

**..Title**

a. Authorize the Chair to execute a Consent and Waiver of Election Procedures for Community Facilities District No. 2006-1 (East Garrison Project), East Garrison Public Financing Authority, County of Monterey, State of California.

**..Report**

**RECOMMENDATION**

It is recommended that Board of Directors of the Successor Agency to the Redevelopment Agency of the County of Monterey:

a. Authorize the Chair to execute a Consent and Waiver of Election Procedures for Community Facilities District No. 2006-1 (East Garrison Project), East Garrison Public Financing Authority, County of Monterey, State of California.

**SUMMARY:**

The Governing Board of the East Garrison Public Financing Authority approved a Resolution of Consideration to Make Changes to Community Facilities District 2006-1 (East Garrison Project) at its meeting of June 11, 2013, in response to a petition submitted by UCP, the project developer, and related entities who are developing some of the residences, under Section 53332 of the Mello-Roos Community Facilities Act of 1982 (The Act). The purpose of the proposed changes is to reallocate existing special taxes in order to increase the amount of special taxes dedicated to County Services and to decrease the amount of special taxes dedicated to infrastructure. This action is proposed to be taken to maintain the goal of fiscal neutrality for the County. County staff, working with the developer and the County's various consultants, has determined that the amount of the tax currently allocated to pay for County services under the existing level of Special Taxes is insufficient, while the tax allocated to pay for infrastructure is more than what is needed. It is proposed that the taxes be reallocated, increasing the amount set aside for the provision of services and decreasing the amount set aside for financing infrastructure, causing the total maximum annual tax to remain unchanged. Various agreements between the County and the developer provide for fiscal neutrality to the County, with the goal that this development will not burden the County's General Fund.

The process for making changes prescribed in The Act requires a public hearing, followed by an election by the eligible voters, which, in the case of East Garrison, are the property owners subject to the tax. The Act prescribes specific time frames for the public hearing and the election and also provides that the time frames and other procedures set up for the election can be waived, if all property owners within the Community Facilities District (CFD) agree to do so. In the case that waivers are received for all the property within the CFD, the election can be held immediately following the public hearing, which is scheduled for July 16, 2013.

The Successor Agency to the Redevelopment Agency of the County of Monterey owns approximately 20 acres in the East Garrison Project site, mostly in the area of the future Phase 3. Of these, approximately 12.9 acres are reserved, pursuant to the East Garrison Disposition and Development Agreement, to be used for the development of affordable

rental housing in the Historic District as well as for construction of public improvements and for the Public Library. The remaining acreage is designated for public roadways that will be conveyed to the County in the future. Even though none of the acres are or will be subject to the special taxes and, as such, the Successor Agency is not eligible to vote in the election, as a landowner, the Successor Agency must still consent to the waiver of the required election time frame in order to facilitate the adjustment of the Rate and Method of Apportionment and maintain fiscal neutrality.

**FINANCING:**

The proposed changes to the distribution of the special tax are of benefit to the Successor Agency because they will facilitate the prompt and proper development of the East Garrison Project and ensure that sufficient funds will be available to pay for necessary services related to public improvements on the Project. The proposed changes are also of direct benefit to the County because the change will enable the County to maintain fiscal neutrality and other County funds, including the General Fund, will not be used in support of development in East Garrison.

Prepared by:

Approved by:

Carlos Urrutia  
Management Specialist

Nicholas E. Chiulos  
Assistant County Administrative Officer

Attachments: Consent and Waiver  
Exhibit 1 to Consent and Waiver (Legal Description)