



# City of Sunnyvale

## Agenda Item

23-0837

Agenda Date: 10/9/2023

### REPORT TO PLANNING COMMISSION

#### SUBJECT

##### **Forward Recommendation to the City Council:**

**Proposed Project: General Plan Amendment Initiation** to consider amending the General Plan land use designation from Low Density Residential to Low-Medium Density Residential

**Location:** 781 S. Wolfe Road (APN: 211-05-009)

**File #:** PLNG-2023-0521

**Zoning:** R-0 (Low Density Residential)

**Applicant/Owner:** California Communities, LLC (applicant) / Yamaoka Larry K Trustee (owner)

**Environmental Review:** The project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(a)

**Project Planner:** Kelly Cha, (408) 730-7408, kcha@sunnyvale.ca.gov

#### BACKGROUND

General Plan Amendment Initiation (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) begins with a written request from a property owner or applicant. If the City Council approves the GPI, a formal application for a GPA may be filed by the property owner/applicant. Council policy is to schedule public hearings for development applications after approval of the GPA and related rezoning.

The applicant submitted a GPI request on July 19, 2023, requesting to change the General Plan land use designation of the property at 781 S. Wolfe Road from Low Density Residential (RLO) to Low-Medium Density Residential (RLM) to allow for a future small-lot single-family development project. If the GPI is initiated, the applicant also intends to request a Planned Development (PD) combining district to consider flexibility in development standards to achieve superior community design. See Attachment 2 for the applicant's GPI letter. The applicant submitted a site plan (Attachment 3) that shows the conceptual layout of eight two-story single-family homes at a density of approximately 12 dwelling units per acre.

The City Council is scheduled to consider this GPI request on November 14, 2023.

#### EXISTING POLICY

The General Plan is the primary policy document 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 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. The Housing and Community

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Revitalization Sub-Element of the General Plan is the policy basis for Sunnyvale's current and future housing actions. Key goals and policies of each element are listed below.

### **LAND USE TRANSPORTATION ELEMENT**

Goal LT-7: Diverse Housing Opportunities. Ensure the availability of ownership and rental housing options with a variety of dwelling types, sizes, and densities that contribute positively to the surrounding area and the health of the community.

*Policy LT-7.3: Encourage the development of housing options with the goal that the majority of housing is owner-occupied.*

### **HOUSING AND COMMUNITY REVITALIZATION SUB-ELEMENT**

GOAL HE-1: Adequate Housing

*Policy HE-1.1: Encourage diversity in the type, size, price and tenure of residential development in Sunnyvale, including single-family homes, townhomes, apartments, mixed-use housing, transit-oriented development, and live-work housing.*

*Policy HE-4.3: Require new development to build to at least 75 percent of the maximum zoning density, unless an exception is granted by the City Council.*

### **Council Policy Manual**

The City of Sunnyvale's Council Policy Manual is a collection of policies established by City Council. These policies offer guidelines and assist in achieving General Plan goals.

#### *Policy 1.1.11 Planned Development (PD) Combining District Use Guidelines*

This policy develops specific guidelines regarding the intended circumstances and appropriate use of the PD combining district.

#### *Policy 1.1.12 Maximum Standards for Small Lot Single Family Residential Developments*

This policy provides a set of guidelines for development on small lots, regardless of underlying zoning district. The set of guidelines are similar to the requirements of the R-1.5 and R-1.7/PD low-medium density zoning districts.

### **General Plan Land Use Map and Zoning**

The subject property has a General Plan designation of Low Density Residential (0-7 dwelling units per acre) and a base zoning of R-0, or Low Density Residential. The R-0 zoning district is reserved for the construction, use and occupancy of no more than seven dwelling units per acre; minimum lot size is 6,000 square feet.

### **ENVIRONMENTAL REVIEW**

The decision to initiate a GPA 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 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 associated Rezoning (RZ) would be subject to the provisions of CEQA and environmental analysis would be conducted.

### **DISCUSSION**

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**Existing Site and Vicinity**

The existing single-family home at the subject property was built in 1965. The site is located midblock on South Wolfe Road between Old San Francisco Road and Iris Avenue. The site is a through lot with frontage on two parallel streets, South Wolfe Road and Lusterleaf Drive. Gladiola Drive ends on the Lusterleaf Drive side of the property. Immediately north of the site are eight single-family homes that were developed together, as well as a few multi-family developments and further to the north is a shopping center (designated as part of a Village Mixed Use area in the Land Use and Transportation Element of the General Plan) with several restaurants and other retail uses. The subject property is otherwise surrounded by single-family homes. The surrounding land uses are summarized in Table 1 below:

**Table 1: Surrounding Land Uses**

<b>Surrounding Parcels</b>	<b>Existing Uses</b>	<b>General Plan Designation</b>	<b>Zoning</b>
Immediately North	Two-story single-family homes (Firethorn Terrace)	Low-Medium Density Residential (7-14 du/ac)	<b>R-2/PD</b> (Low-Medium Density Residential with Planned Development Combining District)
Further north, towards Old San Francisco Road	Two apartment properties	Medium Density Residential (15-24 du/ac)	<b>R-3</b> (Medium Density Residential)
	Shopping center	Village Mixed-Use (10% FAR commercial and 18 du/ac)	<b>C-1</b> (Neighborhood Business)
South, East and West	Single-family homes	Low Density Residential (0-7 du/ac)	<b>R-0</b> (Low-Density Residential)

Attachments 5 and 6 include site and vicinity maps of the current General Plan land use designations and zoning districts.

**Applicant's Request**

The applicant submitted a conceptual site plan (Attachment 3) to illustrate the requested land use potential with the next highest residential density designation. The applicant envisions a density consistent with the General Plan Low-Medium Density land use designation (7-14 dwelling units per acre (du/ac) and R-2 zoning (7-12 du/ac).

The applicant's GPI request letter (Attachment 2) states that they intend to develop the subject site as follows if the GPI is initiated and subsequent GPA/RZ for the next highest density are approved:

- Construct eight two-story, single-family homes with a common driveway accessible from Lusterleaf Drive. Conceptual home sizes range between 2,000 and 2,400 square feet with three or four bedrooms.
- Create eight single-family lots with one common ownership parcel.
- Request the rezoning to include a Planned Development (PD) Combining Zoning District as

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they anticipate deviations from development standards to achieve what they envision for the development project.

The applicant notes that the proposed density would match the adjacent site on Firethorn Terrace immediately north of the subject property. The adjacent site went through a GPI/GPA/RZ process in 2004-2005. The process changed the General Plan land use designation from Medium to Low-Medium Density Residential and Zoning designation from R-3/PD to R-2/PD, which allowed the site to develop with eight two-story single-family homes and a common driveway access from South Wolfe Road.

### **Previously Approved Small-Lot Single-Family GPI Requests**

The following list describes a few previously approved applications that amended the General Plan land use and/or Zoning designation for intended development of small-lot single-family homes. See Attachment 8 for a map of the following sites.

- **Firethorn Terrace Development (formerly 775 S. Wolfe Road)**  
This is the development immediately north of the subject site. On February 15, 2005, Council approved a GPA to change the land use designation from Medium to Low-Medium Density Residential and rezoning from R-3/PD to R-2/PD. The Council subsequently approved a development project for eight two-story single-family homes on February 15, 2005 (Planning File No. 2004-0955). The approval included deviations to building setback standards. The development was completed in November 2006.
- **Panache Terrace Development (formerly 636 West Fremont Avenue)**  
The Panache Terrace Development is generally located near the intersection of West Fremont Avenue and Cordilleras Avenue. The project did not require a GPA but was rezoned to remove an R-1 and R-2/PD split zoning designation to a mix of R-0/PD and R-2/PD zoning. Council approved the rezoning and associated project approvals on December 4, 2012 (Planning File No. 2012-7531). The development was completed with 18 two-story single-family homes in 2015.
- **838 Azure Street**  
This site is a through lot with frontages on Sunnyvale-Saratoga Road and Azure Street, located between Cirrus Avenue and Brahms Way. On November 1, 2016, Council approved a GPA to change the land use designation from Low Density Residential to Low-Medium Density Residential and rezoning from R-0 to R-2/PD. The Council subsequently approved a development project (Planning File No. 2017-7248) for four new two-story single-family homes on February 27, 2018, but the approval later expired. The applicant reapplied and the project is currently being reviewed.

### **Staff Review**

The City's General Plan and zoning designations seek a balance of the types of uses needed for the community to be well-served. Therefore, considerations for changing the General Plan are typically reserved for situations where there is an imbalance of uses or a need not anticipated at the time the General Plan was adopted. In the subject request, a key aspect to consider is whether it is appropriate to increase the allowable residential density on a larger lot at the edge of a predominantly single-family neighborhood.

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The City has a long-standing record of increasing the number of housing units. This commitment is supported by updates to area plans near quality transit options, such as the Downtown Specific Plan, El Camino Real Specific Plan, Lawrence Station Area Plan, and Moffett Park Specific Plan. The City also has several policies that encourage different types of residential development, ranging from single-family homes to multi-family residential and high-density mixed-use development. These policies are in line with the City's commitment to providing both rental and ownership options to residents.

The approximately 0.68-acre (29,850 square feet) site was developed over 50 years ago on a large lot (about 4 times the size of nearby single-family properties) with a single-family home accessible from South Wolfe Road. It is surrounded by single-family homes (with typical lot sizes of 6,000-7,000 square feet), but it is also located at the edge of the zoning transition to low-medium and medium density housing. The requested Low-Medium Density Residential designations would complement the development on Firethorn Terrace immediately north of the subject site and make the neighborhood more cohesive. The site is also located within walking distance to a busy shopping center at the southwest corner of Old San Francisco Road and South Wolfe Road. The intended development of an increased number of small-lot single-family homes would not interrupt the existing pattern of the surrounding single-family home neighborhood.

### **Options to Consider**

If Council decides to allow a GPA application for the subject site, direction should be given on the residential study parameters. The subject property is near existing low, low-medium, and medium-density residential uses. Potential amendments to General Plan land use designations may consist of Low-Medium Density Residential or Medium Density Residential for consistency with surrounding residential uses. There are also options to add units if the GPI is not initiated and the existing Low Density Residential designation remains.

#### ***Low-Medium Density Residential (7-14 du/ac)***

This designation, requested by the applicant, supports small lot single-family, duplex, and smaller multi-family neighborhoods, designed around parks or schools, and located along neighborhood streets or residential collector streets. It allows residential densities between seven and 14 units per acre. The typical zoning districts consistent with this designation are R-1.5 (which allows up to 10 units per acre), R-1.7/PD (which allows up to 14 units per acre) and R-2 (with up to 12 units per acre). The maximum height limit for all three zoning districts is two stories and 30 feet.

- Prior to any density bonuses, this designation (Low-Medium) would enable up to 10 dwelling units (State law enables the higher of the General Plan or zoning and partial units are rounded up). Density bonuses are dependent on the level and number of affordable units provided, however for this site up to 50% bonus is enabled by State housing laws.
- Single-family properties would be allowed to add an ADU and a JADU.

#### ***Medium Density Residential (15-25 du/ac)***

This designation is typically used for townhomes, apartments, and condominiums. It is appropriate along arterials and residential collector streets and may also be located near industrial or commercial areas. The typical zoning district is R-3, Medium Density Residential, which allows up to 24 units per acre and three stories in height up to 35 feet. In the past 5-10 years, this zoning district has primarily yielded townhome developments at approximately 18 units per acre.

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- A standard townhouse development at 18 units per acre would result in 12 units.
- Prior to any density bonuses, the Medium Density designation would enable up to 18 dwelling units (State law enables the higher of the General Plan or zoning and partial units are rounded up). Density bonuses are dependent on the level and number of affordable units provided, however for this site up to 50% bonus is enabled by State housing laws.

*Low Density Residential (no change) (0-7 du/ac)*

This designation primarily supports single-family home neighborhoods. The typical zoning districts are R-0 and R-1, which allow up to seven units per acre and two stories in height up to 30 feet. Where feasible and appropriate, the number of units in these districts can be increased without a GPA through accessory dwelling units (ADU) (up to two are currently allowed per lot) or Dual Urban Opportunity (DUO) Housing (which allows a maximum of two main dwelling units and two ADUs on each lot).

- This designation with an R-0 zoning would enable up to four single-family dwelling units (through subdivision of the property); with the DUO provision, 16 units could be built.

**Recommended Designation for Study**

The existing residential densities and land use pattern in the vicinity are key considerations for determining the residential density to study. Although the subject site is primarily surrounded by low density residential uses, zoning, and General Plan land use designations, the site immediately north of the subject site has a General Plan land use designation of Low-Medium Density Residential, zoning of R-2/PD, and was developed at nine du/ac units per acre with eight single-family homes. Considering the same General Plan and Zoning designations for the subject site would create a seamless continuation of the low-medium residential density and allow an opportunity to create additional ownership dwelling units.

In addition, the intensity of the existing development and land use designations gradually decreases from Old San Francisco Road to the south. The area starts with commercial development abutting Old San Francisco Road, followed by medium density development with a few apartments, and transitions to single-family homes in Low-Medium Density and Low Density Residential designations.

Although the subject site could be developed with single-family homes with a Medium Density Residential designation, it would be difficult to achieve 75 percent of the maximum zoning density without requesting an exception. The associated zoning of R-3 allows up to 24 units per acre, which would equate to 16 units on the site (however as the General Plan indicates up to 25 units per acre, State law provides that a developer could build 18 units). Seventy-five percent of the maximum density would be 12 primary units, which may be challenging to fit onsite. This density is better suited for townhomes or other multi-family housing. A Medium Density Residential designation would result in a sharper transition to adjacent Low-Medium Density and Low Density Residential properties.

If the GPI is not initiated and the existing Low Density Residential designation remains, there are still opportunities to increase the number of units through ADUs, DUOs, or subdivision. Due to the existing larger lot size, a subdivision could result in up to four individual lots. Given that two ADUs are allowed per lot, there could be a resulting 12 units on the four lots (four main dwelling units and eight ADUs). A future DUO development on each of the single-family properties could result in a total of 16

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units, with eight main dwelling units and eight ADUs. It should be noted that there would only be a maximum of four ownership lots compared to eight with a Low-Medium Density Residential designation.

Staff recommends the Low-Medium Density Residential designation because it is compatible with existing residential densities and land use patterns in the vicinity of the subject site, particularly the Firethorn Terrace development immediately to the north. The applicant also intends to develop the subject site with eight two-story single-family homes, which matches the Firethorn Terrace development and transitions well with the existing single-family home neighborhoods to the south of the subject site.

### **Staffing Limitations**

The City is experiencing a very high level of development activity, including a large quantity of residential and office/R&D projects, anticipated development applications associated with the recently updated Moffett Park Specific Plan, a potential update to the Peery Park Specific Plan, the development of the new Central Arques Specific Plan, other GPA/Specific Plan Amendment (SPA) studies for 1313 S. Wolfe Road, 665 Knickerbocker Drive, and Block 18 of the Downtown Specific Plan, and a large number of policy study items in process. The combination of the studies and planning applications creates a limitation on project staffing and management to complete additional tasks. Staff is recommending approval of the GPI; however, recommends that the GPA applications are not accepted until the earliest submitted GPA at 1313 S. Wolfe Road (Planning File No. 2022-7146) is completed, which would assure the appropriate staffing is available to participate in another GPA study.

### **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. A GPA study would include a fiscal impact analysis.

### **PUBLIC CONTACT**

As of the date of staff report preparation, staff has received two public comment letters on this item (Attachment 7). Both letters expressed opposition to the GPI request due to the potential for higher density development on the subject site.

One comment letter received from the Braly Corners Neighborhood Association listed reasons for their opposition with: (1) impacts to traffic safety; (2) loss of on-street parking spaces; (3) increased security concerns; and (4) privacy concerns with views from anticipated two-story homes on the subject site. The neighborhood included recommendations to address their concerns as well as signatures collected from the neighborhood as part of the comment letter.

Notice of Public Hearing, Staff Report and Agenda:

- Published in the *Sun* newspaper
- Posted on the City of Sunnyvale's Web site
- Agenda posted on the City's official notice bulletin board
- Notices mailed to property owners and tenants within 2,000 feet

See Attachment 4 for the Vicinity and Noticing Map.

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## **ALTERNATIVES**

Recommend that the City Council:

1. Initiate a General Plan Amendment Study to analyze amending the General Plan land use designation from Low Density Residential to Low-Medium Density Residential at 781 S. Wolfe Road, pursuant to the Applicant's request and find that the Action is Exempt from CEQA pursuant to CEQA Guidelines Section 15378(a).
2. Initiate a General Plan Amendment Study to analyze amending the General Plan land use designation from Low Density Residential to Medium Density at 781 S. Wolfe Road and find that the Action is Exempt from CEQA pursuant to CEQA Guidelines Section 15378(a).
3. Deny the General Plan Amendment Initiation request to consider amending the General Plan land use designation from Low Density Residential to Low-Medium Density at 781 S. Wolfe Road.
4. Commence the General Plan Amendment study after completion of the GPA study at 1313 S. Wolfe Road (Planning File No. 2022-7146).

## **STAFF RECOMMENDATION**

Recommend to the City Council: Alternatives 1 and 4: (1) Initiate a General Plan Amendment Study to analyze amending the General Plan land use designation from Low Density Residential to Low-Medium Density Residential at 781 S. Wolfe Road, pursuant to the Applicant's request and find that the Action is Exempt from CEQA pursuant to CEQA Guidelines Section 15378(a); and (4) Commence the General Plan Amendment study after completion of the GPA study at 1313 S. Wolfe Road (Planning File No. 2022-7146).

Staff recommends a Low-Medium Density Residential General Plan designation to continue the existing land use and development pattern of the site immediately to the north and create a gradual transition to the single-family home neighborhoods on the other sides of the subject site. The recommended residential density would create an opportunity for more ownership dwelling units than other residential density options. The deferred application submittal date is also recommended to better manage already assigned work items.

Prepared by: Kelly Cha, Associate Planner

Reviewed by: George Schroeder, Principal Planner

Reviewed by: Shaunn Mendrin, Planning Officer

Reviewed by: Trudi Ryan, Director of Community Development

Approved by: Connie Verceles, Deputy City Manager

## **ATTACHMENTS**

1. Reserved for Report to Council
2. Applicant's Project Description and GPI Letter
3. Applicant's Conceptual Site Plan
4. Vicinity and Noticing Map
5. General Plan Map of Site and Vicinity
6. Zoning Map of Site and Vicinity
7. Public Comments
8. Map with Example Small-Lot Single-Family GPI Requests