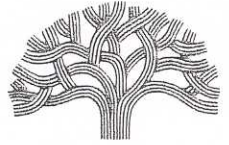


CITY OF OAKLAND



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Community and Economic Development Agency
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May 25, 2006

Pat Keliher, Project Manager
SunCal Oak Knoll LLC
Northern California Division
1430 Blue Oaks Boulevard, Suite 200
Roseville, CA 95747

Subject: General Plan Conformity Determination for Oak Knoll Naval Medical Center (NMCO) Property; Mountain Boulevard

Dear Mr. Keliher:

REQUEST

The City of Oakland has received your request for a General Plan Conformity Determination specific to the approximately 183-acre Oak Knoll Naval Medical Center (NMCO) site located near Mountain Boulevard and Keller Avenue. This request is summarized in your letter to me dated May 17, 2006. This letter is accompanied by six exhibits, which include supportive maps and tables (attached and referenced herein). In brief, SunCal Oak Knoll, LLC (SunCal) has requested that the City review and determine if proposed adjustments to the land use designation boundaries on the Land Use and Transportation Element (LUTE) Land Use Diagram are in conformance with the Oakland General Plan. Secondly, it is being requested that the City review and determine if the proposed land use program (land uses, densities and intensities) for this property is in conformance with the Oak Knoll Final Reuse Plan (1996), which, in turn would be in conformance with the Oakland General Plan.

This request has been filed pursuant to the provisions of Oakland Planning Code Chapter 17.01, which require that: a) no activities or facilities be established or constructed except in conformity with the Oakland General Plan; and b) the Director of City Planning render a determination as to whether a specific proposal conforms to the Oakland General Plan.

DIRECTOR'S DETERMINATION

Following review of your request, the Director of Planning and Zoning has determined that the proposed adjustments in the LUTE Land Use Diagram (Exhibit 4) are in conformance with the Oakland General Plan. Further, the Director has determined that the proposed land use program (referred to as the "Preferred Alternative," Exhibit 1) is in conformance with the Oak Knoll Final Reuse Plan, which is in conformance with the Oakland General Plan. Immediately following this determination, notice will be given to property owners within 300 feet of the property boundaries informing them of this determination.

APPEAL OF DIRECTOR'S DETERMINATION

This Director's Determination can be appealed to the Planning Commission. Should someone disagree with this determination, an appeal can be filed within ten (10) calendar days of the date of this letter or by Monday, June 5, 2006.

FACTS AND FINDINGS SUPPORTING DIRECTOR'S DETERMINATION

Background

The NMCO property encompasses 183 acres located off of Mountain Boulevard and Keller Avenue in East Oakland. The property was the subject of a Final Reuse Plan, which was adopted in 1996, pursuant to federal military base reuse procedures. The Oak Knoll Final Reuse Plan proposed certain basic land uses for property redevelopment, which included residential, golf, active recreation, mixed-use and open space, but was not intended to and did not affect Oakland's authority to adopt and implement land use regulations controlling ultimate redevelopment of the site. The Final Reuse Plan Diagram is attached (Exhibit 2). In 1998, the City adopted the City of Oakland General Plan Land Use and Transportation Element (LUTE). The LUTE Land Use Diagram carried over many of the land use principals of the Final Reuse Plan, applying five land use designations to the NMCO property, which are identified as follows:

Hillside Residential
Urban Open Space
Resource Conservation

Community Commercial
Institutional

The 1998 LUTE Land Use Diagram showing the five LUTE land use designations that are presently adopted for this site is attached (Exhibit 3). The entire 183-acre site is located within the R-30 (One-Family Residential) Zoning District, which limits residential development to 8.7 dwelling units per acre (minimum of 5,000 square feet of land area per unit). Therefore, pursuant to Oakland Planning Code Section 17.01.050, there is an 'express conflict' between what is permitted by the General Plan and what is permitted by the adopted zoning. When this conflict occurs, the General Plan LUTE land use designations and policies prevail over the zoning.

The NMCO property is developed with a number of buildings and small structures; however, most of these buildings have been unoccupied since closure of the medical center in the mid-1990's. The deed from the US Navy to SunCal requires that most of these buildings be demolished. The Seneca Center currently occupies a building sited on 7.92 acres of the site, while the Sea West Coast Guard Credit Union occupies another 1.27-acre parcel within the NMCO property boundaries. The NMCO property also encompasses 5.45 acres of undeveloped land owned by the City of Oakland.

Purchase by SunCal Companies

SunCal has purchased 167 acres of the 183-acre NMCO. This purchase does not include the 14.64 acres owned by the Seneca Center, the Sea West Coast Guard Credit Union and the City of Oakland. However, it is the goal of SunCal to plan and/or secure land use approvals for the entire 183-acre property, consistent with the General Plan LUTE. Secondly, it is the goal of SunCal to seek approvals that work within the "Best Fit" zoning provisions and the City's Planned Unit Development (PUD) process for this purpose.

Project Description – Land Use Program

SunCal has hired a team of consultants that have been preparing technical studies, as well as mapping property resources and constraints. From this effort, as well as input from three (3) community meetings, a preferred land use alternative has been developed for the site (Exhibit 1). This land use program encompasses the entire 183-acre NMCO site and proposes:

- Adjusting the boundaries of the LUTE land use designations on this site to better reflect existing site conditions and environmental resources. The adjustments in these boundaries are presented on the proposed LUTE Land Use Diagram (Exhibit 4).
- Development of approximately 816 market-rate residential units and approximately 124 below-market-rate residential units within the adjusted LUTE land use areas designated 'Hillside Residential' and 'Community Commercial.' Of the proposed 940 residential units, 416 residential units are planned for the 91 acres designated 'Hillside Residential,' while 524 residential units are planned for the 30+ acres designated 'Community Commercial.' Residential development would include: a) detached, single-family residential units on traditional-sized and small lots; b) attached town homes; c) live-work town homes; d) apartments with structured parking (for senior citizens); d) residential (affordable) units over retail (mixed-use).
- Development of up to 67,000 square feet of local-serving community commercial use within the adjusted LUTE land use area designated 'Community Commercial.'
- Maintaining the Seneca Center facilities within 7.9 acres of the adjusted LUTE land use area designated 'Institutional;' and placing the West Coast Guard Credit Union facilities within the adjusted LUTE land use area designated 'Community Commercial.'
- Permanently preserving areas of hillside and creek areas of open space within the adjusted LUTE land use areas designated 'Resource Conservation' and 'Urban Open Space.'

Analysis of Conformity with the Oakland General Plan LUTE

Chapter 17.01 of the Oakland Planning Code set forth general provisions for administering the Planning Code and General Plan conformity. Further, in accordance with the City guidelines, the request to determine General Plan conformity must meet three criteria. A discussion of these criteria as they relate to your request is provided as follows:

1. *The uses and facility types must conform to the LUTE land use plan and diagram.*

Response: As discussed above, five land use designations have been applied to the project site. The SunCal project proposes a land use program for development that would not change or introduce new or different land use designations for the NMCO property. However, the land use program would adjust the boundaries of the current land use designation areas, in part to reflect actual site conditions and environmental resources. For example, the area designated 'Resource Conservation' is intended to follow the alignment of

the existing resource areas (e.g., Rifle Range Creek). Following completion of a site survey and a property conditions map, it was determined that the LUTE Land Use Diagram boundaries and the actual resource areas do not align with one another. While this difference exists, the LUTE Land Use Diagram is intended to be 'general,' and is not always specific to real site conditions. The City recognizes that the land uses on the LUTE Land Use Diagram have been broadly applied to areas without parcel-by-parcel specificity, and that this map is largely illustrative of the written goals and policies of the General Plan. As the existing site conditions are in close correspondence with the map boundaries, the project would be generally consistent with the adopted LUTE Land Use Diagram.

2. ***The resulting density/intensity of the project must be within the maximum limits set forth in the General Plan.***

Response: While the boundary adjustments would result in changes in the configuration for each of the land use areas (e.g., an increase in land area designated 'Hillside Residential,' a decrease in land area designated 'Community Commercial' and 'Institutional'), the resulting, overall density/intensity of development for the 183-acre NMCO would be equal to or less than the density/intensity that would be realized under the currently configured LUTE land use designations.

A majority of the NMCO site is designated 'Hillside Residential.' The General Plan description of this designation notes that "typical lot sizes range from approximately 8,000 to one acre in size." Further, LUTE Policy N7.3 addresses a minimum average lot size for hillside area subdivisions and reads:

"At least 8,000 square feet of lot area per dwelling unit should be required when land in the hill area is subdivided. Lots smaller than 8,000 square feet may be created only when the ratio is maintained for the parcel being subdivided."

Policy N7.3 is interpreted to mean that the average lot size within a hillside subdivision shall not be less than 8,000 square feet. For large parcels in the 'Hillside Residential' area development must also conform to the minimum lot size specified in the Zoning Code (which is a minimum lot size of 5,000 square feet) and the prevailing lot size specified in the City Subdivision Regulations. The City Subdivision Regulations require that the lot size conform to the prevailing, median average lot size of properties within 200 feet of the subject property boundary. Lot sizes in the adjacent, developed single-family residential neighborhoods range from 8,000 square feet to well over 10,000 square feet. The Oak Knoll land use program proposes smaller to larger lots clustered in the hillside area to achieve an average lot area in excess of 8,000 square feet for each residential unit, while maintaining expanses of un-subdivided open space. For the 91 acres designated 'Hillside Residential,' the land use program proposes up to 416 residential units, which would result in a gross density of 4.57 dwelling units per acre. This gross density would be below the maximum, gross density of 5.0 dwelling units per acre specified in Table 3 of the Guidelines for Determining Project Conformity with the General Plan. Further, all other requirements of these guidelines have been met.

Residential units are proposed within the area designated 'Community Commercial,' which sets maximum residential density at 125 dwelling units per gross acre. Residential density within the 'Community Commercial' area is determined based on "principal use per gross acre," which includes streets and parks (estimated at 17.5 dwelling units per gross acres). However, permitted density is based on "net" acreage, using an average net-to-gross ratio of 75%. Excluding streets and parks the maximum permitted net density is 166.67 dwelling units per net acre. The land use program proposes a net density of 19.9 dwelling units per net acre within the 'Community Commercial' area, which would be well below the maximum residential density limits for this area.

3. ***The project must be consistent with key General Plan policies cited in Checklist 4 of the City-adopted guidelines for determining General Plan conformity.***

Response: Checklist 4 has been completed by SunCal and is attached (Exhibit 5). Some, but not all of the questions listed in Checklist 4 are pertinent to the Oak Knoll project. The pertinent policies are listed in attached Exhibit 6. These policies have been reviewed and the project generally conforms to them.

As proposed, the Director has determined that the Oak Knoll project is in conformity with the Oakland General Plan. This determination is limited to project conformity with: a) the LUTE Land Use Diagram boundaries; b) the density and intensity limits set forth for this site under the Final Reuse Plan; and c) review of a limited number of pertinent General Plan policies. As part of the formal planning and land use entitlement process, the project will be reviewed for consistency with all elements and pertinent policies and goals of the City of Oakland General Plan.

Please note that this determination does not constitute approval of SunCal's proposed development of the site; rather, it is only a confirmation that the areas of the site proposed to be developed and the uses proposed for these areas conform to the Oakland General Plan and Oak Knoll Reuse Plan. Development of the site will require the approval of specific planning actions and permits, which will be subject to environmental review and future public hearings with the Planning Commission.

If you have any questions regarding this determination, please feel free to contact Paul Jensen, Project Manager at 415.479.9438 or e-mail at jensenaicp@aol.com.

Sincerely,



Gary Patton

Deputy Director of Planning and Zoning

Attachments:

- Exhibit 1: Community Workshop SunCal Preferred Alternative
- Exhibit 2: Final Reuse Plan Diagram
- Exhibit 3: Existing LUTE Land Use Diagram (2005)
- Exhibit 3A: Existing LUTE Land Use Diagram (1998)
- Exhibit 4: LUTE Land Use Diagram with Proposed Adjustments to Land Use Designation Boundaries
- Exhibit 5: General Plan Conformity Checklist 4
- Exhibit 6: Applicable General Plan Policies

cc: Mayor Brown and City Council Members
Planning Commissioners
City Departments and Services
Paul Jensen, Contract Planner, 77 Mark Drive, Suite 32, San Rafael, CA 94903
Tim Tosta and John Truxaw, Steefel, Levitt & Weiss, One Embarcadero Center, 3rd floor,
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