



# County of Monterey

**Item No.**

## Board Report

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

**Legistar File Number: 23-039**

**January 24, 2023**

**Introduced:** 1/10/2023

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** General Agenda Item

### **PLN030204 - EAST GARRISON FINAL PHASE CONCEPT PROPOSAL**

- a. Receive a presentation related to the East Garrison Final Phase Proposal from the Master Developer, Century Communities; and
- b. Consider directing staff to assign high priority to the East Garrison Final Phase application, once submitted to the County, and expedite permit processing with 200 percent cost recovery funded by the Master Developer; and
- c. Authorize the Housing and Community Development Department Director, or designee, to negotiate amendments to the Disposition and Development Agreement with Master Developer, Century Communities upon concurrence with the Successor Agency; and
- d. Provide additional direction to staff, as appropriate.

**Project Location:** East Garrison, Fort Ord off Reservation Road between Davis and Blanco Roads. Greater Monterey Peninsula Planning Area.

**Proposed CEQA Action:** Statutory Exemption pursuant to Section 15262 of the CEQA

#### RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Receive a presentation related to the East Garrison Final Phase Proposal by the Master Developer, Century Communities; and
- b. Consider directing staff to assign high priority to the East Garrison Final Phase application, once submitted to the County, and expedite permit processing with 200 percent cost recovery funded by the Master Developer; and
- c. Authorize the Housing and Community Development Department Director, or designee, to negotiate amendments to the Disposition and Development Agreement with Master Developer, Century Communities upon concurrence with the Successor Agency; and
- d. Provide additional direction to staff, as appropriate.

#### SUMMARY:

Century Communities/Union Community Partners (Century Communities or Century) is the Master Developer for the East Garrison Project, a mixed-use residential development consisting of up to 1,470 affordable and market-rate housing units. The current development environment is very different now compared to 2005 when the East Garrison Project was approved. To adjust for this and evolve with market conditions, Century Communities wishes to make modifications to the remaining (final phase) housing, Town Center and Town Center Park with the goal of facilitating its timely, expedited completion while respecting the goals and intent of the original vision. In summary, Century is contemplating modifications to the specific plan that would co-locate the Phase 3 Affordable Rental

Apartment Project within the Town Center as well as modify the housing unit type mix and locations.

Century has prepared the East Garrison Final Phase Proposal with associated analyses and exhibits (Attachments A-G), and requested staff facilitate its presentation of the Final Phase Proposal to the Board of Supervisors. Century also requests that the Board assign a high priority to this proposal directing staff to expedite permit processing upon application submittal. Staff recommends that the Board receive the presentation and consider directing staff to assign high priority for processing the Final Phase Proposal, once an application is submitted. The proposal is in concept and no formal application has been made at this time. Direction to expedite permit processing is not an indication of support for the project. Upon application submittal, staff would review and make a recommendation to the decision-making authorities based upon the merits of the project.

DISCUSSION:

*East Garrison Project Background and Status*

On October 4, 2005, the Board of Supervisors approved a Combined Development Permit (PLN030204) allowing the development of the East Garrison Project, a mixed-use residential development consisting of up to 1,470 dwelling units. The mix of housing units includes 980 market rate units, 140 workforce II units, 84 moderate-income units, 196 very low and low-income apartments, and up to 70 optional accessory dwelling units (ADUs). The East Garrison Project is also subject to a Disposition and Development Agreement (DDA) approved by the former Redevelopment Agency for the County of Monterey (now Successor Agency) which requires approximately 34,000 square feet of commercial, retail and community uses; the rehabilitation of historic structures; and the development of certain public facilities, including a fire station, library and Sheriff sub-station, and requires Agency financial assistance to pay for a portion of certain aspects of the Project, including public facilities, affordable housing and historic preservation and renovation.

To date, East Garrison has developed into a community consisting of 994 homes with supporting infrastructure and public improvements, including: 808 market-rate units; 65 affordable apartments (very low and low-income); 51 moderate-income units; 70 work force II units; fire station with community room; and approximately 37 acres of community, neighborhood and dog parks, open space and trails. An additional 65 affordable apartments are under construction and anticipated to be completed spring of 2023. Remaining housing and public facilities to be built (not-yet-under construction) per the development approvals at East Garrison include: 1) 341 housing units (172 market rate, 70 work force II, 33 moderate-income, 66 very low and low-income apartments) plus 70 optional ADUs; 2) Library with Sheriff sub-station; 3) a minimum 34,000 sf Town Center (of which 4,000 sf is the Library/Sheriff sub-station); 4) the 1-acre Town Center Park; and 5) rehabilitation and reuse of 23 historic buildings.

*Final Phase Proposal*

Century Communities, the Master Developer for the East Garrison Project, has prepared a concept proposal for what it considers to be minor modifications to the existing approvals for the Final Phase of the East Garrison Community. Century's goal for the revisions is to enable the community to be completed in a timely manner and to help expedite the implementation of the remaining development while respecting the goals and intent of the original vision. Century cites a number of challenges to developing the final phase at East Garrison that, in the aggregate, have created a very different

development environment than what existed when the Specific Plan was conceived over 20 years ago. To realize the intent of goals for East Garrison, Century Communities believes that the Specific Plan and supporting implementing documents need to be updated to optimize and expedite the ability to receive tax credit funding for the Phase 3 Affordable Apartment Project, match the current commercial and housing markets and most importantly expeditiously complete the final phase of the community.

Century Communities has requested that the Housing and Community Development Department (HCD) facilitate its presentation of the Final Phase Proposal to the Board of Supervisors and requests that the Board of Supervisors assign a high priority to this proposal directing staff to expedite permit processing once an application is submitted. HCD also seeks authorization from the Board to negotiate amendments to the DDA, upon similar direction from the Successor Agency.

Prior to providing the Final Phase Proposal to County staff, Century Communities conducted several community outreach meetings with the East Garrison Homeowner's Association and the East Garrison Community Service District. Community members were given opportunities to ask questions of the developer and the County on the proposal. Questions posed to the developer included confirming the size of the commercial space in the Town Center, who will manage the Town Center, and what had prompted the change in the design from that permitted under the DDA. Questions relating to the County included the funding arrangements for the development, the size and function of the Library and Sheriff field station and the County's role in the restoration of the historic arts district buildings. The developer proposes to conduct several more community meetings following this presentation.

Following is a brief summary of the key proposed revisions:

*Co-locating Phase 3 affordable rental housing with the Town Center* - Century proposes to create an integrated mixed-use commercial/residential 3-4 story building on the south side of the Town Center Park. This is accomplished by relocating the 66 Phase 3 Affordable Rental Apartment Project (or live/work units) to the existing parcel on the south side of the Town Center Park and stacking the affordable rental units above 30,000 sf of flexible commercial space on the ground floor.

*Modifying the housing unit mix and locations* - Century proposes to change the housing unit mix by eliminating the smaller condominiums in exchange for more single-family dwellings, townhomes and rowhouses resulting in a net reduction of 23 market-rate units. This is accomplished by: a) replacing the two Artspace building parcels flanking the Arts park with compact single-family homes; b) infill of the existing north parcel adjacent to the Town Center Park with rowhouses, with the units facing the park having "flex workspace" and shopfront facades; and c) infill of the High-Density Condominium site with compact high-density 2-3 story single-family homes.

#### Process and Next Steps

Housing is considered a high priority, especially housing that is affordable. However, since this project is already approved it would not take priority over other housing projects in the processing queue.

However, and in consideration of Century's request, HCD would process this project at a heightened priority with 200% cost recover and would recommend that the Board affirm this direction.

The Final Phase Proposal, in concept, proposes amendments to the Specific Plan and DDA, in addition to the General Plan land use designation and zoning. The land use entitlements will also need

to be amended. These legislative and discretionary requests would be subject to the California Environmental Quality Act (CEQA). HCD is required to prepare an environmental analysis. At this time, it is unknown what level of environmental review will be warranted (e.g. supplemental EIR, subsequent EIR or Addendum to the EIR).

For both these review processes HCD is obliged to provide the general public, as well as affected communities, businesses and or other government agencies opportunities to participate in public hearings. The CEQA analysis and requests would be publicly considered by the appropriate recommending and decision-making authorities including, but not limited to, the Planning Commission and Board of Supervisors. The agendas for these meetings are made public in advance, the meetings are open to the public either in person or via Zoom. No commitments or indication of support or opposition for the Final Phase Proposal are being made at this time.

The Final Phase Proposal proposes amendments to the Disposition and Development Agreement (DDA) and the Amended and Restated First Implementation Agreement to the DDA between the developer and the former Redevelopment Agency for the County of Monterey (now Successor Agency), which would require amendment to those agreements. HCD as staff to the Successor Agency is required to assess whether the proposed changes are consistent with dissolution law, and provide assessment as to whether these modifications reduce liabilities and increase net revenues to taxing entities and/or facilitate or expedite the winding down of the former Redevelopment Agency's affairs.

The proposed amendments would be publicly considered by the Board of Supervisors, acting as the Board of Directors for the Successor Agency. If approved, the Successor Agency must present the amendments to the Consolidated Oversight Board for the County of Monterey (Oversight Board) which will publicly consider the amendments for approval. The agendas for the Successor Agency Board and the Oversight Board meetings are made public in advance, the meetings are open to the public either in person or via Zoom. As a final step, amendments approved by the Oversight Board must be forwarded and approved by the California Department of Finance (DOF).

#### ENVIRONMENTAL REVIEW

This presentation and request for direction is Statutorily Exempt pursuant to Section 15262 of the CEQA Guidelines as an early discussion on possible future actions that do not involve a commitment to a project. Future amendments to the East Garrison development approvals and agreements will require a CEQA determination prior to consideration.

#### OTHER AGENCY INVOLVEMENT:

The Office of County Counsel and Successor Agency staff participated with HCD staff to meet with Century Communities and provide preliminary input regarding issues for consideration regarding the draft proposal and related analyses provided by Century. Century Communities conducted, and when appropriate HCD staff participated in, a series of meetings regarding its Final Phase Proposal with residents at East Garrison.

#### FINANCING:

Staff time to consider the East Garrison Final Proposal and process an application, once submitted, is included in the FY2022-23 Adopted budget for HCD Unit 8543, Appropriation Unit HCD002. Any responsibility to reimburse the Department by Century Communities will be done so through the East

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Garrison Developer Reimbursements, Fund 182, Budget Unit 8549, Appropriation Unit HCD008. If an expedited process is sought the developer would be subject to 200% cost recovery.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Consideration of the East Garrison Final Phase Proposal and possible consideration as a high priority project to be expedited supports the Board of Supervisors Strategic Initiative for Administration by providing responsiveness, strong customer orientation and transparency. Completing final build out of the East Garrison Project supports the Board of Supervisors Strategic Initiatives of Economic Development by constructing the Town Center and Health and Human Services through the provision of housing and public facilities at East Garrison

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Approved by: Craig Spencer, Chief of Planning 

Approved by: Erik V. Lundquist, AICP, Director

Attachments:

- Attachment A - East Garrison Final Phase Proposal
- Attachment B - Final Phase Concept Plan Exhibits and Presentation
- Attachment C - East Garrison Town Center Retail Feasibility Analysis
- Attachment D - East Garrison Town Center Tax Increment Analysis
- Attachment E - Review of East Garrison Agreements and Entitlements
- Attachment F - East Garrison Entitlement and Technical Support Services
- Attachment G - Frequently Asked Questions/Clarifications