



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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### REPORT TO PLANNING COMMISSION

#### **SUBJECT**

Forward a Recommendation to the City Council to Adopt an Ordinance to Amend Chapter 19.36 of Title 19 of the Sunnyvale Municipal Code to Modify Table 19.36.060B Permitted, Conditionally Permitted, and Prohibited Uses in El Camino Real Specific Plan (ECRSP) zoning districts to conditionally permit Auto sales or rental in ECR-MU zoning districts and find that this action is within the scope of the program EIR for the El Camino Real Specific Plan pursuant to CEQA Guidelines Section 15168 (*Planning File #2022-7790*)

#### **BACKGROUND**

El Camino Real has been the primary retail corridor in Sunnyvale for over five decades. This centrally located corridor provides access to a range of goods and services to community members and the region. Automobile dealerships on El Camino Real have played an important role as they are conveniently located for residents and regional guests to purchase, lease or rent vehicles as well as providing fiscal benefits to the City.

Over the years, housing has been introduced along the corridor as both stand-alone sites zoned primarily for residential development and as mixed-use (residential and commercial) sites. In 2017 the Council adopted the Land Use and Transportation Element (LUTE) of the General Plan which increased the potential for residential development from 1,600 housing units (existing) to allow an additional 4,200 housing units. Later in 2017, the City Council gave direction to further consider an increase to the allowable residential development by another 2,700 units, and to continue to plan for the provision of commercial retail and service opportunities, including automobile sales and rentals.

On June 28, 2022, the City Council adopted the El Camino Real Specific Plan (ECRSP) and related Zoning Code amendments with the goal of preserving (or slightly increasing) the amount of commercial use while accommodating residential buildout of 8,500 housing units. The Zoning Code use tables, as adopted, indicate that Auto sales and rentals may be considered with a Special Development Permit (SDP) in the El Camino Real Commercial zoning district (ECR-C) and are not permitted in the Mixed Use (ECR-MU), Office (ECR-O) or Public Facilities (ECR-PF) zoning districts.

The City Council is scheduled to consider this item on February 7, 2023.

#### **EXISTING POLICY**

##### **GENERAL PLAN: LAND USE AND TRANSPORTATION**

**GOAL LT-12 A BALANCED ECONOMIC BASE** - Develop a balanced economic base that can resist downturns of any one industry and provides revenue for City services.

**Policy LT-12.9** Consider the importance of tax generation (retail, hotel, auto, and business-to-

business uses) to support the fiscal health of the community and to fund municipal services.

## **EL CAMINO REAL SPECIFIC PLAN**

**VISION STATEMENT:** The El Camino Real Specific Plan (ECRSP) will support and enhance community-serving retail and provide significant new residential options while advancing sustainability and improving transportation safety and mobility choices.

**El Camino Real Mixed-Use (ECR-MU):** ECR-MU provides for regional, community, or employment-serving retail uses in conjunction with higher-density residential uses. Commercial uses are a crucial component of future development in the ECRSP Area. Based on the pedestrian-oriented, mixed-use concept being implemented by the ECRSP, development in these sub-areas on El Camino Real is required to provide a ground-floor commercial use. As defined in this chapter and in Chapter 19.36 of the SMC, residential densities in the ECR-MU range from 24 to 54 units per acre and are designated by the zoning district. It may be possible to exceed the maximum density on a corridor mixed-use property through the ECRSP or other local incentive program and/ or through State density bonuses, when allowed.

**General Land Use Policies LU-P1** Stimulate reuse and intensification of some properties in the ECRSP Area with a mixed-use, transit-oriented development focus while recognizing the importance of retaining commercial uses and commercial square footage along El Camino Real.

**Mixed-Use and Retail Policies LU-P15** Ensure continued opportunities for a diverse range of retail and service uses in the ECRSP Area, even as the character, mix of land uses, and transit opportunities along El Camino Real change over time. LU-P16 Target no net loss of commercial square footage when parcels are redeveloped with new buildings and uses.

**Site Frontage Policies LU-P17** When mixed-use developments are proposed, El Camino Real frontages should be “vertical” mixed-use to frame a vibrant pedestrian environment.

## **DISCUSSION**

Before the adoption of the ECRSP several Preliminary Review requests and formal applications for mixed-use development proposals were submitted to the City. One of the applications (an SDP) included the novel integration of automobile sales and residential use. In this application, the area allocated for auto sales could also be used for other retail and retail service uses. This application demonstrated to staff that it is possible for automobile sales and residential development to exist on the same site, particularly as vertically mixed uses.

As part of the preparation of the Zoning Code allowable land use tables for the ECRSP staff inadvertently designated automobile sales and rentals as a use not permitted in ECR-MU (mixed-use) zoning districts. To correct this error, a zoning code amendment is recommended to change the use from not permitted to conditionally permitted (requires approval of a Special Development Permit - SDP), as demonstrated in the table below.

**Table 19.36.060B**  
**Permitted, Conditionally Permitted, and Prohibited Uses in ECRSP Districts**

| USE  | ECR-C | ECR- MU <sup>[1]</sup> | ECR-O | ECR-PF |
|--|-------|------------------------|-------|--------|
| <b>5. AUTOMOTIVE</b>   |       |                        |       |        |
| A. Automobile service station <sup>[4]</sup>                         | SDP   | N                      | N     | N      |
| B. Auto sales or rental  | SDP   | <del>N</del> SDP       | N     | N      |
| C. Auto broker for 3 or fewer vehicles on site                       | MPP   | N                      | N     | N      |
| D. Sale or rental of utility trailers, heavy equipment, or machinery | N     | N                      | N     | N      |
| E. Automobile/vehicle service and repair                             | SDP   | N                      | N     | N      |
| F. Car wash facility   | N     | N                      | N     | N      |

[1] ECR-MU sites that have not introduced residential uses are subject to the ECR-C use standards.

[4] Automobile service stations with sale of groceries, beer and wine, or both, require findings as set forth in Section 19.98.020(i), as applicable.

## **ENVIRONMENTAL REVIEW**

On June 28, 2022 (RTC No. 22-0694), the City Council certified a program-level Environmental Impact Report (EIR) (SCH #2017102082), adopted a Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program for the ECRSP (see links in Attachment 3). In conjunction with the adoption of the ECRSP, the City Council approved an Ordinance adopting Chapter 19.36 of the Sunnyvale Municipal Code to implement the goals and policies of the ECRSP. Due to an inadvertent drafting error, Table 19.36.060B included a “N” (Not Permitted) for “Auto sales or rental” in the ECR-MU, instead of “SDP” to indicate that such uses may be approved through a Specific Development Permit.

The proposed amendment to authorize auto sales or rentals in the ECR-MU zoning district with a Special Development Permit is within the scope of the program EIR and is therefore exempt from additional environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15168, which provides that an agency may rely on a program EIR for later activities that do not require subsequent environmental review under the criteria outlined in Section 15162.

Auto uses within the ECR corridor are expressly contemplated and encouraged by the ECRSP:

- Ch. 2, p.21, Vision: “New and long-established businesses and auto dealerships will coexist and continue to thrive in updated and prominent storefronts.”
- Ch. 2, p.23, Guiding Principle 4: “Auto-dealerships and other regional drawing businesses will be supported alongside small businesses and residences.”
- Ch. 3, p.34, Urban Design Framework. “Auto dealerships and services will continue to be supported and encouraged in the West Segment (as well as elsewhere along El Camino Real).”
- Ch. 4, Section 2.1, Land Use Classifications, ECR-MU: “ECR-MU provides for regional, community, or employment-serving retail uses in conjunction with higher-density residential

uses. Commercial uses are a crucial component of future development in the ECRSP Area.”

The EIR incorporated the vision and objectives stated in the ECRSP, including references to auto uses. See ES-1.2.3, Project Vision; ES-1.2.4, Project Objectives; 2.4.1, Specific Plan Vision; and 2.4.2, Project Objectives.

As a result, the City Council may exercise its independent judgment and analysis to find that amending the use table in the Sunnyvale Municipal Code to allow auto sales and rentals with the ECR-MU zoning districts falls within the environmental parameters analyzed in the program EIR, will not result in any new significant environmental effects or a substantial increase in the severity of any previously identified effects beyond those disclosed and analyzed in the program EIR, and no new mitigation will be required.

### **FISCAL IMPACT**

There is no direct fiscal impact associated with this Zoning Code change. Providing more opportunities for automobile sales and rental within the ECRSP supports the fiscal health of the community by increasing the retail sales tax revenues that help fund municipal services.

### **PUBLIC CONTACT**

As of the date of 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 Web site
- Provided at the Reference Section of the City of Sunnyvale's Public Library
- Agenda posted on the City's official notice bulletin board

### **ALTERNATIVES**

#### **Recommend to City Council:**

1. Adopt an Ordinance (Attachment 2 to the report) to Amend Chapter 19.36 of Title 19 of the Sunnyvale Municipal Code to Modify Table 19.36.060B Permitted, Conditionally Permitted, and Prohibited Uses in ECRSP Districts to conditionally permit Auto sales or rental in ECR-MU zoning districts and find that this action is within the scope of the program EIR for the El Camino Real Specific Plan pursuant to California Environmental Quality Act Guidelines Section 15168.
2. Do not introduce the Ordinance.

### **STAFF RECOMMENDATION**

Alternative 1: Recommend to City Council, Adopt an Ordinance (Attachment 2 to the report) to Amend Chapter 19.36 of Title 19 of the Sunnyvale Municipal Code to Modify Table 19.36.060B Permitted, Conditionally Permitted, and Prohibited Uses in ECRSP Districts to conditionally permit Auto sales or rental in ECR-MU zoning districts and find that this action is within the scope of the program EIR for the El Camino Real Specific Plan pursuant to California Environmental Quality Act Guidelines Section 15168.

Adoption of this Ordinance will correct an error on the permitted land use tables for El Camino Real Specific Plan Mixed Use (ECR-MU) zoning districts.

Prepared by: Trudi Ryan, Director of Community Development

Reviewed by: Teri Silva, Assistant City Manager

Approved by: Kent Steffens, City Manager

### **ATTACHMENTS**

1. Reserved for Report to Council
2. Draft Ordinance
3. Links to El Camino Real Specific Plan EIR and Other Documents