



City of Sunnyvale

Meeting Minutes

Planning Commission

Monday, October 10, 2022

7:00 PM

Telepresence Meeting: City Web Stream |
Comcast Channel 15 | AT&T Channel 99

Special Meeting: Study Session - Canceled | Public Hearing - 7:00 PM

STUDY SESSION CANCELED

7 P.M. PLANNING COMMISSION MEETING

CALL TO ORDER

Pursuant to Government Code Subdivision 54953(e), the meeting was conducted telephonically; pursuant to state law, the City Council made the necessary findings by adopting Resolution No. 1089-21, reaffirmed on September 27, 2022.

Chair Pyne called the meeting to order at 7:00 PM.

ROLL CALL

Present: 7 - Chair Martin Pyne
Vice Chair Nathan Iglesias
Commissioner Daniel Howard
Commissioner John Howe
Commissioner Michael Serrone
Commissioner Neela Shukla
Commissioner Carol Weiss

ORAL COMMUNICATIONS

Albert Lustre, field representative for Carpenters Local 405, discussed the importance of consultants and developers abiding by area labor standards and providing appropriate benefits for construction workers. These include wages, healthcare, and apprenticeship programs. Mr. Lustre advised of the impact that these have upon construction workers and their families and urged the Planning Commission to adopt area labor standards in all projects being built throughout the City.

CONSENT CALENDAR

There were no public speakers for this agenda item.

MOTION: Vice Chair Iglesias moved and Commissioner Howard seconded the motion to approve the Consent Calendar.

The motion carried by the following vote:

Yes: 5 - Chair Pyne
Vice Chair Iglesias
Commissioner Howard
Commissioner Serrone
Commissioner Shukla

No: 0

Abstained: 2 - Commissioner Howe
Commissioner Weiss

1. [22-0990](#) Approve Planning Commission Meeting Minutes of September 26, 2022

PUBLIC HEARINGS/GENERAL BUSINESS

2. [22-0823](#) **Proposed Project: General Plan Amendment Initiation** to consider amending the General Plan designation from Commercial to Medium Density Residential on a one-acre site.
Location: 665 South Knickerbocker Drive (APN: 198-08-036)
File: 2022-7477
Zoning: C-1/PD (Neighborhood Business with a Planned Development Combining District)
General Plan: Commercial
Applicant / Owner: Mandevilla LLC
Environmental Review: The project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(a)
Project Planner: Shila Bagley, (408) 730-7418, sbagley@sunnyvale.ca.gov

Associate Planner Shila Bagley presented the staff report with a slide presentation.

Commissioner Howe and Principal Planner George Schroeder discussed the history of how two parcels adjacent to the study area have commercial zoning designations but are developed with residential uses.

Commissioner Weiss asked whether any data exists regarding the number of medical and dental practitioners within the City across recent years since the

proposed project will cause these numbers to decline. She also asked about when the Moffett Park Specific Plan (MPSP) will be completed. In response, Principal Planner Schroeder answered that while the Planning Division does not possess the data she requested, the City's Economic Development Division may. Planning Officer Shaunn Mendrin added that a market analysis may be conducted to determine this information, and he stated that the MPSP is scheduled to be heard at Board and Commission and City Council meetings in the spring of 2023.

Commissioner Weiss confirmed with Principal Planner Schroeder that the proposed project will be funded by the applicant.

Commissioner Serrone confirmed with Principal Planner Schroeder that a market analysis or fiscal impact study will be conducted to determine the impact that the proposed project will have upon the City's revenue. Commissioner Serrone also voiced his concerns about the loss of medical and dental professionals because of the proposed project.

Commissioner Serrone commented that since the proposed project will not move forward until completion of the MPSP, a delay in much-needed residential development is inevitable.

Vice Chair Iglesias conversed with Associate Planner Bagley about why the City recommends high density residential development for the proposed project site as opposed to the medium density residential development requested by the applicant. Associate Planner Bagley explained what would be required of the applicant if high density residential development is approved for the proposed project site.

At Commissioner Shukla's request, Principal Planner Schroeder elaborated upon why two additional parcels are being included in the expanded area study and what the study would entail.

Commissioner Howe confirmed with Principal Planner Schroeder that if the two parcels were to be included in the expanded area study, this would be done at no cost to the property owners of those parcels. Instead, the applicant will fund the study in full.

Commissioner Howe and Principal Planner Schroeder discussed the open space and recreation requirements associated with both medium and high-density developments on the proposed project site. Principal Planner Schroeder stated that

every residential development project, including ones on El Camino Real, are subject to these requirements.

Chair Pyne confirmed with Principal Planner Schroeder that the inclusion of the two parcels in the expanded area study will have no significant effect on the timeliness of the study's completion.

Vice Chair Iglesias asked why the applicant is responsible for costs associated with the expanded area study and Principal Planner Schroeder explained why.

Chair Pyne opened the Public Hearing.

Anthony Ho, principal architect for the proposed project, presented the project including additional information.

There were no public speakers for this agenda item.

Steve Saray, applicant and property owner speaking on behalf of Mandevilla LLC, presented the project including additional information.

Commissioner Weiss questioned whether the applicant would reconsider their design for the proposed project to accommodate the inclusion of more units and open space on the proposed project site. Mr. Ho answered that this was considered and presented an alternative design for the proposed project.

Commissioner Weiss confirmed with Mr. Ho that a plan for the proposed project will need to be finalized before the California Environmental Quality Act (CEQA) review may begin. He added that in the event the proposed project is initiated soon, a plan like the alternative design he just presented would be submitted.

Commissioner Weiss confirmed with Mr. Saray that the tenants on the existing property site possess leases of two years or less and that they have already been notified of the proposed project. Mr. Saray also confirmed that no considerations have been made to convert the proposed project's apartments into condominiums at a later time.

Principal Planner Schroeder reminded the Planning Commissioners that the first phase of the General Plan Initiation (GPI) process involves the authorization of a study to consider the land use and zoning designation of the proposed project site.

He added that finer details may be discussed as the proposed project progresses.

Commissioner Howe confirmed with Planning Officer Mendrin that due to an insufficient staffing issue, this project may not be prioritized until after completion of the MPSP. As a result, any costs incurred by the applicant for the CEQA study may not be reimbursed if the study is initiated prior to completion of the MPSP. Mr. Saray responded that he understood.

Commissioner Shukla confirmed with Mr. Ho that the alternative design he presented was of a high-density model.

In response to questions posed by Commissioner Shukla, Mr. Saray explained that the existing structure on the proposed project site will need to be rebuilt rather than remodeled since it is not in line with current standards and conditions.

Vice Chair Iglesias discussed the maximum number of dwelling units that the proposed project site may accommodate if it is designated as high density. He also confirmed that the Planning Commission may not waive fees incurred by the applicant since they are standard City fees.

Chair Pyne closed the Public Hearing.

MOTION: Commissioner Howe moved and Commissioner Howard seconded the motion to approve the following:

- 1.) Initiate a General Plan Amendment study to analyze amending the General Plan designation from commercial to medium and high density residential on 665 South Knickerbocker Drive and find that the action is exempt from CEQA Pursuant to CEQA Guidelines Section 15378(a).
- 2.) Invite the property owners of the parcels located at 695 South Knickerbocker Drive and 745 South Bernardo Avenue to join and fund their share of an expanded General Plan Amendment study to analyze amending the General Plan designation from commercial to medium and high density residential and find that the action is exempt from CEQA pursuant to CEQA Guidelines Section 15378(a).
- 3.) Commence the General Plan Amendment study after the update to the Moffett Park Specific Plan is completed at the discretion of the City Council.

Vice Chair Iglesias asked whether the motion may be revised to indicate high density residential on the proposed project site rather than both high and medium

density residential. Commissioner Howe answered that he would prefer that a new motion be made with Vice Chair Iglesias' recommendation if his own motion fails.

Commissioner Howe explained why both medium and high density designations for the proposed project site need to be examined. He also voiced his aim to reduce costs incurred by the applicant by inviting the other parcels to participate in the extended area study of their own accord.

Commissioner Howard spoke in support of staff's inclination to include the other two parcels in the expanded area study and noted his reasons for allowing the City Council to dictate when the General Plan Amendment study may commence.

At Commissioner Serrone's request, Principal Planner Schroeder clarified the requirements that the applicant would be subject to if the proposed project site was designated high density residential. Commissioner Serrone also commented that he is uncomfortable with explicitly stating that the City Council will determine when the General Plan Amendment study commences.

Commissioner Shukla shared her opinion that the applicant should be given the authority to determine whether the proposed project site is designated high or medium density. She added that a medium density site will allow for greater open space.

Principal Planner Amber Blizinski shed light on the timeline of GPI requests and staffing needs involved based on her own experiences with GPIs.

Commissioner Weiss advised that she does not support the motion since the proposed project site should be designated high density and staff should be given the authority to determine its own staffing limitations.

Chair Pyne engaged in a discussion with Principal Planner Schroeder regarding the rezoning of the two parcels adjacent to the proposed project site. He added that, in his opinion, the proposed project site would not be consistent with the uses of the surrounding parcels if it was designated medium density.

Commissioner Howard asked what the outcome might be if the motion did not explicitly state that the General Plan Amendment study would commence after the update to the MPSP is completed and at the discretion of the City Council. Principal Planner Blizinski explained that the purpose of this component of the motion is to set

expectations for the timeline of the proposed project.

The motion failed by the following vote:

Yes: 3 - Commissioner Howard
Commissioner Howe
Commissioner Shukla

No: 4 - Chair Pyne
Vice Chair Iglesias
Commissioner Serrone
Commissioner Weiss

MOTION: Vice Chair Iglesias moved and Chair Pyne seconded the motion to approve the following:

- 1.) Initiate a General Plan Amendment study to analyze amending the General Plan designation from commercial to high density residential on 665 South Knickerbocker Drive and find that the action is exempt from CEQA Pursuant to CEQA Guidelines Section 15378(a).
- 2.) Invite the property owners of the parcels located at 695 South Knickerbocker Drive and 745 South Bernardo Avenue to join and fund their share of an expanded General Plan Amendment study to analyze amending the General Plan designation from commercial to high density residential and find that the action is exempt from CEQA pursuant to CEQA Guidelines Section 15378(a).
- 3.) Commence the General Plan Amendment study after the update to the Moffett Park Specific Plan is completed at the discretion of the City Council.

Chair Pyne stated that he is comfortable allowing the City Council to determine whether the General Plan Amendment study may commence following the completion of the MPSP.

Commissioner Howard agreed with earlier comments made by Commissioner Shukla about how the applicant should be given the authority to determine the proposed project site's density designation.

Commissioner Serrone relayed his understanding of the third component of the motion and spoke in overall support of the motion.

Vice Chair Iglesias expressed that his reason for limiting the proposed project site to high density is rooted in the fact that the applicant and architect confirmed their ability to meet the requirements of this density designation.

Commissioner Weiss agreed with comments made by Vice Chair Iglesias but explained that she is unable to support the motion since staff, not the City Council, should decide the timeline of the proposed project.

The motion carried by the following vote:

Yes: 5 - Chair Pyne
Vice Chair Iglesias
Commissioner Howard
Commissioner Serrone
Commissioner Shukla

No: 2 - Commissioner Howe
Commissioner Weiss

This recommendation will be forwarded to the City Council for consideration at the November 1, 2022 meeting.

3. [22-0115](#) **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

Principal Planner Amber Blizinski presented the staff report with a slide presentation.

Principal Planner Blizinski explained to Commissioner Weiss why an increase to the development capacity is necessary.

When Commissioner Howe asked Principal Planner Blizinski how long the additional development capacity would last, she replied that the net new square feet of office/industrial space should last at least five years, but that it depends on the market. They also discussed the costs associated with the Special Plan Amendment

(SPA) process and who would be responsible for those costs.

Commissioner Serrone thanked Principal Planner Blizinski for her excellent and comprehensive report. They discussed the floor area ratio (FAR) for the proposed project sites relative to the FAR of the Moffett Park Specific Plan (MPSP). Principal Planner Blizinski advised that some members of the public may provide comments on the FAR of the proposed projects. Principal Planner Blizinski confirmed that the development capacity for the original Peery Park Specific Plan (PPSP) were analyzed in 2016 under an Environmental Impact Report.

Commissioner Serrone spoke of his concerns regarding the possibility of delaying the study for the California Avenue site by waiting for the MPSP to be completed and including the other parcels. He also received clarification from Principal Planner Blizinski about the zoning designation for the four parcels on Hermosa Court.

Regarding the relocation of the Libby Water Tower, Principal Planner Blizinski assured Commissioner Serrone that the applicants would need to provide additional information on a feasibility study for moving the heritage landmark and the entire proposal would be heard by the Heritage Preservation Commission.

Vice Chair Iglesias felt that the proximity of the California Avenue site to transit might warrant a higher FAR and questioned staff's recommendation for the study of 120% FAR. Principal Planner Blizinski explained staff's perspective for their recommendations and why 157% FAR might not be appropriate for the site. She also suggested that the Planning Commissioners may recommend an alternative FAR to the City Council if desired.

Vice Chair Iglesias asked whether the conceptual site plan for 400-840 W. California Avenue in staff's slide presentation was based on an FAR of up to 120%. Principal Planner Blizinski stated that the site plan presented is the one proposed by the applicants and that they would have to redesign the site if a lower FAR is studied.

Chair Pyne confirmed with Principal Planner Blizinski that if the land use designation for the 840 W. California Avenue site will allow residential development, the proposed project at that site would be subject to objective standards outlined by both the state and the City requirements.

Chair Pyne opened the Public Hearing.

Mark Schwettmann (architect and planner at Skidmore, Owings, & Merrill LLP) and Benjamin Yu (representative of Steelwave LLC) presented the project at 840 W. California Avenue including additional images and information.

Commissioner Howard discussed with Principal Planner Blizinski the relationship between density bonus and the number of affordable dwelling units for the proposed project. Principal Planner Blizinski also advised that the Planning Commissioners may set parameters for the housing density that is studied if it differs from staff's recommendation.

At Vice Chair Iglesias' request, Mr. Schwettmann and Principal Planner Blizinski explained plans for both commercial and residential development at the proposed project site as well as the FAR and density allocated for both development types.

Chair Pyne discussed with Mr. Schwettmann and Principal Planner Blizinski the percentage by which the applicant may consider increasing the density bonus for the proposed project site.

Russ Nichols, architect at RMW Architecture & Interiors, presented the project at 505 and 525 Almanor Avenue including additional images and information.

David Lowe, Sunnyvale resident, spoke against the proposed project at 840 W. California Avenue and emphasized the negative impact it will have on existing traffic and parking issues – particularly at the intersection of Mathilda Avenue and California Avenue. He noted that an increase in the number of vehicles on the road will have a negative impact on climate as well.

Humberto Nava, field representative for Carpenters Local 405, advised that the proposed projects serve as a great opportunity to create good paying jobs with health benefits for those in the workforce and their families. He also stressed the importance of creating affordable housing.

Patrick M., Sunnyvale resident, echoed concerns raised by Mr. Lowe regarding existing parking and traffic issues that will worsen with the approval of the proposed projects. He added that nearby schools may become impacted with the creation of additional residential developments as well.

Mr. Schwettmann and Mr. Yu presented the project at 840 W. California Avenue including additional information.

Based on discussion and concerns in the public comment portion of the item, Principal Planner Blizinski informed the Planning Commission that Assembly Bill (AB) 2097 will eliminate parking minimum requirements for both residential and commercial sites that are within a half mile of public transit which includes the California Avenue site.

Mr. Nichols presented the project at 505 and 525 Almanor Avenue including additional information.

Chair Pyne closed the Public Hearing.

Chair Pyne discussed with Principal Planner Blizinski the traffic analysis that would be conducted as part of the Specific Plan Amendment and the proposed projects and what it would entail.

Commissioner Howard initiated a discussion on a potential motion and explained his reasoning.

At Vice Chair Iglesias' request, Commissioner Howard explained why he proposed a density maximum of R-5 for the proposed project at 840 W. California Avenue.

Commissioner Serrone received clarification from Principal Planner Blizinski regarding the elimination of parking requirements associated with AB 2097 and the designation of an activity center on Hermosa Court.

Principal Planner Blizinski reiterated that the Planning Commissioners may set parameters for the FAR that is studied.

Commissioner Shukla revealed that she is supportive of a greater FAR than 120% as well as a density maximum of R-5 for the proposed project at 840 W. California Avenue.

MOTION: Commissioner Howard moved and Commissioner Shukla seconded the motion to approve Alternatives 1, 2, 3, 4, and 5 to the City Council with the following modification to Alternative 1a:

1a.) 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 928 housing units at a density no higher than R-5.

Commissioner Howard reiterated his reasons for proposing a maximum of R-5 density for the proposed project at 840 W. California Avenue. He explained his aim to maximize residential development near public transit.

Commissioner Shukla spoke in overall support of the motion.

Chair Pyne echoed comments made by Commissioner Howard regarding the importance of including residential development at the 840 W. California Avenue proposed project site since it will be close to transit. He added that he was pleased to find that the existing open space and walking path on the site will be preserved. Lastly, he stated that while the proposed project at 505 and 525 Almanor Avenue conforms to existing standards, he may provide additional comments on the proposed project design at a later time.

Vice Chair Iglesias voiced his support of the motion, the adjacency of residential development to public transit at the 840 W. California Avenue proposed project site, and gathering additional information from the study that will take place.

Commissioner Serrone stated that he is not in support of the motion in part due to the low FAR proposed for the 840 W. California Avenue site and the rise in parking concerns that the proposed project at that site may cause.

Commissioner Weiss shared her support of the motion, a maximum of R-5 density for the proposed project at 840 W. California Avenue, and placement of residential development close to public transit. She added that she hopes that the Libby Water Tower, a national and civic treasure, will be relocated appropriately.

Chair Pyne agreed with comments made by Commissioner Weiss regarding the Libby Water Tower.

The motion carried by the following vote:

- Yes:** 6 - Chair Pyne
Vice Chair Iglesias
Commissioner Howard
Commissioner Howe
Commissioner Shukla
Commissioner Weiss
- No:** 1 - Commissioner Serrone

This recommendation will be forwarded to the City Council for consideration at the November 1, 2022 meeting.

STANDING ITEM: CONSIDERATION OF POTENTIAL STUDY ISSUES

4. [22-0987](#) Proposed Study Issue for 2023: Review Required Development Fees in Conjunction with Senate Bill 9 Projects

Principal Planner Blizinski presented the staff report.

Commissioner Howard explained why he proposed the study issue.

Commissioner Howe commented that parks in the northern part of the City have been developed in recent years as a result of park in-lieu fee requirements. Since the elimination of this fee may cause great problems for the northern part of the City in particular, he stated that he is not in support of the proposed study issue.

Commissioner Shukla stressed the importance of including more parks and multi-family homes throughout the City. She added that she is not in support of the proposed study issue.

Vice Chair Iglesias revealed his support of both parks and housing for the City and stated that he is open to exploring the reduction of development fees through the proposed study issue.

Commissioner Serrone discussed his understanding of the proposed study issue and associated fees. Principal Planner Blizinski provided additional details on the proposed study issue for clarification.

Commissioner Howard explained that all required development fees, including park in-lieu fees, should be examined considering the updated state housing laws. He

added that these fees should be adjusted depending upon improvements made to or additions to single-family homes.

Principal Planner Blizinski explained the traffic impact fee and the park in-lieu fee associated with Accessory Dwelling Units (ADUs) or Dual Urban Opportunity (DUO) units and when they would come into play.

Vice Chair Iglesias inquired about whether the City could provide pre-approved ADU plans as other cities do. Principal Planner Blizinski responded that the City has been approached by some ADU builders and that it is possible for them to get their plans approved for use in the City; however, every property is vastly different in Sunnyvale and there is no one-size-fits-all site plan. Commissioner Shukla voiced her support of a study issue to examine this suggestion more closely to streamline the permitting process.

Commissioner Howard stated that while the discussion that the proposed study issue has generated has been helpful to inform future decisions, alternative study issues may be proposed to improve the process for Senate Bill (SB) 9 projects. He added that if there is no support for the proposed study issue in question, it does not need to move forward.

Chair Pyne confirmed with Principal Planner Blizinski that the update to the Single Family Home Design Techniques will include design standards for SB 9 projects. Principal Planner Blizinski said yes, but also reminded the Planning Commission that there are some design standards already in the DUO Chapter.

Chair Pyne opened the Public Hearing.

There were no public speakers for this agenda item.

Chair Pyne closed the Public Hearing.

Commissioner Howe suggested that the Planning Commission schedule a study session to discuss improvements to the permitting process for SB 9 projects. Principal Planner Blizinski advised that staff could do this in early 2023. Commissioner Howard agreed to submit a new form for the new study issue for 2024 after the study session with staff.

Commissioner Howard withdrew the study issue he proposed regarding the review of required development fees in conjunction with SB 9 projects.

NON-AGENDA ITEMS AND COMMENTS

-Commissioner Comments

Vice Chair Iglesias announced that October 11, 2022 will mark one year since he presented his own project to the Planning Commission and voiced his appreciation for his fellow Commissioners and City staff. He also noted that, while the past year has been both tiring and meaningful, he is glad to be a part of the Commission.

Chair Pyne stated that the study session of the City Council meeting on October 11, 2022 will focus on reviewing and improving overall effectiveness of Commission meetings.

-Staff Comments

Planning Officer Shaunn Mendrin reminded the Planning Commissioners that on October 18, 2022, the City Council will review the Moffett Park Specific Plan (MPSP) affordable housing and community benefits.

ADJOURNMENT

Chair Pyne adjourned the meeting at 11:08 PM.