



City of Sunnyvale

Agenda Item

22-0115

Agenda Date: 10/10/2022

REPORT TO PLANNING COMMISSION

SUBJECT

Peery Park Specific Plan Amendment Initiation Requests

Two applications in the Peery Park Specific Plan (PPSP) area with requests to increase the allowable office/industrial square footage and to study housing on one of the housing opportunity sites (HOS) (not currently permitted in the plan).

File: 2020-7814

Location: 840 W. California Avenue (APNs: 165-26-011, 165-26-009, 165-26-010, 165-26-012, 165-26-013, 165-26-014, 165-26-016, 165-26-018, and 165-26-020)

Proposed Project: Peery Park Specific Plan Amendment Initiation

Request to initiate a study to consider 1,027 housing units on the western 13.1 acres of the property (79 dwelling units per acre (du/acre) and a net increase of 487,000 square feet of office/industrial on the remaining 16.2 acres of the property for a total of 1,111,134 square feet (157% floor area ratio [FAR]). The site is currently known as the Sunnyvale Business Park and is developed with ten office/R&D buildings totaling 623,456 square feet (49% FAR) and the Libby Water Tower, a Sunnyvale Local Landmark. The site currently only allows for office/industrial uses up to 100% FAR.

Applicant / Owner: Skidmore, Owings, & Merrill LLP (applicant) / Steelwave LLC (owner)

File: 2021-7022

Location: 505 & 525 Almanor Avenue (APNs 165-44-001, 165-44,002, and 165-44-003)

Proposed Project: Peery Park Specific Plan Amendment Initiation

Request to initiate a study to consider merging the parcels (7.2 acres) and allowing a new 135,000 square foot office building and parking structure for a total of 311,858 square feet (99% FAR). The parcels are currently developed with a 166,300 square foot (56% FAR) office building with surface parking. The site currently allows up to 100% FAR with provisions of community benefits; however, the additional 135,000 square feet of office space requires an increase to the Development Reserve.

Applicant / Owner: RMW Architecture & Interiors (applicant) / Invesco Advisors, Inc (owner)

Zoning (both sites): PPSP - Innovation Edge (PPSP-IE)

Environmental Review: The decision to initiate a Specific Plan Amendment (SPA) study does not require environmental review under the California Environmental Quality Act (CEQA) because the initiation of a study does not constitute a project with the meaning of CEQA pursuant to CEQA Guidelines Section 15378 (a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. If initiated, the proposed SPA would be subject to the provisions of CEQA.

Project Planner: Amber Blizinski, ablizinski@sunnyvale.ca.gov, (408) 730-2723

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REPORT IN BRIEF

The City has received two General Plan Amendment Initiation (GPI) requests related to the PPSP, pursuant to Sunnyvale Municipal Code (SMC) section 19.92.040 (a). The term general plan as used in SMC section 19.92.040 includes “any amendments to a city-adopted precise plan or specific plan.” These general plan amendment requests are considered quarterly by the City Council. Because these two requests are both within the PPSP they are considered in one report. Attachment 6 includes a map of the PPSP area showing the subject parcels.

840 W. California Avenue - This request includes an increase to the office/industrial PPSP development capacity for the site, an increase in the development reserve and the inclusion of housing. This site is zoned PPSP-IE and is developed currently with ten office/R&D buildings totaling 623,456 square feet (49% FAR) and the Libby Water Tower, a Sunnyvale Local Landmark. Conceptually, the applicant proposes to:

- Demolish the ten existing buildings and associated surface parking;
- Construct five, four to six-story office buildings totaling 1,111,134 square feet on the east/center portion of the site. Building heights would be considered through the SPA process. A total of 487,000 net new square feet is requested with a total FAR of 157%;
- Construct 1,027 housing units on the remaining 13.1 acres of the site at a density of 79 dwelling units per acre in 15 buildings, ranging from four to eight-stories; and
- Relocate the Libby Water Tower to a different location on the site.

Attachment 2 is the applicant's letter requesting the initiation of the GPA/SPA study and Attachment 3 is a conceptual site plan and project description.

505 & 525 Almanor Avenue - This request includes merging the parcels (7.2 acres) and increasing the office/industrial PPSP development capacity. This site is zoned PPSP-IE and is developed currently with a 166,300 square foot (56% FAR) office building with surface parking. Conceptually, the applicant proposes to:

- Construct one 135,000 square foot four-story office building on the east portion of the site at an FAR of 99%; and
- Construct one five-story parking structure to provide parking for the existing and proposed buildings on the northwest portion of the site.

Attachment 4 is the applicant's letter requesting the initiation of the GPA/SPA study and Attachment 5 is a conceptual site plan and renderings.

Additionally, there is one other HOS that was identified by the Council when the PPSP was adopted in 2016 on Hermosa Court. Staff is recommending inclusion of this HOS if the City Council allows the SPA for the PPSP.

Staff recommends that the Planning Commission recommend that the City Council initiate an amendment to the PPSP for the following:

- Study an increase to the PPSP development capacity for office/industrial uses;
- Study a higher allowable FAR for the 840 W. California Avenue site.
- Study housing on the two housing opportunity areas (HOS) within Peery Plan area; and
- Conduct special studies (to be paid for by applicants) such as: traffic analysis, market and

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fiscal analyses, environmental, infrastructure and utility capacity and conditions, water supply assessment, parking, etc.

The City Council is scheduled to consider these requests on November 1, 2022.

BACKGROUND

GPI requests are considered on a quarterly basis through a recommendation from the Planning Commission, and then action by the City Council. The process for considering a General Plan Amendment (GPA) and SPA begins with a written request from a property owner or applicant (Attachments 2 and 4). If the Council approves the GPI, a formal application for a GPA and SPA may be filed. The Council must approve a GPA, SPA, and associated technical and environmental documents before any specific projects may be considered.

The PPSP (see link in Attachment 11) was adopted by the Council in September 2016 (RTC No. 16-0907) with: a development capacity of two million square feet of net new office/industrial uses; 200,000 square feet of net new commercial uses; and up to 215 residential units (allowed only in the PPSP Neighborhood Transition (NT) zoning district). At the adoption hearing, the Council recommended that staff return in one year to consider studying additional housing units in two HOS in the southern portion of the plan area. These are the only viable locations within the PPSP where residential uses are possible while maintaining consistency with the Santa Clara County Airport Land Use Commission (ALUC) Comprehensive Land Use Plan for Moffett Federal Airfield (CLUP) and compatibility with surrounding uses.

Staff returned to Council on January 23, 2018 (RTC No. 17-1107) with a recommendation that the Council not approve the budget modification needed to conduct the housing study until a development project is proposed by the owner of one of the HOS, due to staff resource constraints. The Council approved the staff recommendation and did not fund a study of the amendment to the PPSP for additional housing.

Later in 2018, staff received a GPI request from the owners of the property at 840 W. California Avenue (Sunnyvale Business Park), one of the HOS, requesting to amend the PPSP to allow an increase in the development capacity for office/industrial uses and to allow housing on the eastern portion of the site. Due to workload demands at the time, including updates to four other area plans then in progress, staff recommended, and the Council agreed, to not initiate the requested GPI and associated amendments to the PPSP at that time (RTC No. 18-0940).

The current two GPI applications were filed in late 2020 and early 2021. The applicants were asked by staff to wait to move forward until the Lawrence Station Area Plan (LSAP) and the El Camino Real Specific Plan (ECRSP) were adopted due to staffing constraints. Both plans have been adopted; therefore, staff is moving the GPI applications forward for consideration by the Council.

EXISTING POLICY

SUNNYVALE GENERAL PLAN

The General Plan is the primary policy plan that guides the physical development of the City. When used together with a larger body of City Council policies, it provides direction for decision-making on City services and resources. The 2017 adopted Land Use and Transportation (LUTE) Chapter within the General Plan created an integrated set of policies to guide land use, development, and transportation choices with a horizon year of 2035. The LUTE anticipated that the PPSP area would

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experience moderate growth and change within the development capacity that was approved with the PPSP. The LUTE has several policies to improve the jobs-to-housing ratio, promote increases in housing development, support new office and industrial uses, and ensure coordinated development with community benefits.

Regional Participation

Policy LT-1.3: Contribute to a healthy jobs-to-housing ratio in the region by considering jobs, housing, transportation, and quality of life as inseparable when making planning decisions that affect any of these components.

Effective Integration of Transportation and Land Use Planning

Policy LT-3.4: Require large employers to develop and maintain transportation demand management programs to reduce the number of vehicle trips generated by their employees.

An Attractive Community for Residents and Businesses

Policy LT-4.2: Encourage nodes of interest and activity, public open spaces, well-planned development, mixed-use projects, signature commercial uses, and buildings and other desirable uses, locations, and physical attractions.

Supportive Economic Development Environment

Policy LT-11.1: Provide existing businesses with opportunities to grow in Sunnyvale and provide opportunities to expand into new technologies.

Policy LT-11.3: Promote business opportunities and business retention in Sunnyvale.

A Balanced Economic Base

Policy LT-12.4: Attract and retain a diversity of commercial enterprises and industrial uses to sustain and bolster the local economy and provide a range of job opportunities.

Policy LT-12.5: Encourage land uses that generate revenue while preserving a balance with other community needs, such as housing.

Protected Commercial Districts

Policy LT-13.8: Require high design standards for office, industrial, and research and development (R&D) buildings in all business districts.

Specialized Plans and Zoning Tools

Policy LT-14.1: Prepare specific area plans and special zoning tools (including, but not limited to specific plans, precise plans, design guidelines, specialized zoning, and sense of place plans) to guide change in areas that need special attention.

Community Benefits

Policy LT-14.8: Ensure that development projects provide appropriate improvements or resources to meet the City's future infrastructure and facility needs, and provide development incentives that result in community benefits and enhance the quality of life for residents and workers.

General Plan Land Use Map

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The subject properties within the PPSP have a General Plan designation of Peery Park. The General Plan designation provides for uses consistent with the PPSP. Attachment 7 includes General Plan and Zoning land use maps of the vicinity.

PEERY PARK SPECIFIC PLAN

The project sites are subject to the purpose, intent and policies of the PPSP adopted by the Sunnyvale City Council on September 20, 2016. The PPSP includes guiding principles, district policies and a design framework. Projects in the PPSP are subject to a Plan-specific development cap, development standards, design guidelines and an implementation plan that includes Community Benefits.

The purpose of the PPSP is to guide both private and public investment activities in the Plan area, and to support and promote the type of investment that would enhance the beauty and vitality of this major Sunnyvale workplace district.

The PPSP-IE zoning district, which is the current zoning for both applications, allows for a maximum FAR of 100-120 percent (dependent on the location) with inclusion of both flexible and defined community benefits, but does not currently allow housing.

The approval of the PPSP, including environmental review, established a development capacity of two million net new office/industrial square feet. At this time, almost all the development capacity is entitled by projects in various stages of the development process. Therefore, the office/industrial development reserve would need to be increased to allow the level of development proposed by the applicants (a request of 622,000 square feet of net new office square feet). Additionally, increases to the maximum allowable site FAR would need to be authorized to allow the project on 840 W. California Avenue, as proposed.

Finally, housing was not considered within the PPSP area except for the properties along San Aleso Avenue, for which 183 of the 215 units allowed by the plan have been approved. To study adding residential to the HOS, and the increase in the office/industrial development capacity, requires technical studies, modifications to the PPSP and LUTE, and further environmental review.

ENVIRONMENTAL REVIEW

The decision to initiate a General Plan study does not require environmental review under the California Environmental Quality Act (CEQA) because the mere initiation of a study does not constitute a project with the meaning of CEQA pursuant to CEQA Guidelines section 15378(a), as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. If initiated, the proposed GPA and SPA would be subject to the provisions of CEQA.

DISCUSSION

The City has received two GPI requests related to the PPSP. Because any GPI request in the PPSP requires a GPA and SPA, they are being considered in one report. A map of the PPSP is attached with the subject properties outlined (Attachment 6). If either of the GPI requests are recommended to continue, the PPSP would be studied once formal GPA and SPA applications are filed and fees are paid. Amendments could include an increase to the development capacity, allowable residential densities for the housing opportunity areas, updates to the PPSP Community Benefits Program, and changes to the development standards and design guidelines as necessary. All technical studies,

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environmental review, and modifications to the PPSP would be paid for by project applicants. Technical reports would include a market analysis, fiscal analysis, a local transportation analysis, all required environmental studies, and other studies identified during staff review. A community outreach and engagement effort would be conducted to determine community reaction, preferences, and acceptance of proposed changes.

840 W. California Avenue Site

The 29.3 acre subject site (owned by Steelwave LLC) is bound by California Avenue to the north; the Southern Pacific (Caltrain) railroad tracks to the south; Mathilda Avenue to the east; and the Briarwood Apartment complex to the west. The proposal includes the removal of ten office buildings and the construction of five new office buildings, for a net new total of 487,000 square feet of office/industrial space and a resultant total of 1,111,134 square feet on 16.2 acres of the site. The project also proposes the addition of 1,027 housing units on the remaining 13.1 acres of the site at a density of 79 du/acre in 15 buildings. As shown in the applicant's conceptual site plan and detailed project description (Attachment 3), the three buildings on the west edge of the site would each consist of 13 townhouses up to three stories tall. The remainder of the buildings would be multi-family apartment buildings ranging from four to eight-stories, generally stepping up from the north to the south. The residential parking is primarily provided in the concrete podiums of each residential building, under the second or third level open spaces, and in limited basement areas.

This GPI request is the southernmost property within the PPSP and is surrounded by office/industrial uses to the north (along with a Sunnyvale Fire Station), medium to low-density residential uses to the east, west and some to the north, and commercial uses to the south across the Caltrain tracks and Evelyn Avenue.

The eastern edge of subject property is located approximately 1/8 of a mile from the Sunnyvale Caltrain station and includes a walking path to the station from the property. The western edge of the property is approximately 1/2 mile to the Sunnyvale Caltrain station. The site is also served by the Valley Transportation Authority (VTA) bus route 523 along Mathilda Avenue near California Avenue.

Conceptual Proposal

A conceptual project proposal was submitted with the GPI application to detail the request and contains an explanation of the GPI request, project data information, and existing and proposed site plans (Attachment 3). The conceptual site plans for this GPI application do not contain significant detail but do show a circle and note to represent where the Libby Water Tower is proposed to be relocated. The actual project would require separate permit consideration if the GPI were initiated and the GPA and SPA were approved, including approval from the Heritage Preservation Commission and City Council for the relocation of the Libby Water Tower since it is a City Designated Local Landmark.

The conceptual proposal consists of the following elements:

- Demolition of ten existing buildings and associated surface parking;
- Construction of five, four to six-story office buildings totaling 1,111,134 square feet (height in feet not yet specified) on the east/center portion of the site. A total of 487,000 net new square feet is requested and a total FAR of 157%;
- Construction of 1,027 housing units on the remaining 13.1 acres of the site at a density of 79 du/acre in 15 buildings ranging in height from four to eight-stories (height in feet not yet

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specified);

- Construction of underground/podium parking for the new office and residential uses;
- Relocation of the Libby Water Tower to a different location on the site; and
- New/modified surface parking, landscaping, and site improvements.

Housing Opportunity Site

The western portion of the 840 W. California Avenue site was identified as part of the original PPSP study as one of two HOS that may be suitable for housing in the PPSP because that portion of the site is located *outside* of the Noise and Safety contours of the Comprehensive Land Use Plan (CLUP) for the Moffett Federal Airfield (where residential uses are not allowed). Attachment 9 is a map that shows the noise and safety contours from the CLUP on the PPSP area map. Attachment 8 shows the HOS in the PPSP as submitted to Council in 2016. The portion of the California Avenue site that is located outside of the noise and safety zones of the CLUP is the central/western side of the property. As seen in the maps and the conceptual plan from the applicant, the applicant proposes to include residential on a larger portion of the site (13.1 acres) than the approximate 8.5 acres that was shown on the 2016 map. The applicant has met with a planner from the County of Santa Clara Roads and Airports Department who confirmed that housing could be considered on any portion of the site that is not located within the noise and safety contours. The SPA and the future project would be subject to review by the County staff and possibly the ALUC to ensure the development proposal is consistent with the limitations of the CLUP.

Density

A component of the GPA/SPA would include consideration of the potential minimum and maximum housing densities for this HOS. In addition, a maximum number of units would be established to conduct the environmental review. When the potential housing study was presented to Council in January 2018, potential maximum densities were shown to demonstrate the housing potential up to 68 du/acre; however, changes to the State Density Bonus Law requires the City to calculate maximum density differently than in 2018 because an applicant could now propose a 50% density bonus. Although this may be allowed by State law, it is relatively uncommon; therefore, staff has included a calculation in the table with a State Density Bonus of 20% which may be more realistic. The City has selected the maximum density for the medium (R-3), high (R-4) and very high (R-5) residential zoning districts to demonstrate the potential build out for this site (shown in the table below). Additionally, the applicant's proposal, 79 du/acre has been included in the table. As a note, the 215 units that were previously studied in the PPSP area were adopted with a density allowance similar to the range in the Medium Density Residential (R-3) Zoning District and are located adjacent to a single-family neighborhood and about one mile from the nearest VTA bus stop on Mathilda Ave.

840 W. California Avenue Density Table - 13.1 acres

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		R-3	R-4	R-5	Applicant Proposal
	% Increase	24 du/acre	36 du/acre	45 du/acre	79 du/acre
BD		314	472	590	1,035
CGBB	5%	330	495	619	1,087
Assumed SDB	20%	377	566	707	1,242
CGBB + SDB	25%	396	594	743	1,304
Maximum SDB	50%	472	707	884	1,552
CGBB + SDB	55%	495	743	928	1,630

Base Density (BD), City Green Building Bonus (CGBB), State Density Bonus (SDB)

FAR Consideration

Currently FAR consideration above 100%, to a maximum of 120%, is only allowed in the PPSP-IE Futures Sites along Mathilda Avenue, north of Maude Avenue. The remaining PPSP-IE sites have a maximum FAR of 100% and the maximum FAR is only achievable with the inclusion of defined and/or flexible community benefits. The proposed 157% FAR would far exceed the current maximum for the PPSP-IE zoning district. If the Council decided it may be appropriate to study this level of development on this site, the increased allowable FAR would be considered as a part of the GPA/SPA study and associated environmental review. Due to the proximity to the Caltrain station, this property may warrant consideration of a higher maximum FAR than other properties within the PPSP; however, this is much higher than the PPSP originally anticipated.

505 and 525 Almanor Avenue Sites

These sites (owned by Invesco Advisors, Inc) are bound by the U.S. 101 Freeway to the north; Almanor Avenue to the south; Mathilda Avenue to the east; and other office/industrial PPSP properties to the west. The proposal includes merging the parcels (7.2 acres) and allowing a new 135,000 square foot office building and parking structure for a total of 311,858 square feet (99% FAR). The parcels are currently developed with a 166,300 square foot (56% FAR) office building with surface parking. The site currently allows up to 100% FAR with provisions of community benefits. This project would not require any additional modifications to the PPSP to allow the project to exceed what is left in the development reserve. See Attachment 4 for the applicant's request letter and Attachment 5 for the conceptual site plans.

This GPI request area is surrounded by office/industrial uses within the PPSP on all sides and is less than ½ mile walking distance from the VTA bus route 523 stop on Mathilda Avenue.

Conceptual Proposal

A conceptual project proposal was submitted with the GPI application to detail the request and contains an explanation of the GPI request, project data information, the proposed site plan, and some conceptual site illustrations (Attachment 5). The conceptual site plans for this GPI application do not contain much detail but show the location of the existing building and the locations of the proposed new building and parking structure. The actual project would require separate permit consideration if the GPI were initiated, and the GPA and SPA were approved.

The conceptual proposal consists of the following elements:

- Construction of one 135,000 square foot four-story office building on the east portion of the

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site. A total of 311,858 square feet is requested and a total FAR of 99% (the proposed new office building exceeds what is remaining in the development reserve);

- Construction of one five-story parking structure to provide parking for the existing and proposed buildings on the northwest portion of the site; and
- New/modified surface parking, landscaping, and site improvements.

FAR Consideration

The proposed 99% FAR is currently allowed for this parcel with provision of defined and flexible community benefits and the applicants are not requesting any increase to the maximum FAR for this project which is 100%.

PPSP SPA Study Parameters

The SPA would consider the development standards of the PPSP and, if the applicants' proposals are considered at the level proposed, staff would study:

- Increased office FAR potential for the 840 W. California Avenue site;
- An increase to the total PPSP development capacity;
- Creation of residential density and development standards for the 840 W. California Avenue site and possibly the second HOS (discussed below), if included by the Council;
- Infrastructure capacity analysis;
- Fiscal and market analyses; and
- Appropriate CEQA/environmental review.

A recommendation hearing would be conducted by the Planning Commission and the final determination would be made by the Council, which would be required to make the following finding to approve the GPA and SPA:

The City Council may approve a General Plan or zoning amendment upon finding that the amendment, as proposed, changed or modified is deemed to be in the public interest.

Community outreach would be required as part of any amendment to the PPSP, especially to the nearby residential neighbors. The applicant would be responsible for the costs of all studies as part of the GPA/SPA review process.

If the GPA and SPA are ultimately approved, individual projects may be submitted to the City for review. Staff would then analyze the potential benefits of each project and its compatibility with the development standards, community benefits program, vision, and goals of the PPSP. Part of the project analysis would include a local transportation analysis and other environmental studies, as well as potential visual impacts associated with increased building heights and massing adjacent to residential uses. Each individual project would also include outreach efforts.

Potential Expanded Study Area Option

Additional Housing Opportunity Area (Hermosa Court - Activity Center)

The four parcels on Hermosa Court that are outside the noise and safety zones on the CLUP map combine for a total of approximately 16 acres and are currently developed with one to two-story office/R&D buildings totaling approximately 312,877 square feet. These four parcels are surrounded by PPSP zoning to the north and east, R-3 zoning district to the west, and Central Expressway to the south.

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Although the current leases the property owner has with the tenants of the buildings on these parcels minimize opportunities for redevelopment soon, the property owner has indicated interest in exploring a mixed-use concept for these sites, also known as the PPSP Activity Center, in the future. The evaluation of additional housing within the HOS requires significant environmental review and updates to the PPSP; therefore, it would be more efficient to study both HOS now under one SPA instead of in the future under a separate SPA, since both would be equally extensive for staff. Enabling additional office development may suggest that additional housing is needed to maintain or lower Sunnyvale's job to housing ratio.

If the Council decides to include this HOS in the SPA, direction is needed on the maximum density to study. It is important to understand that the maximum density would be used for testing and analyses purposes, and the Council would be able to modify the maximum once the draft plan amendments and environmental documents are prepared. As mentioned above, the 215 units that were previously studied in the PPSP area were adopted with a density allowance similar to the range for the R-3 Zoning District. The City has selected the maximum density for the medium (R-3), high (R-4) and very high (R-5) residential zoning districts to demonstrate the potential build out for these 16 acres (shown in the table below).

Hermosa Court HOS Density Table - 16 acres

		R-3	R-4	R-5
	% Increase	24 du/acre	36 du/acre	45 du/acre
BD		384	576	720
CGBB	5%	403	605	756
Assumed SDB	20%	461	691	864
CGBB + SDB	25%	484	726	907
Maximum SDB	50%	576	864	1,080
CGBB + SDB	55%	605	907	1,134

Base Density (BD), City Green Building Bonus (CGBB), State Density Bonus (SDB)

Development Capacity Beyond Current Requests

In addition to the two GPI requests discussed in this report, staff has received other inquiries from property owners who are interested in proposing development projects beyond the existing PPSP development capacity. Therefore, it would be most efficient for staff to study a slightly higher square footage threshold than the current requests for the increase to the development reserve. This would allow for a more comprehensive evaluation of development within the plan area without additional GPI requests and SPA studies, which are time consuming. If the Council chooses to study more than the current requests, staff has suggested a study threshold in the recommendation that can be affirmed or modified as a part of the motion.

Staffing Limitations

The City is experiencing a very high level of development activity, including very large residential and office projects, in addition to major work efforts on the Moffett Park Specific Plan and a large number of policy study items in process. The combination of the studies and planning applications creates a limitation of project staffing and management to complete additional tasks; however, staff is recommending approval of the GPIs, but suggests that the GPA/SPA applications are not submitted until the Moffett Park Specific Plan update is completed which would assure the appropriate staffing

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is available to participate in this PPSP plan amendment study.

Council Considerations

Increased FAR Potential for the 840 W. California Avenue Property

Existing maximum FAR allowances in the PPSP range from 100-120% and the original PPSP development capacity was two million net new square feet of office/industrial. That capacity allowed for ten new office/industrial redevelopment projects throughout the PPSP area at varying FARs (70-110%). Although staff has received many inquiries regarding additional development capacity in the PPSP, there has been only one request for an increase to the maximum allowable FAR. The 840 W. California Avenue property currently has a maximum allowable FAR of 100% but is requesting 157% in the subject GPI application. This FAR would be significantly higher than even the properties that are eligible to propose 120%. While the site on California is the nearest site to the Caltrain within the PPSP, and contains a walkway to the Downtown Sunnyvale Station, allowing 157% FAR would be the highest FAR the City has allowed in an area or specific plan Citywide (with the exception of the Downtown Specific Plan which does allow higher FARs). Additionally, the City already has expressed a desire to not increase the jobs to housing ratio. It may be appropriate to increase the development reserve slightly for the PPSP because it is a prominent business park, it should be evaluated on whether it is in the City's best interest to put most of the new development capacity on one property. However, because the property is located so close to the Caltrain station and Downtown Sunnyvale, staff is recommending that 120% be studied on this site (the highest currently allowed in the PPSP on some properties) if the process moves forward.

Appropriate Study Density

A density study range or maximum unit number must be selected for the future environmental analysis for each of the HOS. As shown above, staff provided the Council with density tables to show the range of units that could be allowed under various densities and is requesting guidance on the appropriate study density.

For the California Avenue HOS, staff is recommending the study of a density consistent with the R-4 zoning district because the residential portion of the site is less than 1/4 of a mile from the Downtown Sunnyvale Caltrain Station and it would serve to help better balance the housing and jobs ratio on the site. The site is adjacent to medium and low-density residential uses and sensitivity to the lower density uses would be essential with the site planning for the project through the SPA process. As a reminder, if the Council allowed for study at 79 du/acre (applicant's proposal) or any other density, it would be possible to approve a lower density for the site when the GPA and SPA are presented for adoption and community outreach has been conducted.

If the Council chooses to include the second HOS on Hermosa Court, staff recommends a density consistent with the R-3 zoning district because that would be compatible with existing land use designations of the nearby existing residential uses. This HOS is not located within walking distance of the Downtown Sunnyvale Caltrain Station or any VTA bus routes, which does not make it a prime candidate for a higher density than R-3. Studying housing on this site would provide new housing units and ultimately help to improve the jobs/housing ratio for the City.

FISCAL IMPACT

There are no fiscal impacts associated with a GPI request. All fees and costs for development processing, related special studies and CEQA analysis would be covered by the applicant.

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PUBLIC CONTACT

As of the date of the staff report preparation, staff has received no comments on the item.

Notice of Public Hearing, Staff Report and Agenda:

- Published in the Sun Newspaper
- Posted on the City of Sunnyvale's Website
- Agenda posted on the City's official notice bulletin board
- Notices mailed to property owners within 2,000 feet of both properties

See Attachment 10 for Vicinity and Noticing Map.

ALTERNATIVES

Forward a recommendation to the City Council:

1. 840 W. California Avenue:

- a) Initiate a Specific Plan Amendment study to consider increasing the PPSP development capacity to allow up to 120% FAR of office/industrial square feet (222,672 net new square feet) and up to 743 housing units at a density no higher than R-4.
- b) Consider the relocation of the Libby Water Tower through historic analysis and approvals by the Heritage Preservation Commission and City Council.
- c) Create development standards in conjunction with the proposed land use changes.
- d) Update the PPSP Community Benefits Program.
- e) Coordinate special studies such as traffic analysis, market and fiscal analyses, environmental, infrastructure and utility capacity and conditions, water supply assessment, historic evaluation, parking, etc.

2. 505 and 525 Almanor Avenue:

- a) Initiate a Specific Plan Amendment study to consider increasing the PPSP development capacity to allow up to 100% FAR of office/industrial square feet (136,774 net new square feet).
- b) Evaluate development standards in conjunction with the proposed land use changes.
- c) Update the PPSP Community Benefits Program.
- d) Coordinate special studies such as traffic analysis, market and fiscal analyses, environmental, infrastructure and utility capacity and conditions, water supply assessment, parking, etc.

3. Hermosa Court HOS: Initiate a Specific Plan Amendment study to consider mixed use on the site by increasing the PPSP development capacity to allow up to 100% FAR of office/industrial square feet (389,310 net new square feet) and up to 605 units in conjunction with the GPI requests and inclusive of all necessary studies mentioned in Alternatives 1 and 2.

4. Increased Development Capacity Study: Initiate a Specific Plan Amendment to study at total of 1.2 million net new square feet of office/industrial square feet (inclusive of the above requests) in conjunction with the GPI requests and inclusive of all necessary studies mentioned in

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Alternatives 1 and 2.

5. Commence the Peery Park Specific Plan Amendment study after the update to the Moffett Park Specific Plan is completed:
6. Approve the GPI Alternatives 1-5 with modifications which may include studying additional housing and office FAR in accordance with the requests made by the 840 W. California Avenue applicant (79 du/acre and up to 157% FAR).
7. Do not initiate the GPIs and do no further study within the PPSP at this time.

STAFF RECOMMENDATION

Recommend Alternatives 1, 2, 3, 4, and 5 to the City Council: Allow the SPA in the PPSP to study an increase to the development capacity for the plan area and allow residential units in the HOS, as noted in the Alternatives, along with the required associated environmental studies.

Staff recommends that the Planning Commission recommend that the City Council initiate coordinated GPA and SPA studies to increase the development capacity in the PPSP and study housing in the two HOS. The PPSP has become a prominent business park and while the plan was adopted in 2016, the development capacity has been depleted and many properties have not had an opportunity to redevelop. The study of 1.2 million net new square feet of office/industrial space would help further redevelopment in the PPSP and accommodate the retention of long-standing Sunnyvale businesses.

Additionally, allowing housing within the HOS would help to further improve the jobs to housing ratio for the City, help the City meet future housing needs, and allow for more opportunities to reduce vehicle miles traveled (VMT) if residents can work and live in close proximity to each other.

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Reviewed by: Teri Silva, Assistant City Manager
Approved by: Kent Steffens, City Manager

ATTACHMENTS

1. *Not used, Reserved for Report to Council*
2. 840 W. California Avenue GPI Request Letter
3. 840 W. California Avenue Project Proposal Data and Conceptual Plans
4. 505 & 525 Almanor Avenue GPI Request Letter
5. 505 & 525 Almanor Avenue Proposal Data and Conceptual Plans
6. Map of the PPSP with Subject Properties Outlined
7. PPSP General Plan and Zoning Maps
8. 2016 PPSP Housing Opportunities Sites Map
9. Noise & Safety Zone Contours from the Moffett Federal Airfield Comprehensive Land Use Plan on PPSP Map
10. Vicinity and Noticing Maps
11. Link to the Peery Park Specific Plan (2016)

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12. Public Comments Received