



City of Sunnyvale

Agenda Item

26-0311

Agenda Date: 2/23/2026

REPORT TO PLANNING COMMISSION

SUBJECT

Proposed Project: Related applications on a 20.55-acre site:

USE PERMIT: to demolish six industrial office buildings and construct 329 three-story townhomes and detached dwelling units which includes 41 Accessory Dwelling Units; and,

VESTING TENTATIVE MAP: to subdivide the existing two lots into 151 single family lots, 23 lots with 178 condominium units, and 30 common parcels.

Location: 510 and 920 De Guigne Drive (APNs: 205-22-022 and 205-22-023)

File #: PLNG-2025-0230

Zoning: M-S (Industrial and Service)

Applicant / Owner: TC III SPP NORTH LLC (applicant) / TC III SPP NORTH LLC (owner)

Environmental Review: Environmental impacts of the project are addressed in the Land Use and Transportation Element (LUTE) Environmental Impact Report (EIR); no additional review required per CEQA Guidelines Section 15183-

Project Planner: Momo Ishijima, (408) 730-7532, mishijima@sunnyvale.ca.gov

REPORT IN BRIEF

General Plan: Medium Density Residential

Existing Site Conditions: 381,000-square foot industrial/office buildings and surface parking lots

Surrounding Land Uses

North: Multi-family residential (townhomes) across De Guigne Drive

South: Industrial/Office across Stewart Drive

East: City Park (Swegles Park) and multi-family residential (apartments)

West: Industrial/office, restaurant, and multi-family residential (townhomes) across De Guigne Drive

Issues: Concession and Waivers from Development Standards

Staff Recommendation: Alternative 1. Make the required findings to approve the CEQA determination that the project is consistent with the LUTE EIR and no additional environmental review is required pursuant to CEQA Guidelines Section 15183 and approve the Use Permit based on the Recommended Findings in Attachment 3 and subject to the Recommended Conditions of Approval in Attachment 4.

BACKGROUND

Description of Proposed Project

The project site is 20.55 acres in size and is currently developed with six two-story industrial office buildings totaling 381,000 square feet. The proposed project would demolish the existing buildings and construct 329 residential units, consisting of 178 attached three-story townhome units and 151 detached three-story single-family homes. The single-family homes will also include 41 attached

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accessory dwelling units (ADU) on the first floor. With the ADUs, a total of 370 units are proposed. The project proposes to utilize the State Density Bonus Law and is requesting one concession and 16 waivers.

A Use Permit (UP) is required for residential developments applying the R-3 (medium density residential) zoning standards on properties with a General Plan Land Use Designation of Medium Density Residential, per Sunnyvale Municipal Code (SMC) Section 19.18.030, and this process is appropriately applied to this project which is utilizing the standards of the R-3 zone as the conforming zoning district for the Medium Density Residential land use designation. A Tentative Map (TM) is required for the creation of 151 single family lots, 23 lots with 178 condominium units, and 30 common parcels per SMC Chapter 18.20. The findings to grant approval for a UP and TM are discussed in the Recommended Findings in Attachment 3. See Attachment 1 for a vicinity map and mailed noticed area and Attachment 2 for the Project Data Table.

Previous Actions on the Site

The northern parcel (920, 930 and 950 De Guigne Drive) was developed with three industrial office buildings in 1990. The southern parcel (510 De Guigne Drive and 935 and 945 Stewart Drive) was developed with three industrial office buildings in 1998. Currently, two buildings on the northern parcel are vacant, and one building is vacant on the southern parcel. Prior to the existing developments, there were industrial office buildings constructed in the 1960's which were occupied by AMD, Signetics, and Western Digital at various times. Prior to the 1960's, the site was agricultural land.

A General Plan Amendment was initiated in 2010 to transition the northern parcel from industrial to residential (ITR/R3) along with a proposal to construct 100 residential units. The project was withdrawn due to ownership change.

In 2014, City Council initiated a study to develop the East Sunnyvale Sense of Place Plan (ESSPP) to plan for a viable residential neighborhood within the study area including the East Sunnyvale Industrial to Residential (ITR) sites directly to the north and east of the project site which had redeveloped the AMD campus and 915 De Guigne Drive site. The project site is located within the boundaries of the East Sunnyvale Sense of Place Plan adopted in November 2015 (see Attachment 14). The General Plan Land Use Designation of Medium Density Residential was assigned to the site in 2017 with the Land Use and Transportation Element (LUTE) update. The base zoning remained M-S (Industrial and Service) based on soil conditions. State law allows residential uses on the site based on the General Plan Land Use designation regardless of zoning.

The applicant submitted an SB330 Preliminary Application on October 17, 2024, which locked in the development standards and fees in place at that time. There are no active Neighborhood Preservation complaints at the site.

EXISTING POLICY

General Plan Goals and Policies: Key goals and policies from the Land Use and Transportation and Housing Chapters of the General Plan that pertain to the proposed project are provided in the Recommended Findings in Attachment 3.

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East Sunnyvale Sense of Place Plan: Key goals and objectives from the ESSPP that pertain to the proposed project are provided in Attachment 3.

ENVIRONMENTAL REVIEW

A program-level Environmental Impact Report (EIR) was prepared for the General Plan Land Use and Transportation Element (LUTE) Update (State Clearinghouse No. 2012032002) per the California Environmental Quality Act (CEQA), which was certified by the City Council on April 11, 2017 (the "LUTE EIR"), and identified broad environmental impacts resulting from the proposed development intensities. Certification of the LUTE EIR included adoption of a Mitigation Monitoring and Reporting Program (MMRP) which requires the implementation of measures to reduce the potentially significant impacts to a less than significant level. The applicable mitigation measures in the LUTE EIR MMRP (see Attachment 7) have been incorporated into the Recommended Conditions of Approval in Attachment 4.

The City's CEQA consultant, Ascent, prepared an environmental checklist (Attachment 6) to determine whether the environmental impacts of the proposed project are within the scope of the LUTE EIR, or if the project or changed environmental conditions result in new or substantially more severe environmental impacts, as compared to those considered in the LUTE EIR. The checklist also considered whether there is new information of substantial importance showing that new or substantially more severe environmental impacts would occur compared to that evaluated in the LUTE EIR.

Review of the project, including technical studies, confirmed the project is consistent with the certified LUTE EIR analyses and did not reveal new impacts that warranted further environmental review pursuant to Section 15183 of the CEQA Guidelines (consistency with the General Plan). The proposed total 370 residential units (with ADUs) are consistent with the residential density studied in the LUTE EIR. Therefore, staff finds that the environmental impacts of the project are addressed in the LUTE EIR and that no additional review is required as per CEQA Guidelines 15183. (See Attachment 15 for the website link to the LUTE EIR.) Existing soil conditions are discussed separately below.

DISCUSSION

Present Site Conditions

The 20.55 acre project site is located in East Sunnyvale, south of U.S. Route 101, north of Santa Clara County Central Expressway, and west of Santa Clara County Lawrence Expressway. The two parcels are bounded by De Guigne Drive to the north and west, Stewart Drive to the south, and Swegles Park, a City park, to the east. There are multi-family residences to the north and west, a multi-family apartment to the east, and industrial offices to the south and west. A project at 845 Stewart Drive (which currently includes the Agape Grill), across De Guigne Drive, to demolish the existing industrial office building with a restaurant and construct 28 multi-family residences was approved by the Planning Commission on January 26, 2026.

The existing six two-story industrial office buildings are approximately 37 feet in height. Three buildings on each parcel are positioned in the center around a courtyard and with surface parking all around the buildings. There are three driveways on De Guigne Drive on the northern parcel, and one driveway on De Guigne Drive and two driveways on Stewart Drive on the southern parcel. There are bicycle lanes on both De Guigne Drive and Stewart Drive. There are 580 trees on and around the

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perimeter of the project site. The north parcel has a painted steel sculpture by James Mitchell located central to the parcel. The south parcel has a granite and brass sculpture by Richard Deutsche located near the center driveway on Stewart Drive.

Site Layout and Architecture

The proposed project includes two residential components, totaling 329 primary dwelling units (370 units with ADUs). The first component consists of 151 detached single-family homes (on fee simple lots) with 41 attached ADUs on the ground floor. The single-family homes are primarily located towards the middle of the project site. The second component consists of 178 attached townhomes (condominium-style ownership) and are generally sited along the site perimeter and street frontages. A 20-foot wide publicly accessible multi-use path linking Stewart Drive to the south and Swegles Park to the north is located along the east property line.

There will be two driveways on De Guigne Drive and one driveway on Stewart Drive. Internal circulation will be provided by 24-foot wide private streets. The project implements the ESSPP vision for a pedestrian oriented streetscape with a new 12-foot wide sidewalk with street trees along De Guigne Drive and 11-foot wide sidewalk with street trees along Stewart Drive. An entry plaza will be located at the multi-use path on Stewart Drive.

The project proposes landscape and open spaces with a shared children's play area, flexible use area, and amenities around the clubhouse and pool area near the De Guigne Drive driveway entrance (See Attachment 5, Sheet L0.8). The clubhouse is 2,021 square feet and the pool house is 711 square feet. Open space areas are also provided along the De Guigne Drive and Stewart Drive frontages, multi-use path along the east property line, and picnic area near the townhomes on the south side. There are other landscaped areas between the homes and buildings of which some are retention basins for stormwater management. The large stormwater retention area adjacent to Swegles Park and De Guigne Drive is a lower elevation point in the development. This area is not usable open space, however, landscaping and the relocation of one of the public art elements (steel sculpture) will provide the residents and neighbors with visual and recreational enjoyment. The granite sculpture will be relocated across Stewart Drive to the south adjacent to the twin sculpture.

The three-story single-family homes and townhouses will range in height as measured from the top of the nearest street curbs from approximately 39 feet to 45 feet. The single-family homes include three-bedroom to five-bedroom units with 49 units with ADUs, and range from 2,488 square feet to 3,598 square feet in size with 582-square foot ADUs. The townhomes units range from two-bedroom to four-bedrooms, and range from 1,435 square feet to 2,904 square feet in size.

The project architecture for the single-family and townhomes can be described as modern vernacular style incorporating both Farmhouse and Traditional materials and details. Design features include gabled and hip roof forms, vertical projections and offsets break up the massing along the building façades, stucco walls with varying colors, fiber cement panels which appear like horizontal wood siding, board and batten style vertical sidings, and dark horizontal railings at the balconies.

Staff finds that the proposed architectural design is substantially consistent with the Citywide Object Design Standards for Multi-family and Mixed-Use Development (ODS) design guidelines through use of high-quality materials, attention to detail at focal points including both street frontages, architectural forms that vary in accents and depth, and interesting pedestrian-scale elements that define the ground floor.

Residential Density

The applicable residential density requirement (“base maximum density”) is 24 dwelling units per acre, as prescribed by the General Plan Medium Residential Density land use designation. The Housing Element includes Policy H-1.4 requiring a minimum of 75% of the base maximum zoning density. The proposed density of 18 dwelling units (with ADUs attached to the single-family homes) per acre complies with this requirement.

State Housing Legislation

The project is considered a “housing development project” under the Housing Accountability Act (HAA) and Housing Crisis Act (SB 330) because it is a multi-family development. These laws limit the circumstances to deny a housing development project that is consistent with applicable “objective standards.” The HAA defines “objective” to mean, *“involving no personal or subjective judgement by a public official and being uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and public official.”* When a project complies with all applicable objective standards, cities are prohibited from reducing units or denying the project unless, based on a preponderance of evidence, the city finds there is a specific, adverse impact on public health or safety where there is no feasible method to mitigate or avoid without denying or reducing the density of the project.

Development Standards

The project complies with several applicable development standards in the SMC, such as lot coverage, total landscaped area, bicycle parking, and solar access. The applicant proposes to utilize the State Density Bonus Law for one concession and 17 waivers of development standards. The Project Data Table in Attachment 2 summarizes the project's compliance with SMC and Citywide Object Design Standards for Multi-family and Mixed-Use Development (ODS) development standards.

State Density Bonus Law

The project will include 49 units that will be available for sale to moderate income households (15% affordable). This affordability level qualifies the project for State Density Bonus Law and allows the developer to request one concession and unlimited number of waivers of development standards.

Concession: The project is entitled to one concession, which means relief from compliance with an objective regulatory requirement that results in identifiable and actual cost reductions to the project. The applicant requests a concession to allow non-recessed windows, where the ODS standard (ODS 4.3.1.1) requires windows to be recessed at least two (2) inches from the wall.

The applicant's State Density Bonus Law Request Letter and Exhibits in Attachment 8 notes that the requirement to recess windows would require additional space, framing, building supplies and labor, and detrimental to the financial feasibility of the Project.

Waivers: Unlimited waivers (reduction in development standards) are permitted if the applicant can demonstrate that compliance with the development standards would physically preclude them from constructing the proposed development with the allowed number of units. The applicant has provided a letter and exhibits (see Attachment 8), which provides these justifications. The applicant requests the following 17 waivers:

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1. **Maximum Building Height:** The project proposes a range of building heights from 38-feet 11-inches to 44-feet 1-inches where a maximum building height of 35-feet is allowed. The proposed building height is comprised of approximately 9-foot interior plate height for each floor in the 3-story units; room between each floor for utilities, etc.; and pitched roof. The requested waiver is reasonable in that the proposed three-story and pitched roof design are similar to other three-story residential projects. (SMC Section 19.32.020)
2. **Minimum Front Yard Setback:** The minimum front yard setback is 15 feet. The project proposes a range of 3-foot to 5-foot setback for homes fronting the private streets. The project exceeds the minimum front yard setback along the public street frontages (SMC Section 19.34.030).
3. **Average Front Yard Setback:** The average front yard setback is 20 feet. The project proposes an average 5-foot setback for homes fronting the private streets (SMC Section 19.34.030).
4. **Minimum Side Yard Setback:** A minimum side yard setback is 12 feet for three story structures. The project proposes 4 feet for the single-family homes (SMC Section 19.34.030). The requested waiver enables the project to maximize the number of units in the development.
5. **Minimum Total Side Yard Setback:** A minimum total side yard setback is 26 feet. The project proposes 8 feet for the single-family homes (SMC Section 19.34.030). The requested waiver enables the project to maximize the number of units in the development.
6. **Minimum Rear Yard Setback:** A minimum rear yard setback is 20 feet. The project proposes 5 feet for the single-family homes (SMC Section 19.34.030). The requested waiver enables the project to maximize the number of units in the development.
7. **Minimum Lot Size:** A minimum lot size of 8,000 square feet is required. The project proposes 1,617 square feet to 2,855 square feet for the single-family home lots (SMC Section 19.30.020). The requested waiver enables the project to maximize the number of units in the development.
8. **Minimum Lot Width:** 82 feet width for corner lots and 120 feet width for interior lots are required. The project proposes 29 to 48 feet for the single family lots (SMC Section 19.30.020). The requested waiver enables the project to maximize the number of units in the development.
9. **Mechanical Equipment:** Ground mounted mechanical equipment over 18 inches in height must meet the minimum side and rear setback requirement. The proposed AC condensers cannot meet these requirements (SMC Section 19.48.100).
10. **Open Space Amenities:** Project must achieve 50 points on the requirements table. The project proposes 20 points (ODS 6.4).
11. **Minimum Ground Floor Plate Height :** A 14-foot minimum ground floor plate is required. The project proposes an 8 to 9 foot plate height (ODS 2.2 Table 2A).
12. **Trees in Common Open Space:** One tree per 300 square feet of common open space. The project proposes one tree per 2,000 square feet of common open space (ODS 7.5.6).
13. **Building Frontage at Front Setback:** 65% to 85% of the building frontage must be located at the minimum front setback. The project cannot meet the requirement along De Guigne Drive and Stewart Drive due to space required for landscaping and open space as well as utilities, infrastructure, and easements. (ODS 2.2 Table 2A).
14. **Maximum Building Setback from Minimum Front Yard Setback:** The requirement is for the buildings to be setback no more than 10 feet from the front setback. The project cannot meet the requirement along De Guigne Drive and Stewart Drive due to space required for landscaping and open space as well as utilities, infrastructure and easements. (ODS 2.2 Table 2A).
15. **Vehical Access to Garage:** Recess garage doors 20 feet. All of the garage doors face the private streets and the project proposes 5-foot recess. (ODS 5.2.1).
16. **Loading Space:** One service restricted parking space shall be provided for each building within

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10 feet with a dimension of 35 feet length and 350 square feet size. The project cannot meet the number of service restricted parking spaces or dimensions required due to the number of buildings onsite. Three service restricted parking spaces shall be provided distributed throughout the development (SMC Section 19.48.030).

17. Common Open Space External Accessibility: Project must achieve 120 points. The project proposes 100 points (ODS 6.2.1.2.2).

The applicant's justification letter cites specific site constraints that limit the ability to comply with the development standards listed above, thereby, warranting a request for waivers. To meet density requirements as well as circulation requirements for emergency vehicles and solid waste collection, required setbacks, and greater setbacks for two street frontages, staff finds that the requested waivers for lot size, lot width, setbacks, loading spaces, garage access, and open space accessibility are justified (see Attachment 8 - State Density Bonus Law Request Letter from Applicant). The waiver for maximum height and minimum ground floor plate height is also typical for three-story residential development. Therefore, staff finds that the requested waivers meet the State Density Bonus Law finding.

Staff also finds that granting the waivers is reasonable and would not result in negative impacts. Exterior setbacks that would impact the streetscape and adjacent neighbors exceed minimum requirements, and deficiencies are primarily internal to the site. The height of the townhouse buildings is also standard to the townhomes in the neighborhood.

Traffic

The project provides enhanced multimodal transportation access, and would install sidewalk improvements along its project frontages, including street trees and pedestrian-scaled lighting in accordance with ESSPP requirements. Per Council Policy 1.2.8, Vehicles Miles Traveled (VMT) is used to identify potential transportation impacts of a proposed land use project. The project is in an area where the average VMT per capita is 15% below the Countywide VMT Baseline Average. Therefore, the project will not trigger any transportation-related impacts per CEQA and a VMT analysis is not required.

Neighbors raised concerns during the Community Outreach Meeting related to speeding, blind curb, parking on De Guigne Drive, much needed traffic calming measures, and a request for a three way STOP at De Guigne Drive and Santa Real Avenue. The City's Transportation and Traffic Division has indicated that the roadway classification for De Guigne Drive and Stewart Drive are Commercial/Industrial Collector and speed bumps and after-hours parking over a bicycle lane would not be possible. A 2019 traffic study concluded that additional STOP signs are not warranted at the De Guigne Drive and Santa Real Avenue T-intersection. However, the City will likely study options for the T-intersection at De Guigne Drive and Santa Real Avenue after the development is built and occupied.

Transportation Demand Management

The project is subject to the City's multifamily residential TDM requirements, with a minimum of 10 points required from the adopted TDM strategies list. The project meets the 10 required TDM points through its proximity to commercial uses, access improvements including providing the publicly accessible multi-use path connection and a new crosswalk, and relocation and improvements to the Valley Transportation Authority (VTA) bus stop on Stewart Drive. (See Attachment 10)

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Parking

The project is applying the State Density Bonus Law parking standard which requires 652 parking spaces (1.5 parking spaces for two- and three-bedroom units, 2.5 parking spaces for four- and five-bedroom units, and no unassigned parking requirements). The project proposes 767 total parking spaces, including 116 unassigned parking spaces which are uncovered parking spaces distributed within the development. The project exceeds the State Density Bonus Law parking standards by 115 parking spaces. Each single-family and townhome will have garages, with 18 of the two-bedroom townhomes with a one-car garage, 11 of the five-bedroom single-family homes with a three-car garage, and 300 single-family and townhomes with two-car garages. The garage sizes range from 252 square feet for the one car-car garage to 702 square feet for the three-car garage.

The proposed project meets the minimum required bicycle parking spaces by providing 658 Class I (garage) spaces and 30 Class II (racks) spaces, where a minimum of 83 Class I spaces are required (SMC Section 19.46.150).

Landscaping and Tree Preservation

The SMC requires a minimum of 20% total landscaping and 425 square feet of landscaping per unit. The project exceeds both by proposing 20.1% overall landscaping and 547 square feet of landscaping per unit.

An Arborist Report was prepared for the proposed project which identified 580 trees to be removed from the project site. 226 are considered protected trees under the SMC with trunks that are at least 38 inches in circumference measured 4.5 feet from grade per SMC Section 19.94.030. The applicant has proposed the removal of all trees due to conflicts with the proposed building locations, circulation areas, and public improvements in various areas of the site.

The City Arborist and Planning Division staff walked the project area with the applicant to verify the proposed removals and finds the tree removals to be reasonable due to conflicts with the location of the homes, buildings, infrastructure and improvements. The proposed project has been designed to accommodate 157 new 24-inch box trees scattered throughout the site. In order to comply with the City's Tree Replacement Standards, the project proposes to pay a tree replacement in lieu fee for the remaining amount (See Attachment 4, BP-22). In addition, new street trees will be planted along De Guigne Drive and Stewart Drive.

Green Building and Reach Code Requirements

In accordance with Green Building Program requirements, the project would be required to achieve a minimum of 90 points on the GreenPoint Rated checklist.

In May 2024, the City suspended enforcement of the all-electric provisions in the Reach Code, which means that projects approved during the suspension would not be required to build all-electric. The project voluntarily complies with the City's Reach Codes through all-electric construction with no natural gas connection.

Solid Waste and Recycling Access

The project includes single-family recycling and garbage service, with individual carts to be staged on-site during trash collection in front of the individual garage doors or along private streets. The applicant has worked with Environmental Services and Public Works Department staff to determine that the internal circulation satisfies the requirements for solid waste and recycling collection vehicles.

Hazardous Materials

The applicant has prepared a Phase I and Phase II Environmental Site Assessment as well as submitted and received approval of a Site Management Plan (SMP) from the San Francisco Bay Regional Water Quality Control Board (see Attachments 12 and 13).

The reports find that the project site and future residential use would be appropriately protected through installation of vapor barriers and passive venting, and the project will include implementation of a Vapor Intrusion Mitigation System (VIMS) to ensure that future residences would not be affected by potential vapor intrusion from onsite affected soils. Condition of Approval PS-4 has been included to require the developer to submit additional Soil Vapor Investigation Reports, Vapor Intrusion Mitigation System (VIMS) Design Plan, and Operation Maintenance and Mitigation (OMM) Plan as requested by the Regional Water Quality Control Board prior to the first demolition, grading, or building permits (see Attachment 4). The Regional Water Quality Control Board will continue to be the regulatory agency reviewing and approving the measures.

Vesting Tentative Map

The Vesting Tentative Map calls for subdivision of the existing two lots into 151 single family lots, 23 lots with 178 condominium units, and 30 common parcels. A Homeowners Association (HOA) will ensure ongoing maintenance of common areas such as surface parking, private walkways, public pedestrian access, private utilities, and public utilities.

Easements

The development includes several easements to enable ingress/egress and emergency vehicle access, and a one-foot street easement that would be dedicated along De Guigne Drive. A 10-foot wide Public Utility Easement along De Guigne Drive will be partially vacated. A 20-foot wide Public Access Easement for a multi-use path through the site, connecting Stewart Drive to Swegles Park will be provided; as well as public utility easements and private easements for storm drain, sanitary sewer, water, and fire service.

FISCAL IMPACT

The project will be subject to the payment of fees including the Park Dedication In-Lieu Fee, Transportation Impact Fee, East Sunnyvale Sense of Place Fee as noted in the Conditions of Approval.

PUBLIC CONTACT

Neighborhood Outreach Meeting

The applicant hosted a neighborhood outreach meeting at the project site on November 19, 2025, with approximately 40 members of the public present. The attendees asked questions about parking, traffic, park space, retail and commercial space, construction schedule, and Below Market Rate units. Neighbors expressed support of housing. The concerns expressed were regarding parking, access to retail and commercial services, ground water contamination, and speeding on De Guigne Drive. Several correspondences from neighbors expressing concerns related to the project were received and have been included (see Attachment 11).

Under the conditions of project approval, a Construction Management Plan will be required to be submitted for staff's review of the construction schedule, equipment and material staging, construction parking, truck routes, and lane closure protocol in order to reduce impacts during

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construction (see Attachment 4).

The City shares concerns about access to commercial services. The zoning and general plan designation of the project site allow residential use, at the density requested. Commercial is not required on the project site. After the neighborhood outreach meeting was conducted, the application to redevelop the nearby Fair Oaks Plaza shopping center at 929 East Duane Avenue (Village Center 5) was revised to comply with the minimum commercial floor area requirement with over 18,000 square feet of commercial uses (10% of the lot size). That application is still under review.

Planning Commission Study Session

The Planning Commission reviewed the project plans at a study session on November 24, 2025. The Planning Commission was generally supportive of the project design and the small lot single family type homes, however, inquired about the concession from the ODS prohibition on the use of Exterior Insulation and Finishing System (EIFS) and waivers related to setbacks for single-family homes. The Planning Commission also commented on the planting of native species, accessibility of units, and pedestrian access for internal units. One member of the public commented on the need for a balanced redevelopment of the area with retail commercial amenities and service. The applicant has removed the concession request for EIFS and also provided additional renderings internal to the development in response to questions raised by the Planning Commission during the Study Session (see Attachment 5).

Public Noticing

Public contact was made by posting the Planning Commission meeting agenda on the City's official notice bulletin board at City Hall. In addition, the agenda and this report are available at the City Hall reception desk located on the first floor of City Hall at 456 W. Olive Avenue (during normal business hours), and on the City's website. 4,254 notices were sent to surrounding property owners and residents adjacent to the subject site in addition to standard noticing practices, including advertisement in the Sunnyvale Sun Newspaper and on-site posting.

Public comments received before and after the Community Outreach Meeting and Planning Commission Study Session in November have been included as Attachment 11. No additional letters or calls were received from the public at the time of drafting this report.

ALTERNATIVES

1. Make the required findings to approve the CEQA determination that the project is consistent with the LUTE EIR and no additional environmental review is required pursuant to CEQA Guidelines Section 15183 and approve the Use Permit and Vesting Tentative Map based on the Recommended Findings in Attachment 3 and Recommended Conditions of Approval in Attachment 4.
2. Make the required findings to approve the CEQA determination that the project is consistent with the LUTE EIR and no additional environmental review is required pursuant to CEQA Guidelines Section 15183 and approve the Use Permit and Vesting Tentative Map based on the Recommended Findings in Attachment 3 with modified Conditions of Approval in Attachment 4.
3. Do not make the required Findings and direct staff where changes should be made.

STAFF RECOMMENDATION

Alternative 1. Make the required findings to approve the CEQA determination that the project is consistent with the LUTE EIR and no additional environmental review is required pursuant to CEQA

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Guidelines Section 15183 and approve the Use Permit and Vesting Tentative Map based on the Recommended Findings in Attachment 3 and Recommended Conditions of Approval in Attachment 4.

The proposed project furthers the goals and objectives of the General Plan and ESSPP by providing both single-family and townhouse ownership housing options consistent with planned density. The proposed project includes land uses/intensities and a project design that contributes towards an improved quality of life, a more balanced jobs-to-housing ratio, and minimizes sprawl. The project also complies with the City's objective design standards, contributes to a sense of place, and an enhanced pedestrian experience within the ESSPP and the De Guigne Drive and Stewart Drive streetscapes. The applicant's justifications for the requested concession and waivers are reasonable as they still result in a well-designed project.

No new significant environmental impacts would occur with implementation of the project and all approved mitigation measures in the LUTE EIR would continue to be implemented. Staff also finds that neighborhood impacts are minimized, as the project complies with most development standards that impact the site periphery, such as lot coverage, solar shading, and front setbacks (along De Guigne Drive and Stewart Drive). In addition, the required right-of-way improvements, such as wider sidewalks along both street frontages and a crosswalk on Stewart Drive as well as publicly accessible multi-use path that will connect to Swegles Park will be an improvement to the neighborhood.

In the future the City will initiate a Rezone of the site to make the zoning consistent with the use on the site. Similar to what was done for other sites in the City in January 2025 with the ITR rezonings.

LEVINE ACT

The Levine Act (Gov. Code Section 84308) prohibits city officials from participating in certain decisions regarding licenses, permits, and other entitlements for use if the official has received a campaign contribution of more than \$500 from a party, participant, or agent of a party or participant in the previous 12 months. The Levine Act is intended to prevent financial influence on decisions that affect specific, identifiable persons or participants. For more information see the Fair Political Practices Commission website: www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html

An "X" in the checklist below indicates that the action being considered falls under a Levine Act category or exemption:

SUBJECT TO THE LEVINE ACT

- Land development entitlements
- Other permit, license, or entitlement for use
- Contract or franchise

EXEMPT FROM THE LEVINE ACT

- Competitively bid contract*
- Labor or personal employment contract
- Contract under \$50,000 or non-fiscal
- Contract between public agencies
- General policy and legislative actions

* "Competitively bid" means a contract that must be awarded to the lowest responsive and

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responsible bidder.

Prepared by: Momo Ishijima, Senior Planner
Reviewed by: Noren Caliva-Lepe, Principal Planner
Approved by: Shaunn Mendrin, Planning Officer

ATTACHMENTS

1. Noticing and Vicinity Map
2. Project Data Table
3. Recommended Findings
4. Recommended Conditions of Approval
5. Site and Architectural Plans
6. CEQA Environmental Checklist
7. LUTE EIR Mitigation Monitoring and Reporting Program (MMRP)
8. State Density Bonus Law Request Letter from Applicant and Waiver Exhibit
9. Applicant Use Permit Justification
10. Transportation Demand Management (TDM) Plan
11. Public Comments Received
12. Link to East Sunnyvale Sense of Place Plan (ESSPP)
13. Link to LUTE Final EIR
14. Links to Phase I and Phase II Environmental Site Assessments
15. Site Management Plan
16. Approval from Regional Water Quality Control Board of Site Management Plan