



**LRA Meeting: December 13, 2011**

**SUBJECT: 2011-7636: Discussion of Amended Onizuka Air Force Station Redevelopment Plan, Amended Homeless Assistance Submission, Amended Legally Binding Agreement and District Agreement**

**REPORT IN BRIEF**

On March 1, 2011, the Onizuka Local Redevelopment Authority (LRA) directed staff to substantially amend the 2008 Redevelopment Plan to include the following preferred uses: a public benefit conveyance for emergency services (expansion of the Fire Station #5 site); a public benefit conveyance for an educational use or a public park/sports complex; expansion of the Department of Veteran Affairs (VA) site; and acceptance of a reduced consolidated site for the two homeless housing providers. The Council further directed staff to explore the feasibility of transferring the providers claim to the City-owned Armory site and amending the Housing Assistance Submission (HAS) and Legal Binding Agreement (LBA) accordingly.

On September 26, 2011, the Planning Commission unanimously recommended that the City Council approve the Amended Redevelopment Plan, Amended Homeless Assistance Submission, Amended Legally Binding Agreement, and District Agreement. The Commission also found that the Redevelopment Plan was consistent with the General Plan and Moffett Park Specific Plan.

The LRA reviewed the proposed changes and agreements on October 4, 2011 and provided comments. In summary, the LRA indicated support of the Amended Redevelopment Plan and associated documents. Staff proceeded to prepare and post a Mitigated Negative Declaration for the Redevelopment Plan (Attachment H) with supporting traffic and air quality analyses.

Staff recommends that the LRA conduct a public hearing, adopt the Mitigated Negative Declaration and approve the following documents:

- Amended Onizuka Air Force Station Redevelopment Plan;
- Amended Homeless Assistance Submission (HAS);
- Amended Legally Binding Agreement (LBA); and
- District Agreement

## **DISCUSSION**

The following discussion summarizes the Amended Redevelopment Plan, Amended Housing Assistance Submission (HAS), Amended Legally Binding Agreement (LBA) and District Agreement (DA). Minor modifications to each document since October 4, 2011, are also highlighted.

### **Amended Onizuka Air Force Station Redevelopment Plan (Plan)**

Summary: The Plan (Attachment A) identifies several preferred uses for the Onizuka AFS site: an education use for a 9.56 acre parcel south of the VA site; and emergency services use for an approximately one-acre parcel north of the VA site. The Plan also proposes that the LRA will receive an approximately 4.6-acre consolidated homeless housing site at the south portion of the site, although the preference would be to transfer the homeless housing claims to the Armory site subject to City Council approval. If the claims are transferred, the alternative use for the homeless housing site would be uses consistent with the Moffett Park Specific Plan. A public park/sports complex is identified as an alternative use for both the education and homeless housing sites (combined approximately 14 acres) if the educational use does not come to fruition.

As required by federal statute, the Plan also includes a recommendation for Air Force (AF) disposal of the property upon closure of Onizuka AFS in 2011. Staff recommends conveyance of the preferred education and emergency services uses and alternative public park use through no-cost public benefit conveyances (PBC). Conveyance of the homeless housing site is recommended in accordance with the terms of the referenced LBA.

Revisions: The Plan has been modified to provide further clarification as follows:

- Chapter 3, Federal Agency and Homeless Service Provider Requests: The unit count for the homeless housing claims has been reduced from 92 to 63 units. The reduction in units responds to recent discussions with the Department of Housing and Urban Development (HUD), and reflect an amendment to both providers Notice of Interest to conform more closely with the household profile and income mix proposed at the Armory site.
- Chapter 5, Conceptual Land Use Alternatives: The land use designation for the homeless housing site (4.6-acre southern parcel) has been changed from Combined Housing Claim to Moffett Park Industrial. The designation was changed to better reflect the preferred use in the

Redevelopment Plan, which is a use consistent with the Moffett Park Specific Plan (except for traffic intensive office uses).

- Chapter 6, Implementation: Language from the District Agreement has also been added into the Redevelopment Plan to clarify the roles and responsibilities of the District and LRA/City. Additional language has been added to the Environmental Investigation and Mediation discussion to explain the environmental review conducted by the LRA and the remaining environmental review that will be required once projects are proposed.

### **Amended Homeless Assistance Submission (HAS)**

Summary: The Amended HAS (Attachment B) updates Sunnyvale's homeless needs based on the latest County-wide data and describes how Sunnyvale plans to balance these needs with other community and economic development needs. The HAS continues to recognize the two homeless housing claims, but the document has been updated to reflect the revised NOI claims and LBA.

Revisions: Based on comments from the City Council and Housing and Human Services Commission, the HAS was revised to clarify information sources as data throughout the report is from two different sources, the City of Sunnyvale 2010-2015 Consolidated Plan and the 2011 Santa Clara County Homeless Census. Staff also refined the submission to provide a better flow of information, added actions taken by the LRA at the October 4th meeting (election of the LRA Executive Committee) and updated the Public Meetings Schedule.

The HAS has also been amended to reflect the latest amended Notice of Interests from the two homeless providers. Both providers initially submitted claims for two parcels of land at the Onizuka site in 2008. Charities Housing claimed 1.9 acres at the northern tip of the site to build 30 homeless housing units. MidPen claimed 4.2 acres at the southern corner of the site to build 62 homeless housing units. Since their original submittals, they have relocated their claims to the southern portion of the Onizuka site, reduced the amount of the land requested and proportionately reduced the number of homeless units to be built. The Charities Housing claim is now 1.5 acres with 20 proposed homeless units and The MidPen claim is now 3.1 acres with 43 proposed homeless units. All tenants will meet the McKinney-Vento Act definition of homeless.

### **Amended Legally Binding Agreement (LBA)**

Summary: The Amended LBA (Attachment C) is an agreement between the LRA and the two affordable housing providers that have submitted Notices of

Interest (NOIs) for no-cost homeless conveyances to establish a homeless housing program at Onizuka. The LBA outlines two options for accommodating the NOIs: executing a long-term lease with the providers for the 4.6-acre Onizuka parcel for their housing program; or implementing a substantially equivalent program through an off-site accommodation. The former 2.5-acre City-owned Armory site at 620 E. Maude has been identified as the possible off-site location. Similar to the original LBA approved by the LRA in December 2008, potential City assistance through \$8.2 million of Housing Mitigation Funds is offered to both providers for the off-site accommodation. Most of these funds (\$7.4 million) would be used to secure a long-term lease for the Armory site. No assistance is offered for the Onizuka site option.

Revisions: Staff has refined the LBA and finalized the terms with the homeless housing providers. Overall, the financial terms surrounding the off-site accommodation have not changed. However the following items were revised following further discussions with both providers:

- The ground lease term at the Onizuka or Armory site (whichever is selected by the LRA/City) was increased from 85 years to 90 years to address tax credit considerations for the projected timing for obtaining financing.
- Depending on which site is developed with homeless housing, the lease for the Onizuka site must be executed by June 30, 2013, or the lease for the Armory site must be executed by December 30, 2013 or 21 months after LRA issuance of an election notice, whichever occurs later (with possible extensions).
- Exhibits B and D are now Preliminary Lease Terms rather than template agreements and Exhibit E for a template regulatory agreement was deleted because it was determined to be unnecessary for the LBA.

### **District Agreement (DA)**

Summary: The DA (Attachment D) is an agreement between the LRA and Foothill-DeAnza Community College District (District) that outlines the terms for LRA support of an education center as a preferred use in the amended Onizuka AFS Redevelopment Plan. The DA outlines the expectations of the District to pursue an education PBC for an approximately nine-acre site and construct the proposed education center in conformance with the City's Moffett Park Specific Plan and Redevelopment Plan.

Revisions: None

## **EXISTING POLICY**

### **General Plan**

The following goals and policy statements are applicable and support the preferred and alternative land use proposed in the amended Redevelopment Plan.

#### **Fire Station:**

- **Police and Fire Services and Emergency Response Policy SN-5.1** - Assure that equipment and facilities are provided and maintained to meet reasonable standards of safety, dependability, and compatibility with fire service operations.
- **Police and Fire Services and Emergency Response Policy SN-5.2** - Provide training that is adequate for required duties.

#### **Education and Training:**

- **Goal 5.1E** - Support efforts to improve the availability and quality of education made available in Sunnyvale.
- **Policy 5.1E.6** - Support and/or consider the feasibility of attracting higher education into Sunnyvale and the region.
- **Policy 5.1E.8** - Support appropriate funding for community colleges serving Sunnyvale

#### **Public Park/Sports Complex:**

- **Open Space Goal LT-8** - The City strives to provide and maintain adequate and balanced open space and recreation facilities for the benefit of maintaining a healthy community based on community needs and the ability of the city to finance, construct, maintain, and operate these facilities now and in the future.
- **Open Space Policy LT-8.8** - Support the acquisition or joint use through agreements with partners of suitable sites to enhance Sunnyvale's open spaces and recreation facilities based on community need and through such strategies as development of easements and right-of-ways for open space use, conversion of sites to open space from developed use of land, and landbanking.
- **Open Space Policy LT-8.9** - Refrain from engaging in the development of open space and/or recreational facilities without prior assurance that ongoing maintenance needs will be addressed.

- **Regional Approach Goal LT-9** - The City embraces a regional approach to providing and preserving open space and providing open space and recreational services, facilities and amenities for the broader community.
- **Regional Approach Policy LT-9.2** - Support public and private efforts in and around Sunnyvale to acquire, develop and maintain open space and recreation facilities and services for public use.
- **Recreation Policy CC-11.3** - Give priority to acquiring/developing open space and recreational amenities and programs where the needs are greatest and/or which will meet the greatest needs.

### **Federal Policy**

The Base Realignment and Closure (BRAC) process is governed by the *Defense Base Closure and Realignment Act of 1990, as amended by the Base Closure Community Redevelopment and Homeless Assistance Act of 1994*. The U.S. Department of Housing and Urban Development (HUD) guidelines and regulations also govern many aspects of the process.

### **FISCAL IMPACT**

The BRAC planning process has been substantially funded through planning grants from the federal Office of Economic Adjustment (OEA). OEA grants have provided funding for the LRA to complete the Redevelopment Plan and associated documents. Expenses related to preparing the environmental document and future legal expenses after adoption of the Amended Redevelopment Plan are not covered by OEA. Additional budget modifications have been requested for these ineligible expenses. Refer to RTC 11-277, requesting approval of a budget modification to recognize and appropriate \$14,500 from the Foothill-DeAnza Community College District and \$41,600 from the General Fund, Housing Mitigation Fund and Transportation Mitigation Fees for the Onizuka Base Realignment and Closure (BRAC) planning process.

After approval of the Redevelopment Plan, the District will be responsible for pursuing, financing and constructing the proposed education center at the site. The City's PBC for the fire station site expansion will require initial staff costs to prepare the PBC application and minor site improvement costs associated with the fire station expansion for access, fencing and other requirements. With full closure of the Onizuka AFS site in September 2011, VA has assumed caretaker status of the entire site with reimbursement of most costs by the Air Force through an interim memorandum of agreement. The LRA is not a party

to this agreement and will not assume any maintenance obligations until property conveyance.

The PBC for the fire station site expansion will cost approximately \$30,000 for design and construction to secure the area and these funds would need to be allocated from the General Fund. For the alternative public park/sports complex, the development cost is estimated to be approximately \$17 million. It is anticipated that the City would work with a private company to develop and manage the park/sports complex. However, the LRA will most likely have to participate in financing the construction of the complex.

## **ENVIRONMENTAL REVIEW**

### **Background 2003**

In 2003, the Sunnyvale City Council certified the program-level Moffett Park Specific Plan (MPSP) Environmental Impact Report. As part of the EIR, it was found that there were significant unavoidable environmental impacts resulting from the proposed MPSP. The Council at that time opted to make statements of overriding consideration for these unavoidable impacts, and deemed them to be acceptable in view of the significant economic and social benefits which the approval of the MPSP would make possible.

The statements of overriding consideration were made for the following unavoidable impacts, as stated in the 2003 EIR:

Air Quality - Future area source and vehicular emissions under the proposed Moffett Park Specific Plan may result in operational air quality impacts.

Traffic and Circulation - Freeway Operations: Implementation and subsequent build-out of the proposed General Plan Amendment would not impact any additional study freeway segments beyond those impacted under General Plan 2020 Conditions. However, the implementation and subsequent build-out of the proposed General Plan Amendment would increase the severity and level of significance of impacts along several freeway segments that would be significantly impacted under General Plan 2020 conditions.

Expressway Conditions: There are no feasible mitigations measures to reduce the level of service impacts at the Central Expressway and Oakmead Parkway (City of Santa Clara) intersection, and the Central Expressway and Bowers Avenue (City of Santa Clara) intersection.

Mathilda Avenue Corridor: The Mathilda Avenue corridor will be impacted under the proposed Project in the A.M. peak hour and the P.M. peak hour.

Housing and Population - The proposed General Plan Amendment would not allow for the future construction of residential units in the MPSP area. However, the intensity of future industrial and commercial development that could be facilitated under the proposed MPSP would generate a substantial number of jobs and would indirectly induce population and housing growth throughout the region.

Cumulative Growth Impacts - Full build-out of the MPSP, along with other foreseeable development in the area will have an overall cumulative impact on the region, affecting air quality, transportation and the jobs/housing ratio.

### **Amended Redevelopment Plan**

The Plan does not require a subsequent EIR since it is proposing uses that were anticipated as part of the MPSP. However, an environmental review is required to determine if there are any site-specific or local impacts, if mitigation measures are required, and to properly disclose those impacts.

The Plan is tiering from the 2003 MPSP programmatic EIR and does not require a subsequent EIR under CEQA section 21166 (Subsequent Studies) and Guidelines section 15162 (Subsequent EIRs). Based on the Initial Study, the Plan does not trigger the events listed in CEQA section 21166 and Guidelines section 15162.

This Initial Study/Mitigated Negative Declaration reviews the proposed Plan. The site consists of approximately 18 acres of developable land and is located within the MPSP area. The site is currently zoned Moffett Park Industrial (MP-I) which allows various uses. The Plan proposes conceptual land uses for the Onizuka Air Force Station. The proposed conceptual land uses include the following:

- **Emergency Services (1.3 Acres)**

The land identified for Emergency Services will allow provide additional land for the adjacent fire station for improved access and training area. Emergency services are allowed Minimal improvements such as fencing and lighting adjustments will be required initially. No other improvements are anticipated for this area. The Air Force Station closed on September 30, 2011 and is currently under "caretaker" status until the final Reuse Plan and been approved the appropriate government agencies.

- **Office for Veterans Administration (4.41 Acres)**

The VA has requested land through a Fed-to-Fed transfer for additional administrative office space. The land area includes four buildings and surface parking. The VA will be remodeling the existing buildings to better suit their office space needs. Remodeling may also include some exterior changes and demolition to address areas of the building that cross property lines. The VA site is federally owned land and is not subject to state or local

requirement and it is not subject to the California Environmental Quality Act (CEQA). Any future additions or changes to the site will require the appropriate National Environmental Protection Act (NEPA) review.

- **Education (9.56 Acres)**

Foothill-De Anza Community College District (District) has requested land to allow for a new Education Center to replace their center currently located in the City of Palo Alto. The District has indicated that they would propose to construct the Education Center in two phases. First would accommodate 55,000 square feet of educational space and a surface parking lot for 556 parking spaces. The second phase would accommodate an additional 55,000 square feet of educational space and a new four story parking structure. The District is not subject to local requirements such as General Plan and Zoning. Once the district finalizes proposed plans for the site, they will be processing the appropriate CEQA document to further analyze the projected student population and its impacts on the surrounding area. The District will be the Lead Agency responsible for CEQA review.

- **Moffett Park Specific Plan (4.6 Acres)**

The southern portion of the site will allow uses which are consistent with the MPSP. Uses for this area may include additional land for the education use or any other uses allowed as permitted as of right or through a use permit.

A Mitigated Negative Declaration (Attachment H) has been prepared in compliance with the California Environmental Quality Act and City Guidelines. Mitigation measures have been included in the document and will be incorporated in future projects. The Mitigated Negative Declaration has found that there are no significant impacts resulting from the proposed Redevelopment Plan.

The following is a summary of the main issues identified in the Mitigated Negative Declaration:

- **Air Quality**

The Bay Area Air Quality Management District (BAAQMD) 2011 CEQA Guidelines thresholds of significance provide that a development project would have a significant cumulative impact unless: 1) the project can be shown to be in compliance with a qualified Climate Action Plan, 2) project emissions of CO<sub>2</sub> equivalent greenhouse gases (CO<sub>2</sub> e) are less than 1,100 metric tons per year, or 3) project emissions of CO<sub>2</sub> equivalent greenhouse gases are less than 4.6 metric tons per year per service population (residents plus employees). The City of Sunnyvale does not have a Climate Action Plan at the time of the writing of this Initial Study.

The applicant provided an Air Quality and Greenhouse Gas Analysis for the two projects. The study was completed by Environ on November 18, 2011 and is attached to the Initial Study. The report concludes that the proposed land uses will result in both one-time (construction related) and annual (operational-related) emissions. Environ's analysis indicates that the project does not exceed the thresholds of significance according to the current BAAQMD CEQA guidelines.

- **Transportation and Traffic**

A Traffic Impact Analysis (TIA) has been prepared by Fehr & Peers, dated November 2011. The study is attached to the Initial Study (Attachment H).

The Fehr & Peers report presents the results of the TIA and concludes there are no new significant impacts resulting from the proposed land uses. The study found that trips generated by the proposed land uses would be significantly less than the existing use. The air force uses were estimated to generate 4,970 daily vehicle trips, 736 AM peak hour trips (648 inbound and 88 outbound) and 700 PM peak hour trips (119 inbound and 581 outbound). The trips generated by the air base uses on the site are greater than those generated by the proposed project (2,600 net new daily vehicle trips, including 307 and 310 net new AM and PM peak hour trips, respectively).

The City of Sunnyvale maintains a Citywide Deficiency Plan (CDP, September 2005) to address existing and anticipated deficiencies in the level of service of intersections within the City. The objective of the CDP is to set forth a comprehensive citywide solution to LOS deficiencies at CMP facilities for which no localized mitigation is feasible. The CDP includes a list of transportation improvements to mitigate identified deficiencies. Improvements include intersection and roadway modifications, as well as, pedestrian, bicycle, and transit infrastructure improvements to facilitate multi-modal access throughout the City. Directly related to the project area are the Mary Avenue Extension project and the Mathilda Avenue/Route 237/US 101 interchange improvements project. The Mary Avenue Extension will extend Mary Avenue from its current terminus at Almanor Avenue north over SR 237 and US 101 connecting to 11th Avenue. The new roadway connection will change travel patterns on adjacent streets (particularly the parallel arterials) and will reduce congestion on key facilities such as Mathilda Avenue as compared to conditions without the extension. The Mathilda Avenue/Route 237/US 101 improvements will reconfigure the intersection to improve operations, reduce turning and weaving movements, and improve geometry.

The identified improvements will be funded through a combination of state and regional transportation funds and countywide taxes and over \$80 million will be funded through the City's two-tiered traffic impact fee (TIF), which identifies a separate fee structure for the Moffett Park Specific Plan area north of SR 237 and the remainder of the City south of SR 237.

The City's TIF program was developed when the Onizuka Air Force Base was in operation and the TIF and associated improvements and fee structure took into account the amount of traffic that the air force uses were generating in their baseline analysis. Based on the analysis presented in the Onizuka Redevelopment Traffic Analysis[1] Technical Memorandum (Fehr & Peers, March 2008), the air force uses were estimated to generate 4,970 daily vehicle trips, 736 AM peak hour trips (648 inbound and 88 outbound) and 700 PM peak hour trips (119 inbound and 581 outbound).

Since the proposed plan would result in a reduction of square footage at the site, it is considered to have less-than-significant impact because it does not increase the number of trips assumed in the baseline analysis of the TIF. TIF fees are based upon new trips (traffic growth) being added to the roadway network over and above the baseline analysis of the TIF. Because the proposed new Onizuka uses are less intense and do not generate traffic growth above that assumed in the baseline analysis, TIF fees do not apply to the proposed use and are not considered mitigation.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site. Members of the LRA's former Citizen's Advisory Committee, the Moffett Park Business and Transportation Association, Juniper Networks, Foothill-De Anza Community College District and the two homeless housing providers were also notified about the LRA hearing.

The Planning Commission had minor questions at the September 26, 2011 and there were no comments from the public. The Planning Commission agenda was posted on the City's official-notice bulletin board outside City Hall. Mailed notices were delivered to all property owners and tenants within 300 feet of the subject site. The Planning Commission minutes have been attached for reference (Planning Commission Minutes, Attachment F).

The Housing Assistance Submission was reviewed by the Housing and Human Services Commission on September 28, 2011 (see Housing and Human Services Commission Minutes, Attachment G).

The LRA held a public hearing on October 4, 2011 and reviewed the draft Amended Redevelopment Plan, HAS, LBA and District Agreement. No action was taken pending completion of environmental review.

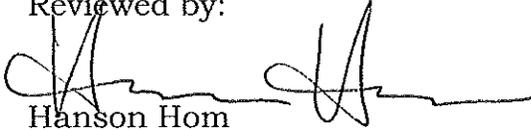
### **ALTERNATIVES**

1. Approve and direct the City Manager to submit to the Department of the Air Force (AF) and the Department of Housing and Urban Development (HUD) the Amended Onizuka Air Force Station Redevelopment Plan and Amended Homeless Housing Submission. (Attachments A and B)
2. Direct the City Manager to execute the Amended Legally Binding Agreement with MidPen Housing and Charities Housing. (Attachment C)
3. Direct the City Manager to execute a District Agreement with the Foothill-De Anza Community College District (Attachment D).
4. Adopt the Mitigated Negative Declaration (Attachment H).
5. Approve Alternatives 1-4 with modifications.
6. Do not approve any of the Alternatives and direct staff to revise the documents as needed.

**RECOMMENDATION**

Staff recommends approval of Alternatives 1, 2, 3 and 4.

Reviewed by:



Hanson Hom

Director of Community Development

Prepared by: Shaunn Mendrin, Senior Planner

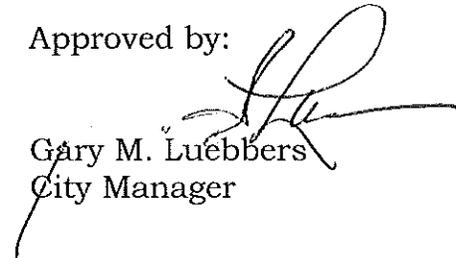
Reviewed by:



Grace Leung

Director of Finance

Approved by:



Gary M. Luebbers

City Manager

**ATTACHMENTS**

- A. Amended Onizuka AFS Redevelopment Plan
- B. Amended Onizuka AFS Housing Assistance Submission
- C. Amended Legally Binding Agreement (HAS Exhibit 4)
- D. District Agreement
- E. Foothill-DeAnza Community College District NOI for Onizuka AFS Site
- F. Planning Commission Minutes, dated September 26, 2011.
- G. Housing Commission Minutes, dated September 28, 2011
- H. Mitigated Negative Declaration