

City of Sunnyvale

Excerpt Meeting Minutes - Draft Planning Commission

Monday, June 16, 2025	7:00 PM	Online and Council Chambers, City Hall,
		456 W. Olive Ave., Sunnyvale, CA 94086

Special Meeting: No Study Session | Public Hearing - 7:00 PM

7 P.M. PLANNING COMMISSION MEETING

CALL TO ORDER

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

ROLL CALL

Present: 6 -Chair Nathan Iglesias
Commissioner Chris Figone
Commissioner Martin Pyne
Commissioner Michael Serrone
Commissioner Neela Shukla
Commissioner Ilan SiguraAbsent: 1 -Vice Chair Galen Kim Davis

PUBLIC HEARINGS/GENERAL BUSINESS

- **2.** <u>25-0520</u> Proposed Project: Forward a recommendation to the City Council to take the following actions:
 - 1. ADOPT A RESOLUTION TO:
 - a. Adopt the Village Center Master Plan;

b. Amend the General Plan Land Use and Transportation Element (LUTE) text to implement the Village Center Master Plan;

c. Change the General Plan land use designation for certain sites in the seven General Plan Village Mixed Use areas throughout the City from Village Mixed Use to Village Center Master Plan;

d. Change the General Plan land use designation for 1388-1390 Bremerton Drive (APN 323-01-017) from Village Mixed Use to Low Medium Density Residential;

e. Change the General Plan land use designation for 901

Reed Ave. (APN 213-040-48) from Village Mixed Use to Commercial;

f. Change the General Plan land use designation for 519 Borregas Ave.(APN 204-29-029), 206 East Arbor Ave. (APN 204-22-052), and 216 East Arbor Ave. (APN 204-22-053) from Village Mixed Use to Medium Density Residential;

g. Change the General Plan land use designation for APN 110-23-104 (no address) from Village Mixed Use to PublicFacilities; and,

h. Amend the General Plan Land Use Map for the changes in land use designation for the parcels noted above.

2. INTRODUCE AN ORDINANCE TO:

a. Rezone certain sites in the seven General Plan Village
Mixed Use areas throughout the city from Neighborhood
Business (C-1), Neighborhood Business/Planned
Development (C-1/PD), Highway Business/Planned
Development (C-2/PD), Office (O), or Office/Planned
Development (O/PD) to Village Center Master Plan (VCMP);

b. Rezone 1388-1390 Bremerton Drive from Neighborhood Business (C-1) to Low Medium Density Residential/Planned Development (R-2/PD);

c. Rezone 206 and 216 East Arbor Ave. from Neighborhood Business/Planned Development (C-1/PD) to Medium Density Residential/Planned Development (R-3/PD);

d. Rezone APN 110-23-104 (no address) from Neighborhood Business/Planned Development (C-1/PD) to Public Facilities (P-F);

e. Amend the Zoning Districts Map for the zoning changes for the parcels noted above; and,

f. Amend the following Sunnyvale Municipal Code (SMC) Chapters: 19.12 (Definitions), 19.16 (Precise Zoning Plans -Zoning Districts - Zoning Maps), 19.27 (Site and Project-Based Specific Plan Districts), 19.34 (Front, Side, and Rear Yards), 19.44 (Sign Code), and 19.54 (Wireless Communications Facilities).

3. ADOPT AN URGENCY ORDINANCE TO:

a. Rezone certain sites in the seven General Plan Village Mixed Use areas throughout the city from Neighborhood Business (C-1), Neighborhood Business/Planned Development (C-1/PD), Highway Business/Planned Development (C-2/PD), Office (O), or Office/Planned Development (O/PD) to Village Center Master Plan (VCMP); and b. Amend the Zoning Districts Map for the zoning changes for the parcels noted above; and c. Amend the following Sunnyvale Municipal Code (SMC) Chapters: 19.16 (Precise Zoning Plans - Zoning Districts -Zoning Maps) and 19.27 (Site and Project-Based Specific Plan Districts). Locations: Citywide File #: 2021-7371

Zoning: C-1 (Neighborhood Business), C-2 (Highway Business) and O (Office)

Applicant: City of Sunnyvale

Environmental Review: An addendum to the 2017 Land Use and Transportation Element (LUTE) Update Environmental Impact Report (EIR) has been prepared pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15164. Project Planner: Jeffrey Cucinotta, (408) 730-7424, jcucinotta@sunnyvale.ca.gov

Senior Planner Jeffrey Cucinotta presented the staff report with a slide presentation.

Commissioner Sigura confirmed with Senior Planner Cucinotta that a market analysis was not conducted for the properties in the Village Centers that would be impacted by a change to their land use designation. Commissioner Sigura shared his concerns about how changes to land use designations might be advantageous for certain Village Center sites but detrimental for others.

Commissioner Sigura asked whether the Planning Commission may choose to apply the proposed resolution, ordinance, and urgency ordinance to only select Village Center sites. Senior Planner Cucinotta answered that the Planning Commission may choose to approve an alternative to staff's recommendation.

Commissioner Sigura noted that despite the proposed changes to land use designations, developers may still request waivers to avoid the inclusion of commercial space on sites designated for mixed use. Senior Planner Cucinotta explained that the proposed Village Center Master Plan is designed to entice developers to utilize sites for nonresidential land use to eliminate the need to

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request these waivers.

Commissioner Sigura expressed his fear that, when applicable, a reduction in minimum parking requirements will result in street congestion and issues with parking overflow to surrounding neighborhoods. Senior Planner Cucinotta and Interim Transportation and Traffic Division Manager Angela Obeso emphasized that the proposed Village Center Master Plan accounts for the existing Active Transportation and Vision Zero Plans and aims to create neighborhoods that are accessible to bicyclists and pedestrians. Commissioner Sigura stated that visitors of sites where parking minimum requirements do not apply may not live locally and may arrive by vehicle.

Commissioner Serrone stated that although the Village Centers currently permit only commercial or office use, there are pending proposals for all-residential developments for two Village Center sites. Planning Officer Shaunn Mendrin explained that these developments are permitted by the General Plan land use designation for those sites. Principal Planner George Schroeder added that the proposed update to the General Plan land use designations will clearly indicate that residential developments will not be permitted on any Village Center site with a Village Center Commercial (VCC) zoning designation.

Commissioner Serrone and Senior Planner Cucinotta discussed that consideration will be given later to increasing the density from 18 to 30 dwelling units per acre in the Village Centers' high-resource areas. Senior Planner Cucinotta explained that this would involve a separate environmental study.

Commissioner Serrone specified that the proposed Village Center Master Plan will prevent owners of adjacent properties with different land use designations from reconfiguring the lots or altering the permitted uses for new developments. Senior Planner Cucinotta responded that the Planning Commission may suggest revisions to the proposed zoning boundary lines for Village Center sites to change the designated use proposed for those sites. He added that rezones for Village Center sites cannot result in a net loss of capacity of residential units.

Commissioner Serrone confirmed with Senior Planner Cucinotta that parking spaces do not count toward the required nonresidential floor area ratio (FAR).

Commissioner Serrone recognized that the State Density Bonus Law allows developers to request waivers for requirements outlined in the City's General Plan.

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Senior Planner Cucinotta responded that the City's objective standards address this concern, but even objective development standards may be subject to waiver requests under the State Density Bonus law.

Commissioner Serrone confirmed with Senior Planner Cucinotta that three applications for redevelopment projects on Village Center sites have been approved since the Land Use and Transportation Element (LUTE) was adopted in 2017. They also discussed pending applications for redevelopment projects on the Village Center sites that would not be subject to the proposed Village Center Master Plan.

At Commissioner Serrone's request, Senior Planner Cucinotta provided reasons for the proposed zoning for certain sites.

Commissioner Serrone and Senior Planner Cucinotta discussed how the proposed Village Center Master Plan will not impact the San Francisco Public Utilities Commission (SFPUC) right-of-way located in the City's Lakewood Shopping Center.

Commissioner Serrone confirmed with City Attorney Rebecca Moon that, to enact the proposed urgency ordinance and deny pending redevelopment projects for the Village Center sites, the Planning Commission must make the findings for applicable health and safety impacts.

At Commissioner Shukla's request, Senior Planner Cucinotta explained why certain sites with a current land use designation of Village Mixed Use (VMU) are being rezoned.

Commissioner Shukla questioned whether adjacent Village Center properties with different proposed Village Center Master Plan zoning designations (for example, Village Center Mixed Use [VCMU] and Village Center Commercial [VCC]) could be expressed as percentages to give developers greater design flexibility. Senior Planner Cucinotta responded that the proposed Village Center Master Plan aims to retain as much of the existing neighborhood-serving commercial and retail spaces to prevent scenarios that involve all-residential redevelopments on sites to be rezoned VCMU. He added that the Planning Commission may recommend changes to the proposed rezoning of Village Center sites.

Commissioner Shukla confirmed with Planning Officer Mendrin that although developers may utilize state laws to develop all-residential projects on VCMU sites, the proposed Village Center Master Plan is designed to preserve sites that are

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designated only for commercial use. He reiterated that any changes to the approved rezoning of Village Center sites would require the City to make new findings regarding "no net loss" of residential units.

Commissioner Shukla confirmed with Senior Planner Cucinotta that the proposed Village Center Master Plan includes all seven Village Center sites. Senior Planner Cucinotta further clarified that pending applications for Village Centers 5 and 6 are subject to existing zoning standards since they were submitted before the proposed Village Center Master Plan has been approved.

Commissioner Shukla confirmed with Senior Planner Cucinotta that, if the proposed Village Center Master Plan is approved, proposed changes to bicycle paths within the Village Centers will apply to any development applications submitted after this approval.

Commissioner Pyne voiced his support of staff's approach to the proposed Village Center Master Plan, commented that it would be interesting to designate different land uses to floors of a multistory development, and asked about the timeline for approving a development application with land use locations that do not follow the proposed Village Center Master Plan zoning boundaries but that do not result in a net loss of residential units and preserve enough retail space. Senior Planner Cucinotta noted that such an application would still be subject to the standard rezoning process and would not involve amending the LUTE. Principal Planner Schroeder added that the rezoning would require City Council approval as well.

Commissioner Pyne confirmed with City Attorney Moon that a majority is required for the Planning Commission to make any recommendations to the City Council regarding the proposed urgency ordinance.

Commissioner Pyne asked about how the retail preservation incentive program for certain Village Center sites will interact with the proposed Village Center Master Plan. Senior Planner Cucinotta responded that the retail preservation incentive program applies only to Village Centers 5 and 6.

Commissioner Pyne noted that there are differences between the proposed land use types for VCMU and VCC sites. Principal Planner Mendrin provided details on this matter, and Senior Planner Cucinotta advised him to provide specific instances for staff to reassess before the proposed Village Center Master Plan is considered by City Council.

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Commissioner Pyne and Senior Planner Cucinotta discussed the minimum non-residential FAR requirement for sites to be rezoned VCC and VCO.

Commissioner Pyne confirmed with Principal Planner Schroeder that Village Center 7 is the only Village Center that Assembly Bill 2097 (AB 2097) applies to since it is within a half mile of a major transit stop. As such, it is not subject to minimum parking requirements.

Commissioner Pyne shared his concerns regarding the permitted density for Village Center 4. Senior Planner Cucinotta answered that the Planning Commission may approve a motion that includes the revision or reassessment of applicable standards.

Chair Iglesias opened the Public Hearing.

Donna Winslow, representing Wrightmont Corners in Village Center 1, suggested the inclusion of language in the proposed Village Center Master Plan to protect the existing wall for the development. She explained that this wall allows the neighborhood to remain quiet and accessible to bicyclists and pedestrians.

Deanna Gonzales, Sunnyvale resident, spoke of the insufficient number of resources in north Sunnyvale and how the existing resources there are threatened by the pending redevelopment project for Village Center 5. She added that the elimination of parking requirements for that proposed project will encourage parking overflow on adjacent streets.

Dawna Eskridge, Sunnyvale resident, advocated for a livable Sunnyvale that allows small retail businesses to thrive, spoke of the negative impacts of redevelopment and the need for resources in all communities throughout the City, and urged the Planning Commissioners to consider how the decision they make today will impact the future.

Himanshu Sethi, Sunnyvale resident, implored the Planning Commissioners to reject the proposed Village Center Master Plan and the pending redevelopment project for Village Center 5. He also spoke of the negative impacts of eliminating existing essential services currently offered there if they are replaced by the proposed housing-only redevelopment.

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Zainab Memon, Sunnyvale resident, voiced her support of the essential services that currently exist in the Fair Oaks Plaza located in Village Center 5. She spoke in detail about how the proposed redevelopment project for this site will negatively impact traffic and the environment and fail to offer the employment opportunities, retail services, or affordable housing that the community needs.

Chuck Fraleigh, speaking on behalf of Livable Sunnyvale, acknowledged that the proposed Village Center Master Plan strikes a balance between providing housing opportunities and preserving commercial square footage. He questioned whether spaces reserved for retail use on proposed VCMU sites could be relocated to larger sites that will be rezoned for commercial use so that they may be completely exempt from state housing laws. He also asked about whether the proposed amendment to the General Plan to convert the land use designation for VMU sites to commercial or office will apply only to Village Center sites or sites throughout the entire City.

Gilad Salamander, shared that the redevelopment project at Village Center 1 will result in the loss of essential services and negatively change the existing neighborhood.

M.J. Bisted noted that the proposed Village Center Master Plan should include requirements for construction noise levels and hours and consider transportation impacts to the surrounding neighborhoods. He also asked whether the proposed rezone for the site at 1388-1390 Bremerton Drive (APN 323-01-017) will prevent this site from being included in the Village Center Master Plan.

Joseph Coelho, Sunnyvale resident, thanked the Planning Commissioners for considering residents' needs and implored them to not adopt the proposed Village Center Master Plan or recommend it to City Council. While he spoke in support of mixed-use developments and affordable housing opportunities, he noted that the allowance of all-residential redevelopments by state housing laws result in the elimination of critical resources and an increase in emissions.

Daniel Alvarez, representative for Nor Cal Carpenters union, emphasized the importance of healthcare and apprenticeship programs for construction workers.

Larry Chan, Sunnyvale resident, spoke of how the proposed Village Center Master Plan does not adequately protect retail services.

Mohi, Sunnyvale resident, urged the Planning Commissioners to deny the proposed

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Village Center Master Plan since it does not consider protections for impacted communities. In particular, he spoke of how the addition of high-density housing will negatively impact existing traffic and reduce the amount of retail services that nearby communities will need.

A Sunnyvale resident asked whether his home, located within the vicinity of a Village Center site, is at risk of being taken away. Chair Iglesias explained that since his home is near a proposed redevelopment project on a Village Center site, he received notification of the proposed redevelopment. Chair Iglesias assured the speaker that his home is not being specifically impacted.

A representative of SV@Home recognized that the proposed Village Center Master Plan aims to address both housing and retail needs and offered solutions to maximize residential densities, preserve commercial square footage, and protect existing retail services.

Sharlene Liu, Chair of Sunnyvale Safe Streets speaking on behalf of the organization, voiced her support of a Village Center Master Plan that is pedestrian and bicyclist oriented. She also emphasized points made in the organization's letter to the Planning Commission (Attachment 12 to the staff report).

Gail Rubino proposed the inclusion of an exhibit that compares the vision for the Village Centers in the General Plan's LUTE to that of the proposed Village Center Master Plan. She also encouraged more outreach opportunities to gather the input of residents from impacted communities.

Cece, Sunnyvale resident, posed questions pertaining to Village Center 3. Namely, she asked about the height requirements for developments there and whether the existing grocery stores will continue to exist.

Chao-Yang Lu, Sunnyvale resident, advocated for the retention of the existing wall along Kitimat Place for safety purposes. He also requested an updated traffic and noise analysis due to an increase in the area's residential density, maintenance of mature trees along Kitimat Place, and implementing low density residential developments near Kitimat Place. Commissioner Pyne advised Chao-Yang Lu of the process to provide presentations to City staff prior to a public hearing in preparation for the City Council to review the proposed Village Center Master Plan on July 1, 2025.

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Cortney Jansen, speaking on her own behalf as a Sunnyvale resident, called attention to the small businesses at Village Centers 5 and 6 that will be impacted by the proposed redevelopment projects at those sites. She also asked that when the proposed Village Center Master Plan is brought to City Council for review, City staff should include a table that reflects relevant changes to the amount of housing in each of the Village Centers, clearly define FAR, and explicitly mention that the VCMU land use designation is intended to mean residential mixed use.

Jasmin, whose father is the owner of Speedy's Tacos and Tia Juana Grill in Village Center 5, spoke of how the pending redevelopment project at that site will impact her family's businesses.

Chair Iglesias closed the Public Hearing.

Senior Planner Cucinotta reiterated that the proposed Village Center Master Plan aims to address residents' needs and concerns and that, without it, any of the Village Center sites would be subject to a redevelopment application like the ones pending for Village Centers 5 and 6.

Chair Iglesias and City Attorney Moon discussed the consequences associated with the denial of the pending redevelopment project for Village Center 6.

Chair Iglesias offered staff the opportunity to provide a response to public comments made. Senior Planner Cucinotta responded that a written response will be provided after the hearing and that a revision to the proposed plan standards will be considered.

Commissioner Pyne confirmed with Senior Planner Cucinotta that the Planning Commission may make recommendations to the City Council that differ from the staff recommendations.

At Commissioner Pyne's request, Principal Planner Schroeder explained why Dual Urban Opportunity (DUO) housing is not a permitted use in Village Center 1D.

Commissioner Pyne confirmed with Principal Planner Schroeder that a residential development on a site that permits residential use that is later rezoned for commercial use would then be considered a legal nonconforming development. Principal Planner Schroeder explained that in such a case, the residential development would be unable to expand or add units if it becomes subject to

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commercial use requirements.

Commissioner Serrone and Senior Planner Cucinotta discussed how the residential density for each Village Center is in alignment with what is in the City's Housing Element and that this influenced the proposed zoning boundary lines.

Commissioner Serrone asked why the proposed Village Center Master Plan did not include a contingency plan for Village Centers 5 and 6 in the event the redevelopment projects for those sites fail to move forward. City Attorney Moon advised him that the Planning Commission may recommend that the City Council direct staff to work on such a contingency plan.

Commissioner Serrone received additional information from City Attorney Moon about how the General Plan currently allows residential use for sites that are zoned for commercial use. She explained that the proposed Village Center Master Plan designates specific sites with a proposed zoning designation of VCC or VCO to prevent residential developments from replacing existing commercial land uses.

Commissioner Serrone confirmed with City Attorney Moon that, if approved, the proposed ordinance will not be effective until 30 days after the second reading of the ordinance which may not be until the end of July 2025.

Commissioner Serrone questioned how impacted businesses are not aware of redevelopment projects that may eliminate their ability to provide services. Principal Planner Schroeder answered that property owners may not be relaying this information to the businesses they lease to.

Commissioner Sigura expressed his concerns about how small businesses that are displaced due to redevelopment are unable to relocate due to high costs. Senior Planner Cucinotta answered that the City's Economic Development Division is considering ways to address this issue.

Commissioner Sigura asked whether there will be protections in place to prevent a developer from redeveloping a site zoned for mixed-use for an all-residential project. Senior Planner Cucinotta responded that zoning designations do not dictate real estate transactions.

Commissioner Shukla spoke in overall support of the proposed Village Center Master Plan and empathized with members of the public who voiced their concerns

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regarding the proposed redevelopment in Village Center 5. She explored options for retaining retail services on that site including recognizing them as cultural heritage resources. Senior Planner Cucinotta explained that this site may not be converted to a purely commercial site since it is included in the Housing Element's residential sites inventory and must meet a certain residential capacity. He also clarified that all sites in the proposed Village Center Master Plan that are to have a land use designation of VCMU are identified in the Housing Element's residential sites inventory. City Attorney Moon advised Commissioner Shukla that she may make a recommendation to City Council to study an anti-displacement program for retail since zoning standards do not dictate such matters.

Commissioner Figone asked whether sites zoned for commercial use may be placed near transit stops to prevent the parking minimum requirement from applying to them. Senior Planner Cucinotta noted that only Village Center 7 is near a light rail station, and he explained how AB 2097 would apply.

At Commissioner Figone's request, Senior Planner Cucinotta provided additional details on consequences associated with the denial of the proposed Village Center Master Plan.

At Commissioner Figone's request, City Attorney Moon offered her perspective on the Builder's Remedy.

Commissioner Figone commented that, in his opinion, commercial spaces on mixed-use sites should provide enough parking to accommodate visitors and not residents of the site alone.

Commissioner Serrone noted that the retail preservation incentive program for certain Village Center sites was not included in the proposed Village Center Master Plan. Senior Planner Cucinotta explained why. Commissioner Serrone voiced his support of a motion that includes staff's recommendation and a recommendation to include the retail preservation incentive program in the proposed Village Center Master Plan. He specified that this recommendation would apply to all Village Center sites. Senior Planner Cucinotta advised that the Planning Commission may propose such a recommendation to the City Council. Planning Officer Mendrin noted that the application of the retail preservation incentive program to all Village Center sites would result in the loss of Below Market Rate (BMR) units.

Chair Iglesias responded to comments made by the public.

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Chair Iglesias confirmed with Senior Planner Cucinotta that the proposed Village Center Master Plan is staff's best attempt to preserve the commercial square footage in the Village Centers.

Chair Iglesias responded to comments made by Planning Commissioners who spoke before him.

Commissioner Pyne questioned whether the area designated for VCMU on Village Center 5 could be relocated to the site frontage while the area designated for VCC could be placed at the rear of the site.

Commissioner Pyne confirmed with Planning Officer Mendrin that the sales office located in Village Center 2 is permitted on a site designated for commercial use since it is temporary.

Commissioner Pyne and Senior Planner Cucinotta discussed why most land use types that fall under education, recreation, and place of assembly are not permitted in sites to be zoned VCC.

Commissioner Pyne shared his concerns about permitting a restaurant drive-through with a Special Development Permit for sites to be zoned VCC.

MOTION: Commissioner Pyne moved and Commissioner Shukla seconded the motion to approve Alternative 2 – Alternative 1 with modifications.

The modifications direct City staff to do as follows:

1. Identify to the City Council the reasons why the Village Center Master Plan Table 4-3 (Planning Permit Required per Land Use Type and Zoning District) identifies certain land use types under education, recreation, and place of assembly as permitted in the VCMU zoning district but prohibited in the VCC zoning district.

2. Explore and, later, present alternative zoning boundary locations for Village Centers 5 and 6 that do not reflect the land use locations of the proposed development plans currently under review by City staff.

3. Return to City Council after the July 1, 2025, public hearing to consider further incentive programs to preserve existing retail and reduce barriers for small

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businesses in the Village Centers, including but not limited to, a first right of refusal for businesses that are displaced during redevelopment and potential anti-displacement density bonus incentives.

Commissioner Pyne spoke in support of the proposed Village Center Master Plan, agreed that it is needed, and highlighted the imbalance of equity between north and south Sunnyvale.

Commissioner Shukla thanked City staff for developing a comprehensive Village Center Master Plan, acknowledged the negative impact that redevelopment has on small businesses, and voiced her support of the motion.

Commissioner Serrone confirmed his support of the motion and shared his hope that the proposed Village Center Maser Plan, and especially the urgency ordinance, may be enacted as soon as possible.

Chair Iglesias stated that he is in support of the motion as well.

The motion carried by the following vote:

- Yes: 5 Chair Iglesias Commissioner Pyne Commissioner Serrone Commissioner Shukla Commissioner Sigura
- **No:** 0
- Absent: 1 Vice Chair Davis
- Abstained: 1 Commissioner Figone

This recommendation will be forwarded to the City Council for consideration at the July 1, 2025, meeting.