

SONOMA DEVELOPMENTAL CENTER

Transition Proposal - February 2019



I. Executive Summary

The closing of the Sonoma Development Center (SDC) after over 100 years of State operations creates a unique generational opportunity to shape a new vision for this almost 1,000-acre site. From its early beginnings as a privately founded center of caring for severely developmentally disabled individuals then through many years of State stewardship, the SDC property is once again positioned to serve the most significant needs of today's Californians. The State and the County of Sonoma face a crisis of housing affordability that is significantly impacting families, seniors, and all employers. We are struggling with the impacts of climate change and seeking to preserve and protect our ecological diversity. As we look to the future, we must begin a partnership anew of citizens, the State, and local governments to determine the role for this public-serving institution, thereby continuing the legacy of caring through the creation of affordable housing and environmental stewardship.

Over the last century, State ownership has protected approximately 700 acres of diverse Sonoma Valley open space ecosystems that now serve as an essential wildlife corridor contiguous to existing State and regional parks. The property's legacy also includes an approximately 180-acre developed core campus with aging infrastructure and 140 buildings that are well beyond their useful life, substantially increasing the risks and costs to support any reuse or new development. Despite the challenges, the essence of SDC's vision of a model caring community offering a balance of working and living surrounded by a magnificent natural environment remains.

From the time the State committed to closing the facility in May 2015, the State, County and community groups agreed that the standard State surplus process was not sufficient to address the unique site and community needs. Stakeholders have met regularly to contribute to the planned and coordinated closure. The proposed approach is a product of this collaboration, utilizing the expertise of the County to conduct a land-use and environmental planning process, coupled with a community-driven engagement and visioning process, and State disposition process. The outcome of this partnership is a financially viable development process which facilitates mixed-use housing, protects open space, reduces uncertainty and increases value. Properly launched and expeditiously funded, this plan can reduce the property disposal timeframe typical of transfer for this type of large complex development.

Key proposal components include the continued State oversight of the SDC for the next three years; and a County-managed and State-funded Specific Plan process that includes community engagement and related CEQA review, with the disposition of the property anticipated by 2022. Funding for the County-led planning effort would be provided by the State, and contingent upon strict accountability measures associated with timeline and the delivery of a planning document that assists DGS in the transition of the property. The State would be reimbursed for the costs of the transition period at time of sale.

II. Background

Due to a state and national shift in how and where people with developmental disabilities are cared for, Governor Jerry Brown called for the closure of California's remaining development centers, including SDC, in May of 2015. The facility permanently closed in December 2018 after all 400 residents were appropriately relocated.

The State budget provides the Department of Developmental Services (DDS) with funds to cover "warm closure" costs through June 2019. The funding covers costs for limited grounds, maintenance, security and fire services staff, as well as cameras and fences to prevent vandalism. The property is expected to transfer to the State Department of General Services (DGS) on July 1, 2019. DGS estimates that the annual costs of maintaining the site, without the residential developmental services, at between \$11 million and \$12 million per year.

This proposal provides time for policymakers and the community to begin the land use planning process to determine appropriate future land uses and development potential for the SDC site, which is currently very limited by the existing County General Plan and zoning of the property only for public uses. The proposed planning process will facilitate the disposition of the property by amending the County General Plan and zoning, completing environmental review, and addressing the economic feasibility of replacing or repairing the site's aging infrastructure.

SDC sits on some of the most picturesque and biologically diverse landscapes in Northern California. With 700 acres consisting largely of wildlands containing groves of redwoods, large stands of ancient oaks, forests of evergreens, and spanning meadows of grass, its undeveloped lands provide critical habitat and connectivity for wildlife populations like golden eagles, spotted owls and mountain lions that are known to occur on or near the SDC property. Sonoma Creek, habitat for threatened steelhead trout and endangered California freshwater shrimp, meanders through the core campus and the Sonoma Valley Regional Park runs adjacent along the north side of the property. It is a prized piece of land cherished by the community, environmental organizations, visitors, and local community stakeholders.

III. Transition Proposal

All parties, including State and local government officials, and community stakeholders, are committed to ensuring that the site is transferred in a timely and responsible manner that meets local community needs and statewide goals for property disposition, affordable housing, the enhancement of the Sonoma Valley economy, water resources protection, and natural and historic resource preservation. The State and County have met regularly for several months to explore possible models and timetables for the disposition of the property. Recent discussions have focused on defining future land uses through a prioritized specific plan process and various structures for transferring/disposition of the property in the most cost-effective and time-efficient manner.

Priorities in the transfer process include the following:

- Facilitate the land use planning process to reduce redevelopment risks and provide greater certainty for the community;
- Ensure transition occurs in a timely manner to minimize ongoing state costs, reduce further deterioration of the facilities and structures, and ensure public safety and site security;
- Provide a public engagement process to build consensus regarding future land uses and address key issues and environmental constraints;
- Provide for a mix of affordable housing and open space uses compatible with existing County General Plan policies for this property;
- Secure permanent protection of the important historic and natural resources with provisions for appropriate public access areas; and
- Demonstrate methods to build a sustainable community that provides a housing/jobs balance, enhances watershed management and groundwater supplies, provides renewable energy, substantially reduces CO₂_e emissions, and preserves cultural heritage.

The proposal presents an opportunity to form a unique partnership between the State and the County that efficiently moves the property from State ownership to a community asset through a locally managed Specific Plan land use planning process integrated with the State's disposition process. The site will continue to be controlled by the State during the period leading up to transfer, and the County will work closely with the State to determine any feasible interim uses during the long-term planning process. The goal of the joint effort is to expeditiously plan future land uses for the site with broad community input, reduce uncertainty, increase land values, expedite marketing, and maximize interested third party potential purchasers.

IV. County Specific Plan Land Use Process Benefits

Once the property is no longer owned by the State and is under the County's jurisdiction, redevelopment and use of the property will be governed by local land use and zoning laws. The site's current designation of Public/Quasi Public in the General Plan limits the SDC's redevelopment potential. A Specific Plan, amendment to the General Plan, would offer numerous benefits. These benefits include identification of environmental and economic opportunities, desired land uses, and needed infrastructure improvements and financing mechanisms. The Specific Plan process provides certainty for both developers and the community, reducing the risk of investment, and increasing land values by defining a clear pathway for the desired outcomes. The Specific Plan process is the most effective and efficient method to ensure that both the State's and the County's objectives and priorities can be met in a well-coordinated manner that brings the necessary resources together.

The Specific Plan process is anticipated to take at least 24-36 months and cost approximately \$3.5 million (as illustrated in Attachment A). This process will require that the County hire an outside consultant team to prepare the Specific Plan and EIR and contract for additional in-house project management resources to meet the efficient timeline (detailed timeline in Attachment B).

The Specific Plan would specify the allowable building intensities and residential densities, appropriate zoning, design guidelines, infrastructure needs and costs, financing mechanisms, and program-level environmental review. The Specific Plan would be reviewed by the Landmarks Commission, the Planning Commission, and Design Review Committee, and adopted by the Board of Supervisors as an amendment to the General Plan and related re-zoning of the property to a Planned Community (PC zone). The planning and community engagement process would also examine different structures for disposition of the property to include creative options for the redevelopment of the aging infrastructure and development of affordable housing.

The Specific Plan Process includes the following components:

- Extensive community engagement
- Constraints and opportunities analysis
- Water supply assessment
- Economic demand and feasibility
- Historical resources/landmarks review and documentation
- Land use, open space and zoning plan (including residential densities and building intensities)
- Design guidelines
- Infrastructure needs and costs
- Financing plan
- Environmental impact report

The planning process would dovetail with the State's RFP process for disposition of the property by providing a set of policy objectives, infrastructure requirements, and preferred land use scenarios upon which developer proposals would be based.

The State's RFP and developer selection process would be integrated with the release of the Public Review Draft Specific Plan. With the State's selection of a developer, or developers, following presentation to the community of preferred alternatives, the project entitlement process could run concurrent with the adoption of the Specific Plan to expedite closing of escrow and transfer of the site. The Specific Plan will provide the information noted above to guide the developers' feasibility studies, proforma development, land development proposals, and offers. Proposals from developers that are responsive to the State's RFP would have a much higher likelihood of success and experience shorter development timeframes likely resulting in higher land prices. The selected developer could submit land use entitlement applications or phased preliminary development plans to the County that could be processed concurrent with the adoption of the Specific Plan. The County may also enter into a Development Agreement to receive dedications of land and agree upon maximum residential densities and building intensities and other required public improvements.

V. Project Alternative

Absent approval of the proposed state-county partnership, it is likely that the State would pursue the normal surplus process. When the site is no longer owned by the State, land use will be limited by the County's General Plan Public-Quasi Public designation and subject to the voter approved Community Separators Ordinance. There would be greater risk for any developer, and likely community opposition to development approvals without a community planning effort preceding. These risks and uncertainties typically lengthen the surplus process. The CEQA process for County review of any private development proposal is expected to take three years and the likelihood of litigation is higher for a private development proposal, which can extend the process several more years.

VI. Budget Estimate

The proposed transition plan builds upon the strengths of the various governmental entities and includes the following key components:

- 1) Continued state control and operation of SDC for the next 3 years.
FY 19-20 through FY 21-22. Estimated Cost: \$11-12 million/year.
- 2) County managed and State-funded Specific Plan land use process, including community engagement process focused on transition and overall vision, and related CEQA review.
FY 18-19 through November 2021. Estimated Cost: \$3.5 million
(See Attachment A)
- 3) State-managed and County facilitated interim use plan and activity.
FY 19-20 through site development. Estimated Revenue: Unknown
- 4) Sale or Transfer of Property
End of FY 21-22.