



City of Sunnyvale

Meeting Minutes - Final Planning Commission

Monday, October 22, 2018

6:15 PM

Council Chambers and West Conference
Room, City Hall, 456 W. Olive Ave.,
Sunnyvale, CA 94086

Special Meeting - Study Session - 6:15 PM | Special Meeting - Public Hearing 7 PM

6:15 P.M. STUDY SESSION

Call to Order in the West Conference Room

Roll Call

Study Session

A. [18-0913](#)

Proposed Project:

SPECIAL DEVELOPMENT PERMIT:

To redevelop a 16.82-acre property - demolish existing commercial and industrial buildings and construct a new mixed-use project. Project consists of a three-to-five-story apartment/commercial building with a wrapped above-grade parking structure; (2) two-to-seven-story condominium buildings above podium parking structures; and (20) two-to-three-story townhome buildings with individual unit garages.

Residential: 741 total units (412 rental /329 ownership).

Commercial: 1,500 sq. ft. on the ground floor of the apartment building.

Publicly-Accessible, Privately-Owned Open Space: 2.2 acres

TENTATIVE MAP: Create two lots for condominium purposes, one lot for the apartments and associated common area lots.

Location: 1155-1175 Aster Avenue (APN's: 213-01-032; 213-01-033; 213-01-034)

File #: 2018-7513

Zoning: MXD-III

Applicant / Owner: Olympic Residential Group/ JJ & W LLC

Project Planner: George Schroeder, (408) 730-7443,
gschroeder@sunnyvale.ca.gov

Public Comment on Study Session Agenda Items

Adjourn Study Session**7 P.M. PLANNING COMMISSION MEETING****CALL TO ORDER**

Chair Howard called the meeting to order at 7:14 PM in the Council Chambers.

SALUTE TO THE FLAG

Chair Howard led the salute to the flag.

ROLL CALL

Present: 6 - Commissioner Carol Weiss
Chair Daniel Howard
Commissioner Ken Olevson
Vice Chair David Simons
Commissioner Ken Rheaume
Commissioner Sue Harrison

Absent: 1 - Commissioner John Howe

Status of absence; Commissioner Howe's absence is excused.

ORAL COMMUNICATIONS

Richard Mehlinger discussed his concerns with the proposed Corn Palace project and asked that consideration be given to implement housing at the maximum allowed density given the housing crisis.

CONSENT CALENDAR

Commissioner Weiss moved and Commissioner Rheaume seconded the motion to approve the Consent Calendar. The motion carried by the following vote:

Yes: 6 - Commissioner Weiss
Chair Howard
Commissioner Olevson
Vice Chair Simons
Commissioner Rheaume
Commissioner Harrison

No: 0

Absent: 1 - Commissioner Howe

1. A [18-0914](#) Approve Planning Commission Meeting Minutes of October 8, 2018

PUBLIC HEARINGS/GENERAL BUSINESS

2. [18-0779](#) **Proposed Project:** General Plan Amendment Initiation request to study changing the General Plan designation for a portion of the site from Public Facility (P-F) to Medium Density Residential.
Location: 1050 West Remington Drive (APN: 202-26-007)
File #: 2018-7569
Zoning: P-F
Applicant / Owner: Catalyst Development Partners LLC (applicant) / Church of Christ of Sunnyvale (owner)
Environmental Review: The project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(a).
Project Planner: Aastha Vashist, (408) 730-7458, avashist@sunnyvale.ca.gov

Assistant Planner Aastha Vashist presented the staff report.

Assistant Director Andrew Miner provided information to Commissioner Harrison about inquiries received by the City for this site and the square footage for existing and approved child care facilities in the City. Commissioner Harrison asked staff about the City's birth rate. Assistant Director Miner advised that staff does not have that information but commented on the ideal locations for child care facilities.

Commissioner Olevson confirmed with Assistant Director Miner that the City Council effectively set the minimum lot size as 1.5 acres for a property to be rezoned to a Public Facilities (PF) designation. Commissioner Olevson noted that the proposed project does not meet that threshold. Assistant Director Miner provided information about County records and the applicant's site survey. Assistant Director Miner advised that a final determination for the site acreage has not been made and that staff based their recommendation on the County's record of 1.61 acres. Assistant Director Miner noted that the proposed project is a compromise that maintains the PF zoning and adds residential development.

Commissioner Rheame disclosed that he met with the applicant to discuss the proposed project. Commissioner Rheame asked staff about potential future sidewalk widening. Assistant Director Miner stated that it is currently unknown and that it would depend on the plan line.

Commissioner Weiss confirmed with Assistant Planner Vashist that no applications for other types of uses were received for this site. Assistant Director Miner noted that to staff's knowledge, this site has never been advertised for sale.

Vice Chair Simons confirmed with Assistant Director Miner that if half the site is maintained as a PF zone it could be rezoned in the future and that the site was originally rezoned due to the County's record of 1.6 acres.

Chair Howard disclosed that he met with the applicant to discuss the proposed project. Chair Howard confirmed with Assistant Director Miner that the property owner would have received notice in 2007 of the proposed rezone. Chair Howard confirmed with Assistant Director Miner that staff was unaware of any objections at that time. Chair Howard confirmed with Assistant Director Miner that a property owner could request to change the PF zoning for a site regardless of the lot size.

Chair Howard opened the Public Hearing.

Todd Deutscher, representing Catalyst Development Partners, presented information about the proposed project.

Commissioner Weiss asked the applicant about their plan for the operation of the site. Mr. Deutscher advised that the church has the option to sell the property on their own or that Catalyst Development Partners can conduct the sale.

Commissioner Rheume confirmed with Mr. Deutscher that parties interested in the site would develop and operate the site.

Chair Howard asked the applicant about any objections when the property was rezoned in 2007. Mr. Deutscher advised that the church does not have a record of receiving a notice for the rezone.

Margaret Lawson commented on the benefits of PF zoning and noted her concern that once the site is rezoned it will not return to a PF designation.

Richard Mehlinger spoke in support of the staff recommendation and suggested the possibility of allowing a ground floor PF use below the proposed residential development.

Tara Martin-Milius requested that this decision be deferred until the potential Planning Commission-sponsored PF study issue is considered by the City Council. Ms. Martin-Milius advocated for the protection of all PF designations regardless of the acreage, requested that consideration be given for the best adjacent uses and commented that BMR housing doesn't meet the highest needs.

Mike Serrone commented on the need for housing and Places of Assembly (POA's). Mr. Serrone discussed his concern that this site will not return to a POA use if rezoned and requested that the PF designation be maintained for the site.

Sue Serrone, Sunnyvale resident, requested that this decision be deferred until a determination can be made regarding the proposed PF study issue. Ms. Serrone commented on the use of PF facilities as free public meeting places for groups in need. Ms. Serrone requested that the PF designation be maintained for this site.

Mr. Deutscher presented additional information about the proposed project.

Chair Howard closed the Public Hearing.

Commissioner Rheume discussed the process for study issue ranking with Assistant Director Miner.

Commissioner Harrison asked staff about the height limit for the site's current zoning. Assistant Planner Vashist stated that the height limit is based on the adjacent uses and is 30 feet. Commissioner Harrison confirmed with Assistant Director Miner that vertical mixed use housing on a PF zone has not been previously proposed in the City.

Chair Howard confirmed with Assistant Director Miner that if the site is not expanded then additional parking would not be required because that legal non-conforming use can be maintained.

Chair Howard noted that staff is recommending against the next item on the agenda and asked if this project would require less staff time. Assistant Director Miner provided information about the scale differences between the two proposed projects.

Commissioner Harrison asked staff about the study timeline and content. Assistant Director Miner advised that potentially it would take six months for this application

and that the study would entail the project's feasibility, the specific proposal from the applicant and other project details.

Chair Howard asked staff if another parcel could be rezoned as a PF if this project moves forward as proposed. Assistant Director Miner advised that this has not been done and would be complicated.

Chair Howard commented on the need for housing as well as the need for PF zoned sites. Chair Howard noted that the St. Anton project involved a Use Permit (UP) in a commercial district in conjunction with a substantial amount of affordable housing. Chair Howard stated that these types of compromises should bring public benefit to the City, such as affordable housing. Chair Howard commented that he is not currently inclined to support the proposed project but is open to hearing discussion or a motion.

MOTION: Commissioner Weiss moved and Commissioner Harrison seconded the motion for Alternative 5 – deny request to initiate a General Plan Amendment (GPA) study and retain the land use designation for the subject property as Public Facilities.

Commissioner Weiss stated that she would have supported the deferment of this item until the PF study issue was ranked but that it may not be adopted since Planning Commission sponsored study issues have not recently been highly ranked. Commissioner Weiss stated an opinion that the proposed project is an example of spot zoning that would set a bad precedence for PF's. Commissioner Weiss commented on the need for public meeting spaces and PF's as City resources since they are a shared value that help build community. Commissioner Weiss stated that the study issue can still move forward without making this project contingent on the outcome.

Commissioner Harrison commented that the original 2007 study issue outlines that small sites are less suitable for POA's and that the intent was not to set a lot size limit but to achieve a better balance in the City.

Commissioner Rheume noted his agreement with Commissioner Weiss regarding Planning Commission study issues. Commissioner Rheume stated that he would like the study to move forward due to the need for housing but that there is a need to retain POA's. Commissioner Rheume stated that the proposed compromise should be studied and that he will not be supporting the motion.

Vice Chair Simons commented on the unique availability of parks within walking distance in the City and PF's along main streets. Vice Chair Simons noted that if the site had been designated as 1.4 acres in 2007 then the size threshold probably would have been set at 1.4 acres. Vice Chair Simons commented on rezones increasing the value of land for profitable development and the loss of high value community uses. Vice Chair Simons commented on health problems associated with church school facilities that have relocated to industrial areas. Vice Chair Simons stated that the proposed project should stay zoned PF and that he will be supporting the motion.

Commissioner Olevson stated that he will not be supporting the motion. Commissioner Olevson commented that the previous proposal was entirely residential but that this proposed project is a compromise and a study should be completed, given the need for housing. Commissioner Olevson noted that the PF zoning would not be changed, only studied, and that any decision made should be based on data collected from the study. Commissioner Olevson stated that the City Council can make policy decisions as needed based on the study outcomes.

Chair Howard noted the effectiveness of Vice Chair Simons' argument regarding the effective placement of PF's and parks in the City. Chair Howard noted his preference for the proposed project to be all PF or residential due to the less effective use with a small lot size. Chair Howard stated that he will be supporting the motion with the understanding that this is a complex issue and that the City Council will make the final decision.

The motion carried by the following vote:

Yes: 4 - Commissioner Weiss
Chair Howard
Vice Chair Simons
Commissioner Harrison

No: 2 - Commissioner Olevson
Commissioner Rheume

Absent: 1 - Commissioner Howe

Assistant Director Miner stated that this item goes to the City Council on November 13th, 2018.

3. [18-0787](#) **Proposed Project:** General Plan Amendment Initiation to consider an amendment to the Peery Park Specific Plan (PPSP) to increase the office/industrial development capacity and allow housing on the 10 parcels in the PPSP-Industrial Edge (IE) zoning district totaling 29.3 acres.
- Locations:** 400-840 W. California Avenue (165-26-009, 010, 011, 012, 013, 014, 016, 018, 019, 020)
- File #:** 2018-7576
- Applicant / Owner:** Skidmore, Owings, & Merrill LLP (applicant) / Steelwave LLC (owner)
- Environmental Review:** The project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378 (a).
- Project Planner:** Amber Blizinski, 408-730-2723, ablizinski@sunnyvale.ca.gov

Commissioner Rheame recused himself due to the proximity of his property to the proposed project.

Principal Planner Amber Blizinski presented the staff report.

Assistant Director Andrew Miner commented on the project's potential given the proximity to Caltrain, the inclusion of residential development, and the qualifications of the applicant and architect. Assistant Director Miner provided information about current Planning staffing constraints due to the substantial amount of staff coordination, oversight and review that would be required for the proposed project. Assistant Director Miner noted that updates for four of the City's five major area plans are currently underway. Assistant Director Miner asked for feedback from the Planning Commission on land use issues for the proposed project.

Commissioner Harrison asked staff about the original expectation for the use of this parcel. Principal Planner Blizinski advised that early in the development of the Peery Park Specific Plan (PPSP) the expectation was for a higher density office and research/development but that staff's expectation shifted to a mixed-use development towards the culmination of the PPSP. Assistant Director Miner commented on the direction provided by the City Council to study the possibility of residential development in PPSP and that this site is one of the potential locations. Commissioner Harrison confirmed with Principal Planner Blizinski that this site is not near a Village Center. Assistant Director Miner provided information about completion dates for the updates to the City's area plans and estimated that staff would have availability to start this study in mid-2019.

Vice Chair Simons commented on a few of the inappropriate ways commissions have prioritized study issues, such as trying to anticipate what the City Council or staff may or may not want. Vice Chair Simons stated that the commissions should concentrate on offering their best analysis and let the City Council or staff receive that recommendation. Vice Chair Simons noted an opinion that the Planning Commission should prioritize what needs to be done and that City staff has operational authority based on staff availability. Assistant Director Miner commented on the expectation that if a General Plan Amendment (GPA) request is initiated that a formal application will be filed and the process will move forward. Assistant Director Miner reiterated staff's interest in obtaining land use input from the Planning Commission.

Commissioner Weiss asked staff if it would be helpful to include a timeline with Alternative 3. Principal Planner Blizinski stated that this feedback could be provided as part of Planning Commission's recommendation.

Commissioner Weiss asked staff if delaying this GPA request will allow another project to utilize the remaining PPSP reserve. Principal Planner Blizinski advised that the proposed project requires more than the remaining PPSP reserve and that the applicant would wait to make another GPA request. Commissioner Weiss commented on the jobs-housing ratio for the proposed project. Assistant Director Miner advised that a 1:1 ratio is not expected and provided information about the housing projects underway in the City. Principal Planner Blizinski stated that the PPSP area is primarily an employment center due to the nature of the land use and that along El Camino Real and the Lawrence Station Area Plan (LSAP) a substantial amount of housing is being developed.

Chair Howard discussed the GPI process with Assistant Director Miner. Chair Howard asked staff about the possibility of deferring a decision. Assistant Director Miner stated that this request should not be pushed to the next GPI hearing since the applicant has made the first request and that either all PPSP GPA requests can be studied together or this proposal can be included in a future study.

Chair Howard asked staff if the Denali Summit High School could be incorporated in the PPSP as part of a GPA. Assistant Director Miner commented that it could be part of their request and advised that there are limited areas where a school can be developed in the PPSP. Senior Assistant City Attorney Rebecca Moon commented that the Summit High School application does not require a GPA.

Chair Howard opened the Public Hearing.

Steve Dunn, representing Steelwave LLC, presented information about the proposed project.

Mark Schwettmann, representing Skidmore, Owings, and Merrill LLP, presented images and information about the proposed project.

Vice Chair Simons asked the applicant about the impact on the proposed project's viability if the start date is in 2019. Mr. Dunn advised that the project would have to be phased and timed with the termination of leases and noted that there would be a financial impact with a delayed start.

Vice Chair Simons asked the applicant about a pedestrian connection in the northwest area of the project. Mr. Schwettmann stated that they can work with staff to determine which access makes the most sense for a pedestrian connection while considering the streetscape along California Avenue.

Commissioner Weiss asked about ownership of the Caltrain overflow parking lot. Mr. Dunn stated that the City controls that parking area and that their goal is to make more connectivity through the site.

Chair Howard asked the applicant about tall buildings designed by Skidmore, Owings, and Merrill LLP. Mr. Schwettmann stated that they do design tall buildings but that their passion lies in sustainable, community buildings.

Jim Peterson, Sunnyvale resident, discussed his concerns with the impact of the Sunnyvale Business Park on parking and traffic. Mr. Peterson commented that the lot is not sufficient for the proposed number of units and stated his support for the staff recommendation.

Richard Mehlinger, speaking on his own behalf, noted his support for the proposed project and shared his concerns regarding parking, safety and the jobs-housing ratio. Mr. Mehlinger commented on the underground parking and requested improvements to the underpass pathway to Caltrain be studied. Mr. Mehlinger stated that staff's operational capacity should be taken into consideration.

James Enloe, Sunnyvale resident, stated his support for the proposed project and

commented on the positive impact of the integration of residential development and transit. Mr. Enloe requested that the Libby Water Tower be relocated to the train station for everyone to enjoy it.

Mike Serrone stated his support for the housing component of the proposed project and noted his preference for additional housing. Mr. Serrone noted his concern that decisions must be based on staff availability and stated an opinion that as such, housing projects should be prioritized over office projects.

Sue Serrone, Sunnyvale resident, stated her support of the staff recommendation and noted the benefit of studying the other PPSP parcels that are appropriate for housing. Ms. Serrone commented on her concern for the jobs-housing ratio in the City and asked about the development of the PPSP shuttle.

David Lowe, Sunnyvale resident, discussed his concerns regarding parking and commented on the change in work culture and the need for office buildings to accommodate many employees.

Mr. Dunn presented additional information about the proposed project.

Commissioner Harrison asked the applicant about maximizing the parcel as feasible for housing. Mr. Dunn stated that their preference would be an even mix. Mr. Schwettmann advised that there are overlay constraints and other issues but that it would be possible to increase the housing.

Commissioner Harrison asked the applicant about the possibility of moving the Libby Water Tower offsite and allowing shared parking on the site. Mr. Schwettmann commented on the challenge of accommodating parking for the dual uses onsite. Mr. Dunn advised that they would need to understand the implications of shared parking based on the study outcomes. Principal Planner Blizinski commented that Alternative 3 will study the amount of housing that would be feasible for the PPSP regardless of the applicant's proposal.

Chair Howard closed the Public Hearing.

Chair Howard commented that he would be inclined to support Alternative 3 with the understanding that the City Manager and City Council would decide staff priorities. Chair Howard stated an opinion that housing should be maximized within the PPSP and that the Planning Commission could suggest to prioritize GPA's based on the

amount of housing. Chair Howard commented on the mention of the PPSP shuttle. Principal Planner Blizinski provided an update on the PPSP shuttle and noted that it will likely launch in 2020. Assistant Director Miner stated that only two locations in PPSP can support housing and that the City Council provided direction to wait until the PPSP housing study can be developer funded.

MOTION: Vice Chair Simons moved and Commissioner Harrison seconded the motion for Alternative 4 – Initiate a General Plan Amendment study to consider an amendment of the Peery Park Specific Plan to study modified development capacity increases and/or modified properties to study, with a recommendation to consider current Planning workloads and delay the start of the study until the appropriate staff is available.

FRIENDLY AMENDMENT: Commissioner Harrison offered a friendly amendment to provide direction to staff for the PPSP GPA study as follows:

- Maximize housing within the PPSP;
- Study the potential for additional commercial active uses close to the Sunnyvale Caltrain Station;
- Include additional open space as warranted by the increased density;
- Update the transportation plan, including a shuttle hub and shared Caltrain parking; and,
- Consider Public Facility needs given the increased density in the PPSP and the City.

Vice Chair Simons accepted the friendly amendment and requested that emphasis be placed on the quality of the architectural design.

Chair Howard thanked Commissioner Harrison for the housing component of the friendly amendment.

FRIENDLY AMENDMENT: Chair Howard offered a friendly amendment to study the implementation of a bike share or electro mobility (e-mobility) solution for the PPSP GPA study.

Vice Chair Simons discussed the friendly amendment with Chair Howard.

MODIFIED FRIENDLY AMENDMENT: Chair Howard offered a friendly amendment to study the implementation and promotion of a bike share or e-mobility solution that would not be managed by the City for the PPSP GPA study. Vice Chair Simons and

Commissioner Harrison accepted the friendly amendment.

FRIENDLY AMENDMENT: Chair Howard offered a friendly amendment that the PPSP GPA study include a review of the continuity of bike routes for safety. Vice Chair Simons and Commissioner Harrison accepted the friendly amendment.

FRIENDLY AMENDMENT: Vice Chair Simons offered a friendly amendment to incorporate the same corridor aspects for the City's Bicycle Pedestrian Master Plan as requested for the Moffett Park Specific Plan (MPSP) General Plan Amendment Initiation item heard during the January 22, 2018 Planning Commission public hearing. Commissioner Harrison accepted the friendly amendment.

Vice Chair Simons commented that this GPA request is only to study the potential for housing intensification near a transit area. Vice Chair Simons stated an opinion that this is the right area for high density due to the Caltrain station and that high density will lead to more open space. Vice Chair Simons stated that a higher architectural quality will be required for building longevity. Vice Chair Simons commented on staff's workload due to the intensity of development in the City and noted that the City has historically done a great job of planning.

Commissioner Harrison commented that staff could not foresee that the development potential would be reached within two years of the completion of the PPSP but that it is now appropriate to revisit the PPSP. Commissioner Harrison stated that previously unavailable parcels can now be considered along with other factors such as the PPSP shuttle, bike sharing, parks and housing needs.

Commissioner Olevson commented on the need to be sensitive to staff's capacity and his appreciation of the proposal to examine the entire PPSP instead of one parcel. Commissioner Olevson noted that some PPSP projects were approved before the completion of the PPSP and as such the development capacity has been consumed. Commissioner Olevson stated that it is time to study the entire plan and take into consideration current resident experiences.

The motion carried by the following vote:

Yes: 5 - Commissioner Weiss
Chair Howard
Commissioner Olevson
Vice Chair Simons
Commissioner Harrison

No: 0

Absent: 1 - Commissioner Howe

Recused: 1 - Commissioner Rheume

Assistant Director Miner stated that this item goes to the City Council on November 13th, 2018.

STANDING ITEM: CONSIDERATION OF POTENTIAL STUDY ISSUES

Commissioner Harrison asked staff about potential overlap between the proposed Missing Middle study issue and the City's Housing Strategy. Assistant Director Miner stated that some components overlap and that staff will review the proposal to differentiate between the components. Commissioner Harrison confirmed with Assistant Director Miner that the Planning Commission would not propose a study issue related to housing but that staff would pass along the information to the Housing Division.

Richard Mehlinger, speaking on his own behalf, noted his enthusiasm for the proposed Missing Middle study issue and spoke in support of the Planning Commission Floor Area Ratio (FAR) Threshold Related to Accessory Dwelling Units (ADU's) study issue. Mr. Mehlinger suggested the implementation of workforce housing for civil servants due to the cost of housing in the Bay area.

Tara Martin-Milius stated an opinion that all the proposed study issues are thoughtful suggestions. Ms. Martin-Milius spoke in support of the PF study issue and commented on the potential disparity in changing from a non-taxable use to a taxable use. Ms. Martin-Milius suggested refining the PF zoning designations to include an assembly based public facility.

4. [18-0923](#) Potential Study Issue: Flexibility on Transportation Demand Management (TDM) Requirements for Smaller Industrial Development Projects

Commissioner Weiss provided background about the proposed study issue. The proposed study issue was not sponsored.

5. [18-0927](#) Potential Study Issue: Incorporating Cost Effective ADA Measures into Development Projects

Vice Chair Simons provided background about the proposed study issue but subsequently withdrew the proposed study issue from consideration.

6. [18-0928](#) Potential Study Issue: Planning Commission Floor Area Ratio (FAR) Threshold Related to Accessory Dwelling Units (ADU's)

Commissioner Harrison provided background about the proposed study issue. Chair Howard and Commissioner Rheume discussed the proposed study issue with Principal Planner Blizinski and Assistant Director Miner. Chair Howard and Commissioner Rheume co-sponsored the proposed study issue.

7. [18-0929](#) Potential Study Issue: Place Of Assembly Public Facilities (PF) Zoning

Commissioner Weiss provided background about the proposed study issue. Vice Chair Simons discussed the proposed study issue with Assistant Director Miner. Commissioner Rheume and Chair Howard co-sponsored the proposed study issue.

NON-AGENDA ITEMS AND COMMENTS

-Commissioner Comments

Vice Chair Simons commented about study issue changes.

-Staff Comments

Assistant Director Miner stated that the City Council will consider the appeal of the proposed project at 669 and 673 Old San Francisco Road on October 30, 2018. Assistant Director Miner commented on staff's commitment to quality architecture and noted that architect Jeffrey Heller, who is working on two City projects, was recently awarded the MITArcha Alumni Achievement Award. Assistant Director Miner also advised that Rosemarie Zulueta will be leaving the City and that Katherine Hall has been promoted to CDD Management Analyst.

ADJOURNMENT

Chair Howard adjourned the meeting at 10:47 PM.