



AGENDA REPORT

TO: HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: Cynthia Garfield, Council Member
MEETING DATE: May 2, 2018
SUBJECT: April Regional Meetings Update
CEQA: Does not constitute a “Project” under California Environmental Quality Act (CEQA) Guidelines

RECOMMENDATION
Receive update.

DISCUSSION

Monterey County Defense Alliance (Monterey County Business Council)

This meeting presented the scope and breadth of the National Security Economic Cluster. Twelve separate installations, spread from Silicon Valley to Paso Robles, provide significant economic impact through direct expenditures and from the approximately 9,000 civilian and uniform employees in these installations. Hosted by the City of Monterey, which provides the public works services for these installations, the presentations focused on the Naval Postgraduate School and Defense Language Institute.

A complete economic analysis of the National Defense Economic Cluster will be completed within the next quarter and will be presented by the MCBC.

Fort Ord Reuse Authority

The monthly meeting finalized authorization for the establishment of a Section 115 Trust that will secure sufficient funds to meet the minimum estimated CalPERS termination liability at FORA’s anticipated sunset on 2020. CalPERS provides a range for the termination liability: the minimum was authorized for the 115 Trust to avoid the possibility of overpayment. A separate amount will be “committed” that brings the total set aside equal to the maximum estimated liability. Together, these mechanisms assure that pension obligations will be met without additional liability for FORA members.

A presentation by Monterey Bay Economic Partnership on realistic policy changes that could improve housing affordability. Key to improving affordability is increasing the overall supply of housing, including many different types, increased density (reducing land cost), reducing the cost of production and reducing risks associated with development.

Suggested changes in policies or practices included:

- Scale fees by square footage, rather than by unit
- Defer development impact fees until certificate of occupancy
- Enhance bonus density provisions, particularly for rental units
- Reduce parking requirements
- Reduce commercial space requirements, when such space is less competitive

- Adopt effective ADU provisions
- Zone for density (will require zoning for height, mixed use, FAR, remove units/acre, allow ground floor residential).

While not all suggestions are applicable for every situation, it seems there are some creative options for supporting affordable housing development – if the city wants to do so.

Monterey County Business Council Members’ Meeting

The speaker for this meeting was California Senator Bill Monning. Sen. Monning spoke about the challenges facing California. Even though the state has \$10 Billion in reserve (as opposed to significant deficits not so long ago), there are significant challenges upcoming:

- The economy is currently in the 10th year of a “recovery”, the longest period of time ever. Historically, Positive swings in the economy last 7-8 years at most.
- Climate changes have brought, and will continue to create, significant problems to address: drought, fire, flood and coastal shoreline challenges will be increasingly expensive
- SB1, a tax on gas, was successfully supported by a broad coalition. Now there is the possible “no tax” measure attempting to repeal a measure that gives us a chance to upgrade roads. An amendment (Prop 69) will be put on the ballot to assure that all the SB1 funds are committed to transportation – a way to preserve SB1
- Water remains the most significant challenge in our area. Sen. Monning strongly urged all parties to negotiate and find common ground, decrying a proliferation of law suits designed to slow down or stop the development of alternative/supplemental water sources.
- Pension obligations are a huge drag on all civic governments, with no solution in sight.
- Housing is a painful reality across the state; affordability, availability and increased supply are critical issues as the state population has grown and housing supply has not. Sen. Monning mentioned various bills and measures aimed at decreasing barriers to additional housing and/or methods of funding housing growth.

FISCAL IMPACT

NA

RESPECTFULLY SUBMITTED:

Cynthia Garfield

Cynthia Garfield
Council Member