



Fort Ord Reuse Authority

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

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

MEMORANDUM

Date: April 12, 2018
To: Fort Ord Reuse Authority (FORA) Board of Directors
From: Michael A. Houlemard, Jr., Executive Officer
Re: Supplemental information for Item 8f

Several Board members requested staff provide additional affordable housing policy, history, and accomplishment background. The Board and staff have also received questions and information submitted from special interests and members of the public. To address these requests and concerns we have updated and refined our summary table to reflect the “Existing” (units produced) Fort Ord numbers (**Attachment A**). To date entitled projects on Fort Ord have provided **381** affordable and workforce units or about **24%** of all permits issued to date. Of existing residential units, **3185** units fall within the affordable/workforce “category” or about **88%** of all existing residential units. Combined about **69%** of all the housing units fall within the affordable and workforce categories.

Additional Background:

Affordable housing has historically been and is a current topic of concern within California and within many counties and local jurisdictions (cities and counties). The definitions of what constitutes affordable housing are found in federal, state and jurisdiction regulations. Affordable housing is defined by federal standards as housing pricing typically accessible to persons with income levels in categories noted as very low, low, and moderate/workforce (as compared to pricing of market-rate housing). From the adoption of the Base Reuse Plan and the Master Resolution, FORA adopted policies which exceeded the affordable unit requirements found in Redevelopment Law and required 20% affordability. Responsibility for creating and building affordable housing lies with jurisdictions and the developers they select to create the housing products. FORA's role is to monitor consistency with the Base Reuse Plan to assure that 20% of total base-wide housing is within defined income-level affordability. FORA also reviews jurisdictional submissions for compliance with the jobs/housing balance components of the Base Reuse Plan as defined in Chapter 8 of the Master Resolution.

In forecasting amounts and types of development anticipated at former Fort Ord, FORA's forecasting process relies on information provided by the jurisdictions and their developers regarding what is to be built, when it is expected to be permitted and entitled, and the time period anticipated for construction and final product. It should be noted that there are multiples types of affordable housing. For example, affordable housing might be found in the form of single family homes, apartments, duplexes, condos or some other housing product that is rented or for sale. Renovation of facilities for dorms or faculty housing is an example of providing affordable housing to meet faculty/staff/student needs (in contrast to housing options available in market-rate pricing). The As-Built information in the Summary Table reflects these concepts.

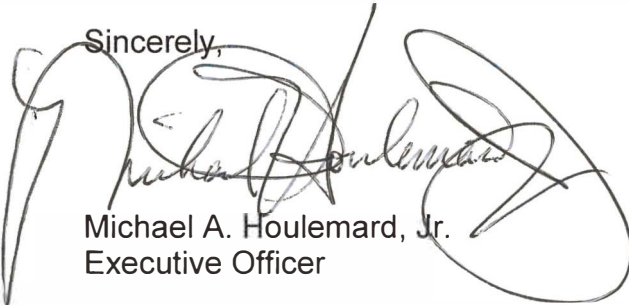
Notwithstanding the above background, FORA took additional steps to address the affordable housing issue. In 1997, FORA negotiated early transfer lease agreements with the Army,

retained a non-profit provider to finance the rehabilitations necessary to reuse the existing housing and was able to provide both reuse and a supply of affordable units. Two years later FORA amended those lease contracts to add additional housing to supply for residential needs of the military and educational workforce in the region. In the last decade, FORA encouraged development of affordable housing by amending the FORA Community Facilities District plan to create employer provided housing development incentives and 100%-affordable housing incentives. FORA also amended the FORA Master Resolution to encourage increased jobs-housing balance in reuse by encouraging the provision of an additional 10% workforce housing in addition to the 20% affordable requirement. Use of incentives, however, are dependent upon jurisdictional initiative and developers taking advantage of such incentives, as well as community and jurisdiction support for creation and approval of affordable housing projects.

In 2003, FORA helped initiate a program to engage all regional communities in a goal of creating affordable housing options both in reuse of former Fort Ord and within all jurisdictions. A program of outreach and education forums were provided in conjunction with interest expressed by the League of Women Voters of Monterey County and LandWatch at that time, citing the lack of affordable housing in Monterey County and within the Central Coast region to adequately house and serve the workforce population at all levels. Representatives from the Silicon Valley Housing Trust were also consulted and helped provide information about creating and achieving provision of affordable housing. As a result, a local and independent non-profit Community Housing Trust (CHT) was formed and functioned for approximately 5 years in helping to assist with providing home loans, developing employer-assisted housing programs, and assisting builders of affordable housing through lending for pre-construction costs as such loans are difficult to obtain via conventional lenders. The Community Housing Trust ultimately determined to dissolve the non-profit in 2008, citing difficulty in accomplishing the affordable housing goals primarily due to organization and community resident opposition to proposed housing projects and lack of community support in obtaining funding resources and contributions. No doubt the Great Recession had a very deleterious effect on the full range of housing production – as well.

Affordable housing heavily relies on community willingness to assist in creating and approving such housing, builders willing to create the housing, monetary resources sufficient to build and subsidize costs for housing, the availability of jobs, and having infrastructure such as water, sewer, roads and transportation systems available to serve the housing areas. Staff's hope is that MBEP's efforts can re-invigorate former Fort Ord workforce/"affordable" housing production.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael A. Houlemard, Jr.", written over a large, stylized circular flourish.

Michael A. Houlemard, Jr.
Executive Officer

Appendix 1. Summary of Former Fort Ord Reuse Housing Projects and Outcomes

| Project | Juris | Total Units | Market Rate Units | % Market Rate Units | Affordable ¹ Units | % Affordable Units | Workforce ² Units | % Workforce Units | Total Permits Issued ³ | Existing Affordable Units (3/31/18) | Existing Workforce Units (3/31/18) |
|---|--------------|---------------|-------------------|---------------------|-------------------------------|--------------------|------------------------------|-------------------|-----------------------------------|-------------------------------------|------------------------------------|
| Entitled New Residential | | | | | | | | | | | |
| Sea Haven ⁴ | Marina | 1050 | 840 | 80% | 237 | 23% ¹ | 159 | 15% | 100 | 186 | 0 |
| Dunes on Monterey Bay ⁵ | Marina | 1237 | 928 | 75% | 247 | 20% | 62 | 5% | 382 | 108 | 17 |
| Cypress Knolls | Marina | 712 | 498 | 70% | 143 | 20% | 71 | 10% | 0 | 0 | 0 |
| Seaside Highlands ⁶ | Seaside | 380 | 380 | 100% | 0 | 0% | 0 | 0% | 380 | 0 | 0 |
| Seaside Resort | Seaside | 125 | 125 | 100% | 0 | 0% | 0 | 0% | 4 | 0 | 0 |
| East Garrison | County | 1470 | 1050 | 71% | 294 | 20% | 126 | 9% | 708 | 66 | 4 |
| Subtotals | | 4974 | 3821 | 77% | 921 | 19% | 418 | 8% | 1574 | 360 | 21 |
| Existing/Rehabilitated Residential | | | | | | | | | | | |
| Preston Park ⁷ | Marina | 352 | 301 | 86% | 0 | 0% | 0 | 0% | 301 | 0 | 0 |
| Abrams B ⁸ | Marina | 192 | 57 | 30% | 0 | 0% | 0 | 0% | 57 | 0 | 0 |
| Interim Inc. | Marina | 11 | 0 | 0% | 11 | 100% | 0 | 0% | 11 | 11 | 0 |
| MOCO Housing Authority | Marina | 56 | 0 | 0% | 56 | 100% | 0 | 0% | 56 | 56 | 0 |
| Shelter Outreach Plus | Marina | 39 | 0 | 0% | 39 | 100% | 0 | 0% | 39 | 39 | 0 |
| Veterans Transition Center | Marina | 13 | 0 | 0% | 13 | 100% | 0 | 0% | 13 | 13 | 0 |
| Sunbay | Seaside | 297 | 297 | 100% | 0 | 0% | 0 | 0% | 297 | 0 | 0 |
| Bayview | Seaside | 223 | 0 | 0% | 0 | 0% | 223 | 100% | 0 | 0 | 223 |
| East Campus ⁹ | CSUMB | 1253 | 0 | 0% | 1253 | 100% | 0 | 0% | 1253 | 0 | 1253 |
| POM Annex ¹⁰ | Army | 1590 | 0 | 0% | 1590 | 100% | 0 | 0% | 1590 | 0 | 1590 |
| Subtotals | | 4026 | 655 | 16% | 2962 | 74% | 223 | 6% | 3617 | 119 | 3066 |
| Proposed/Planned Residential | | | | | | | | | | | |
| UCMBEST | UCMBEST | 240 | 168 | 70% | 48 | 20% | 24 | 10% | 0 | 0 | 0 |
| Seaside Housing | Seaside | 883 | 618 | 70% | 177 | 20% | 88 | 10% | 0 | 0 | 0 |
| Del Rey Oaks Housing | Del Rey Oaks | 691 | 483 | 70% | 138 | 20% | 70 | 10% | 0 | 0 | 0 |
| Subtotals | | 1814 | 1269 | 70% | 363 | 20% | 182 | 10% | 0 | 0 | 0 |
| Summary | | | | | | | | | | | |
| Totals | | 10,814 | 5,745 | 53% | 4,246 | 39% | 823 | 8% | 5191 | 479 | 3087 |

¹Affordable Housing is affordable to persons with very low (31-50% AMI), low (51-80% AMI) and moderate (81-120%AMI) income levels.

²Workforce Housing is one which is affordable to persons with workforce income levels (120-180%AMI).

³Total housing unit permitted (market rate, workforce, & affordable). Permits tracked through CFD fee payment to FORA or Occupancy Permits from jurisdictions. Units may be completed or under construction.

⁴Sea Haven's affordable component includes a combination of new units and 186 existing units from Abrams B and Preston Park.

⁵City of Marina reduced required Workforce units from 10% to 5% at the Dunes on Monterey Bay.

⁶Seaside Highlands land transferred directly from the Army to the City of Seaside and pre-dated FORA Affordable Housing requirements. Seaside Highlands built the Casa Las Palmas project, which is operated by the Salvation Army as Transitional Housing.

⁷51 units in Preston Park are designated Affordable units for the Sea Haven project (accounted for above).

⁸135 units in Abrams B are designated Affordable units for the Sea Haven project (accounted for above).

⁹East Campus Housing rented to CSUMB Staff and Faculty Housing. Rented below market rate. Open to University partner organizations.

¹⁰POM Housing rented to military families. Rates typically based on military housing allowance. Some units made available to public.

Additional resources:

FORA Master Resolution 8.02.020. (t) implements BRP policy requiring a minimum of 20% Affordable Housing.

FORA Master Resolution Defines Workforce Housing as up to 180% above median area income.

FORA CFD allows for a lower fee for qualified affordable housing projects.

2017 Monterey County rates as published by the State of California: AMI-4 Person-\$68,700.

<http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits/docs/inc2k17.pdf>

HUD has different and lower limits for AMI for Monterey County of 63,100. The low income number is 65,100.

See <https://www.huduser.gov/portal/datasets/il/il2017/2017summary.odn>