

December 20, 2006

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

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

Dear Mr. Keliher:

BACKGROUND

Earlier this year, the City of Oakland received a request from SunCal Oak Knoll LLC (SunCal) for a General Plan Conformity Determination specific to the 183-acre Oak Knoll Naval Medical Center (NMCO) site. The NMCO site is located near Mountain Boulevard and Keller Drive in East Oakland. The application requested that the City review and determine if proposed adjustments to the land use designation boundaries on the Oakland General Plan Land Use and Transportation Element (LUTE) Land Use Diagram are in conformance with the Oakland General Plan. Further, this application requested that the City review the proposed concept plan for development of the property (a preferred concept plan and land use program) to determine if it is in conformance with the Oak Knoll Final Reuse Plan (1996) and the Oakland General Plan.

On May 25, 2006, the Director of Planning and Zoning rendered a determination that the proposed adjustments to the LUTE Land Use Diagram and the proposed land use program are in conformance with the Oakland General Plan and the Oak Knoll Final Reuse Plan. This determination was forwarded to you, in writing, by the City of Oakland.

REQUEST

Since May 2006, SunCal has worked with the community, City staff and a technical consultant team to finalize the development program for Oak Knoll. As part of this effort, some further adjustments and refinements were made to the placement of proposed land uses within the development program. These adjustments differ from the May 2006 preferred concept plan and require City review and determination as to whether they are in conformance with the Oakland General Plan. You have filed an application to amend or modify the May 25, 2006 General Plan Conformity Determination. This current request is summarized in your letter to me, received by the City of Oakland on December 19, 2006 and is accompanied by ten exhibits (supportive maps, tables and text). This letter and these exhibits are attached. In brief, the current request is intended to address the following changes:

1. A refinement of the land use boundaries for the eastern open space area of the NMCO property. The intent of this boundary refinement is to acknowledge designation of Hillside Residential use in the steep, northeast corner of the property

(a graded ridge currently designated for Open Space use) in exchange for designating lower, usable areas for Open Space use, where such areas are presently mapped for Hillside Residential use. This adjustment is intended to facilitate planning of usable open space throughout the NMCO property, consistent with the policies of the 1996 Oakland General Plan Open Space, Conservation and Recreation Element (OSCAR). Further, this adjustment would permit hillside residential development on the northeast slopes, an area that has been substantially graded and was envisioned for residential land use in the 'Maximum Capacity Alternative' analyzed in the 1998 Oak Knoll Final Reuse Plan EIS/EIR.

2. SunCal is currently negotiating a land exchange with the Seneca Center, which owns and occupies a 7.92-acre portion of the NMCO property. The land exchange would involve a potential relocation of the Seneca Center facility to the northwest portion of the NMCO property. To acknowledge the potential for this land exchange, SunCal is requesting City review of a potential adjustment or 'swap' of the NMCO land that is within the Institutional and Community Commercial land use designations located in the west center portion of the NMCO property (Village Center area). This adjustment would relocate the Institutional land use designation area to the northwestern portion of the property, which is currently designated for Community Commercial use. In exchange, the current area designated for Institutional use would be designated for Community Commercial land use.

The adjusted land use boundaries are presented in Exhibit 4 of your letter (attached).

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 amendment to the May 25, 2006 General Plan conformity determination, which includes adjustments to the LUTE land use diagram boundaries, 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 must be filed within ten (10) calendar days of the Director's Determination. However, given that this determination has been rendered during this time of the holiday season, the appeal period has been extended to Friday, January 5, 2007, which be filed before 4:00pm.

ANALYSIS - AMENDMENT TO GENERAL PLAN CONFORMITY DETERMINATION

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: The adjustments in the land use program presented in this application are not a significant departure from the program presented to the City in May 2006, which was rendered in conformance with the Oakland General Plan. We find that the adjustments are in conformance with the LUTE land use plan and diagram for the following reasons:

- a. As is the case with the adjustments in the land use designations presented in May 2006, the currently proposed adjustments, in part, reflect actual site conditions. The current request recognizes that the eastern open space area (near the northeastern corner of the NMCO property): 1) has been significantly graded (attached Exhibit 8, grading plans for construction of Keller Drive); and 2) reflects an area partially identified for hillside residential development in the 1998 Oak Knoll EIS/EIR 'Maximum Capacity Alternative' (attached Exhibit 10).
- b. The potential location exchange or 'swap' of Institutional and Community Commercial designated land at the west central portion of the property would not be inconsistent with the LUTE Land Use Diagram. The adjustment would: 1) merely permit a shifting of land uses in a general area that is intended and was broadly identified and planned for intense, mixed-use development in the 1996 Final Reuse Plan (attached Exhibit 10); and 2) involve an identical amount of land area (approximately 7.9+ acres).
- c. In your request, you have cited and provided excerpts from the 1998 LUTE Environmental Impact Report (EIR), which clearly acknowledges that changes to the land use diagram are anticipated to "facilitate redevelopment of large parts of the City, including military bases." For the NMCO property, the LUTE EIR notes that ultimate land use designations applied to this property are to "match the proposed master plan for the site." The land use adjustments presented in this application reflect the latest, proposed master plan for the site and would generally conform to the distribution of land uses presented in the 1998 EIS/EIR 'Maximum Capacity Alternative' (attached Exhibit 10). Furthermore, the refinement of the Hillside Residential and Open Space designation boundaries at the northeast corner of the NMCO property would promote better site planning for establishing usable and connectable open space, as supported by the policies of the Oakland General Plan OSCAR. This effort could only be accomplished through a detailed study of the site conditions and constraints for the purpose of developing a master plan.

- d. As stated in the May 2006 determination, 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 proposed adjustment in the boundaries would be generally consistent with the adopted LUTE Land Use Diagram.
- e. The current request continues to propose a land use program for development that would not change or introduce new or different land use designations for the NMCO property.

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

Response: As part of the May 25, 2006 General Plan conformity determination, it was found that the proposed land use program was consistent with the density/intensity limits established by the Oakland General Plan and the 1996 Oak Knoll Final Reuse Plan. While the boundary adjustments would result in some minor changes in the land use mapping for two areas of the NMCO site, the current application: 1) does not depart from the general land use program that was presented to the City in May 2006; and 2) would result in a generally equal exchange of land use density/intensity within the site. 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.

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: As part of the May 25, 2006 General Plan conformity determination, the policies in Checklist 4 were reviewed and it was determined that the Oak Knoll land use program generally conforms to them. At that time, it was found that some, but not all of the questions listed in Checklist 4 are pertinent to the Oak Knoll project. The adjustments that are proposed in the current application would not change the finding of conformity with these policies. However, one of the questions listed in Checklist 4 requires a review of conformity with OSCAR Policy OS-1.3, which addresses development of hillside sites. The refinement of the land use boundaries for the eastern open space area of the NMCO property would permit hillside development on the graded, northeast ridge. While Policy OS-1.3 encourages the general conservation of ridges, knolls and other prominent features, this policy also requires that development consider environmental and open space factors. As discussed above, one of the benefits of this boundary adjustment is to create and plan for usable open space throughout the segment of the NMCO site. As outlined in your letter, the creation of usable open space is strongly promoted by other equally significant OSCAR policies. So, while hillside development in this area could arguably be in

conflict with portions of OS-1.3, it would facilitate other OSCAR policies. More importantly, there are two other important factors to consider: 1) this hillside area was significantly graded and is already accessed by a fire road; and 2) there are more prominent hillsides and ridges located further east and upslope of the NMCO site, which are developed. These upslope properties form a more substantial visual backdrop to the South Hills of Oakland.

As proposed, the Director has determined that the Oak Knoll project is in initial 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:

Letter from Pat Keliher, SunCal Oak Knoll LLC requesting an amended General Plan conformity determination and 10 exhibits, received by the City of Oakland on December 19, 2006

cc: Mayor 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,
San Francisco, CA 94111

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