticipates bringing such an agreement to the FORA Board for consideration in the next few months. CDVA has now indicated that they will accept the property from FORA. Seaside and County of Monterey direction is needed for FORA to complete this task, which is already authorized by the FORA Board through FORA's Implementation Agreements with Seaside and County of Monterey.

FISCAL IMPACT:

Reviewed by FORA Controller _____

Staff time related to researching and reporting on this item is included in the FY12-13 budget.

COORDINATION:

Authority Counsel, CDVA, City of Seaside, Executive and Administrative Committees.

DRAFT

Prepared by _____ Reviewed by _____
Jonathan Garcia Steve Endsley

Approved by _____
Michael A. Houlemard, Jr.

FORA BOARD REPORT

Subject: Approve Site For Veteran Cemetery On Former Fort Ord	
Meeting Date: December 13, 1996	ACTION
Agenda Number: 4 a	

RECOMMENDATION:

Approve, subject to the prior approval of Monterey County and the City of Seaside, the location for Veterans Cemetery on the former Fort Ord.

Direct FORA staff and consultants to modify the FORA Base Reuse Plan to include a cemetery at this location.

Direct FORA staff and consultants to consider the environmental impacts of a cemetery at this location in FORA's Final Environmental Impact Statement.

DISCUSSION:

State Senator-elect Bruce McPherson, in conjunction with retiring State Senator Henry Mello and Congressman Sam Farr, has sponsored a series of meetings seeking to find a location for a veterans cemetery on the former Fort Ord. A number of sites were examined by the veterans, Monterey County staff, Mayor Vocelka, Councilperson Perrine and staff from the City of Marina, Mayor Jordan and staff from the City of Seaside.

Monterey County, the City of Seaside and the veterans have agreed on the site shown on the attached map. The site involves land located in Monterey County and the City of Seaside.

Approval of this site will complete the site selection phase for establishment of a veterans cemetery. Development of the site is dependent on federal and state funding.

Work to obtain appropriate approval and funding from various state and federal agencies will be lead by Senator McPherson in cooperation with the area's state and federal legislators, Monterey County, City of Seaside, and FORA staff.

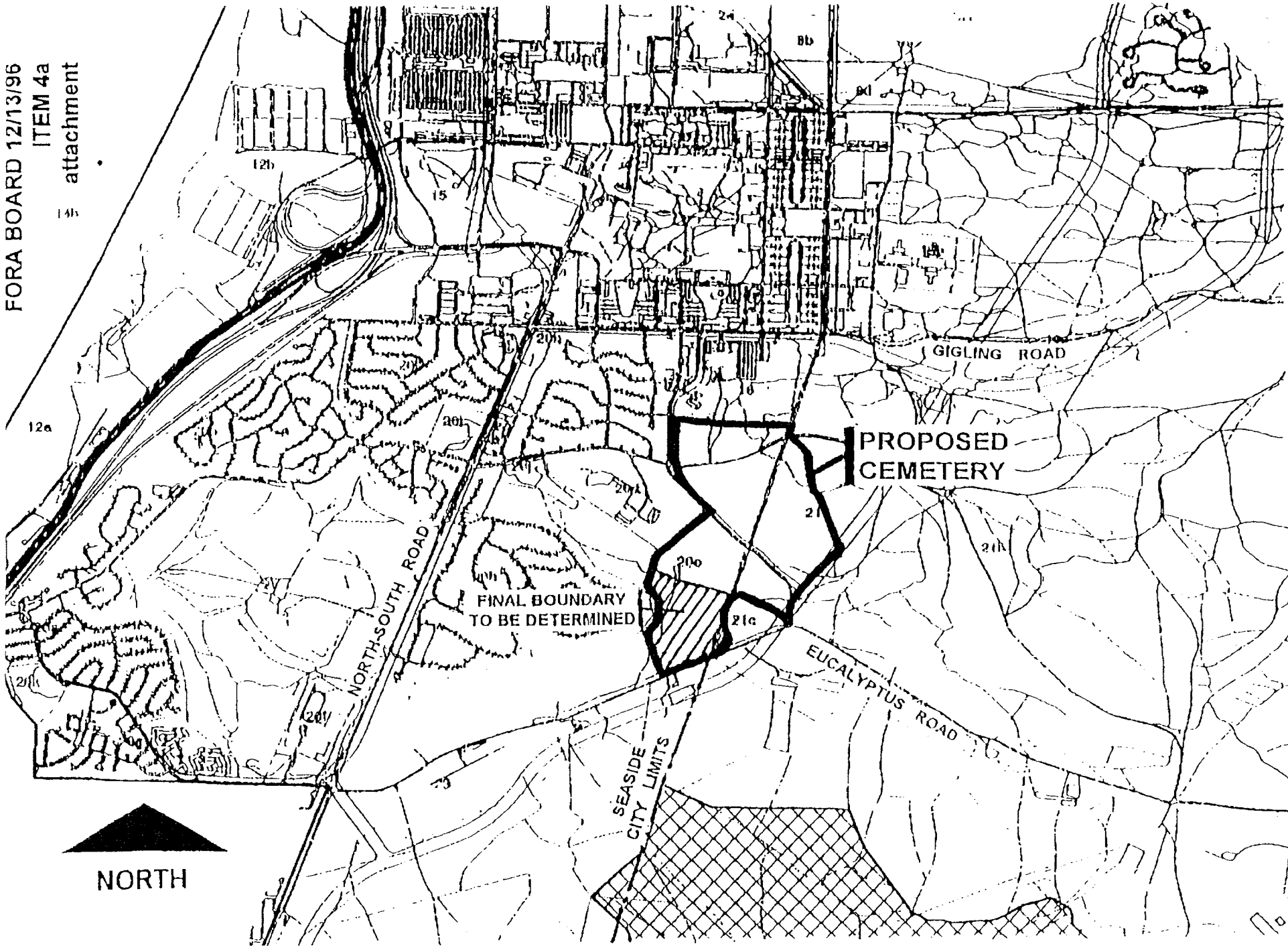
COORDINATION: Administrative Committee, Monterey County, City of Seaside, Senator McPherson's office.

Prepared by:


 Dennis W. Potter

Approved:


 Les White



Response to Letter 43

43-1. The commenter requests that the Reuse Plan result in no greater population than existed before closure of the military base.

The declaration of policy, Chapter 1 of law that establishes the Fort Ord Reuse Authority (SB 899), establishes four goals of the Authority Act: "1) To facilitate the transfer and reuse of the real and other property comprising the military reservation known as Fort Ord with all practical speed; 2) To minimize the disruption caused by the base's closure on the civilian economy and the people of the Monterey Bay area; 3) To provide for the reuse and development of the base area in ways that enhance the economy and quality of life of the Monterey Bay community; and 4) To maintain and protect the unique environmental resources of the area." (67651)

SB 899 was developed as a mechanism to allow cities directly impacted by base closure to create economic opportunities. These communities also have the option to provide for future population expansion and economic opportunities through development of the Reuse Plan or without a reuse plan, just as any other community is allowed to plan for its long-term future through a general plan. SB 899 does not specifically prohibit the reuse of Fort Ord to exceed the population that existed at Fort Ord in 1991 (i.e., approximately 31,000 people). In addition, SB 899 was not created with the intent to limit growth to a level commensurate with the economic activity that existed prior to the departure of the 7th Light Infantry Brigade. However, the FORA Board is required to consider the issue raised by the commenter.

43-2. The commenter is concerned about water resources. Refer to response to comment 8-5 and 21-1 for a growth management discussion.

Response to Letter 44

44-1. Commenter requests a 13-acre cemetery. It is the prerogative of each community to determine where a cemetery, if any, would be most appropriate. Monterey County recently endorsed its support of a veteran's group in their application for property to develop a national cemetery at Fort Ord. The veteran's group wants to create a veterans cemetery on a 156-acre site at Fort Ord which would overlap onto both the county's and the City of Seaside's jurisdictions.

The low density residential (nomenclature used in Reuse Plan is "SFD") land use category contained in Table 3.4-1 - *Permitted Range of Uses for Designated Land Uses - (Context and Framework document (Volume I. page 3-50))*, permitted range of uses will be amended to permit cemeteries. The reader is referred to the Changes to the Reuse Plan section below.

The area currently proposed for a future 156-acre cemetery could be the area bound on the east side by the future Eastside Road and bound on the south side by Polygon

21c and the future Eastside Road. On the west side the cemetery boundary cuts to the north past the most easterly boundary line of Polygon 20h and to the easterly boundary of Polygon 20d and then to the connector road between Giggling Road to the north and the future Eastside Road to the south, where the proposed cemetery boundary then follows this connector road to the north to the southwest corner of Polygon 16. The north side cemetery boundary then traverses along the south side of Polygon 16 to the east where, at the City of Seaside/Monterey County, the cemetery boundary drops to the southeast and diagonally across Polygon 21a and connects to the future Eastside Road.

A portion of the proposed cemetery location is within the proposed POM housing enclave in the city of Seaside's jurisdiction and a portion within Monterey County's proposed low density single-family residential area. If a cemetery were built, the impacts of the proposed cemetery must be considered in light of potential impacts associated with the proposed land uses the cemetery would displace. It is expected that the county would transfer the potential residential development lost as a result of a cemetery to another location within county jurisdiction. This is expected to occur in county Polygons 21a and 21b. The displacement of housing units in Seaside's jurisdictions could be off-set by increasing slightly the residential densities throughout Seaside's residential polygons.

The primary impacts associated with this proposed land use pertains to transportation and biological issues.

Biological impacts and the loss of sensitive species and habitats have been adequately addressed in the Habitat Management Plan (HMP). The HMP describes a cooperative federal, state, and local program of conservation for plant and animal species and habitat of concern known to occur at Fort Ord. The HMP establishes a long-term program for the protection, enhancement and management of all HMP resources with a goal of no net loss of HMP populations while acknowledging and defining an allowable loss of such resources through the land development process. The HMP establishes the conditions under which the disposal of Fort Ord lands to public and private entities for reuse and development may be accomplished in a manner that is compatible with adequate preservation of HMP resources to assure their sustainability in perpetuity. Therefore, the HMP establishes performance standards for all future developments to implement.

As it pertains to the transportation impacts associated with the cemetery, the cemetery will result in fewer traffic impacts than the traffic impacts that would otherwise have been associated with housing (Keith Higgins, pers. com., December 12, 1996). For example, based on the Trip Generation document of the Institute of Transportation Engineers (1991 edition), the highest average vehicle trip end generation rate per acre associated with a cemetery is 4.28 and occurs on Saturday. By comparison, low density residential units' average trip end is 10 per unit. Since there are projected to be up to 5 units per acre, the comparative impact, as measured on a per acre basis, will be much greater for residential uses than for a cemetery (4.28 per acre for a cemetery versus 50 per acre for low density residential).

The development of the cemetery will displace residential units and result in a higher concentration of residential units in the county's Polygons 21a and 21b. However, this is not expected to increase the level of impact on area roadways and will not change the conclusions of the modeled traffic scenarios used in the Reuse Plan and EIR, because the residential traffic, regardless of where it is located in the County jurisdiction of Fort Ord, will be using the same roadways.

The addition of a cemetery is not considered to be a significant change in the project description. Therefore, recirculation of the EIR will not be required. CEQA Guidelines Section 15088.5(a) states that new information in an EIR is not "significant" unless the EIR is changed in a way that deprives the public of a meaningful opportunity to comment upon a substantial adverse environmental effect of the project or a feasible way to mitigate or avoid such an effect (including a feasible project alternative). Recirculation is not required where the new information added to the EIR merely clarifies or amplifies or makes insignificant modifications in an adequate EIR.

"Significant new information" requiring recirculation include, for example, a disclosure showing that:

- a) A new significant environmental impact would result from the project or from a new mitigation measure proposed to be implemented.
- b) A substantial increase in the severity of an environmental impact would result unless mitigation measures are adopted that reduce the impact to a level of insignificance.
- c) A feasible project alternative or mitigation measure considerably different from others previously analyzed would clearly lessen the significant environmental impacts of the project, but the project's proponents decline to adopt it.
- d) The draft EIR was so fundamentally and basically inadequate and conclusory in nature that meaningful public review and comment were precluded.

The addition of a cemetery is not considered to be a substantial environmental impact based on the above discussion. Therefore, the inclusion of a cemetery as a permitted use in the Fort Ord jurisdiction's residential land use categories is not considered to be a justification for recirculating the EIR.

Changes to the Reuse Plan

Volume I. Page 3-50. Table 3.4-1. Amend each of the residential land uses category "Permitted Range of Uses" to include the following: cemeteries.

Response to Letter 45

FORT ORD REUSE AUTHORITY BOARD REPORT

OLD BUSINESS

Subject:	Adjustment to FY 2012/13 Budget – Legal Expenses	
Meeting Date:	November 16, 2012	ACTION
Agenda Number:	8e	

RECOMMENDATION:

Approve additional funding for required legal expenses.

BACKGROUND/DISCUSSION:

The Fort Ord Reuse Authority (“FORA”) Board of Directors has authorized legal representation in several ongoing cases and, in two circumstances, anticipated litigation. The impact of these unexpected legal matters has now approached the FORA budgeted limit. In addition, the Board has authorized a settlement of one of the ongoing litigation matters that also exceeds the budget for legal matters. It is expected that these litigation matters will continue and require an authorization of an additional _____ to meet those legal representation requirements. This does not, at this time take into account legal actions such a cross-complaints for/recovery of attorney’s fees, claims for third party responsibility, or other settlement provisions that may occur.

FISCAL IMPACT:

Reviewed by FORA Controller _____

The approved FY 12-13 budget allocates \$125,000 for legal/litigation expenses; about \$102,500 has been spent by the end of September. The requested additional funds of _____ are expected to cover any remaining legal obligations through the fiscal year end. This additional cost will most likely be covered by the FORA reserves. The full impact of this budget adjustment will be discussed during the mid-year budget review.

COORDINATION:

The FORA Board (closed sessions), Executive Committee, Special Counsel.

Prepared by _____
Jerry Bowden

Approved by _____
Michael A. Houlemard, Jr.

FORT ORD REUSE AUTHORITY BOARD REPORT

NEW BUSINESS

Subject:	Review 2013 FORA Legislative Agenda	
Meeting Date:	November 16, 2012	ACTION
Agenda Number:	9a	

RECOMMENDATION:

Adopt the 2013 Fort Ord Reuse Authority ("FORA") Legislative Agenda (**Attachment A**).

BACKGROUND/DISCUSSION:

Since 2000, Legislative Committee has solicited legislative, regulatory, policy and/or resource allocation suggestions from the jurisdictions, which will enhance and move forward the reuse and redevelopment of the former Fort Ord. This year, FORA staff has worked with JEA and Associates (FORA's legislative representatives in Sacramento), staff from FORA jurisdictions and Federal/State legislative offices to revise existing policies and to recommend items that will address the current status of funding opportunities and program changes. The Legislative Committee reviewed, considered and approved the attached draft of the 2012 Legislative Agenda Work Plan at their October 29th meeting for your consideration.

The items on the annual Legislative Agenda serve as the focus of the annual Legislative Mission to Washington, DC, which usually occurs in early spring. Selected FORA Board and staff members travel to the nation's capital to meet with key legislative, military, and governmental leaders to discuss FORA's positions and needs. It is possible that the Executive Officer may recommend a more focused Federal Legislative Mission in 2013 – given funding opportunity limitations. The approved Legislative Agenda, however, stands as a statement of FORA's legislative, regulatory, policy and/or resource allocation needs.

FISCAL IMPACT:

Reviewed by FORA Controller _____

Staff time for this item is included in the approved FY 11-12 budget. It is anticipated that the legislative/coordination work associated with the Fort Ord National Monument, California Central Coast Veterans Cemetery and the capital program may require additional funding for consultant and travel costs.

COORDINATION:

Legislative and Executive Committees; JEA & Associates; Assemblymember Bill Monning; Congressman Sam Farr; Senator Sam Blakeslee; and respective staff.

Prepared by _____ Approved by _____
Lena Spilman Michael A. Houlemard, Jr.

Fort Ord Reuse Authority

2013 Legislative Agenda

DRAFT (As of 10/29/12)

Attachment A to Item 9a
FORA Board Meeting, 11/16/2012

The purpose of this report is to outline legislative tasks FORA will pursue in 2013. The 2013 Fort Ord Reuse Authority ("FORA") Legislative Agenda defines Board/ policy legislative, regulatory, or federal/state resource allocation positions. The Legislative Agenda supports the Reuse Plan by replacing the former Fort Ord military regional economic support with comparable level civilian programs. The Legislative Agenda in this report is meant to assist state and federal agencies/legislative offices regarding such things as property transfer, economic development, environmental remediation, habitat management, and infrastructure and mitigation funding. The order in which the tasks are given in this report does not imply rank order priorities. Each item is considered a "priority" in achieving FORA's objectives.

A. VETERANS CEMETERY. Continue support for the California Central Coast Veterans Cemetery ("CCCVC") development on the former Fort Ord and implement the terms of recently enacted State Law AB1757 (2010), AB629 (2011), and AB1842 (2012).

ISSUE: Burial space for California Central Coast veterans is inadequate. Former Fort Ord is centrally located with a site designated in the 1990s for a new veterans' cemetery. Assembly member Bill Monning authored legislation to help finance the State Veterans Cemetery on former Fort Ord. The new state laws allow FORA to assist in generating money needed to develop the veterans' cemetery. A significant amount of coordination must occur between FORA and California Department of Veterans Affairs (CDVA) to carry out CDVA's expanded contracting authority to contract with FORA for completion of cemetery design and construction.

- **Benefits:** The CCCVC would provide burial space for the region's approximately 50,000 veterans. Congressman Sam Farr has worked to sustain this cemetery in its current location as a top priority for funding.
- **Challenges:** Although the Federal government reimburses the entire cemetery construction cost, the State of California must apply for inclusion in the State Veterans Cemetery program before initiating construction. The cost of design and processing is expected to be more than \$2M – with FORA's help that cost could be contained by 25%. Implementing recently enacted State Law (AB1757, AB629, and AB1842) will require FORA to work closely with California Department of Veterans Affairs, CA Department of General Services and, potentially, close coordination with other state entities. Operating and maintaining the CCCVC (estimated at \$200,000 +/- per year) must have a guaranteed payer to the trust account/endowment.
- **Proposed Position:**
 - Support implementation of AB1842, budget actions and funding options to design, build and operate the CCCVC;
 - Support efforts to sustain priority standing for the CCCVC with the CA and US Departments of Veterans Affairs; and
 - Insist on continued vigilance and cooperation among the regulatory agencies.

B. NATIONAL MONUMENT. Help implement federal National Landscape Conservation System ("NLCS") designation for the former Fort Ord Bureau of Land Management ("BLM") Natural Resource Management Area. President Barack Obama has designated the former Fort Ord Public Lands as the "Fort Ord National Monument." Supporting the

implementation of trails access and munitions and explosives removal on certain portions of the National Monument remains crucial.

ISSUE: Habitat Conservation Plan (“HCP”) approval and implementation are essential to former Fort Ord reuse and will support the National Monument. Advancing access will connect the National Monument to other venues in the Monterey Bay. State and National funding and further recognition are critical.

- **Benefits:** National attention to the unique flora, fauna and recreational resources found on Fort Ord National Monument supports Fort Ord Habitat Management Plan and HCP preservation. Since availability of public and private grant funding fluctuates, having an appropriate national designation emphasizes the national significance of BLM’s former Fort Ord property to potential donors and other funding sources. By advocating for the BLM National Monument designation, FORA has supported the BLM mission and former Fort Ord recreation and tourism, helping BLM become more competitive for resources.
- **Challenges:** Each year, the local BLM office competes nationally to receive public and private grants and federal appropriations that support its mission.
- **Proposed Position:** Continue support – work with Congressman Farr’s office to introduce/sponsor funding support for former Fort Ord conservation, trails, etc.

C. AUGMENTED WATER SUPPLY. Work with local and regional agencies to secure State and Federal funding to augment FORA’s water supply capital needs.

ISSUE: The FORA Capital Improvement Program includes approximately \$45,000,000 to fund the Regional Water Augmentation Program for the necessary Base Reuse Plan supplemental water needs for complete build-out. Securing funds to assist this requirement could help the timely implementation of the recycled water and desalination water facilities.

- **Benefits:** Development permitted under the Base Reuse Plan, depends on an augmented water supply project. Additional grant funding could reduce acre-feet per year costs of securing water resources for the jurisdictions and reduce the hefty capital charges that may otherwise be required.
- **Challenges:** Competing water projects throughout the Region and State for scarce money. No current federal program exists for this funding.
- **Proposed Position:** Support and coordinate efforts with Marina Coast Water District (MCWD), Monterey County Water Resources Agency (MCWRA), Monterey Regional Water Pollution Control Agency (MRWPCA), other agencies and FORA jurisdictions for securing funding and/or to endorse the use of other fund mechanisms proposed for this purpose. Continue to work with MCWD to ensure that they fulfill their contractual obligation for water augmentation.

D. TRANSPORTATION IMPROVEMENTS. Work with the Transportation Agency for Monterey County (“TAMC”) and local jurisdictions to secure transportation funds.

ISSUE: The FORA Capital Improvement Program requires capital and monetary mitigations of more than \$112,000,000 for transportation infrastructure on and proximate to the former Fort Ord. Some of this funding requires a local, or other, match from the appropriate regional or state transportation body to bring individual projects to completion.

- **Benefits:** The timely installation of required on-site, off-site and regional roadway improvements supports accommodating development impacts and maintaining and improving levels of service vital to the regional economy.

- **Challenges:** Applying scarce transportation funds to the appropriate projects to optimize transportation system network enhancements. Remaining federal and state programs offering grants or low cost resources are dwindling and increasingly competitive.
- **Proposed Position:** Support and coordinate with TAMC, FORA jurisdictions and others for state infrastructure bonds, federal authorization or other grant/loan/low cost resources.

E. CSUMB IMPACTS. Lobby for state funds to mitigate the regional impacts caused by development of CSUMB. Support California State University's ("CSU's") requests for campus impact mitigation funds for the CSU Monterey Bay ("CSUMB") campus. Coordinate with CSUMB on requests for building removal and contaminant waste abatement on the former Fort Ord.

ISSUE:

1. In July 2006, the State of California Supreme Court ruled that CSU must mitigate off-campus impacts from CSUMB campus development/growth. In order to fund its obligations, CSU requests funds from the State Legislature.
2. Contaminated building removal is a significant expense to CSUMB (\$26 million) and other former Fort Ord land use entities (\$43 million). A coordinated effort is more likely to achieve funding success and in both FY 2010-2011 and 2011-2012 FORA assisted CSUMB in making application for funding from DOD to fund certain building removal efforts.

- **Benefits:** Supporting state budget approval of off-campus mitigation impact funding requests helps address CSU's fair share contribution. Similarly, a coordinated effort to secure building removal resources will help all levels of the regional reuse program.
- **Challenges:** Competition for state funds will be keen. CSUMB is only one in the 23-campus system – all seeking capital and other funds.
- **Proposed Position:** Support state budget off-campus impact and building removal earmarks requested by CSU for the CSUMB campus and continue coordination with CSUMB for federal support. Support funding for research on the scope and scale of building removal as compares to others in the nation.

F. POLICE ACADEMY. Work with the County of Monterey to assist Monterey Peninsula College ("MPC") to obtain capital and program funding for its former Fort Ord Public Safety Officer Training Programs.

ISSUE: FORA/County agreed to assist MPC in securing program funds in 2003.

- **Benefits:** The Public Safety Officer Training Program is an important component of MPC's Fort Ord reuse efforts, and will enhance public safety training at the regional and state levels. Adequate funding is critical.
- **Challenges:** Funds available through the Office of Homeland Security, the Office of Emergency Services, or other sources may be restricted.
- **Proposed Position:** Pursue legislative or other actions to support MPC efforts to secure funding sources.

G. HABITAT CONSERVATION PLAN. Continue/enhance ongoing coordination with Congressional and state legislative representatives to secure approval of the Habitat Conservation Plan ("HCP").

ISSUE: HCP approval remains critical to former Fort Ord reuse. Alternatives to a basewide HCP are costly and time consuming and do not effectively serve the goal of managing or protecting endangered species.

- **Benefits:** HCP approval is essential to protecting habitat and effectively developing jobs and housing for the region.
- **Challenges:** Processing the HCP in past ten years has been frustrating and costly. Insufficient federal and state agency resources and overlapping regulatory barriers have thwarted the HCP process.
- **Proposed Position:** Support legislative and regulatory coordination, state and federal resources, and strong advocacy to enable speedy reviews and processing

H. REUSE FINANCING. Support statewide efforts to create local jurisdictions financing tools to assist reuse and recovery of former military bases.

ISSUE: The loss of “Redevelopment Financing” as a tool to implement base closure recovery was a heavy blow to FORA’s member jurisdictions that need financial tools to support economic reuse/development initiatives.

- **Benefits:** Sufficient funding resources for the reuse and recovery from former Fort Ord closure and other military bases. Funding support for habitat management protection, building removal, or other infrastructure demands associated with the reuse programs.
- **Challenges:** Obtaining agreement to use tax or special district funds to create special financing districts to support targeted economic recovery, affordable housing and/or infrastructure in the climate of limited resources. Currently, there is an unclear transition process regarding the demise of prior redevelopment agencies that may generate litigation.
- **Proposed Position:** Support legislation reactivating local agency processes for economic development; support establishment of Military Base Reuse Recovery Zones; provide leadership on these initiatives.

I. LEGISLATIVE COOPERATION. Coordinate efforts with other Monterey Bay agency legislative issues.

ISSUE: Monterey-Salinas Transit, Transportation Agency for Monterey County and the County of Monterey have adopted legislative programs, some will have Fort Ord reuse impacts.

- **Benefits:** Collaborative efforts for funding by agencies involved in the same or interdependent projects will increase the chances to obtain critical funding and also be enhanced by partnering matching funds.
- **Challenges:** State and federal funding is limited and competition for available funds will be keen.
- **Proposed Position:** Coordinate and support other legislative programs in the Monterey Bay area when they interface with former Fort Ord reuse programs.