



City of Sunnyvale

Agenda Item

23-0253

Agenda Date: 2/6/2023

REPORT TO PLANNING COMMISSION

SUBJECT

Proposed Project: Adopt a Resolution for a:

SPECIFIC PLAN AMENDMENT to modify Block 20 of the Downtown Specific Plan to allow additional residential units and office square footage, and associated modifications to design guidelines and development standards; and

GENERAL PLAN AMENDMENT to reflect increases in Projected Build-out in the Land Use and Transportation Element (LUTE).

Location: 510 and 528 S. Mathilda Avenue (APNs:209-29-060 and 061), and 562 and 568 S. Mathilda Avenue (APNs:209-29-057 and 067)

File #: 2018-7585

Zoning: DSP (Block 20)

Applicant / Owner: Shawn Karimi, Karimi Shahriar Trustee, (applicant and owner 510 and 528 S. Mathilda Avenue) and Sam Cloud Barn LLC (Shawn Taheri) (applicant and owner 562 and 568 S. Mathilda Avenue)

Environmental Review: Addendum to the Downtown Specific Plan Amendments Final Environmental Impact Report for the Block 20 Area Project.

Project Planner: Margaret Netto, (408) 730-1221, mnetto@sunnyvale.ca.gov

REPORT IN BRIEF

General Plan: Downtown Specific Plan

Existing Site Conditions: Residential, commercial and offices

Surrounding Land Uses

North: Commercial uses across W. Olive Avenue

South: Restaurants and commercial uses across El Camino Real (Cherry Orchard Shopping Center)

East: Two-story apartment complex and a three-story office building

West: City of Sunnyvale offices across S. Mathilda Avenue

Issues: Height and Massing

Staff Recommendation:

- 1) Rescind Planning Commission's December 12, 2022 action to recommend to City Council related actions associated with Block 20 of the Downtown Specific Plan; and
- 2) Conduct a new public hearing on the related actions associated with Block 20 of the Downtown Specific Plan; and
- 3) Make a new recommendation to City Council to: a. Accept the Addendum to previously certified 2020 DSP EIR Pursuant to CEQA Guidelines Section 15162 (Attachment 4), and b. Adopt a Resolution to amend the General Plan and Downtown Specific Plan (Attachment 5), Approve the DSP Amendments for Block 20 (Attachment 4, Appendix A), and Adopt a Resolution to amend Figure 3-2 in the Land Use and Transportation Element of the General

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Plan (Attachment 5).

BACKGROUND

On December 12, 2022, the Planning Commission held a public hearing regarding Amendments to the General Plan and to Block 20 of the Downtown Specific Plan (DSP) (see Attachment 1, Planning Commission Staff Report for analysis). The Planning Commission provided a recommendation to the City Council and the City Council subsequently took an action on January 10, 2023. Several members of the public who spoke at the Council hearing expressed concern that they had not received mailed notice of the hearing.

Upon further review, it has been determined that proper noticing had not occurred and that a new set of Planning Commission and City Council public hearings should be held. Since the project will have new public hearings, the City Council rescinded their action on January 24, 2023 (see Attachments 7 and 8). As part of the new consideration of this project, the Planning Commission will also have to rescind their recommendation from December 10, 2022 and make a new recommendation.

Proper neighborhood notification has now been conducted, which includes notices sent to interested parties and property owners and tenants within 2,000 feet of DSP Block 20, a newspaper ad published in *The Sun*, and on-site posting.

Staff's analysis of the proposed Amendments and recommendation to City Council is unchanged (see December 12, 2022 Planning Commission staff report in Attachment 1). The City Council is scheduled to make a final decision on February 14, 2023.

ALTERNATIVES

1. Rescind the December 12, 2022 Planning Commission recommendation to City Council regarding the Acceptance of an Addendum to the 2020 Downtown Specific Plan Environmental Impact Report, Adoption of a Resolution to Amend the General Plan and Downtown Specific Plan (DSP), Approve the DSP Amendments for Block 20, and Adopt a Resolution to Amend Figure 3-2 in the Land Use and Transportation Element of the General Plan.
2. Make a new recommendation to City Council to:
 - a. Accept the Addendum to previously certified 2020 DSP EIR Pursuant to CEQA Guidelines Section 15162 (Attachment 4); and
 - b. Adopt a Resolution to amend the General Plan and Downtown Specific Plan (Attachment 5), Approve the DSP Amendments for Block 20 (Attachment 4, Appendix A), and Adopt a Resolution to amend Figure 3-2 in the Land Use and Transportation Element of the General Plan (Attachment 5); and
 - c. Alternative 2b. with modifications to the allowed residential densities in the proposed DSP and General Plan Amendments.
 - d. Deny the DSP and General Plan Amendments and leave the current Block 20 development capacity, land uses and development standards in place.

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STAFF RECOMMENDATION

Recommend Alternatives 1, 2a, and 2b:

- 1) Rescind the December 12, 2022 Planning Commission recommendation to City Council regarding the Acceptance of an Addendum to the 2020 Downtown Specific Plan Environmental Impact Report, Adoption of a Resolution to Amend the General Plan and Downtown Specific Plan (DSP), Approve the DSP Amendments for Block 20, and Adopt a Resolution to Amend Figure 3-2 in the Land Use and Transportation Element of the General Plan.
- 2) Recommend the City Council:
 - a. Accept the Addendum to previously certified 2020 DSP EIR Pursuant to CEQA Guidelines Section 15162 (Attachment 4), and
 - b. Adopt a Resolution to amend the General Plan and Downtown Specific Plan (Attachment 5), Approve the DSP Amendments for Block 20 (Attachment 4, Appendix A), and Adopt a Resolution to amend Figure 3-2 in the Land Use and Transportation Element of the General Plan (Attachment 5).

JUSTIFICATION FOR RECOMMENDATION

The proposed Amendments to the DSP are consistent with the General Plan and DSP policies by providing additional housing opportunities and office/commercial space along the Mathilda Avenue corridor. The applicability of the City's Affordable Housing requirements and the potential use of Green Building Incentive and State Density Bonuses would provide the City with additional affordable units. All future development would be evaluated against the existing or amended DSP.

Prepared by: Margaret Netto, Senior Planner

Reviewed by: Noren Caliva-Lepe, Principal Planner

Reviewed by: Shaunn Mendrin, Planning Officer

Reviewed by: Trudi Ryan, Director of Community Development

Reviewed by: Teri Silva, Assistant City Manager

Approved by: Kent Steffens, City Manager

ATTACHMENTS

1. Report to Planning Commission [22-0912, December 12, 2022] (without attachments)
2. Vicinity Map and Noticing
3. Relevant General Plan and DSP Policies
4. Link to Addendum to the Downtown Specific Plan Amendments Final Environmental Impact Report for the Block 20 Area Project with Appendices
 - Appendix A: Downtown Specific Plan Amendments for Block 20
 - Appendix B: Project Details for 510-528 South Mathilda Avenue
 - Appendix C: Project Details for 562-568 South Mathilda Avenue
 - Appendix D: Air Quality, Energy, and Greenhouse Gas Modeling Data
5. Resolution to Amend the DSP and the General Plan Land Use and Transportation Chapter
6. Map of Block 20 within the DSP
7. Report to City Council [23-0233, January 24, 2023] (without attachments)
8. Draft Excerpt Minutes of the City Council Meeting of January 24, 2023