

THE NEXT HUNDRED YEARS

**A proposal for the future of the lands and buildings
of the Sonoma Developmental Center
in the community of Glen Ellen and the Sonoma Valley
Sonoma County, California**

**Presented by the community of
Glen Ellen and the Sonoma Valley**

**Transmitted on the community's behalf by the
Glen Ellen Historical Society**

September 9, 2022.

A. Cover letter	3
B. Structure and Management	4
Responsible Parties	4
Objectives	5
Priority Standing	5
C. Relevant Project Experience	10
D. Financial Capability	12
E. Proposal	14
1. Project Description	14
Figure 1 Map	18
Figure 2 Buildings	19
How might it happen?	20
Pilot Programs	25
2. Site Plan	28
3. Schedule	29
4. Pro Forma	30
Potential Revenues and Financing	32
5. Benefits to the State	34
Terms of Offer and Project Specific Benefits	36
Conditions to Close & Schedule of Performance	38

A. Cover letter



www.glenellenhistoricalsociety.org
info@glenellenhistoricalsociety.org
PO Box 35, Glen Ellen CA 95442

Date: September 9, 2022

To: Gerald McLaughlin, Project Manager
Asset Enhancement, Asset Management Branch
Department of General Services, State of California

From: Glen Ellen Historical Society

Re: Response to RFP No. AMB 2022-05-17 (issued on May 17, 2022)
Proposal for Future Development and Stewardship of the Sonoma Developmental Center (SDC)
Property, 15000 Arnold Drive, Eldridge CA 95431

Transmitted here, on behalf of the community in Glen Ellen and the Sonoma Valley, is the community's proposal for the development and stewardship of the SDC properties and buildings as requested in your RFP AMB 2022-05-17, issued on May 17, 2022.


The proposal includes the development of 470 units of affordable housing and preservation of both critical open space and historic assets. The proposal also anticipates the formation of the **Sonoma Mountain Community Services District**, an independent special district formed under the Community Services District Law, Government Code Section 61000, *et seq.*, to which the SDC properties will be transferred under terms to be agreed, and through which the future development, restoration and conservation of the properties will be implemented over the coming years.

As a proposal that includes a local agency formed under State legislation and includes the development of affordable housing we ask that this proposal be given priority consideration over proposals from private developers under sections 54222, 54223, and 54227 of the Health and Safety Code and sections 200 and 300 of the Surplus Land Act Guidelines promulgated by the California Department of Housing and Community Development.

Transfer to a local public agency is the only alternative that will (1) ensure public ownership of the land in perpetuity, (2) ensure long-term local stewardship of the land and its environmental and historic resources, and (3) achieve the State's objective of providing affordable housing for the local workforce, for disadvantaged individuals and families, and for persons with developmental disabilities.

The communities of Glen Ellen and the Sonoma Valley thank you for the opportunity to present this proposal, and we remain open to discussion and negotiation of terms that are in the best interests of the State, the neighboring communities of the Sonoma Valley, and people with developmental disabilities.

Respectfully,


Angela Nardo-Morgan, Board President, GEHS
angelaglenellen@gmail.com
707-217-8244


Bean Anderson, Ph.D., SDC Committee Chair, GEHS
bean_anderson@yahoo.com
415-317-3409


Teresa Murphy, Public Information Officer
glenellencav@comcast.net
707-235-8130


Norman Gilroy, GEHS Board Advisor
ngilroy@vom.com
707-337-7525

The Glen Ellen Historical Society (GEHS) is a 501(c)(3) non-profit organization which encourages and facilitates the participation of the people of the community in the research, dissemination, preservation and celebration of Glen Ellen. The past tells us who we are and guides us to who we can be.

B. Structure and Management

This proposal is transmitted by the Glen Ellen Historical Society on behalf of the Glen Ellen and Sonoma Valley community—the community that surrounds the SDC property and is most impacted by future redevelopment.

The objectives of this proposal are to facilitate:

- the development of critically-needed affordable housing on the SDC property;
- the preservation of open space, the protection of the wildlife corridor, and preservation of historical assets through public ownership, leadership, and financing; and
- the empowerment of the Glen Ellen and Sonoma Valley community over its local resources.

These objectives will be accomplished through:

- the formation of the **Sonoma Mountain Community Services District**, an independent special district formed under the Community Services District Law, Government Code Section 61000 *et seq.*, and the State’s enabling legislation, and
- the transfer of the SDC lands and buildings to the District as the selected bidder under the terms of its RFP No. AMB-2022-05-17 dated May 17, 2022.

Responsible Parties

For the purposes of this proposal, the responsible party for negotiation under any ENA will be the Glen Ellen Historical Society until such time as the Sonoma Mountain CSD is formed and a board of directors elected to enter into a PSA with the State. The Glen Ellen Historical Society is a 501(c)(3) non-profit organization in good standing that encourages and facilitates the participation of the people of the community in the research, dissemination, preservation and celebration of the history of Glen Ellen.

The authorized individuals for agreements with the State prior to the formation of the Sonoma Mountain CSD are:

Angela Nardo-Morgan, President of the Glen Ellen Historical Society

Bean Anderson, Chair of the SDC Committee at the GEHS.

Objectives

In transmitting this proposal, our primary objectives are to:

- a) Facilitate development of truly affordable housing for low-income and moderate-income individual families, who are at risk of displacement due to rising housing costs.
- b) Publicly own, manage, and operate the SDC property long term for the benefit of the people of Sonoma Valley and the wider community through public use and private development.
- c) Provide for democratically accountable leadership through a Board of Directors elected by, and responsible to, the people of the community.
- d) Ensure protection of the open space, the ridge and hillside areas to the west of the SDC campus, the wildlife corridor and riparian habitats, and Lake Suttonfield and the area around it.
- e) Preserve and share the long history of SDC through historic preservation, adaptive reuse of historic buildings, and the creation of a Visitor's Center a Museum, and archival research facilities.
- f) Reduce the site's carbon footprint by reusing existing buildings as much as possible.
- g) Protect the historic and rural character and the scale of the SDC lands and buildings while blending in the new development including the housing needed for a new community at SDC that is in harmony with the surrounding community of Glen Ellen and the Sonoma Valley.
- h) Collaborate with neighboring agencies through Joint Powers Agreements (JPAs) and other arrangements as necessary to accomplish projects on the property that serve joint interests and purposes;
- i) Respond to all criteria expressed in the enabling legislation (Gov. Code, § 14670.10);
- j) Work within the principles and restraints of the zoning, General Plan Amendment and Specific Plan now being processed by the County of Sonoma under its joint agreement with the State of California (Gov. Code, § 14670.10.5);

Priority Standing

When updating the Surplus Land Act in 2019, the California Legislature reaffirmed its declaration and belief that affordable housing, park and recreation, and open space are the highest priorities for government surplus lands. (Gov. Code, §§ 54220, subd. (a), (b).) This proposal would achieve the purposes the State has declared to be of utmost importance.

The proposed Sonoma Mountain CSD, as a state agency, would qualify for priority standing pursuant to sections 54222, 54223, and 54227 of the Health and Safety Code and sections 200 and 300 of the Surplus Land Act Guidelines promulgated by the California Department of Housing and Community Development.

Further, the enabling legislation does not change the deference to be given to state agencies in the disposition of surplus state lands:

“This section shall not apply to the transfer of the property to a state agency in accordance with section 11011.”

The enabling legislation [§14670.10.5(e)(1)] does not change the state’s responsibility under §11011, *et. seq.* to give priority first to state agencies, then to non-profit housing organizations, and then to the private sector. Given the clear priority standing granted under the enabling legislation as well as California law cited above, we ask that this proposal be given priority consideration over private bidders in the State’s decision-making process through its Department of General Services (DGS).

In making this proposal, it is understood that the State, through DGS, performed an informal search to identify a local agency that was interested in taking over the SDC lands. It is also understood that DGS found no such local agency and determined the property should be offered to private developers. The Glen Ellen community now recognizes that there is now no new existing local agency that would experience a benefit from the redevelopment of the SDC property that is great enough to compel or inspire action. This lack of interest by existing Sonoma County governmental agencies reveals an opportunity for the Glen Ellen community to come together to form a new local public agency that will represent the needs and desires of this community.

Local Support

It is often assumed that communities that have expressed concern regarding scale of nearby development will also object to affordable housing development. This is not the case within the community in Glen Ellen and the Sonoma Valley where there is broad support for workforce housing and “missing middle” housing in a community where such housing opportunities are sadly lacking. As citizens of a community that has long hosted the Sonoma Developmental Center as a close neighbor, the residents of Glen Ellen and the Sonoma Valley also strongly support the provision of dedicated housing and services for people with special needs and developmental disabilities, and those are an important part of the proposal submitted here.

Although the RFP materials provide demographics for all of Sonoma County, it is important to recognize that the SDC property is separated from the two closest cities in the County by a large area of agriculture and undeveloped open space. The population of the census-designated area of Glen Ellen itself is only 1,200. The proposed jurisdiction for the Sonoma Mountain CSD includes the entire cluster of urban and suburban development around the SDC property, and would be comprised of approximately 3,500 registered voters on 20,168 acres.

The community, now faced with the possibility that its population could double as a result of the SDC redevelopment, embraces the opportunity to reduce the scale of the development while welcoming a significantly higher amount of affordable housing

development than would be developed by a private developer. Public ownership of the land and facilitation of the affordable housing development will reduce the site's dependency on large-scale commercial development (luxury resort and three times as much market-rate luxury housing, etc.) to make the project "pencil out." The community's proposal provides the State with all of its declared priority uses at a scope only made possible by public ownership.

The Glen Ellen and Sonoma Valley communities were already considering the formation of a special district before the RFP for the SDC properties brought new focus to the need for community control of certain community resources and infrastructure. The formation of the Sonoma Mountain CSD will therefore mark the next era of this community as the long-running SDC facilities of the past are replaced with development, public uses, and resource preservation that will benefit the community, county, state, and country for the next hundred years.

Principles

In making this proposal, it is important to note that:

- a. There is widespread support in the community for:
 - retention of public ownership of the SDC lands in perpetuity
 - local community control and the certainty of community input into decisions that guide or shape the future of the SDC land long term
 - protection of open space, the wildlife corridor and sensitive riparian environments on the property
 - village scaled development, including affordable housing in its many forms
 - historic preservation and reuse wherever possible
- b. Any sale to a private developer would permanently take the land out of public ownership, and would provide only precarious assurances that the local community would be included in a meaningful way in decisions regarding the future of the SDC property. Both the enabling legislation, and § 11011 et seq. recognize that traditional market forces in the private sector act at cross purposes with California's public policy objectives and explains why DGS should give priority to local agencies and non-profits.
- c. A community services district would provide meaningful representation for the local community in decisions relating to SDC over the long term, can ensure that the land remains in public ownership in perpetuity, and can set the course for development through JPAs and parcel-specific contracts that will manage the scale and increase the likelihood that the historical assets of the site will be well used.
- d. There is a way through the ISD process to have the best of both the public and the private worlds by establishing a district which can look out for the public well-being while engaging those same experienced sources from the private sector through contractual or design-build-manage (DBM) approaches designed to implement development in their areas of special expertise

Urgency of Proposal

This late introduction of the community into the bidding process is the only way to protect local values and to ensure community control and public ownership of the SDC land in perpetuity – both qualities that would be permanently lost in a sale to a private developer.

Precedent

In making this proposal, it should be clear that we are not suggesting anything that is out of the ordinary for the State of California and DGS. Special districts have been formed as part of the enabling legislation for the transfer of other surplus properties by the State (ex. Isla Vista, 2021), and this proposal incorporates and anticipates such a mechanism. Also other Developmental Center properties have been transferred to public agencies through enabling legislation by the State Legislature, and this proposal takes the transfer legislation for the Agnews Developmental Center as a model for both the terms of transfer and the method of payment to the State over time. Included, as per Agnews, is the creation of a fund at the State for the benefit of people with developmental disabilities, which seems most appropriate given the history of this transaction and the land and buildings to which it applies.

Standards for future development

As a public district, the Sonoma Mountain CSD will be limited by State bidding laws from pre-committing in advance to decisions that would normally be made in its own bidding process, That would include selecting contractors and developers in advance, a decision that will only become clear in the transparent parcel-by-parcel RFP and RFQ processes required of a district under State law for the protection of the people of the area.

The District will, however, stipulate that the selection process to be used in its RFP and RFQ processes will follow the same principles, and contain precisely the same selection criteria, as is required by DGS in the ongoing RFP process through which this proposal is made (see section C of this proposal). The use of those criteria will ensure that the implementation objectives and standards of the State will be met long term, and that the best developer and/or specialist will be selected for each specific development parcel taking into account the size of the project phase, the intended purpose, and the special expertise needed.

Local Involvement and Participation

The process described above, and implemented locally, could open the door to the participation of small local builders drawn from the Sonoma Valley and North Bay construction and development marketplace, instead of putting all of the hopes and opportunities of the community in the hands of a master developer who is not likely to look out for such opportunities on behalf of others. It would be a process that would be

better for the community, and more appropriate for a property owned by the State as a public entity with responsibilities to the public it serves.

Nobody is more qualified to manage the future of the SDC than the people of the local community. Many in the community have lived in the Sonoma Valley for decades, and many have worked on finding and supporting solutions for the future of the SDC property for more than eight years. The series of community meetings that have occurred over that period of time have been attended by, and broadly participated in by, more than 100 people each time – a surprising level of participation for a small semi-rural community. A hand-distributed petition in favor of local control received more than 2000 signatures in the space of just a few weeks – again a high percentage in a community of between 3500 and 4000 voters. Though there may, as always, be differences of opinion on the details, there is clear widespread unanimity regarding the principles contained in this proposal.

Additionally, the community is still home to many who worked at the SDC, or who were parents or guardians of former residents of the SDC, in the years before its closure. Individually, and as a group, they are the institutional memory of the SDC facility, and they represent a resource for the future that is not easily available to an outside developer, but which cannot be ignored. They also have an intense understanding of the needs of people with developmental disabilities and special needs in our community, and as such are valuable advisors to the community in the making of this proposal.

Methods and responsibilities

The District will function where needed as an Enterprise District with revenues received for services provided, including the leasing of land and buildings in its possession for conservation and development and reuse purposes.

The District will have authorization to enter into Design Build (DB) and Design Build Operate Maintain (DBOM) contracts and related funding agreements with specialized contractors and teams of professionals to enable them to develop land, buildings and services to assist the District in its work. The District will be authorized to enter into Joint Powers Agreements (JPAs) with other agencies and nonprofits in the implementation of its work.

Support

In its work, the Sonoma Mountain CSD will be supported by the Sonoma Mountain Trust, a 501(c)3 non-profit organization to be formed by the community for the purposes of gathering and providing subject-matter expertise worldwide, and of facilitating additional fundraising to support the work of the District, to the extent these resources are useful to and desired by the Sonoma Mountain CSD Leadership.

The Trust will be managed independently by its panel of Commissioners, and will be the culmination of several years of work by the people of the community in the Sonoma Valley with respect to the SDC and its resources.

C. Relevant Project Experience

The detailed language in the RFP regarding required project experience makes it clear that the State is concerned that, whichever bidder is selected to implement development of the SDC property, it must be experienced enough to undertake the task at hand.

The community in the Sonoma Valley shares the State's concerns in that regard, and we confirm our intent to implement that same language through the process to be established by the Sonoma Mountain Community Services District in accordance with this proposal.

Specifically the project experience criteria to be required for all affordable housing projects implemented under the District's management will include the following submittals, as required by DGS:

A capability statement will be required that demonstrates that the bidder:

- Is an individual, or a group of individuals, a non-profit, a for-profit firm, or a consortium of any, with qualified personnel having previous experience in either real estate development or redevelopment, or both.
- Is in good standing and qualified to conduct business in the State of California.
- Has experience and financial capacity to purchase and redevelop the Subject Property,
- Has the ability to obtain project financing from a variety of funding sources
- Can meet the following minimum requirements:
 - at least five (5) consecutive years of experience either developing or redeveloping real estate of a comparable size and complexity.
 - has successfully completed at least five (5) projects of a comparable size and complexity.
 - has submitted references addressing its work on five (5) completed projects of a comparable size and complexity. References will be required to describe at least one project that included a public funding source and at least one project that included affordable or special needs housing.
 - has experience in developing and managing mixed- income projects, including affordable or special needs housing, or both.
 - has demonstrated its financial capability to purchase and redevelop the property.
 - has submitted a proposal that contains all the required elements in the District's RFP.

By requiring a finding of compliance with the above criteria, the District will ensure that the selected bidder(s) meets the project experience standards required by the State.

A short list of affordable housing experts who could be called upon to advise the District or to support the District's work (and in some cases to carry out development and provide management services) includes: Mid Pen Housing Group, Burbank Housing, Eden Housing, Urban Mix Housing, Bridge Housing, Related California and Jamboree Housing. All are companies with affordable housing experience in California.

D. Financial Capability

From the detailed language in the RFP regarding financial capability, it is clear that the State is concerned that, whichever bidder is selected to implement construction and development on the SDC property, it is financially qualified for the task at hand.

The community in the Sonoma Valley shares the State's concerns in that regard and, as in "Project Experience" in Part C. of this proposal, we confirm our intent to implement that same language through the process to be set up by the Sonoma Mountain Independent Community Services District to implement this proposal.

In making this proposal, therefore, we stipulate that the same set of financial criteria used by the State in its RFP will be used in the solicitation, and the selection, of developers and/or contractors (including specialized contractors where appropriate), for the development of individual parcels under the District's management within the SDC property.

Specifically the financial criteria to be required for all projects that include affordable housing in the District's projects on SDC land will include the following as required by DGS:

1. Submittal of documentation including:
 - The last three years of compiled or certified financial statements
 - A recent balance sheet
 - An income statement
 - A financing strategy for the project
2. Submittal of a capability statement that demonstrates that the bidder:
 - Has at least five (5) consecutive years of experience either developing or redeveloping real estate of a comparable size and complexity,
 - Has successfully completed at least five (5) projects of comparable size and complexity,
 - has submitted references addressing its work on five (5) completed projects of a comparable size and complexity. References will be required to include at least one project that included a public funding source and at least one project that included affordable or special needs housing,
 - has experience in developing and managing mixed- income projects, including affordable or special needs housing, or both,
 - has demonstrated its financial capability to purchase and redevelop the property,
 - Has submitted a proposal that contains all the required elements in the District's RFP.

With a finding of compliance with the above criteria, the District will ensure that the selected bidder(s) meets the financial experience and capability required by the State,

and will be able to proceed to select the best bidder for the assignment under District's current RFP.

E. Proposal

The lands of the Sonoma Developmental Center are one of the few places in Sonoma County where we can find a blend of a built environment with a spacious and mature landscape, surrounded by a natural area where streams run through it, wild creatures thrive, and nature takes her course. These lands have seen a modern history of human usage for over a hundred and fifty years, some of it pleasant, some of it not so much.

As the campus and its surroundings are poised to embark on the next hundred and fifty years, we need to think carefully about the choice of stewardship of the land.

In making our decisions, it is inconceivable that we, as a community both locally and state-wide, should convert this land to private property, to be traded over and over to the highest bidder, and to be managed by anonymous corporate executives for whom it is a profit making opportunity, and who have no knowledge of, or feel for, the history of the land and the community that surrounds it.

This proposal offers a different path.

1. Project Description

Special District

It proposes the transfer of the SDC lands and their resources to the community of Glen Ellen and the Sonoma Valley through the formation of the **Sonoma Mountain Community Services District**, a legal entity set up by State legislation and governed by a Board of Directors democratically elected by the people of the community.

The Board of the District, as stewards of the SDC lands, will be responsible for the overall coordination and phased build-out or reuse of areas and buildings on the SDC site. Along the way, the Board will likely call upon the skills of those very same developers who have recently expressed an interest in bidding on the land. A short list of potential consultants or developers with affordable housing experience includes: Mid Pen, Burbank Housing, Ryder House, Related California, Urban Mix Housing, Bridge Housing, Jamboree Housing, and Catalyst Housing.

But the important differences intrinsic to this proposal are that:

- the land will stay in public ownership in perpetuity,
- the community will have a strong voice in the decisions for its future both now and fifty years from now,
- the land and buildings will be respected, and
- the decisions for the future will be made on the basis of what is best for the place, and for the community at large, both human and in nature.

How might it look?

So what might the land look like if it were managed by such a District on behalf of the community? Thirty years from now it might look something like this, subject of course to the decisions of the District Board (references are to the sectors on the map (Figure 1) and the site plan (Figure 2):

- The buildings are a mix of the old and new, developed as a village that is home to people of all ages, self-sufficient but also clearly part of the surrounding neighborhoods of Glen Ellen and Sonoma Valley,
- Wildlife still migrate freely in their ancient patterns through the wildlife corridor opened up for them by the District with the help of the Sonoma Land Trust at the north end of the campus property (C2, B2) and along Sonoma Creek (H,I). Buildings here were deconstructed, with their materials used in the reconstruction of other buildings on the site and off,
- The landscape of the campus and its setting is intact, maturing gracefully and changing over time,
- The brick-built former Main Administration Building (A1) has been lovingly restored to state seismic standards, using a mix of State, Federal and foundation grants and a new “second skin” technology. Together with a group of restored and repurposed buildings, it is at the center of an open plaza with a range of commercial, studios, and shopping and community uses. It remains the heart of the village community now in place.
- The backdrop of Sonoma Mountain, visible from the City of Sonoma and the rest of the Sonoma Valley, is still a green and wooded open space, much as it is now,
- Fire and police services are housed on the south side of the plaza (A1).
- The Central Green, now called the “Commons”, is still the focus of the streetscape. It serves the needs of the people of the community, and from time to time it hosts fundraisers, exhibitions and events. The Commons is the place that brings the people of the community together from far and wide to enjoy the setting in the company of friends,
- The Chamberlain Building (D) that overlooks the Commons, with its signature character retained but now restored and converted to modern uses, is home to a mix of workforce housing and a maker center and trade school that trains young people for careers in the building trades and adaptable reuse of buildings just like Chamberlain,
- Nearby, to the north, (D), a group of new homes for people with developmental disabilities are clustered with a support facility and studios for skills-learning and personal expression.

- The ball field and soccer field to the north (C1), long a place where people gather, provides a separation between the developed area and the wildlife corridor.
- Three tiers of new terrace housing (A2, B1, part of C1) step up the slopes behind the former administration building. They contain a mix of apartments and workforce housing, part of the 470 affordable units that are distributed throughout the site. All are carefully positioned to provide easy pedestrian access to the shopping and services area - makes for a vibrant village atmosphere at all hours of the day and at weekends.
- More new terrace housing fronts the Commons on the south side (F1). Behind (F2), a mix of new buildings and buildings relocated from the wildlife corridor area (C2, B2) have been restored to form a neighborhood of housing, live-work, and small businesses and cafes set around a network of pedestrian alleys.
- An elementary school and a daycare center occupy part of the former Oak Valley School (F1) and a newly constructed building. Both are on the local mini-bus route, and they are an easy walking distance from the village, both for the children who live there and for the parents who often walk them to school. Relocation of the Dunbar School to this location has reduced the travel time for many families in the Glen Ellen and Eldridge areas.
- The homes along Arnold Drive that have lined the entry to the SDC for decades (F3) have been restored. They maintain the small-scale domestic character of the entry to the community, and set the tone for what is to be found in the neighborhoods behind.
- A heritage area (E) has been established centered around the historic Sonoma House, which is now a historical museum and visitor center. Some carefully restored buildings moved from elsewhere on the site complete the historic square and contain a small hostel/inn for visitors to the area and for family visiting residents. The old firehouse (E) is now a fire suppression museum and training center.
- A small residential area of 160 owned and rented affordable homes and duplexes (part of the total of 470 on the site) has been developed in the south-east corner (J1,J2). The neighborhood has the character and lot sizes similar to the existing Madrone neighborhood next door, and some are owner-built or built by local contractors on lots leased at affordable cost long-term from the district. Artifacts from deconstruction elsewhere on the site show up frequently in the new buildings here, itself a blend of the old and the new that is unique to the area. Small neighborhood parks are positioned near street intersections, and a small co-housing development backs up to Sonoma Creek (J2).
- Neighborhood health services are available nearby in the remaining portion of the restored and repurposed Nelson building (J1).

- The Parmalee-Lathrop-Corcoran-Bemis buildings have been repurposed selectively for congregate housing. A mini-neighborhood in itself, all within easy walking distance from the village.
- On the rise to the east, the Oak Valley, Turner, Farrell and Van Horn buildings form the nucleus for a small environmental research and demonstration center. Buildings not needed have been deconstructed, and their components show up elsewhere in reconstruction on the site. Sonoma Ecology Center has relocated here, along with a field office for the Sonoma Land Trust and space for several other environmental organizations engaged in habitat restoration, wildlife migration, climate change research and demonstration projects in a rural setting.
- The small auditorium at Sifford and the nearby Oak Valley School combine as a creative arts and cultural center with visiting artists and humanists teaching classes and hosting educational programs.
- The open land to the east has been repurposed to embrace a mix of parkland around Lake Suttonfield and an agricultural incubator near the site of the old Farm (K1) that burned down in the fires of 2017. Young farmers are given training and mentorship here, developing skills that they can take into the larger community as they develop their careers and their life work. Produce from the fields is available to the disadvantaged, and is sold at the regular farmers market on the Commons.
- A small fleet of owner-operated mini-busses, organized through an innovative program initiated by the District, provide regular and reliable service to the people of the area. Routes conveniently link rider in the community with work places, schools, health services, shopping amenities in the Sonoma Valley, and even to SMART in Santa Rosa, thereby substantially reducing the need for private cars. Most of the minibus owner-operators live locally, know everyone in town, and enjoy the stability of being paid by the mile-traveled on contracted routes and headways, while fare-box revenues go to the District.

The village is a mix of uses - residential, commercial, care-giving, old and new - stewarded by the local Community Services District and clustered on land that remains in public ownership in perpetuity.

We all know that things change over time, and management of the decisions that make those changes is best left to the people who live here, through the Sonoma Mountain Community Services District, who as they say “have skin in the game”, and who are motivated by the public good, not by the market and the demands of Wall Street and the investment community.

This is not NIMBY-ism, this is thoughtful, respectful, forward-thinking development.

Figure 1 Map



Figure 2 Buildings



How might it happen?

Historic Character

The Specific Plan document produced by Permit Sonoma reports that, in 2019 the SSHHD (Sonoma State Home Historic District) was determined by the State Historic Preservation Officer to meet the eligibility requirements for the National Register of Historic Places and California Historical Landmarks, and was placed on the state's Master List of Historic Resources The State, as the present landowner, has agreed to that determination.

This important designation brings additional urgency to the need for a historic component in any master plan for the future of the SDC and its environs. The County's Specific Plan also reports that the SSHHD now contains 75 contributing historic resources at SDC, with 65 of them in the core campus area. Some ideas for the use of the land and many of those buildings was shared in the chapter that precedes this.

The historic character of the SDC properties - the historic and environmental resources, the land, the buildings, the creek, the landscape - are all widely recognized as a important part of the character of the larger community of Glen Ellen and the Sonoma Valley as a whole. Even after closure of the facility, residents of the area visit the SDC lands frequently for recreation, a family outing, or just a moment of contemplation. Even the slow speed required of motorists passing through the site on Arnold Drive allows a moment to slow down and enjoy the landscape and buildings that is unusual today in our busy society.

Any future development of the property would do well to preserve those qualities, both in character and in scale. It is the intention of this proposal to show how that can be achieved through public ownership of the property and while accommodating the goals set for the property by DGS and by the ongoing planning process at Permit Sonoma.

Heritage Buildings and Adaptive Reuse

While it is recognized that the Master Plan for future development of the SDC property will include a blend of old and new construction, it is proposed that the first option to be considered by the District on each parcel to be developed will be whether any of the existing buildings on the parcel could be the subject of adaptive reuse.

As each parcel comes up for development in the process over time, the District will establish a "development footprint" within which both new construction and adaptive reuse will occur. Bidders in the RFP process for that parcel will be required to respect and conform with that footprint and to propose building designs that meld with the historic character of the site. Where the adaptive reuse process requires highly specialized knowledge or technologies, the footprint may be divided to allow for

selection of bidders (perhaps in association on a team) with the specialist expertise to accomplish the work.

Many of the buildings at SDC can be put to a different through the use of new mechanisms such as the “second-skin” technology described here, potentially avoiding the carbon emissions associated with tearing down old buildings and manufacturing new building materials. Developed in Holland and Germany, and now in common use in Europe and parts of the United States, the technology uses scanning to fabricate a panelized “second skin” that seals in, and neutralizes, hazardous materials like asbestos and replaces outdated plumbing and wiring.

Recent applications of the technology have resulted in highly efficient conversions of residential and commercial buildings. All have reported a low carbon footprint, especially when the benefits of deconstruction and the avoidance of demolition and disposal were taken into account. The technology also greatly reduces the cost, and the time-to-completion, for the adaptive reuse process.

Pilot Program 2 in this proposal anticipates the establishment of a workshop for the second skin technology that would be operated with the assistance of experienced local business and trade enterprises, plus a skills training program organized as a JPA with a local education district, the results of which will be well paying jobs and new career opportunities for residents of the Sonoma Valley and beyond.

Deconstruction

Every year in Sonoma County, thousands of tons of construction and demolition (C&D) waste is transported to disposal sites both inside and outside the County. A significant portion of those discarded materials have the potential to be salvaged and reused through deconstruction. As we face a changing climate and increasing pressure on finite natural resources, it is more important than ever that we use our existing resources thoughtfully and sustainably.

Deconstruction at SDC will include a Pilot Program described later in this proposal that will investigate:

- a) the direct economic value of reusable materials at SDC ,
- b) the impact on housing costs of using reusable materials;
- c) the avoided carbon emissions based on embodied energy of materials;
- d) the positive impacts to businesses that would benefit from deconstruction; and
- e) the workforce needs associated with deconstruction.

Salvaging the several thousand tons of reusable building materials disposed of annually will also result in significant greenhouse gas (GHG) emission reductions and reduction

of other pollutants associated with transporting C&D waste, decomposition of organic materials at the landfill, and the embodied carbon emissions of producing new materials to replace materials disposed of as C&D waste.

Deconstruction and operation of a building materials salvage program will create a range of workforce development opportunities, and produce a shift toward higher value-added, living-wage jobs. It will also provide job opportunities for entry-level deconstruction apprentices (some likely from the on-site program at SDC), adding to the numbers of experienced craftspeople in the area who specialize in finish carpentry and historic restoration. It is even possible that reconstruction of several of the small homes with historic significance and character on the SDC site could be entirely completed by students and interns in the on-site trade school, resulting in savings in cost and increasing the opportunity to offer those homes and duplexes at affordable rates.

Moving from a paradigm of building demolition to one of thoughtful and sustainable deconstruction and building material reuse is a worthy goal that will pay multiple dividends to the County of Sonoma, and through it to the State, and will increase sustainability and resilience in the County. The benefits include overall financial savings, carbon and pollution emission reductions, and workforce development opportunities.

Relocation

Reconstruction and adaptive reuse in place are only some of the alternatives for the re-utilization of buildings that have historic importance or that are a part of the character of the SDC properties. Relocation is another alternative that is particularly appropriate on an open relatively flat site like the SDC properties that have wide roads and relatively few obstructions.

Where the buildings are sound, relocation may be an attractive alternative for buildings that are located in the sectors that are scheduled to be cleared to expand open space for the wildlife corridor (Wagner, Dunbar, Wright or Thompson-Bane), with the possibility that the relocated buildings might be reassembled in a historic square at a selected location on the site and converted to modern day uses.

Relocation would have the advantage of avoiding both demolition and deconstruction, resulting in economies in construction and in the carbon sequestration benefits associated with the re-use of existing buildings in such a setting.

New Construction

Consideration of adaptive reuse in this proposal does not, however, exclude in any way the use of advanced modern construction where appropriate on the SDC site.

Portions of the site are appropriate for terrace housing, a form of construction that lends itself to the use of stacked modules that can be produced in a fabrication facility located on or near the site. The relatively gentle terrain of the campus area, will make it easy to moved the fabricated components into place, and such construction methods will

contribute to the kind of cost controls and economies of scale necessary to build housing at affordable prices on the SDC site.

Presence of a nearby fabrication facility will also create the opportunity for the use of factory built components by builders of individual homes and duplexes, both in the sectors of the site set aside for such housing and elsewhere where a cost-effective use is sought for by the builders involved. This, coupled with the low initial land prices available through the land-lease program operated by the District and the low cost financing available to the District, will produce the economies of acquisition, utilization, and operation necessary to produce the affordable housing units at prices appropriate to the area.

Utilities

There has long been a discussion, heated at times, regarding:

- a) the poor condition of the previously centralized, and very outdated, utility systems on the SDC site, and
- b) the high cost of replacing that infrastructure (estimated in the hundreds of millions of dollars)

Those concerns may be an insurmountable problem for the financial feasibility of a development at the 1,000 units (plus several thousand square feet of commercial-space) scale proposed in the County's Specific Plan. But they are less of a problem for a "village scaled" development of the kind envisioned in this proposal.

Under the proposed approach, parts of the north and east side of the campus area will be dedicated to wildlife corridor, riparian corridor and open space uses, with development clustered in the westerly and southerly sectors of the campus area (Sectors C1,B1,A1,A2,D,E,F,G,J,K). That arrangement will create economies of scale that open the way for a "leave it in the ground" approach in which the old utilities will be disconnected and capped off to avoid intrusion, and two new branch mains will be provided by each utility to connect the new SDC development to the existing water and sewer trunk mains that they operate in Arnold Drive and on nearby easements.

Documentation provided by VMWD and SVCSD indicates that both utilities have the capacity to serve a development at the 470 affordable housing unit (plus limited commercial) scale anticipated in this proposal. Both presently provide services to the SDC property.

The Valley of the Moon Water District clearly prefers to provide service with the assist of negotiated rights to some of the water that can be harvested from the SDC property (see the VMWD report dated July 12, 2022), and an arrangement in that regard would be an early priority of the Sonoma Mountain CSD when it is formed.

The Sonoma Valley County Sanitation District's system, which provides wastewater disposal services to the SDC site, has suffered limitations on the capacity of its

collection and treatment system due to the large inflow of storm water run-off from the SDC site that now infiltrates, and at times overwhelms, SVCS's system in the winter months.

Disconnecting and sealing off the existing SDC sewer system will remove that intrusion, opening up new capacity and taking the burden off the existing collection system such that the limited level of development proposed here can be accommodated. The new branch mains and connecting laterals will be constructed to modern standards by the utilities, which will be repaid for the investment in the normal way through connection and service fees over time. On-site connection laterals will be the responsibility of the developer of the parcel with no costs accrued by the people of the District.

"Ability to serve" agreements will be obtained from both utilities by the District at the time of development, and similar commitments will be sought from PGE/Sonoma Clean Power and from appropriate communications and service agencies and contractors that already serve the area.

Microgrid

One of the unique features of the SDC property is that it is already the site of some 65 buildings in the campus core, many of which have flat roofs (and a few south facing pitched roofs) that would be suitable for solar installation.

Preliminary analysis indicates that a 2.2 MW DC solar installation could be possible on the best of the existing roofs and that, together with the installation of a battery storage system in a suitable building or buildings on site, it could form the basis of a micro-grid. The facility would first provide power to the buildings and uses on the site, then use excess production to support the grid at peak times through the sale of power to the utility. Sonoma Clean Power has shown interest in such systems in the past.

A preliminary analysis by experts in the solar industry shows that such a system could be used to pay for the cost of the system over seven years and to provide free or low-cost electrical utilities and reliable outage-backup to some or all of the occupants of the affordable housing to be built on site. Such offsets could be a very important component in the whole-systems approach being taken to the affordable housing challenge as it looks for ways to reduce any or all of the costs associated with living in the affordable units to be built on the SDC site – the cost of utilities being one of them.

Installation and management over time of such a system when spread over a number of buildings and serving a number of users, is not easily accomplished under a private developer, but it could more easily be accomplished by a single managing entity like the Community Services District proposed here.

Pilot Programs

Subject to the approval of the Board of Directors of the District, it is proposed that three pilot programs be undertaken as part of the work plan for the District as it begins its work on the SDC property. They include:

Pilot Program 1

To authorize and demonstrate the ability of a Community Services District to facilitate affordable housing

This proposal offers a unique opportunity to demonstrate, in real world conditions, the ability of a community services district in California to directly facilitate affordable housing, a public purpose that no special district currently holds and one that could open doors for the development of affordable housing in unincorporated communities and communities that extend beyond a city limit.

Community services districts continue to be an effective form of local government that enables and empowers unincorporated communities, or a combination of unincorporated and incorporated communities, to provide local services and facilities based on the specific needs and capacity of the community. The Legislature has updated the list of services a community services district may be authorized to provide to meet pressing needs, including such services as childcare and broadband internet. (See Gov. Code, § 61100, subds. (s), (af).) Through a community service district, a community can take the lead in financing and organizing essential services while counties struggle to balance competing needs and budgetary constraints. This same approach should apply to affordable housing.

Many unincorporated communities have populations with a need for affordable housing that rivals small and medium size cities. Yet because special districts are limited-purpose governments, they may serve only those public purposes specifically granted by statute. Affordable housing is the next logical addition to the list of authorized services and facilities in Government Code Section 61100 that a community services district may provide. This could be an effective mechanism for a community to declare by ballot in an election to form or expand a community services district for the purpose of facilitating affordable housing, access opportunities for financing and collaboration that are currently only available to cities and counties, and thus avoid waiting in line for county attention, effort, and funding.

There are number of approaches the Legislature may take when determining how a community services district may exercise an authority to facilitate affordable housing and how a special district will or will not fit within the legislative landscape related to affordable housing. For example, the Legislature could authorize a community services district to exercise the authority of a housing authority under the Housing Authority Law, Health & Safety Code Section 34200 *et seq.* In the alternative, the Legislature could grant a general authority to facilitate affordable housing, which would allow the district to

expend its public funds for this purpose, and authorize the district to have the powers, duties, and authority of a county or city with regarding financing mechanisms. The Community Services District Law currently takes this general authorization approach with regard to the construction and maintenance of streets and roads, where a district is granted the authority of a county.

A pilot program would provide an opportunity to test and refine this authority so that it will be optimized when made available to community services district generally.

The adoption of special legislation for this purpose is not unusual. The Community Services District Law currently includes a number of special authorities for specific districts due to their unique circumstances, and this was done recently in 2014 to provide a district the authority to enforce conditions, covenants, and restrictions. (See Gov. Code, § 61105.) The proposed acquisition and project for the Sonoma Developmental Center - and the desires of, and resources available to, the community within the proposed jurisdiction - present a compelling opportunity for a pilot program to test and prove that a community services district can be an effective mechanism for increasing affordable housing in communities that are often overlooked by counties.

Pilot Program 2

Adaptive reuse of historic structures

The objective of this pilot program is to demonstrate the ability of a community services district to implement the adaptive reuse of historic structures and other existing buildings using advanced “second skin” technologies developed in Holland and Germany and adapted to the needs of California and American building codes and practices.

The program will be centered in the newly established **Workforce Development and Job Training Institute** on the SDC campus where students, interns and apprentices will examine the role of the adaptive use process in the work on site, will learn and apply deconstruction training and certification techniques and conduct demonstration programs on site while working on a real time project.

Pilot Program 3

Manufacturing technologies for the fabrication of housing components in an Opportunity Zone

This Pilot project will examine, test and apply manufacturing technologies for the fabrication of housing components in an Opportunity Zone. Few people are aware that the Fetters Springs-Agua Caliente census tract adjacent to the SDC property was

designated some years ago as a Federal Opportunity Zone in which special tax investment opportunities are available for the development of new enterprises and buildings.

The presence of the Opportunity Zone represents an opportunity for the District to establish a building components fabrication workshop where components for new buildings at the SDC can be shop fabricated and new techniques can be developed using investment fund unique to the Opportunity Zone, all at a location only a stones throw from the point of use. The program will develop job opportunities for financially disadvantaged youth leading to career opportunities and workforce development in Sonoma County.

All of these programs are consistent with the project description currently set forth in the County's NOP and they achieve the objectives identified in the Authorizing Statute by facilitating disposition of the SDC property as contemplated by the Authorizing Statute, and are in the best interests of the State.

2. Site Plan

It is too early in the process to provide illustrations and renderings of how the project will look when finished. However the project description in Section E.1. provides a word-picture of the SDC property as it could look twenty years from now, including confirmation of the District's objective that the open space lands on Sonoma Mountain, around Lake Suttonfield, and in the expanded wildlife corridor, be transferred to a capable land conservation or parks agency or to a not-for-profit land trust like the Sonoma Land Trust.

There are, however, several aspects of the Site Plan that should be clarified in this proposal:

- a) there will be a need for a Subdivision Map (Tentative Map and Final Map), to be agreed between the parties and implemented by DGS, as part of the Exclusive Negotiation Period. The map will provide the basis on which the transfer of title of selected parcels to the District will occur when requested, and as the process agreed progresses under the proposed Lease-Purchase between the District and the State proposed here.

The basic outlines for that map are contained in Figure A in the Project Description section of this proposal, with the main property lines following the existing streets in the Campus Area, and with sub-parcel lines following the internal division lines shown on that illustration. The map should show all building locations and the relationship between those buildings and any easements, rights of way, or other impediments on the land that could affect use of the land or its amenities.

One of the objectives in preparing the Subdivision Map will be to separate the property occupied by the existing street systems throughout the Campus from the buildable parcels so that separate long-term land leases can be established on selected parcels that are distinct from each other and do not encumber the right of way. Additionally the street right of way should be transferrable as a series of distinct parcels.

- b) In addition, there will be a need for a Master Subdivision Map that embraces all of the land of the SDC property, including the open space lands to the west and to the east.

It would be the preference of the District that the transfer of the parcels of open space lands be done through its auspices and management (a transfer of title by the State to the District, then a transfer by the District of a long term lease to the Parks or Open Space entity that will manage it long term future). The objective would be to ensure that the underlying land is held in public ownership in perpetuity and that it is not prone to a future surplus-property sell-off of the kind that is common with privately held land and has even occurred in several jurisdictions in recent times.

- c) The issue of transportation has been discussed already in this proposal, and can be explained further in negotiation.

3. Schedule

Considerable thought has been given to the intended progress of the project described in this proposal, including phasing and the acquisition of financing. Further formulation of development concepts and negotiation of additional entitlements will occur in the Exclusive Negotiating Period.

Formation of the District under a program that involves LAFCO will parallel the Exclusive Negotiating process under terms laid out in the enabling legislation for the transfer from the State to the District contemplated in this proposal. With the formation of a Board, submission of a Master Plan to the County will follow quickly, expediting the lead time before when leasing and transfer of the first of the land parcels (probably much of the open space) can take place. Development in Sector J will likely follow quickly after that, beginning the process of establishing the first 150 affordable homes and duplexes and setting the stage for future infill development on the land.

Throughout the project, community outreach will be our forte since the District represents the people of the area and since its Directors will be elected by the people of the community of Glen Ellen and the Sonoma Valley. An opportunity quite unlike the usual process required of a private developer, and one capable of more direct feedback than is possible with a private proposal.

4. Pro Forma

The questions asked under this heading in the RFP are quite frankly what caused the community to make this proposal in the first place. Certainly there should be some certainty that the community can raise the funds and organize the process through which the SDC lands can be protected and managed. But the test will not be whether the development and use of the land will make a handsome enough profit to attract a developer. Rather it will be whether the development process led by the District on behalf of the community can be self supporting, and can provide the maximum benefits to the community and to the way of life of its people, including those in need of housing in a rural setting and its residents with developmental disabilities.

That said, it will be appropriate here to explain the process that will be used to accomplish the development and reuse of the lands on the SDC property, in particular the campus lands at the center of the property, and how that will be largely self funding over time.

Under the District's stewardship, development or reuse will take place on each of the designated parcels according to a schedule to be set up by the District's board and staff and geared to respond to market demand for affordable housing and other support uses in the Sonoma Valley. A development footprint will be developed for each parcel selected for development, and it may be entirely vacant and slated for new development or contain one or more buildings, the renovation of which would be part of the scope on that parcel. In an RFP process much like the one to which this proposal responds, the District will, in situations where financing is already in hand, request proposals for the design, build-out and long term management (DBM) of the parcel by the project sponsor. In some cases, the project sponsors will be asked to provide financing as a part of their proposals. When a project sponsor has been selected in open session, title will be acquired from the State and the parcel will be leased to the project sponsor long term by the District (30 to up to 99 years in some cases, depending on what the lender and investors require). The project sponsor will then proceed to build and operate the facility long term as agreed. As with any development, there will be times when the projects on the land will be sold or transferred to others who will take over the operation of the facilities, but in all cases the underlying land will be retained as a public asset in perpetuity. In the event of a loss by fire or a financial failure or bankruptcy on the part of the project sponsor, the District will have the right to claim title to the buildings on the land and to find others to follow them, with the land always remaining in public ownership.

The same Design-Build RFP process would apply in cases where the District, perhaps with others in a JPA as this method becomes increasingly available to cities and districts, self finances the development of a parcel. Other options include bonds or other mechanisms secured by the value of the improvements on the parcel, or a combination of State and Federal specialized grants (affordable housing, historical restoration, public improvements, etc.) and other financing available to facilitate the project. But in all of the options discussed for the District, the financing on the parcel will be secured by the development on that parcel, revenues from the parcel will be used by the District or the project sponsor to cover the amortized costs of the development, and there will be no

residual obligation to the residents of the District.

Taking into account the character and resources of the SDC lands and buildings, a variety of forms of specialized financing are available, each with its own rates and fees, to accomplish the goals of the District through the RFP process, including:

- Local and District funds:
 - Project sponsor, property owner, and user funding,
 - Financing and incentives for public infrastructure and facilities
 - Development impact fees
 - Special Assessments
 - Mello Roos/Community Facilities Districts (CFDs) funds
 - Special Assessment District funds
 - Developer credits and reimbursements
 - Development agreements and enhanced entitlements
 - Economic Incentive Agreements
 - User and enterprise fees

- County Resources and Programs including:
 - General Fund allocations
 - Capital Improvements Program (CIP) funds
 - Tax Increment financing for public infrastructure, public facilities, and affordable housing
 - Enhanced Infrastructure Finance Districts (EIFD) funding

- State Programs
 - Cap and Trade Funds – AHSC Program (Affordable Housing and Sustainable Communities)
 - Infill Infrastructure Grant Program (IIG)
 - Active Transportation Program (ATP) funds
 - Clean Water State Revolving Fund Program
 - State Infrastructure Bank: Industrial Development Bonds
 - State Infrastructure Bank Revolving Loan Program
 - Statewide Community Infrastructure Program (SCIPs)

- Federal Programs
 - Historic tax credit program for rehabilitation of historic structures
 - Low Income Housing Tax Credit Program (Federal and State Program) for affordable rental housing. Throughout the process, the District, as an Enterprise District, will rely for its operating funds on revenues from services provided both on and off the SDC property, in particular from initial and annual payments on the land leases that will be established on most of the parcels under the control of the District. Estimates of such revenues can be provided during the Exclusive Negotiating Period as required.

Potential Revenues and Financing

Except in the initial start-up period (for which private grants are being sought), the District will finance its operations through enterprise revenues obtained from the uses on the lands that will be controlled by the District, and through other means and mechanisms that do not place a tax burden on the District's constituents.

Following are some of the sources and means through which that may be accomplished:

- Revenues from long-term land and building leases and certificates of participation, available in Phase 2 on SDC lands when transferred. Revenue would include a combination of initial payments and annual lease payments over the lease period. Lessees of open space and heritage lands would be responsible for maintenance, operations and upkeep on the lands they lease.
- JPA tax exempt funding secured by the development proposed on land.
- Grants and contract fees for specific projects or land stewardship – a primary means of financing in Phase 1, and an important source for heritage, museum and park and recreation projects in later phases of the project.
- Revenues from events and fund raisers on the land and in the community.
- Property tax and sales tax revenue distributions where available.
- Tax increment allocations where available.
- Rents and concessions – revenues from the rent from sub-leases of selected buildings and/or the provision of services.
- Revenue bonds which could be used to fund selected capital improvement projects on the SDC property, with payments from revenues from the users and uses on the land and buildings where the bond funds are used.
- Bond financing – reserved for specific projects with voter approval.
- Development Impact fees (AB 1600) – from new construction and renovation projects on SDC lands (housing, town center, etc.).
- Benefit Assessments or Use Fees – assessed on improvements on SDC lands (parks, landscaping, streets, services).
- Design-Build-Operate-Manage (DBOM) contracts with developers and users of selected parcels. Licensees would fund and build agreed-upon projects on land leased from District, and at no cost to the voters. Services provided would benefit the constituents of the District. A variety of special use funding

(affordable housing, worker housing, heritage restoration, education, etc.) is available through this form of land use development.

- Funded utilities and improvements by JPA partners - sewer, water and other improvements provided by the JPA utility partner (SCWA, VMWD, SVCSD, etc.) with repayment out of fees charged by the utility for services over time.
- Specialized sources – a series of potential revenue sources are being explored based on the amenities and benefits of the land in the District and on the SDC property (carbon offset credits, heritage restoration credits and fees, density transfer fees, open space grants, etc.).

5. Benefits to the State

As the people of Sonoma County and the Sonoma Valley, we are the people of the State.

Benefits, in no particular order, include:

- A level of affordable housing at 470 that is 60% higher than the 280 that would be produced by the highest and most impactful development allowed on the land under the standard County Plan.
- A broad mix of housing types including below market rate owner and rental housing, housing for people with developmental disabilities, workforce housing, low and very low income housing, and various kinds of infill housing.
- Broad range of sales and income tax revenues accrue to the State and County over time from the built-out properties.
- Land will remain in public ownership in perpetuity.
- Introduction of a model that can be used Statewide to enable districts to develop much needed affordable housing especially in unincorporated rural settings.
- Demonstration of a model for adaptive reuse in an affordable-housing context.
- Consolidation of open space and wildlife corridor assets and resources that are unique to the area.
- Avoidance of costly and long periods of delay associated with community opposition to dense development of land by developers and transfer of ownership to private ownership to be traded on the open market.
- Presentation of the low impact alternative that everyone has been looking for in the County process – the embodiment of the Historic Alternative in a mixed use concept.
- The solution to the ‘build-it-big-to-pay-the-infrastructure-cost’ dilemma.
- Protection and reuse of land and buildings with historical importance.
- Worker training and career enhancement opportunities.
- Reduction of the carbon footprint and VMT impacts to well below other conventional proposals.

- Development of housing restoration models usable by communities Statewide and beyond.
- Demonstration of a fire safety model in a rural environment.
- Development of an innovative locally sponsored transportation service that will be replicable throughout the State.
- Jobs development in the disadvantaged area of Fetters Springs- Agua Caliente.
- Forum for the development of climate change solutions in a rural setting.
- Revenue stream to the State for the formation of a fund to benefit people with developmental disabilities.
- Protection of the history of a significant State resource.
- Young farmer job training and career development.
- Points for the State for accepting a proposal containing innovation and creative thinking.

Terms of Offer and Project Specific Benefits

The transfer, sale, or disposition of the SDC property to the Sonoma Mountain Community Services District will be in the best interests of the State for the following reasons:

The terms of offer is a Lease-purchase agreement that:

- allows the District to initially lease and have access to the entire DSDC property for a period of 55 years from a date to be determined that is consistent with the provision in the enabling legislation that the land shall not be transferred until development approval has been obtained from the County of Sonoma.
- allows subleases of the land and buildings at the District's option,
- agrees to the filing of a Subdivision Map, prepared by and paid for by DGS, that identifies the discrete parcels that will be the subjects of transfers from the State to the District
- allows the District, at its option, to request transfer of title of selected parcels of the SDC property to the District for development or use, which transfer shall not be denied. The cost of transfer shall be shared between the State and the District under a formula to be mutually agreed,
- Provides for an Initial payment of \$1,000 to initiate the initial master lease, plus payment of \$100 per month for the lease until the entire property is taken down,
- Recognizes that it is the intent of the District to incrementally lease, or in some cases sub-lease, the land to other users in some cases for periods of up to 99 years,
- Recognizes that it is the intent of the District to long-term lease parcels of the land for affordable housing, historic reuse, and other adaptive reuse at below market rates designed to help make the development on the land as affordable as possible for the end users,
- Recognizes that portions of the land will be leased to State, County or non-profit entities at below market rates for the preservation of the land in open space and or wildlife corridor uses long term while the land remains in public ownership with the District in perpetuity,
- Provides for the sharing of the annual lease payments from the users of the land between the District and the State according to a formula to be agreed. The State (as per the Agnews Development Center disposition agreement) is to deposit the funds received from this transaction into a fund established to benefit people with developmental disabilities in the State, and to use a

prescribed portion of that fund to develop a portion or building of the SDC property for the benefit of people with developmental disabilities.

- Requires the beginning of shared annual lease payments to be geared to the take down of the individual parcels involved,
- Makes provisions for lease or transfer of the water rights on the land to the District sufficient to enable improvement of the water supply in the region and to make provisions to ensure the continuation of Fern Lake and Lake Suttonfield as scenic and recreational resources on the site,
- Provides that the agreement is cancellable should the formation of the District not approved by the voters of the area. In such an event, the State will be free, at its option, to offer the property to other bidders,
- Provides that the maximum cost of any deductions related to the price offered shall be negotiated during the Exclusive Negotiating Period.
- Anticipates that each of these provisions, and other provisions to be agreed, will be incorporated into the enabling legislation for the transfer of the SDC lands to the District, and that that legislation will also contain provisions for the establishment of the District under subdivision(a) of Section 56654 or such other statutes as apply for the formation of an Independent Community Services District under California law.

Conditions to Close & Schedule of Performance

This proposal is conditioned upon the following:

- District's satisfaction with reports to be obtained from the State or provided by the District that show the structural integrity of the key buildings on the site and their adaptability to the uses proposed for them,
- District's satisfaction with reports about the extent and costs of abatement of any hazardous materials on the site or in its buildings,
- Voter acceptance of the proposal to form the District and elect its Board of Directors,

It is anticipated, in accordance with G.C. 14670.10.5 and the Land Use Planning Agreement, that the County will complete a Program EIR, related General Plan Amendment, and rezoning as part of the Specific Plan process.

It is understood that the District will be responsible for securing all required entitlements for its proposed project from the County of Sonoma, which has land use authority over the property.

It is understood that the State and Selected Buyer may amend the ENA and PSA to adjust for any required changes that may result from the County's adoption of a Final Specific Plan and related documents. The amendments may include adjustments in the total acreage available for development or specific types of development, the boundaries of developable areas, the intensity and density of allowed development, or any other conditions of approval.

At the start of the Exclusive Negotiation Period, the District will provide a list of any conditions based on the County approval of land use entitlements, and will include a detailed description of the entitlements and the actions by public agencies required to secure said entitlements. The description will address if and how the proposed entitlements vary from the Authorizing Statute, the County's NOP, or both. It is understood that the State is prepared to cooperate with the District and the County in securing entitlements if they further the goals of the Authorizing Statute.