

From: Melanie Griswold <[REDACTED]>
Sent: Monday, October 10, 2022 6:38 PM
To: PlanningCommission AP
Cc: Steve Saray; [REDACTED]
Subject: 665 S. Knickerbocker General Plan Initiation Request

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Good Evening Planning Commissioners,

I represent the owner of 665 S. Knickerbocker Drive, Mandevilla LLC. Unfortunately, due to a flight delay, I will be in the air traveling back to the Bay Area during the Planning Commission hearing and will not be able to present as we had anticipated. The project architect Anthony Ho and the owner, Steve Saray, will address you in my absence but I wanted to provide you with my intended remarks ahead of time.

First, I want to express my appreciation for the staff's work and recognition that this site is better positioned for residential than neighborhood commercial. As was discussed in the staff report, developing the site with additional commercial is not viable.

Tonight, I did want to provide some additional background to the owner's efforts to development the site. In 2015, a preliminary application was filed with the City for a residential project. At the time, the General Plan was interpreted to allow residential. The recommendation from staff was to increase the intensity of the development. In 2021, we submitted a site development application with a high density residential project.

At that time, our application was rejected because the General Plan was no longer seen as allowing this use. This prompted a discussion with staff about whether a General Plan change would be supported. We received preliminary support for the change in late 2021 but were told that we needed to wait due to staff constraints that could not accommodate any new GPI requests. In July of this year, nearly a year and a half after we initially submitted the site development permit, our GPI was accepted.

We are very happy that staff supports a change to residential and feel that we can deliver a project that meets either a medium-density or high-density residential designation; however, we are hoping that we can move forward with the GPI before next year. Sunnyvale desperately needs housing now. An ownership housing product like the one we intend to build, will provide much needed ownership opportunities for middle income earners that are simply not there in the single-family market. While we appreciate that there are staff constraints, the majority of the work for this change will be done by the CEQA consultants and, as we know from other projects, that process can take more than a year to complete. Having already waited for the opportunity to submit the GPI, waiting another year is an unwelcome surprise that we are hoping to avoid. We hope that the Planning Commission will recommend to move forward with our General Plan Amendment now so that housing can be built in the next 2 to 3 years, not 4 or 5.

We also want to respectfully suggest that it would be more efficient and a better use of staff resources to limit the General Plan Amendment to our parcel. The expansion of the General Plan Amendment to encompass additional parcels creates a number of issues.

First, it will be very difficult for a project of this size to bear the additional cost and complications that come with adding more parcels to our General Plan Amendment request. As the owner that initiated the GPI, staff has informed us that will be solely responsible for all of the costs of the CEQA study, including the other impacts from the other parcels. We are concerned that the cost of the study will create an undue hardship on the applicant, especially once the 10% contingency and 10% administrative fees are tacked on. Based on our recent experience, we anticipate that the cost of the study could cost several hundred thousand dollars, which could potentially add \$7,500+/unit in entitlement fees. For a small project like this one to bear the cost of a CEQA study for three parcels, it could mean the difference between a financially feasible project and one that is not. We are also concerned that the study could result in recommended mitigation measures that would be difficult to parse out in terms of which owner is responsible for them. If all of the mitigation measures end up being assessed only our project, as with the cost of the study itself, this could create an undue financial hardship. The cumulative impacts of changing the General Plan on the three parcels also might move the analysis into a EIR when only an Initial Study might be needed for our parcel

Second, there does not appear to be much benefit to the City from making the General Plan change on the other parcels. The other parcels recommended for inclusion are already developed at high-density residential and are not likely to be redeveloped in the future given that they are likely already at the highest and best use. If the General Plan were to have any on-the-ground effect for these parcels, it would likely be that these older residential buildings would be demolished, which would result in tenant displacement issues that could be avoided by not changing the General Plan. If anything, it appears that a General Plan change may be detrimental to the existing housing stock, particularly for moderate income/naturally occurring affordable housing, which is what appears to be located on the two other Knickerbocker parcels, and that would have to be demolished in order to further develop the site.

Given that the General Plan change for the other two parcels will likely not produce any change of use, or if it does, will result in the loss of older, naturally occurring affordable housing AND adding the additional parcels will result in a more complicated and expensive approval for our site, we are hoping that you will consider limiting the recommended GPI to our parcel only.

Thank you for your consideration,

Melanie Griswold